

UNCLASSIFIED

# Annual Budget Submission

## FY 1985

# YEMEN

BEST AVAILABLE



MAY 1983

Agency for International Development  
Washington, D.C. 20523

UNCLASSIFIED

FY 1985 ANNUAL BUDGET SUBMISSION  
YEMEN ARAB REPUBLIC

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## ACTION PLAN

### I. USAID PROGRAM GOALS AND OVERALL STRATEGY

The 1983 CDSS examined USAID strategy in the context of the four A.I.D. areas of emphasis--institutional development, technology transfer, policy dialogue and the private sector--in addition to participant training and integration of PL480 resources. This first Mission Action Plan will lay out in more concrete terms those elements of our program which are designed to address developmental goals fully-articulated in the extant and previous CDSSs and which cut across the four areas of Agency emphases. It will further integrate those aspects of the Near East regional strategy which have helped us to refine our own thinking about where we intend to be at the end of the FY 1985/1986 period.

The current US assistance strategy for Yemen was laid down in the FY 1980 CDSS and remains the basic foundation of our program. Briefly, the strategy is designed to address four major developmental goals: Expand equitable access to economic and social opportunities; increase the availability of and equitable access to services at the local level; restore and increase the productivity of natural resources and expand Yemen Arab Republic Government (YARG) capabilities to direct the flow of foreign and domestic resources into development programs and projects.

Institution-building, technology transfer and participant training are and will continue to be the core elements of the strategy designed to meet these goals. Furthermore, we will attempt to integrate more fully into our program policy dialogue issues, primarily as they relate to institutional development and private sector concerns where we feel we are able to capitalize on them.

This ABS includes a new element which was not covered in the CDSS. The December 1982 earthquake caused considerable damage to life and property in the Dhamar region of Yemen. As a result, and because the response of other donors has not been what was expected, the Mission proposes to target \$3.0 million for reconstruction assistance. This will raise our FY 1984 program to \$32.0 million (if we include the \$1.0 million additional proposed for Faculty of Agriculture construction supervision)--the higher of the two tracks established for Mission budget planning in FY 1984.

## II. FUNCTIONAL AREAS AND TARGETS FOR FY 1984-FY 1985

The recent series of regional strategic planning cables submitted by the Mission outline our intentions for the FY 1985-FY 1989 ABS planning period in seven key areas. The following Action Plan deals with the first two years of the period.

### A. Population

USAID has identified population as the number one development problem of the 1980s. Our objective in the area is to, at a minimum, stabilize the high population growth rate at 2.8% and reduce, through child-spacing, the infant mortality rate from 139-240 per 1,000 to 110-210 per 1,000 by 1989.

#### 1. Initiation of a Small Culturally-Sensitive Program in Family Planning Assistance

This project will provide primary health care workers with the training and educational material necessary to offer family planning advice through urban and rural health centers. Workshops for participants will be held and surveys of contraceptive users will be conducted.

#### 2. Sensitize YARG to Importance of Family Planning Issues

The recent RAPID presentation for Yemen was a key element in developing policy dialogue on population issues in Yemen. This dialogue will be pursued through workshops and demonstrations as appropriate for YARG officials in an effort to reinforce the breakthrough on this important issue.

#### 3. Strengthen Role of Private Sector in Family Planning Assistance

Pharmacies and other traditional outlets will be incorporated into a network for sale/distribution of contraceptive commodities. Sellers will be trained.

#### 4. Key Management Steps to Strengthen Mission Population Management Capacity

a. USAID will attempt to strengthen what has hitherto been the weak role of the Yemen Family Planning Association in administration of some aspects of program described above.

b. Mission will attempt to acquire an International Development Intern (IDI) in health/population to increase Mission capacity in this area.

## B. Education

The CDSS declares another country-specific objective to be the expansion and improvement of the primary education institutional infrastructure in Yemen. This objective will be achieved by:

1. Increasing the Number of Trained Yemeni to Staff Primary Teacher Training Institutes (PTTIs) and Other Educational Institutions Including Sanaa University and the Ministry of Education

Eastern Michigan University (EMU) will train up to 190 primary teacher-trainers through FY 1985. These teacher-trainers will return to the PTTIs to begin the training of primary school teachers who will be ultimately responsible for the education of Yemeni youth. Other personnel will be trained to assume educational management functions in the Ministry of Education with a view toward strengthening that institution. An in-depth evaluation of the contractor will be conducted to assess progress towards these and other objectives of the project.

2. Increase MOE Capacity to Design and Produce Instructional Materials for the PTTIs

The capacity of the Instructional Media Center (IMC) will be expanded to design and to demonstrate the use of a broad range of instructional materials including textbooks, charts, maps and educational TV programs.

3. Curriculum Development

A new component for revising the curriculum of the PTTIs will be added to the project. This new element will reinforce the efforts of the returned teacher-trainers to provide a modern curriculum through up-to-date teaching methods.

4. Increase Donor Cooperation

A.I.D. will negotiate a parallel-financing arrangement with the World Bank in the area of PTTI curriculum development. The IBRD will fund construction of PTTI buildings and A.I.D. will finance technical assistance and some equipment.

This arrangement will initiate donor cooperation in the education sector by bringing to bear on educational problems the respective strengths of the donor organizations.

## 5. Key Management Steps

This project will likely continue to be implemented through the collaborative-assistance mode with an American University (EMU). However, the Mission is exploring ways to strengthen EMU capacity to recruit experienced project personnel in a timely manner. One possibility is a requirement that EMU subcontract with an organization which is capable of providing this function. An additional position will be added to the USAID Education Office, in part, to oversee this expanding project.

### C. Agricultural Productivity

A third key element in the USAID strategy is to improve and to expand the agriculture institutional infrastructure with special emphasis on planning, statistics, horticulture, poultry and agricultural education.

#### 1. Shift from Design to Implementation Focus

With the exception of the design of one new activity--Faculty of Agriculture--USAID will focus on project implementation during the FY 1984-FY 1985 period. Two more classes will graduate at the Ibb Secondary Agricultural Institute (ISAI) bringing the total to four. As a result, the agricultural sector will see an infusion of over 150 students trained in agronomy, livestock, horticulture and other specializations. Two horticulture development stations will be completed with an annual production capacity of 100,000 seedlings and with facilities to train small farmers in proper fruit-tree growing practices. Eighteen pullet-rearing and demonstration facilities will have been completed and over 60 extension agents and farmers trained. Over 125,000 layers will be distributed to farmers. Construction, equipping and staffing of the Documentation Learning Resources Center (DLRC) will be completed. A 25-hectare teaching farm for the new Faculty of Agriculture will be completed and practical training will begin for the first students.

#### 2. Strengthen Agricultural Planning

Advisory services will continue to be provided to the Ministry during the period. These services will play a key role in the development of the Third Five-Year Plan (1987-1991). Policy dialogue will generate recommendations for the agricultural component of the Plan.

### 3. Parallel Financing

Important linkages between A.I.D. and an Arab donor will be developed through the parallel financing of the Faculty of Agriculture project. A.I.D. will finance technical assistance, A&E and construction supervision while an Arab donor will finance construction of faculty buildings.

### 4. Management Steps

The successful collaborative-assistance approach with A.I.D., the YARG and the Consortium for International Development (CID) will continue and be refined. USAID will seek to add an International Development Intern (IDI) for agricultural economics to its staff.

### D. Natural Resources - Water

Our goal is to address the problems of shortages, misuse and mismanagement in the all-important water sector. Activity in this sector has been hampered by a poorly-defined national water policy and strong tribal and political factors.

#### 1. Small Rural Water Systems

Construction of 55 rural water systems using simple American technology will have been completed, bringing potable water to over 50,000 Yemeni citizens. Substantial village contributions will have been made to these projects (average 40% of total project costs). Furthermore, villagers will be picking up the recurrent costs of many of these systems.

#### 2. Institution-Building

Institution-building efforts in the National Water and Sewerage Authority (NWSA), Confederation of Yemeni Development Associations (CYDA) will be completed. We plan to continue this process with the Rural Water Division of the Ministry of Public Works (MPW). These organizations will be instructed in the design, construction, operation and maintenance of urban/village water and sewerage systems. Institution-building will also take place in the private sector since small Yemen contractors have been key actors in the implementation of the small rural water project. A new FY 1984 activity, if approved, will assist the MPW in developing water/sewerage construction packages for other donor financing.

#### 3. Water Policy

USAID will continue the water policy dialogue with the YARG seeking to encourage a uniform policy for the country.

#### 4. Management Steps

A water subsector program evaluation planned for early FY 1984 will help YARG and USAID achieve a better policy focus for water project activity.

#### E. Health

At present, health care services in the Tihama region, one of the poorest areas in Yemen, are minimal and are provided mainly by untrained personnel; e.g., traditional healers and birth attendants. Gastro-intestinal diseases, respiratory infections, malaria, infectious diseases, tuberculosis and malnutrition are extremely common conditions in the population resulting in high rates of morbidity and mortality, especially in the age group under five years. Primary health care is considered by the Mission to be the best approach to reduce morbidity and mortality.

##### 1. Develop a Replicable Primary Health Care System in the Tihama Region

A new contractor will begin work on this project in July 1983. Fifty-four primary health care units, staffed by primary health care workers (PHCWs), will be in place by 1985. In addition, management, logistics and accounting systems will be established in the Ministry of Health. Fees for some health care supplies provided to patients will increase gradually as feasible during this period.

##### 2. Strengthen Funding for Health Services

Policy dialogue will address issues of user fees and broadening of support by the private sector. USAID will seek to expand user fee and private sector support concepts in the Tihama and other areas of the country.

##### 3. Management Steps

As a result of a 1982 evaluation of the project, USAID changed to a new contractor with proven strengths in developing replicable health systems. USAID will attempt to acquire an International Development Intern (IDI) to strengthen its capacity to manage its health and population programs.

#### F. Labor Productivity - Training

Critical manpower shortages in technical, administrative, financial and educational areas constrain YARG capacity to plan and manage its development programs. USAID will:

### 1. Continuing a Comprehensive Participant Training Program

Up to 202 participants will be sent for undergraduate and graduate training in FYs 1984 and 1985. Approximately 256 participants will receive short-term training in the US during this period and 172 will receive similar training in third countries.

The expected number of participant trainees for FY 1984 and FY 1985 are as follows:

	<u>FY1984</u>		<u>FY1985</u>	
	<u>#</u>	<u>Amount (\$000)</u>	<u>#</u>	<u>Amount (\$000)</u>
Short-Term: US (2 Mos.)	128	100	128	100
Short-Term: Third Country (6 Mos.)	86	928	86	928
Bachelor Degrees	24	540	18	405
Master's Degrees	75	1,687	40	900
Doctorates	25	562	20	450
		<u>3,817</u>		<u>2,783</u>

### 2. Manpower Planning

USAID will assist the YARC in development of comprehensive manpower plans to serve training needs and as the basis for this component of the Third Five-Year Plan.

### 3. Management Steps

In order to improve overall management of its participant training program, USAID will contract locally with AMIDEAST to perform all training services including placement, backstopping and participant follow-up. This step will relieve the Mission of a significant workload with the departure of its direct-hire development training officer.

### G. Energy

Rural Yemen has some of the highest energy costs in the world. It is estimated, for example, that energy costs consume up to one-third of Yemen farm families' disposable income. The national electricity grid now serves only 10% of the population and in 20 years only 50% of the population will be served. Under the circumstances, rural Yemen appears ideal for renewable energy technology.

1. Survey of Renewable Energy Technology

USAID will conduct a survey of the availability and feasibility of this technology in Yemen. The survey will be the basis for design of a project to install renewable energy applications in approximately ten remote villages.

2. Private Sector Support

The objective will be to involve the private sector in sale and servicing of renewable technology equipment.

#### H. Disaster Rehabilitation

The December 1982 earthquake took the lives of 1,600 people and left 400,000 others homeless. The US Administration and Congress have indicated an interest in assisting the Yemeni people following this tragedy. Because of declining oil revenues and the world recession, the response of other donors to the earthquake has not been what was expected.

1. PL480 Title I Program Established

This will be a \$3.0 million one-year program--in FY 1984--the local currency generations of which will be used for earthquake rehabilitation. USAID will negotiate a program with the YARG which could include small loans to villagers to finance housing reconstruction utilizing earthquake-resistant techniques.

2. Other Resources for Earthquake Recovery

A total of \$3.0 million will be made available to assist the YARG with reconstruction. Funds will be used to provide technical services of American engineers and for loans to householders to permit them to repair or rebuild their homes. This assistance will be used in conjunction with other donor assistance and the possibility of co-financing reconstruction costs will be explored. Consideration will also be given to reconstruction of basic infrastructure if warranted.

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

	FY 1983	----FY 1984----	FY 1985	-----PLANNING PERIOD-----				
	ESTIMATE	CP	ESTIMATE	AAPL	1986	1987	1988	1989
<u>ARDN</u>	15,135	14,973	15,300	13,200	15,000	17,500	18,500	20,000
<u>POP/FP</u>	-	250	500	1,000	1,500	2,500	2,000	-
<u>HEALTH</u>	5,079	3,077	5,000	4,000	3,300	900	-	-
<u>EDUCATION</u>	7,868	9,700	11,200	12,300	14,200	15,000	14,500	16,000
<u>PL 480 Title</u>	-	-	(3,000)	-	-	-	-	-
<u>SEL. DEV. ACT.</u>	-	-	-	1,500	-	2,100	3,000	4,000
<u>C/AID SPS</u>	(40)	-	(50)	(50)	(50)	(50)	(50)	-
<u>TOTAL</u>	28,082	28,000	32,000	32,000	34,000	38,000	38,000	40,000
TOTAL PERSONNEL USDH WORKYEARS	23.5		25.0	25.0	25.0	25.0	-	-
FNDH	30.2		31.0	31.0	31.0	31.0	-	-

## FY 1985 ANNUAL BUDGET SUBMISSION

TABLE I NARRATIVE

Concern has been expressed during previous CDSS and ABS reviews regarding program mortgage, forward-funding, pipeline and Mission resource allocation. Each of these funding concerns was addressed in the FY 1985 CDSS and are updated in this narrative.

Program Shares by Appropriation Account (Percentages by Year):

	<u>FY1980</u>	<u>FY1981</u>	<u>FY1982</u>	<u>FY1983</u>	<u>FY1984</u>	<u>FY1985</u>
ARDN	47	38	51	54	47	41
POP	0	0	0	0	1	3
HE	28	33	21	18	16	13
EHRD	25	29	28	28	36	39
SDA	0	0	0	0	0	4

Pipeline: Pipeline continues not to be an issue. A small, relative increase in overall pipeline begins in FY 1984 with the initiation of Development Training III, where we will full-fund over 50 long-term (3-5 years) participants. The increase will diminish during FY 1984/1985 as large numbers of participants begun under Development Training II, complete their training and return to Yemen. We predict, even allowing for unanticipated slippages, that our annual expenditure rate will exceed 75% of annual program.

Program Mortgage: Our methodology for calculating mortgage ratios for a given fiscal year is as follows:

For all projects or subprojects begun or ongoing in the given fiscal year, sum up all obligations required in following years (exclusive of the given fiscal year) to complete such projects/subprojects. This sum is divided by the given FY planned program level and the quotient is the mortgage ratio. The proposed program results in the following annual mortgage factors (ratio of fixed future years obligations to current year obligations). We include the same calculations generated in the FY 1985 CDSS for comparison.

	<u>Per FY 1985</u> <u>CDSS</u>	<u>Per FY 1985</u> <u>ABS</u>
Start of FY 1984	1.29	2.95
Start of FY 1985	1.74	2.87
Start of FY 1986	1.65	1.73

This build-up is due to FY 1984 planned starts in Development Training III, Population and Faculty of Agriculture. These three activities have a total LOP of over \$67 million. These three projects address our highest objectives, and two of them are at the top of the YARG list. While we will likely exceed the two-year guideline during FY 1985, nevertheless, by the beginning of FY 1986, we expect to be below the recommended 2.0 ratio of fixed future year obligations to FY 1986 AAPL.

Forward-Funding: Forward-funding guidelines are largely achieved for all projects. As we move into FY 1984 all projects meet the full 12-month forward-funding guidelines. Furthermore, the 18-month forward-funding for new projects is achieved as projects are authorized. Where possible in smaller projects, the Mission is attempting to full-fund projects.

Participant Training: This ABS budget accomplishes full-funding of all non-contract funded participants. We continue to believe that full-funding for contract participants (e.g., Projects 279-0052 and 279-0053) would be an unwise cash-management practice as detailed in our FY 1985 CDSS.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
FY 1983 to FY 1985 (\$ thousands)

Country/Office USAID/Yemen

<u>APPROPRIATION ACCOUNT</u>	<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>
<u>Agriculture, Rural Dev. and Nutrition</u>			
279-0045 Local Resources for Development	2,035	1,280	-
279-0052 Agriculture Development Support	13,100 <sup>1/</sup>	11,020	13,200
279-0055 Resources for Earthquake Rec. - Dhamar	-	3,000	-
SUBTOTAL	(15,135)	(15,300)	(13,200)
<u>Population/Family Planning</u>			
279-0075 Population/Family Planning in Primary Health Care	-	500	1,000
SUBTOTAL	-	(500)	(1,000)
<u>Health</u>			
279-0044 Small Rural Water Systems	3,656	-	-
279-0065 Tihama Primary Health Care	1,423	2,500	2,500
279-0076 Rural Water Supply Institutional Development	-	2,500	1,500
SUBTOTAL	(5,079)	(5,000)	(4,000)
<u>Education and Human Resource Development</u>			
279-0040 Development Training II	4,268	-	-
279-0053 Basic Education Development	3,600	5,700	4,800
279-0080 Development Training III	-	5,500	7,500
SUBTOTAL	(7,868)	(11,200)	(12,300)
<u>PL-480</u>			
Earthquake Reconstruction Support	-	(3,000) <sup>2/</sup>	-
SUBTOTAL	-	(3,000)	-
<u>SDA</u>			
279-0054 Renewable Energy for Remote Villages	-	-	1,500
SUBTOTAL	-	-	(1,500)
PROGRAM TOTALS	28,082	32,000	32,000

<sup>1/</sup> Includes Faculty of Agriculture funding for A & E work.

<sup>2/</sup> Non-add to program totals

FY 1985 ANNUAL BUDGET SUBMISSION  
TABLE IV - PROJECT BUDGET DATA (\$000's)

PROJECT NO	TITLE	G/L	I	F	E	AUTH	PLAN	CUM OBL		PIPE		FY83 OBL	FY83 EXP	FY84 OBL	FY84 EXP	FWD FUND		FY85 AAPL	FY86 AAPL	FY87 AAPL	FY88 AAPL	FY89 AAPL	FUTURE YEARS	
								9/82	9/82	9/82	9/82					MO/YR	MO/YR							
0042	Land Class/Soil Survey	G	78	82	1,170	1,170	156	156	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0045	Local Resources for Development	G	79	84	8,720	8,219	5,404	1,101	2,035	2,040	1,280	2,375	PACD	-	-	-	-	-	-	-	-	-	-	-
0052	Agri Dev Supt	G	78	93	53,128	195,000	21,696	10,859	13,100	10,365	11,020	12,300	9/85	13,200	-	-	-	-	-	-	-	-	-	-
	Core	G	79	85	12,400	21,400	13,040	6,652	2,223	4,835	4,952	4,200	PACD	1,175	-	-	-	-	-	-	-	-	-	-
	Ibb	G	79	89	11,160	19,500	6,756	2,707	1,558	2,130	2,000	1,900	9/85	2,000	-	-	-	-	-	-	-	-	-	-
	PET	G	82	85	6,185	6,185	1,900	1,500	2,317	900	268	1,500	9/85	1,700	-	-	-	-	-	-	-	-	-	-
	HIT	G	83	88	14,383	14,383	-	-	5,142	2,500	1,800	2,100	9/85	3,200	-	-	-	-	-	-	-	-	-	-
	Fac/Agri	G	83	88	-	21,000	-	-	1,250	-	1,000	1,000	9/85	1,900	-	-	-	-	-	-	-	-	-	-
	Fac/Agri ASE	G	83	84	-	1,600	-	-	600	-	1,000	1,600	-	-	-	-	-	-	-	-	-	-	-	-
	Core II	G	85	89	-	23,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other Init	G	86	93	-	87,932	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0055	Resources for Earthquake Recovery in Dhamar	G	84	84	-	3,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sector Total	G	84	88	63,018	204,889	28,270	12,116	15,135	12,561	15,300	15,759	-	13,200	-	-	-	-	-	-	-	-	-	-
0075	Pop/Fam Plng/PHC	G	84	88	-	7,500	-	-	-	-	500	-	-	500	-	-	-	-	-	-	-	-	-	-
	Sector Total	G	84	88	-	7,500	-	-	-	-	500	-	-	500	-	-	-	-	-	-	-	-	-	-
0028	Wtr Sup Sys Mgt	G	77	82	6,100	6,100	6,100	2,612	-	1,068	-	1,196	PACD	-	-	-	-	-	-	-	-	-	-	-
0039	Taiz Water/Severage	G	77	82	11,200	11,200	11,200	1,164	-	1,164	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0039	Taiz Water/Severage	L	81	81	5,000	5,000	5,000	1,710	-	1,710	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0043	Wtr Res Plng Mgt	G	79	79	3,134	3,134	3,134	1,503	-	Deob	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0044	Sm Rur Wtr Syn	G	79	83	6,977	7,477	3,821	740	3,656	2,160	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0065	Tihama/PHC	G	80	87	11,500	11,493	3,270	1,493	1,423	1,400	2,500	2,040	9/85	2,500	-	-	-	-	-	-	-	-	-	-
0076	Rur Wtr Sup	G	84	87	-	6,400	-	-	-	2,500	-	-	3/86	1,500	-	-	-	-	-	-	-	-	-	-
	Inet Dev	G	84	87	-	6,400	-	-	-	2,500	-	-	3/86	1,500	-	-	-	-	-	-	-	-	-	-
	Sector Total	G	84	87	38,911	45,804	27,525	7,512	5,079	5,792	5,000	3,236	-	4,000	-	-	-	-	-	-	-	-	-	-
	Sector Total	L	81	81	5,000	5,000	5,000	1,710	-	1,710	-	-	-	-	-	-	-	-	-	-	-	-	-	-

a/ Amount includes increase during FY 1983 for Faculty of Agriculture A & B work.

b/ Representing funds approved by PPC for Faculty of Agriculture A & B.

c/ IOP increase includes \$500,000 for Dhamar earthquake work plus moving up FY 1984 funding to FY 1983

PROJECT NO TITLE	G/L	I	F	AUTH	PLAN	CUM OBL 9/82	PIPE LINE 9/82	FY83 OYB	FY83 EXP	FY84 OYB	FY84 EXP	FWD		FWD		FY86 AAPL	FY87 AAPL	FY88 AAPL	FY89 AAPL	FUTURE YEARS	
												FV84 EXP	FV84 OYB	FUND MO/YR	FUND MO/YR						
0040 Dev Trng II (PC)	G	78	83	20,174	20,174	15,906	7,210	4,268	3,192	-	3,516	3/86	-	-	-	-	-	-	-	-	-
0053 Basic Edu Dev	G	79	90	28,292	30,000	7,378	2,435	3,600	3,300	5,700	3,923	9/85	4,800	5,700	2,822	COMP	-	-	-	-	-
PTTI	G	79	86	10,023	8,700	4,283	1,250	1,410	960	1,000	960	3/86	700	1,307	COMP	-	-	-	-	-	-
P/SE	G	81	86	9,141	6,600	1,033	720	900	1,080	1,700	1,180	9/85	1,500	1,467	COMP	-	-	-	-	-	-
Adm Supt	G	81	86	2,026	2,000	370	273	150	300	650	408	9/85	500	280	COMP	-	-	-	-	-	-
Core	G	81	86	7,102	6,600	1,692	192	1,140	960	1,500	960	9/85	1,200	1,068	COMP	-	-	-	-	-	-
Instr Media	G	84	87	-	4,600	-	-	-	-	850	415	9/85	850	1,578	1,322	COMP	-	-	-	-	-
Other Init	G	87	90	-	1,500	-	-	-	-	-	-	-	-	-	1,500	-	-	-	-	-	-
Dev Trng III (PC)	G	87	88	-	40,000	-	-	-	-	5,500	1,500	7/87	7,500	8,500	9,500	9,000	COMP	-	-	-	-
Other Edu Init	G	87	91	-	42,178	-	-	-	-	-	-	-	-	-	2,678	5,500	16,000	16,000	18,000	18,000	
Sector Total				48,466	132,352	23,284	9,645	7,868	6,492	11,200	8,939	-	12,300	-	14,200	15,000	14,500	14,500	16,000	16,000	18,000
PL480 Title I Recon- struction Sup Sector Total		84	84	(3,000)	(3,000)	-	-	-	-	(3,000)	(3,000)	-	-	-	-	-	-	-	-	-	-
0054 Renewable for Remote Villages New Init/ Urban Problems Sector Total	G	85	85	-	1,500	-	-	-	-	-	-	-	-	1,500	-	-	-	-	-	-	-
PC/AID Small Proj Supt (PC)	G	87	90	-	13,100	-	-	-	-	-	-	-	-	-	-	2,100	3,000	4,000	4,000	4,000	4,000
PROGRAM TOTALS G				-	14,600	-	-	-	-	(50)	(50)	-	1,500	-	(50)	(50)	(50)	(50)	(50)	COMP	-
PROGRAM TOTALS L				-	-	-	-	28,082	24,845	32,000	27,934	-	32,000	-	34,000	38,000	38,000	40,000	40,000	44,000	44,000
				-	-	5,000	1,710	-	1,710	-	-	-	-	-	-	-	-	-	-	-	-

d/ Partial funding for World Bank cofinancing initiative startup costs.

TABLE IV (b) CORE SUBPROJECT DETAIL

For Projects 052/053 Major Cost Elements

(SC00's)

<u>PROJECT</u>		<u>FY 1984</u>	<u>FY 1985</u>
279-0052	Administrative Costs	590,000	650,000
	Mobilization and A & E for Faculty of Agriculture	1,000,000	-
	Agriculture Education Secondary School Subproject Amendment	30,000	-
	Core Phase II Subproject Amendment	20,000	-
	Sector Assessment	35,000	35,000
	Documentation Center	800,000	700,000
	On Farm Water Management PID	-	40,000
	Subtotal	2,475,000	1,465,000
	Overhead Rate @ 19.5%	482,625	285,675
	G and A @ 8.0%	198,000	117,200
	GRAND TOTAL	3,155,625	1,867,875
279-0053	Instructional Media PP	50,000	-
	PTTI Project Revision	20,000	-
	Instructional Broadcasting Feasibility Study	25,000	-
	Media Support for Adult Basic Education (PID/PP)	-	80,000
	Evaluation (External)	-	30,000
	Subtotal	95,000	110,000
	Overhead Rate @ 62%	58,900	68,200
	GRAND TOTAL	153,900	178,200

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE IV (a)

SUBPROJECT DETAIL FOR PROJECTS 279-0052 and 279-0053

(\$000's)

PROJECT NUMBER AND TITLE	G/L	OBLIGATION DATE		TOTAL PROJECT AUTHORIZATION	COST PLND	THROUGH FY 83		ESTIMATED FY 84		PROPOSED FY 85	
		INITIAL	FINAL			OBLS	EXPEND	OBLS	EXPEND	OBLS	EXPEND
279-0052	G	1978	1993	53,128	195,000	34,796	21,202	11,020	12,300	13,200	7,956
Agriculture Development Support	G	1979	1985	21,400	21,400	15,273	11,223	4,952	4,200	1,175	-
Core Subproject	G	1979	1989	11,160	19,500	8,314	6,179	2,000	1,900	2,000	2,300
Ibb Subproject	G	1982	1985	6,185	6,185	4,217	1,300	268	1,500	1,700	1,800
PET Subproject	G	1983	1988	14,383	14,383	5,142	2,500	1,800	2,100	3,200	2,356
HIT Subproject	G	1983	1988	-	21,000	1,250	-	1,000	1,000	1,900	1,500
Faculty of Agriculture	G	1983	1984	-	1,600	600 <sup>a/</sup>	-	1,000	1,600	-	-
Faculty of Agriculture A & E	G	1983	1984	-	23,000	-	-	-	-	3,225	-
Core II Subproject	G	1985	1989	-	87,932	-	-	-	-	-	-
Other Initiatives	G	1986	1993	-	-	-	-	-	-	-	-
279-0053	G	1979	1990	28,292	30,000	10,978 <sup>b/</sup>	8,243	5,700	3,923	4,800	4,675
Basic Education Development	G	1979	1986	10,023	8,700	5,693 <sup>b/</sup>	3,993	1,000	960	700	1,050
PTI Subproject	G	1981	1986	9,141	6,600	1,933	1,393	1,700	1,180	1,500	1,300
P/SE Subproject	G	1981	1986	2,026	2,000	520	397	650	408	550	450
Administrative Support Subproject	G	1981	1986	7,102	6,600	2,832	2,460	1,500	960	1,200	1,050
Core Subproject	G	1984	1987	-	4,600	-	-	850	415	850	825
Instructional Media Subproject	G	1987	1990	-	1,500	-	-	-	-	-	-
Other Initiatives	G	1987	1990	-	-	-	-	-	-	-	-

a/ Additional funds expected in FY 1983. Core Subproject OBLS includes \$400,000 for Faculty of Agriculture A & E work.

b/ Includes possible cofinancing activity with World Bank advisors.

<u>Project Number and Title:</u>	279-0052; Agriculture Development Support. Core Subproject,
<u>FY 1984 Funding:</u>	None
<u>FY 1985 Funding:</u>	\$3,225,000 (Grant)
<u>Life of Subproject Cost:</u>	\$23,000,000
<u>Appropriation Account:</u>	ARDN

Project Purpose: The purpose of the Agriculture Development Support Program and also its second five-year Core Subproject is to improve the capacity of the YARG and Yemeni agricultural producers to develop and sustain an agricultural sector which effectively and efficiently uses Yemeni natural resources, is integrated into the economy and is supportive of a broad-based and equitable social and economic development.

Development Problems to be Addressed: The public institutions in the YAR that support and guide the growth and development of the agricultural sector in Yemen are young (less than 15 years old) and have limited trained human resources. Consequently, these institutions (the MAF, MOE and Sanaa University) are in the early stages of evolving the procedures, policy and planning to implement that development and growth with indigenous human resources. These institutional weaknesses are reflected in YARG inability to collect and use data for planning purposes, to support the private sector with knowledge, research and transfer of proven technological innovations to Yemeni producers and to coordinate and support the various donors with their multiplicity of activities and projects in agriculture.

Relation of Problems to CDSS and Strategic Objectives: This proposed subproject is an important means of reaching CDSS-approved objectives in institution-building and human resources in the agriculture and education sectors and is consistent with regional strategic priorities. The outputs of the subproject are conducive to broad sector AID policy objectives of increased food availability, promotion of Yemen comparative advantages in agriculture and improved/sustained productivity, incomes and market participation of producers on small holdings. The implementation of the subproject will foster policies which will continue to limit governmental intervention in price formation and distribution systems. The subproject will assist the YAR in building its capacity to identify, assess and solve environmental and natural resource problems.

Proposed Project: As noted in the agriculture strategy, the strengthening of human resources and the development of institutional capacities requires a long-term commitment. The second CORE Subproject will last 5 years and will be followed by a third in 1990. Core II will continue to provide logistic support for other subprojects, advisors to the central MAF, in-country and overseas training for Yemeni, and to be responsible for overall program coordination, and new subproject design. The bulk of design activity will be completed under Core I. Core II will

concentrate on program implementation, and will provide 60 person-years of long-term advisors, 20 person-years of short-term advisors and 150 person-years of overseas training. About 20 percent of the Core budget will go for logistical in-country support. These inputs will mainly focus on the development of the MAF primarily in the areas of data collection, planning, manpower development and farm level water use technology transfer.

YAR Entities Concerned: The Ministry of Agriculture and Fisheries, the Ministry of Education and Sanaa University.

Congressional Special Concerns: There is no planned subproject obligation for FY 1984. In FY 1985, the obligation will be used to directly support administrative and logistical requirements of the ongoing subprojects of the Agriculture Development Support Subproject.

Target Groups: Primary beneficiaries will be at least 100 Yemeni technicians/managers trained in Yemen, the U.S. and third countries through this activity. Yemen's farm population of over 1.5 million will ultimately benefit from improved institutions for agricultural development.

<u>Project Number and Title:</u>	279-0052; Agriculture Development Support; Ibb Secondary Agriculture Institute (ISAI)
<u>FY 1984 Funding:</u>	\$2,000,000 (Grant)
<u>FY 1985 Funding:</u>	\$2,000,000 (Grant)
<u>Total Increase in Funding:</u>	\$8,300,000 (Grant)
<u>Life of Project Cost:</u>	\$19,500,000 (Grant)
<u>Appropriation Account:</u>	ARDN

Project Purpose: The purpose of the ISAI Subproject is to strengthen Yemen secondary agriculture institutes in the context of strengthening agricultural sector institutions capacities to plan, organize, implement and evaluate appropriate agricultural programs to meet the needs of YARG development plans.

Development Problems to be Addressed: The agriculture sector employs almost 70 percent of the economically-active population. However, agricultural education is lacking at all levels of the agriculture sector. No agriculture is taught at the primary or university level. Two secondary agricultural institutions and a veterinary secondary school have opened in the last four years. There are few Yemen agriculture teachers at these three agricultural high schools. The resulting lack of trained agriculturalists at all levels makes it impossible to have a significant, functional, indigenous capacity in the agriculture sector is such capacity requires training at any level. This highly unsatisfactory situation is likely to continue until capable Yemeni are trained and teaching at Yemen agriculture educational institutes. Even considering graduates from the three existing agriculture schools, the projected deficit of trained technical agriculturalists is over 60 percent during the current Five-Year Plan.

Relation of Problems to CDSS and Strategic Objectives: Increased agriculture production is the third highest priority goal of USAID's action plan. It is a key element in a strategy designed to improve and expand the agriculture institutional infrastructure with special emphasis on planning, statistics, horticulture, poultry and agriculture education. The proposed project will continue and expand successful activities resulting from the first four years of AID assistance to the Ibb Secondary Agriculture Institute. The subproject address AID sectoral priorities in agricultural production, education, and technology transfer.

Proposed Subproject: The first phase of the ISAI Subproject has had a number of successes. By the end of FY 1984, three classes will have been trained adding 150 trained agricultural technicians to the labor force. Twenty of the top students will be continuing their education at a Middle East agriculture university. Twelve potential faculty will be undergoing master's degree training in the U.S. Curriculum developed at ISAI is becoming the approved curriculum for secondary agriculture education in Yemen. The school

farm and the outreach program are operational, innovative, and now being utilized by regional agriculture officers. The outreach program has been especially effective in support of earthquake relief for Dhamar through its apiary program. As in most human resource institutional development activities, five years is insufficient time to achieve sustained change in the targetted institution. Therefore, USAID and YARG desire five more years of project assistance to assure that the improvements begun under Phase I will be maintained once donor assistance is phased out. The subproject has not yet been able to attract sufficient numbers of qualified Yemeni to train them in English and to graduate them from U.S. universities. The five-year extension to the subproject will incorporate recently identified design modification to insure sufficient Yemeni participants for training and phased withdrawal of external support as trained Yemeni return from the U.S. to assume management and teaching positions at the agriculture secondary education institutes. The addition of five years to authorized subproject life will provide 21 person-years of technical assistance 75 person-years of masters' degree training in the U.S. and 60 person-years of bachelor degree training in Middle East universities. About 20 percent of the funding will be spend in local currency to support in-country logistical costs and the outreach program.

YAR Entitites Concerned: Ministry of Education, Ministry of Agriculture and Fisheries, private sector agro-business firms, and Sanaa University will be involved in project implementation.

Congressional Special Concerns: In FY's 1984 and 1985, approximately \$2.0 million will address the environment and \$0.5 million will address women in development concerns.

Target Groups: The primary beneficiaries will include 45 faculty members trained in the project and the 120 students that will graduate every year from the agriculture secondary schools. Secondary beneficiaries include the 840,000 Yemeni households that depend upon agricultural production for their livelihood.

<u>Project Number and Title:</u>	279-0054; Renewable Energy for Remote Villages
<u>FY 1984 Funding:</u>	None
<u>FY 1985 Funding:</u>	\$1,500,000 (Grant)
<u>Appropriation Account:</u>	SDA

Project Purpose: To increase the awareness and viability of renewable energy systems in rural Yemen through the introduction of technology in up to ten remote rural villages as a means of encouraging private sector expansion in the renewable energy area.

Development Problems to be Addressed: Rural Yemen has some of the highest energy costs in the world. It is estimated, for example, that energy costs consume up to one-third of Yemeni farm families disposable income. Since the national grid presently serves only 10 percent of the population, most villages depend on locally-owned diesel generator and pumps to meet their energy needs at costs up to ten times those prevailing in metropolitan Washington. The national grid is expanding but it is estimated that it will take 20 years before 50 percent of the population is serviced. Further, because of the rugged Yemen topography, many villages are beyond economic grid connection.

Under the circumstances, rural Yemen appears ideal for renewable energy technology. Market conditions are favorable. Yet few prototypes of technology common to other countries in the Middle East are presently being used in Yemen. There are a few sales agents in Yemen who have begun to market solar energy applications, however, in general the private sector has not moved aggressively into this area. The problem of market expansion appears twofold; i.e., an awareness gap in rural Yemen of the advantages and economies of renewable energy technology and because of this in the absence of strong demand the private sector has concentrated its energies on other trading goods.

Relation of Problems to CDSS and Strategic Objectives: The FY 1985 CDSS review in the Near East Bureau pointed out the need for USAID/Yemen to explore further private sector initiatives. In addition, another concern raised was the high cost of energy in rural Yemen. The proposed project responds to both of these issues. The project promotes Agency policy emphases in technology transfer and enhancement of the role of the private sector in development. We believe, in this case of appropriate technology transfer, private sector participation is preferable and an absolutely necessary complement to public sector activity. The project is responsive to these concerns raised in the AID Energy Sector Strategy Statement.

1. Catalyze private investment in energy production.
2. Reduce dependence upon imported oil and inadequate supplies of traditional energy sources.
3. Develop technology systems including research demonstration and testing of systems.
4. Direct attention to energy needs and sources in rural remote areas.

Proposed Project: First, USAID will request PD&S funds to undertake a survey of renewable energy technology availability and feasibility in the YAR. This will be the basis for a project design installing renewable energy applications in not more than 10 remote villages through appropriate linkages to private sector sales and services. The project will provide 5 person-years of expert installation/operation advisors, 1 year of short-term specialized consultants and a minimum of 20 person-months of in-country/third country training. An estimated \$625,000 in renewable energy hardware and in-country costs will also be requested.

YAR Entities Concerned: Private sector sales/service firms, Yemen General Electric Corporation, Local Development Associations and Central Planning Organization.

Congressional Special Concerns: There is no planned obligation in FY 1984. Of the obligation planned in FY 1985, \$1.0 million will address energy and \$0.5 million will support private sector activities.

Target Groups: The primary beneficiaries will be inhabitants of the 10 remote villages (estimated 3,000-7,000 people) and indigenous private businesses marketing and servicing renewable energy systems. Potential secondary beneficiaries include 50% of Yemen's population who will not be served by the national power grid by 2005 for whom renewable energy sources may prove technically and economically feasible in this pilot project.

Project Number and Title: 279-0055; Resources for Earthquake Recovery in Dhamar, Yemen Arab Republic

FY 1984 Funding: \$3,000,000

Life of Project Cost: \$3,000,000 plus the equivalent in local currency of approximately U.S. \$3,000,000 to be generated through sales of PL 480, Title I, proceeds during 1984 and 1985

Project Purpose: To assist the YARG and other donors to respond to the reconstruction requirement brought about by the December, 1982 earthquake in Dhamar Province.

Development Problems to be Addressed: The December, 1982 earthquake damaged or destroyed 27,000 homes, 80 schools, 19 public buildings, 50 kilometers of rural roads and the water supply of 122 villages and towns. The YAR possesses neither the financial resources nor technical expertise, particularly engineering skills, to carry out necessary reconstruction without large scale assistance from foreign donors.

Relation of Problems to CDSS and Strategic Objectives: Disaster relief and reconstruction should receive urgent attention by AID. It is the expressed view of the House Committee of Foreign Affairs that U.S. participation, if possible, on a fixed-cost reimbursable basis, in some reconstruction efforts and provision of technical assistance to the Yemenis for damage assessment and reconstruction needs would serve U.S. humanitarian, political, and economic interests in Yemen.

Proposed Means of Dealing With Problem: A total of \$3,000,000 will be made available over 3 years to assist the YARG with reconstruction. In addition \$3,000,000 realized from sales of PL 480 imported wheat flour will be used to help meet local costs of reconstruction. Funds will be used to provide technical services of American engineers for loans to householders to permit them to repair or rebuild their homes. This assistance will be used in conjunction with other donor assistance and the possibility of cofinancing reconstruction with other donor assistance and the possibility of cofinancing reconstruction costs, such as that for repair and rebuilding of homes, will be explored. In order to make funds available at the earliest possible date, fixed-amount reimbursement for reconstruction of homes will be under consideration. Repair of homes will be on a loan basis to poor families through local loan facilities. Consideration will also be given to reconstruction of basic infrastructural needs if warranted.

YAR Entities Concerned: The Executive Office for Reconstruction (EOR) and the Rural Water Division of the Ministry of Public Works, YARG.

Target Groups: The population of Dhamar Province, which was most affected by the earthquake, numbers approximately 400,000 people. Approximately 250,000 remain homeless.

Assistance to Earthquake Areas Already Provided by AID: In the period immediately following the earthquake the USG made available tents, blankets, inflatable water tanks, and portable generators worth approximately \$2,500,000. The New TransCentury Foundation, an American PVO, also repaired or replaced a number of village water systems which had been put out of service, through an ongoing USAID project. Under separate funding, TransCentury will be repairing additional village water systems at a cost of \$500,000. Two hundred thousand dollars of central Agency funds in technical assistance will also be provided for engineering services requested by the YARG. The U.S. Peace Corps in the YAR will also provide the services of junior engineers to supervise reconstruction. Through the Agriculture Development Support Project (279-0052) two sub-activities are replacing bee hives and village poultry flocks destroyed by the earthquake.

Congressional Special Concerns: This activity will be funded entirely in FY 1984. It will substantially address women in development and environmental concerns and use of a PVO is contemplated. In addition, the U.S. congress has expressed a strong interest in further assisting the victims of the earthquake.

Other Donor Assistance: The YARG expects assistance from the IBRD, the Kuwait Fund, other Arab funds such as the Saudi Fund, Italy, the U.K. and possibly other donors. So far, however, few firm commitments have been made for long-term reconstruction costs, probably because of a downturn in oil revenues by the Arab donors and the world-wide recession. The YARG expects to have some commitments within the next few months and our assistance will be coordinated with that given by other donors. The World Bank/Kuwait Fund earthquake assessment report is now complete and will serve as a major reference point for our assistance.

<u>Project Number and Title:</u>	279-0075; Family Planning in Primary Health Care
<u>FY 1984 Funding:</u>	\$500,000
<u>FY 1985 Funding:</u>	\$1,000,000
<u>Life of Project Cost:</u>	\$7,500,000 (Grant)
<u>Appropriation Account:</u>	POP

Project Purpose: To create a capability in Yemen for training primary health care workers in family planning counseling within the context of maternal and child health and to assess possible cooperation between public and private sectors for family planning activity.

Development Problems to be Addressed: Yemen has a rapidly-growing population. Its growth rate is presently estimated to be at least 2.3 percent. The YARG Second Five-Year Plan estimates a 3.4 percent rate. The current population is estimated to be between 5.5 million and 7.0 million. Family size is an average of five and six persons and has been increasing. A prime factor contributing to the rapid demographic increase is a long childbearing period as a result of early marriage. Infant mortality is very high (210 per 1,100 live births estimated in some areas), however, it is expected that efforts to expand education and health care will bring this figure down significantly in the near future.

Population growth is not readily perceived by Yemeni as a problem, in part, because of the availability of jobs outside YAR and, in part, because of the relatively low levels of population density. In addition, Yemeni culture is oriented toward large families. Children represent financial security, particularly as protection in old age. Finally, family planning is opposed on religious grounds by some leaders, both lay and religious. The Government does not have an agreed population policy (although there is latent pro-natalist support by a number of Yemeni leaders).

In December 1983, the USAID arranged for a "RAPID" presentation to top-level Government officials. This proved to be a successful effort in consciousness-raising. The YARG response was positive and there was extensive, favorable press coverage. As a result of this intervention, as well as other carefully-constructed and executed centrally-funded activities, the Ministry of Health (MOH) has taken the position that it will support "culturally-sensitive" family planning activities in the future if these are linked to maternal and child health care.

Relation of Problems to CDSS and Strategic Objectives: A high USAID development priority is to address population growth by beginning a small, culturally-sensitive program in family planning assistance. This is also consistent with NE Bureau strategy objectives.

The project will promote AID policy aimed at enhancing the freedom of individuals to choose voluntarily the number and spacing of their children while at the same time encouraging a population in Yemen consistent with projected growth of economic resources in the YAR.

The population/family planning project will also provide for an expanded role for government-to-government discussions on country policies, the private sector, institutional development and technology transfer which are all particularly relevant to overcoming major constraints to successful implementation of U.S. and Yemen population policy objectives.

Proposed Project: The major focus of the proposed project will be voluntary family planning aimed at alleviating this problem in the YAR. The USAID population sector goal as formulated in NE Bureau strategic planning is to increase access to appropriate family planning information, contraceptives and service delivery. The proposed project will be the initial USAID effort in population designed specifically for the YAR.

The project will provide PHCWs with the training and educational materials necessary to offer family planning and nutrition advice to the population through village and urban health centers. Technical assistance will be provided both to develop and administer a training program (two long-term advisors for a total of 6 person-years) and to develop and produce necessary educational materials (one advisor for 2 years plus financial assistance to prepare material for radio and TV).

Inputs will include U.S. long-term training (4 person-years) for two administrators/programmers, 10 short-term training courses (in-country, third country and U.S. for government officials and physicians), and five trainers for four years. Long-term advisors will train personnel to train PHCWs and MOH workers. Finally, because of the current sensitivity toward family planning, the project will have to assume most or all local costs of the project.

YAR Entities Concerned: The MOH, Yemen Family Planning Association (YFPA) and the private sector through pharmacies are the principal entities to be directly involved in implementing this project.

Congressional Special Concerns: Amounts to be obligated in FY 1984 and FY 1985 address special congressional concerns in two key areas: The private sector (\$1.0 million) and women in development (\$1.0 million).

Target Groups: These will include rural and urban families with access to public health care workers and maternal-child health workers, who choose to use family planning services.

<u>Project Number and Title:</u>	279-0076; Rural Water Supply Institutional Development
<u>FY 1984 Funding:</u>	\$2,500,000
<u>FY 1985 Funding:</u>	\$1,500,000
<u>Life of Project Cost:</u>	\$6,400,000 (Grant)
<u>Appropriation Account:</u>	HEALTH

Project Purpose: To improve the administrative and technical capabilities of the Ministry of Public Works (MPW) Rural Water Supply Division (RWSD), and thereby strengthen the capacity of MPW to develop, monitor and administer rural potable water systems.

Development Problems to be Addressed: The management capability of the MPW/RWSD has not yet reached that level of development that permits it to design, construct, operate and maintain village water systems effectively, relying upon its own resources. Therefore, the problem addressed in this project will be primarily one of institutional development. Strengthening the institutional capabilities of the MPW/RWSD will allow more efficient use of scarce Yemen water resources and, as a result of improved sanitation conditions in the rural areas, reduction of water-related diseases. Finally and, most importantly, the proposed project will permit the MPW/RWSD to design and package rural water projects which will garner other donor support.

Relation of Problems to CDSS and Strategic Objectives: As outlined in the CDSS, core elements of USAID strategy are institutional development, technology transfer and training--all three of which are included in this project. The CDSS elaborates further that there are serious weaknesses at the ministerial level (and the MPW/RWSD is no exception), including lack of leadership depth, shortage of trained technicians, inadequate management and administrative procedures and ineffective outreach--all of which are opportunities for U.S. technical assistance. Strengthening the institutional capabilities of the YARC public sector organizations via such means as technology transfer and training addresses CDSS and regional strategic objectives, and sector policy guidance.

Proposed Project: USAID began its assistance to the RWSD in 1973 with Project 279-0022. That project focused on the creation of a well-drilling section and construction of water distribution systems. There was also a significant training activity where 40 Yemeni were sent to Cairo for technical training.

USAID learned from its experience with Project 279-0022 and proceeded to Project 279-0044 which has been building cost-effective water systems around rural Yemen using the team approach to systems development. The project has made considerable progress with the introduction of new technologies for water development and storage by designing quality rural water systems at moderate costs.

It has introduced "shotcrete" technology for rapid low-cost construction of water storage units. It has pioneered the utilization of large fiberglass tanks connected in series as storage chambers for village water supplies. It is also currently introducing the hydraulic ram. Most significantly, it has moved a long way towards the creation of a viable field construction and supervision capacity for the RWSD. This group presently consists of 19 Yemeni technicians who are beginning to be able to supervise Yemen contractors and Local Development Associations in the construction of quality rural water systems.

This proposed project shifts our focus from construction of rural water systems to the strengthening and broadening of the capacity of RWSD to plan, design, contract for and supervise construction of village water systems.

The MPW/RWSD has discussed with USAID its limited capacity to plan and implement programs. This problem is particularly acute considering the high amount of donor financing that the MPW/RWSD has to manage annually.

The major input of the project, therefore, is technical assistance at the central RWSD in organization, administration and technical supervision. Subsequently, the RWSD will be better able to use donor financing, government budget and local resources for village water supply projects. This presents a significant opportunity for cofinancing of a priority basic human needs activity. The Ministry has also requested continued introduction and installation of appropriate new technology to limit and conserve water and energy used in rural water systems.

This project would furnish 25 years of long-term technical assistance, of which 15 years would be for RWSD and 10 years for the Design and Planning Offices of MPW. Short-term specialists will assist with in-country training, organizational development and introduction of new technology. Activity to develop the capacity of RWSD in village sanitation and drainage will be increased. Specialized long-term academic training will be provided for six people; 30 technicians will each receive up to 6 months of short-term training in the U.S. and/or third countries.

YAR Entities Concerned: The Ministry of Public Works, Rural Water Supply Division and Local Development Associations.

Congressional Special Concerns: In FY 1984 and FY 1985, \$2.0 million in obligations will address environmental concerns, \$1.5 million for women in development activity and \$0.5 million will address energy concerns.

Target Groups: The primary beneficiary will be staff of the Rural Water Supply Division of the Ministry of Public Works who will improve their skills and abilities. The inhabitants of the numerous villages and members of LDA's served by RWSD/MPW design and construction supervision teams will also benefit.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE V - FY 1985 PROPOSED PROGRAM RANKING						
RANK	PROGRAM ACTIVITY DESCRIPTION	Country/Office			PROGRAM FUNDING	
		ONGOING	LOAN	APPR	(\$000)	
		NEW	GRANT	ACCT	INCR	CUH
1.	279-0080 Development Training II	0	G	EHR	7,500	7,500
2.	279-0052 Agriculture Development Support	0		ARDN		
	Ibb Secondary School Subproject	0			2,000	9,500
	Horticulture Subproject	0			3,200	12,700
	Poultry Subproject	0			1,700	14,400
	Core I Subproject	0			1,175	15,575
	Faculty of Agriculture Subproject	0			1,900	17,475
3.	279-0075 Family Planning in Primary Health Care	0		POP	1,000	18,475
4.	279-0053 Basic Education Development	0		EHR		
	PTTI Subproject	0			700	19,175
	P/SE Subproject				1,500	20,675
	Administrative Support Subproject	0			550	21,225
	Instructional Media Subproject	0			850	21,075
	Core Subproject	0			1,200	23,275
5.	279-0065 Tihama Primary Health Care	0		HEA	2,500	25,775
6.	279-0052 Agriculture Development Support Core II Subproject	N			3,225	29,000
7.	279-0076 Rural Institutional Development	0			1,500	30,500
8.	279-0054 Renewable Energy for Remote Villages	N			1,500	32,000

TABLE V - NARRATIVE

Accomplishment of our short-term objectives during FY 1984 and FY 1985 is largely facilitated by the momentum of program funding provided through FY 1984. Evaluation of the significant indicators of progress should confirm that a sustained FY 1985 program level of \$32.0 million for agriculture, education, population, health and energy priorities is justified.

Our top objective continues to be to increase Yemen's middle-to-high level technical and management human resources. This is largely, but not wholly, accomplished through the first funding priority, Development Training III. This objective is also partially met by U.S. training components of our second and third funding priorities (Agriculture Development Support and Basic Education Development).

The second priority is funding for ongoing subprojects of the Agriculture Development Support Project. The primary objective here is institution-building for MOAF functions of horticulture, poultry, planning and statistics; for MOE in secondary education for agriculture, and; for Sanaa University's Faculty of Agriculture.

The third priority is continuation of the bilateral population project. It is ranked this high only with our assumption that YARG policy will be such that expanded bilateral cooperation for family planning with the Ministry of Health will prove possible during 1984. The risk of project failure exists, but the potential benefits for Yemen's development are far greater.

The fourth priority is funding for ongoing subproject of the Basic Education Development Project. The primary objective here is institution-building for Ministry of Education functions of primary teacher training, curriculum development, administration, instructional media and education research and; for Sanaa University's Faculties of Education and Science.

Funding for the fourth year of the restructured primary health care project is our fifth priority for 1985. Sustained progress toward our limited objective of establishing a replicable primary health care management and delivery system in the Tihama region is expected.

Our sixth funding priority is the second Core Subproject of the Agriculture Development Support Project. By the end of FY 1984, the ADS project will have been under implementation for about six years and the second external evaluation of the project will have been completed. Thus, we plan that purposes, inputs, and outputs of the technical assistance subproject design, administrative/logistics, and training functions of the project will be assessed, updated, and reformulated, and a new subproject Core II will be proposed.

The new project, Rural Water Supply Institutional Development, is the seventh priority for FY 1985 funding. Following some 10 years of operational field assistance to the Ministry of Public Works for ties, this project will establish MPW's human and institutional capacities to plan, design and supervise village water/sanitation systems without massive foreign technical assistance.

Our final funding priority, the Renewable Energy for Remote Villages Project, begins our intervention to address the energy objective. While the priority is low and one-time project funding is modest, the long-range potential benefits for inhabitants of Yemen's remote, inaccessible areas are great.

In addition to accomplishing the annual progress toward strategic regional and country-specific program objectives, the proposed program is expected to generate at least three significant cofinancing activities: The Sanaa University Faculty of Agriculture (with Arab donors); Ministry of Education, curriculum development (with World Bank); and the Ministry of Public Works for rural water/sanitation (with Arab Funds and other agencies).

## ISSUES NARRATIVE - EVALUATION PLAN

Primary USAID strategy has been and will be to apply interventions of institution-building, human resources development and transfers of technology to the critical sectors of agriculture and education. A secondary strategy emphasis has been upon urban/rural water supply, primary health care and rural development. We have identified several issues to be addressed by project and special program evaluations to be conducted by the end of FY 1985.

Newness of projects and slow implementation starts have prevented us from conducting project evaluations that would provide the kinds of information essential to testing the validity of our sector strategy, especially in agriculture and education. Now, with nearly four years of implementation of the Title XII collaborative Agricultural Development Support Project (279-0052), we believe evaluators can generate information about project performance at the purpose and goal levels. In at least two (Ibb and Core) of the four approved subprojects underway, a key issue will be how well the subprojects are performing with regard to achieving purpose and outputs.

The Basic Education Development Project (279-0053), also made up of several subproject components will, by the time of the FY 1985 external evaluation, have sufficient implementation experience to enable evaluators to review progress made toward achieving goal, purpose and outputs of this collaborative-assistance education project. Specifically, evaluators will assess the validity of overall project strategy, relevance and quality of the PTTI, Core, Administrative Support and Primary Science Education subprojects. Details of the USAID evaluation planning for these two key sector initiatives are provided at Table VII.

The purpose of the FY 1984 water sector program evaluation will be designed to help YARG develop a more comprehensive and cost-effective approach to developing a national policy. In addition to the water sector program evaluation, three specific final project evaluations will also be undertaken in FY 1984. These are:

1. Local Resources for Development (279-0045)
2. Small Rural Water Systems (279-0044)
3. Water Supply Systems Management (279-0028)

Evaluations will be carried out in FY 1984 of the Local Resources for Development Project (279-0045) and the Small Rural Water Systems Project (279-0044) with an emphasis on finding ways to sustain central institution-building. We will also want to test the best means of establishing safe, cost-effective, conservation-oriented, small rural water systems for villages.

Our FY 1984 and FY 1985 evaluation planning should provide better answers to broader policy questions extant in the three primary areas of our strategy focus discussed above. The result can be better programming to consolidate and concentrate scarce development resources in the areas USAID has chosen and will choose for its development assistance portfolio.

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

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start To AID/W (Qtr)	Start To AID/W (Qtr)	AID/W (Qtr)				
1. Agriculture, Rural Development and Nutrition a) Agricultural Development Support (279-0052) Ibb Core HITS PETS FOA*	2/82	3	4	2	PACD 09/87 a) The FY84 evaluation is an internal review to monitor progress and assess implementation status of each subproject. b) The FY85 evaluation activity will be an external mid-term review to measure progress of subproject activities against goals and objectives approved in annual work plans and the program strategy statement. It will also quantify accomplishments, assess implementation constraints and recommend how to alleviate problems.	OE Project Project	20 40 60	a) AID/W TDY for 30 Days AID/CM assistance to contract for services. b) 45 Days Field Work in Yemen AID/CM assistance to obtain contract services of three experts for 90 days field work in Yemen.
		2/83	5	4	3	PACD 09/84 a) The FY84 activity will review progress made since the FY83 evaluation and report status by providing quantitative and qualitative analysis of revised outputs. b) The FY85 evaluation will be a final review of this project to determine lessons learned and implications for AID funding of this type of rural development project in Yemen, particularly its institutional development impact.	OE Project	35 .6 15 1.5
2. Local Resources for Development (289-0045)								

\* If subproject approved in FY84 as part of 279-0052.  
 Theodor E. Bratrud, Jr.  
 Deputy Program Officer/Evaluation Officer  
 Time Allocated to Evaluation Work: 35%

TABLE VII - LIST OF PLANNED EVALUATIONS  
FY 1985 ANNUAL BUDGET SUBMISSION

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding		Collateral AID Assistance	
		Start (Qtr)	To (Qtr)	Start (Qtr)	To (Qtr)		Source (\$000)	Person Days		
1. Water Supply Systems Management (279-0028)	9/81	3	4			PACD 12/86	Project	30	21	AID/W TDY for 15 Days
						Final evaluation of progress made under TMSI contract for O&M training at each NWSA branch and implementation of the mid-level management training program.	OE	10	.3	AID/CM assistance in contracting for engineering assistance for 30 days TDY in Yemen.
2. Taiz Water/ Sewerage Construction (279-0039)	10/81	1	2			PACD 05/84	PDS	37	15	AID/CM assistance in recruiting IOC contractor for Yemen evaluation work; i.e., social scientist and financial analyst.
						Final evaluation of completion of all physical facilities, assess quality of operation and maintenance, examine YARC staffing, assess changes in quality of life of Taiz residents as direct result of project.	OE	15	.3	AID/W TDY for 15 Days (Engineer)
3. Small Rural Water Systems (279-0044)	4/82	2	3			PACD 09/84	PDS	30		AID/CM assistance in recruiting contract for services of a small water systems engineer and rural development specialist.
						Perform final evaluation.	OE	10	.4	AID/W TDY for 15 Days
4. Tihama Primary Health Care (279-0065)	6/82	4	1			PACD 06/87	Project	35	21	AID/CM assistance in recruitment of appropriate health specialist.
						Examine progress to date and implementation experience since start up of new project contractor in late FY83.	OE	10	.4	AID/W TDY for 15 Days

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

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start To AID/W (Qtr)	Start To AID/W (Qtr)	To AID/W (Qtr)				
Education and Human Resources Development								
1. Basic Education Development (279-0053) PTTI Admin Support P/SE Core	2/82		3	4	PACD 09/87 Review progress of all subprojects based on in-depth, external evaluation performed late FY83.	Project 30 OE 20 .3	45	AID/CM assistance in recruiting contract assistance to perform field work in Yemen for 30 days. AID/W TDY for 30 Days
2. Development Training II (279-0040)	8/80	2	3		PACD 09/86 Perform final project evaluation, determine lessons learned for (a) application to implementation of new Development Training project scheduled for FY84; (b) determine impact returned participants are beginning to have on staffing of YARG institutions.	Project 15 OE 10 .2	21	AID/W TDY for 15 Days
Special								
Water Sector Program Evaluation		2	3		Evaluate all 11 USAID-funded water sector activities to determine validity of program strategy. Review other donor activities and assess policy constraints. Make recommendations on institutional development and on initiatives required to develop a coherent national water use and conservation policy.	PDS 45	30	AID/CM assistance in recruiting three experts for extensive evaluation field work in Yemen for 30 days. AID/W TDY for 21 Days

## ORGANIZATION USAID/Yemen

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,025.7	None		XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,011.7			23.5
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	167.5			XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	34.2			XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	166.6			21.0
RETIREMENT - U.S.	U107	120	70.8			XXXXX
LIVING ALLOWANCES	U108	128	49.2			XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	34.9			XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	18.6			XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	40.4			12.0
POST ASSIGNMENT - FREIGHT	U112	22	201.1			12.0
HOME LEAVE - TRAVEL	U113	212	62.3			38.0
HOME LEAVE - FREIGHT	U114	22	79.0			38.0
EDUCATION TRAVEL	U115	215	22.9			11.0
R AND R TRAVEL	U116	215	26.0			27.0
ALL OTHER CODE 215 TRAVEL	U117	215	40.5			19.0
<u>FOREIGN NATIONAL DH</u>	U200		660.9			XXXXX
BASIC PAY	U201	114	522.8			33.0
OVERTIME, HOLIDAY PAY	U202	115	28.0			1.1
ALL OTHER CODE 11 - FM	U203	119	12.6			XXXXX
ALL OTHER CODE 12 - FM	U204	129	47.7			XXXXX
BENEFITS FORMER FM PERS.	U205	13	49.8			XXXXX
<u>CONTRACT PERSONNEL</u>	U300		369.3			XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	78.3			3.8
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	291.0			17.8
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		841.8			XXXXX
RENT	U401	235	630.2			24.7
UTILITIES	U402	235	110.0			XXXXX
RENOVATION AND MAINT.	U403	259				XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	43.0			XXXXX
TRANS./FREIGHT - CODE 311	U406	22	21.5			XXXXX
SECURITY GUARD SERVICES	U407	254	29.2			XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	5.7			XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.2			XXXXX

## ORGANIZATION USAID/Yemen

<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		936.8	None		XXXXX
RENT	U501	234				XXXXX
UTILITIES	U502	234	45.6			XXXXX
BUILDING MAINT./RENOV.	U503	259				XXXXX
OFFICE FURN./EQUIP.	U504	310	55.5			XXXXX
VEHICLES	U505	312	39.8			XXXXX
OTHER EQUIPMENT	U506	319	2.0			XXXXX
TRANSPORTATION/FREIGHT	U507	22	7.8			XXXXX
COMMUNICATIONS	U508	230	12.0			XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24	8.8			XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	29.0			116.0
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210	9.7			4.0
CONFERENCE ATTENDANCE	U515	210	9.6			4.0
OTHER OPERATIONAL TRAVEL	U516	210	94.6			29.0
SUPPLIES AND MATERIALS	U517	26	132.6			XXXXX
FAAS	U518	257	67.0			XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	422.8			XXXXX
TOTAL O.E. BUDGET			4,834.5		4,834.5	XXXXX
RECONCILIATION			1,386.1		1,386.1	XXXXX
OPERATING ALLOWANCE REQUEST			3,448.4		3,448.4	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs				1,931.1		
Exchange rate used (as of May 1, 1983)				YR4.585:\$1.00		

ORGANIZATION USAID/Yemen

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,271.5	None		XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,119.1			25.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	209.4			XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	37.5			XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	180.7			23.0
RETIREMENT - U.S.	U107	120	78.3			XXXXX
LIVING ALLOWANCES	U108	128	54.4			XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	38.5			XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	11.0			XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	42.5			9.0
POST ASSIGNMENT - FREIGHT	U112	22	216.0			9.0
HOME LEAVE - TRAVEL	U113	212	70.5			38.5
HOME LEAVE - FREIGHT	U114	22	37.7			38.5
EDUCATION TRAVEL	U115	215	41.4			18.0
R AND R TRAVEL	U116	215	102.5			87.0
ALL OTHER CODE 215 TRAVEL	U117	215	32.0			14.0
<u>FOREIGN NATIONAL DH</u>	U200		686.6			XXXXX
BASIC PAY	U201	114	563.9			31.0
OVERTIME, HOLIDAY PAY	U202	115	32.0			1.1
ALL OTHER CODE 11 - FN	U203	119	11.9			XXXXX
ALL OTHER CODE 12 - FN	U204	129	48.8			XXXXX
BENEFITS FORMER FN PERS.	U205	13	30.0			XXXXX
<u>CONTRACT PERSONNEL</u>	U300		452.5			XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	88.4			3.8
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	364.1			23.0
ALL OTHER F.W. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		898.0			XXXXX
RENT	U401	235	693.4			27.2
UTILITIES	U402	235	112.0			XXXXX
RENOVATION AND MAINT.	U403	259				XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	41.0			XXXXX
TRANS./FREIGHT - CODE 311	U406	22	16.4			XXXXX
SECURITY GUARD SERVICES	U407	254	27.3			XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	5.7			XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.2			XXXXX

ORGANIZATION USAID/Yemen

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		1,024.7	None		XXXXXX
RENT	U501	234				XXXXXX
UTILITIES	U502	234	51.1			XXXXXX
BUILDING MAINT./RENOV.	U503	259				XXXXXX
OFFICE FURN./EQUIP.	U504	310	17.8			XXXXXX
VEHICLES	U505	312	11.7			XXXXXX
OTHER EQUIPMENT	U506	319				XXXXXX
TRANSPORTATION/FREIGHT	U507	22	7.1			XXXXXX
COMMUNICATIONS	U508	230	13.4			XXXXXX
SECURITY GUARD SERVICES	U509	254				XXXXXX
PRINTING	U510	24	9.9			XXXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	34.6			123.0
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210	13.3			3.0
CONFERENCE ATTENDANCE	U515	210	5.9			2.0
OTHER OPERATIONAL TRAVEL	U516	210	125.8			41.0
SUPPLIES AND MATERIALS	U517	26	146.0			XXXXXX
FAAS	U518	257	67.0			XXXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXXX
ALL OTHER CODE 25	U522	259	521.1			XXXXXX
<b>TOTAL O.E. BUDGET</b>			<b>5,333.3</b>		<b>5,333.3</b>	<b>XXXXXX</b>
<b>RECONCILIATION</b>			<b>1,549.8</b>		<b>1,549.8</b>	<b>XXXXXX</b>
<b>OPERATING ALLOWANCE REQUEST</b>			<b>3,783.5</b>		<b>3,783.5</b>	<b>XXXXXX</b>

OTHER INFORMATION:

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

2,089.2  
YR4,585:US\$1.00

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

10% (FN)  
12% (Local)

ORGANIZATION      USAID/Yemen

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100		2,211.8	None		XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,149.0			25.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116	217.4			XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	39.2			XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126	187.3			23.0
RETIREMENT - U.S.	U107	120	80.4			XXXXX
LIVING ALLOWANCES	U108	128	56.3			XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	40.3			XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	9.0			XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	18.2			4.0
POST ASSIGNMENT - FREIGHT	U112	22	92.0			4.0
HOME LEAVE - TRAVEL	U113	212	118.7			61.5
HOME LEAVE - FREIGHT	U114	22	63.5			61.5
EDUCATION TRAVEL	U115	215	53.9			22.0
R AND R TRAVEL	U116	215	52.6			42.0
ALL OTHER CODE 215 TRAVEL	U117	215	34.0			14.0
<u>FOREIGN NATIONAL DH</u>	U200		782.3			XXXXX
BASIC PAY	U201	114	642.8			31.0
OVERTIME, HOLIDAY PAY	U202	115	36.5			1.1
ALL OTHER CODE 11 - FN	U203	119	13.6			XXXXX
ALL OTHER CODE 12 - FN	U204	129	54.4			XXXXX
BENEFITS FORMER FN PERS.	U205	13	35.0			XXXXX
<u>CONTRACT PERSONNEL</u>	U300		489.5			XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	74.4			3.5
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113	415.1			23.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
<u>HOUSING</u>	U400		862.4			XXXXX
RENT	U401	235	690.1			27.0
UTILITIES	U402	235	126.0			XXXXX
RENOVATION AND MAINT.	U403	259				XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311	6.0			XXXXX
TRANS./FREIGHT - CODE 311	U406	22	2.4			XXXXX
SECURITY GUARD SERVICES	U407	254	30.0			XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	5.7			XXXXX
REPRESENTATION ALLOWANCE	U409	252	2.2			XXXXX

ORGANIZATION USAID/Yemen

<u>EXPENSE CATEGORY</u>	<u>FUNCTION CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500		1,134.0	None		XXXXX
RENT	U501	234				XXXXX
UTILITIES	U502	234	56.7			XXXXX
BUILDING MAINT./RENOV.	U503	259				XXXXX
OFFICE FURN./EQUIP.	U504	310	8.4			XXXXX
VEHICLES	U505	312	52.0			XXXXX
OTHER EQUIPMENT	U506	319				XXXXX
TRANSPORTATION/FREIGHT	U507	22	3.4			XXXXX
COMMUNICATIONS	U508	230	14.9			XXXXX
SECURITY GUARD SERVICES	U509	254				XXXXX
PRINTING	U510	24	11.0			XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS	U512	210	38.4			123.0
INFORMATION MEETINGS	U513	210				
TRAINING ATTENDANCE	U514	210	8.7			2.0
CONFERENCE ATTENDANCE	U515	210	6.2			2.0
OTHER OPERATIONAL TRAVEL	U516	210	132.5			37.0
SUPPLIES AND MATERIALS	U517	26	162.0			XXXXX
FAAS	U518	257	67.0			XXXXX
CONSULTING SVCS - CONT.	U519	259				XXXXX
MGT./PROF. SVCS. - CONT.	U520	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U521	259				XXXXX
ALL OTHER CODE 25	U522	259	572.8			XXXXX
<b>TOTAL O.E. BUDGET</b>			<b>5,480.0</b>		<b>5,480.0</b>	<b>XXXXX</b>
<b>RECONCILIATION</b>			<b>1,593.3</b>		<b>1,593.3</b>	<b>XXXXX</b>
<b>OPERATING ALLOWANCE REQUEST</b>			<b>3,886.7</b>		<b>3,886.7</b>	<b>XXXXX</b>

OTHER INFORMATION:

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

2,377.0  
YR4.585:US\$1.00

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

10% (FN)  
11% (Local)

**TABLE VIII(e)**  
**OBLIGATIONS OF ADP SYSTEMS**  
(\$000)

	-----Fiscal Year-----		
	1983	1984	1985
<b>A. <u>Capital Investments</u></b>			
1. Purchase of ADP Equipment	12.0		
2. Purchase of Software	-----	<u>2.0</u>	<u>2.0</u>
Subtotal	12.0	2.0	2.0
<b>B. <u>Personnel</u></b>			
1. Compensation, Benefits, Travel		5.0	5.0
2. Workyears		<u>.1</u>	<u>.1</u>
Subtotal		5.0	5.0
<b>C. <u>Equipment Rental and Other</u></b>			
<b><u>Operating Costs</u></b>			
1. ADP Equipment (ADPE) Rentals			
2. Supplies and Leased Software	<u>3.0</u>	<u>2.5</u>	<u>2.5</u>
Subtotal	3.0	2.5	2.5
<b>D. <u>Commercial Services</u></b>			
1. ADP Service Bureau			
2. Systems Analysis and Programming		5.0	2.5
3. ADPE Maintenance (If separate from item C.1.)	-----	-----	-----
Subtotal		5.0	2.5
<b>E. <u>Total Obligations (A-D)</u></b>	15.0	14.5	12.0
<b>F. <u>Interagency Services</u></b>			
1. Payments			
2. Offsetting Collections			
Subtotal			
<b>G. <u>Grand Total (E+F)</u></b>	<u>15.0</u>	<u>14.5</u>	<u>12.0</u>
 <b>Amount included in <u>Mission allowance</u> for existing systems</b>			
 <b>Amount included in <u>Mission allowance</u> for new/expanded systems</b>			
	15.0		

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

	-----Fiscal Year-----		
	1983	1984	1985
A. Capital Investments in W/P Equipment	6.0		
B. W/P Equipment Rental and Supplies	22.0	6.0	6.0
C. Other W/P Costs	-----	<u>8.3</u>	<u>3.0</u>
Total	28.0	14.3	9.0
Amount included in <u>Mission allowance</u> for existing systems			
Amount included in <u>Mission allowance</u> for new/expanded systems	28.0		

## NARRATIVE - TABLES VIII(a)/(b)

In FY 1982 funds were obligated and procurement initiated for a WANG W/P 25 with four work stations and four printers. In FY 1983 procurement was initiated for an "Uninterrupted Power Supply" unit for the WANG. Redundancy will be provided by an Embassy unit which has already arrived in Sanaa.

The equipment on order should arrive and be installed in late FY 1983 or early FY 1984. In the first quarter of FY 1984 we plan to train users and develop W/P systems.

In FY 1983 funds were obligated for an Apple IIE microcomputer. The equipment should arrive during the first quarter of FY 1984 and be installed. The uses of the Apple IIE will be a participant training program, FSN payroll, personnel system, property analysis and other simple financial systems as appropriate.

The only foreseeable additions to the Apple IIE system are software systems in FY 1984 and FY 1985.

The concentration in FY 1984 will be training, developing programs and the implementation of the programs.

## TABLE IX - NARRATIVE

Since FY 1980, the USDH authorized personnel planning level has declined from 29 to 25 while on-board strength has remained relatively constant at 24 to 26. At the same time, the program level has risen from \$11.7 million in FY 1980 to a prospective level of \$32.0 million in FY 1984. While considerable progress has been realized during this period, Yemen remains, nonetheless, a difficult country in which to operate a program of technical assistance. As a result, project design and implementation requires more US direct-hire involvement than may be the case in other more settled and mature programs.

In light of the above considerations, we believe that the proposed FTE of 25 for FY 1984 and beyond represents the minimum necessary to implement our planned program.

Workforce requirements as outlined in Table IX(a) remain consistent with our ongoing and proposed programs. The mix of skills should provide the necessary expertise to carry out the Action Plan. In order to improve the quality of Mission economic analysis, we plan on using the services of the NE Bureau and/or regional economist. Other expertise that may be necessary will be provided through short-term TDY or contractor assistance.

FSNDH personnel have been reduced from an on-board total of 45 in FY 1980 to an FTE of 31 for FY 1984 and beyond. In FY 1979, approximately 53 FSN PSCs were replaced by service contracts and since that time this figure has been reduced to approximately 30. Since FY 1980, the Mission has maintained an average of approximately 15 FSN PSCs with the number projected to be 19 in FY 1983 and 23 in FY 1984. As in the case of USDH, we believe that USAID has reached a point where decreases in FSN personnel would be detrimental to the effectiveness of the program.

In accordance with ABS instructions, we have projected a 10% per year reduction in USDH staff. Most of the projected reductions have been taken in administrative/secretarial positions. There is, at the present time, some consideration being given to a JAO. Should a JAO be established some administrative personnel reductions might be possible. However, beyond this, we envision that any other USDH reductions would have to be replaced with US or TCN PSCs.

In terms of skill mix, our primary areas of program concentration--agriculture and education--will require full staffing through FY 1986. By 1987, we envision the possibility of dropping one agricultural position. A full-time Health and Population Officer will be needed through FY 1987. A General Development Officer, an Assistant Project Development Officer and an Engineer will be necessary to oversee the remaining projects. (In addition, the engineer will also supervise the A&E element of the Faculty of Agriculture subproject proposed for FY 1984.) Finally, as noted above, we have projected some possible reductions in our Executive Office, Program Office and Controller functions; however, it is likely that reduction in USDH will be offset by PSCs.

To summarize, we believe that USDH and FSN numbers have reached an equilibrium point in balance with a rising program level. Any further reductions below a USDH FTE of 25 and 31 of FSN would likely have to be compensated for by an equivalent increase in PSCs.

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

SKILL CODE	POSITION TITLE	WORKYEARS				FY 87
		FY 83	FY 84	FY 85	FY 86	
011	Mission Director	x	x	x	x	x
012	Deputy Mission Director	.8	x	x	x	x
050	Director's Secretary	x	x	x	x	x
031	Executive Officer	x	x	x	x	x
031	Deputy Executive Officer	x	x	x	x	x
071	Executive Assistant	x	x(D)(1)	x	x	x
060	General Services Officer	.3	x	x(D)(1)	x	x
043	Controller	x	x	x	x	x
041	Acctg Financial Analyst	x	x	x	x	x
042	Budget & Acctg Officer	x	x	x(D)(2)	x	x
023	Program Officer	x	x	x	x	x
023	Assistant Program Officer	.8	.0	.0	.0	.0
602	Development Trng Officer	.7	.0	.0	.0	.0
023	Assistant Program Officer	x	x	x	x	x
050	Secretary	.5	x	x	x(D)(2)	x
021	Program Economist	.0	x	x	x	x(D)(2)
103	Agr Development Officer	x	x	x	x	x
103	Asst Agr Development Ofr	x	x	x	x	x
100	Project Manager - Agr	x	x	x	x	x(D)(1)
050	Secretary	x	x	x	x(D)(1)	x
101	IDI	.0	.7	x	.3	.0
124	General Development Ofr	.9	x	x	x	x
124	Asst Project Dev Ofr	.0	x	x	x	x
251	General Engineer	.3	x	x	x	x
502	Health Development Ofr	x	x	x	x	x
022	Program Analyst	.8	.0	.0	.0	.0
050	Secretary	x	x(D)(2)	x	x	x
502	IDI	.0	.7	x	13	.0
601	Human Resources Dev Ofr	.3	x	x	x	x
601	Project Manager - Educ	.7	x	x	x	x
601	Project Manager - HRD	.5	.0	.0	.0	.0
	Total FTE	22.6	26.4	27.0	25.6	25.0
	Less IDI FTE	-	1.4	2.0	.6	-
	Total DH FTE	22.6	25.0	25.0	25.0	25.0

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

SKILL CODE	POSITION TITLE	WORKYEARS				
		FY 83	FY 84	FY 85	FY 86	FY 87
050	Receptionist	x	x(D)(1)	x	x	x
037	Special Assistant	.0	x	x	x	x
072	Mail Supervisor	x	x(D)(2)	x	x	x
072	Clerk	x	x	x	x	x(D)(2)
071	Administrative Assistant	x	x	x	x	x
070	Translator	.6	.0	.0	.0	.0
033	Personnel Officer	x	x(D)(3)	x	x	x
033	Personnel Assistant	x	x	x	x	x
930	Clerk	x	x	x	x	x
932	Asst. Supply Supervisor	x	x	x	x	x
930	Storekeeper/Labor Foreman	x	x	x	x(D)(1)	x
930	Storekeeper	x	x	x	x	x
930	Supply Clerk/Typist	x	x	x(D)(1)	x	x
930	Procurement Agent/Expediter	x	x	x	x	x
932	Deputy Procurement Supv	x	x	x(D)(2)	x	x
060	Motor Pool Supervisor	x	x	x	x	x
060	Maintenance Supervisor	x	x	x	x	x
070	Chauffer	.7	x	x	x	x
041	Financial Analyst	.0	x	x	x	x
042	Chief Accountant	x	x	x	x	x
042	B&A Assistant	.3	.0	.0	.0	.0
040	Supv Accounting Technician	x	x	x	x	x
040	Accounting Technician	x	x	x	x	x
040	Accounting Technician	x	x	x	x(D)(2)	x
040	Cashier	.6	.0	.0	.0	.0
040	Supv Voucher Examiner	x	x	x	x	x
040	Voucher Examiner	x	x	x	x	x
040	Voucher Examiner	x	x	x(D)(3)	x	x
602	Participant Training Asst	x	x	x	x	x
071	AdminAsst/Translator/Interpr.	x	x	x	x	x
022	Program Analyst	x	x	x	x	x
120	Rural Development Asst	.0	x	x	x	x
050	Clerk	x	x	x	x	x(D)(1)
600	AdminAsst Human Resources	.0	x	x	x	x
	Total FTE	28.6	31.0	31.0	31.0	31.0

TABLE IX(c) - JOINT CAREER CORPS

FY 1984

ORGANIZATION      USAID/Yemen

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

NONE PLANNED

TABLE IX

OE-FUNDED CONTRACT PERSONNEL FY 1984

A. Foreign Nationals

1. Clerk/Typist (Arabic)
2. Computer Operator
3. Data Management Supervisor
4. Translator
5. Procurement/Warehouse Supervisor
6. Purchasing Agent
7. Driver
8. Driver
9. Maintenance Supervisor
10. Senior Maintenance Technician
11. Senior Maintenance Technician
12. Maintenance Foreman
13. Mason
14. Plumber
15. Painter
16. Financial Analyst
17. Clerk/Typist
18. Accounting Technician
19. Payroll Clerk
20. Program Assistant
21. Secretary
22. Clerk/Typist
23. Clerk/Typist

B. U.S.

1. Participant Training Assistant
2. Secretary
3. Secretary (Six Months)
4. Maintenance Technician
5. Anthropologist/Sociologist (Four Months)

## PL480 NARRATIVE

A. Proposed Title I Program

A one-time input of PL480 Title I is planned for FY 1984 in response to food and foreign exchange shortages emerging after the Dhamar earthquake and now as reconstruction efforts begin.

B. Country Food Production Situation and Trends

Total agricultural production is increasing at an annual rate of 1% a year. Population increases at 2.3% per year. Total imports have been rising at a rate of about 8% per year. The YARG continues to place high priority on increasing domestic agricultural production, but embryonic institutions and limited human resources have constrained production increases. This is despite significant investment by the YARG, private, domestic and foreign donors. The YAR is now financing increased food imports from its dwindling foreign exchange earnings (official reserves are now about three months of annual requirements or less).

C. Import Requirements

In 1981, the latest year for which figures are available, cereal imports amounted to approximately \$12.6 million--up from \$8.8 million in 1980. Although figures for 1982 have not yet been released, there is reason to believe cereal imports have continued to increase and may have been as great as \$16 million, making it one of the largest items of essential YAR imports. The proposed Title I program of \$3 million would cover an estimated 15-20% of cereal imports.

D. Ability to Finance Commercial Purchases

YARG ability to finance commercial purchases has decreased markedly in the past year. Current estimates are that it has, at best, a reserve in foreign exchange of enough to meet three months of basic import requirements (approximately \$500 million). Restrictions on commercial imports have been evident recently in new controls on bank letters of credit to importers in order to provide a reserve of foreign exchange sufficient enough to meet debt service payments and import of essential items. Thus, the Central Bank has little ability to finance commercial purchase of grain imports. Indeed, in recent years, most cereal imports have been acquired on concessional terms from the EEC, Australian and the US.

E. YARG Priority Accorded to Increasing Agricultural Production

The YARG has allocated \$15-\$30 million per year in the Second Five-Year Plan (1982-1986) to increased agricultural production. This is an increase of 10-20% over the first five-year plan period.

F. Policy Measures and Projects Being Undertaken to Increase Food Availability

The YARG is moving to create and strengthen institutions of planning, statistics, research, extension and education related to the agricultural sector. YARG agricultural policy is market-oriented. The Second Five-Year Plan assigns highest priority to investment in agricultural development, in recognition that Yemen has a comparative disadvantage in agricultural production.

G. Major Elements of the Proposed Title I Program

1. Utilization of Commodities

Wheat flour imported under this Title I program will be sold commercially throughout the country. Approximately 60% of the flour will be tendered to businesses who will retail flour to bakeries throughout the country. The remaining 40% will be retained by the YARG also for sale on tenders to local bakers through commercial flour dealers. It is YARG policy to control the flow of flour so there are no gaps in availability to bakers which might otherwise occur due to irregular arrival of imports or problems of distribution within the country. Tenders are sent out by the Ministry of Economy and Supply, probably acting through the Yemen General Grain Corporation or the Corporation of Foreign Trade. Bids will be evaluated by a tender committee set up by the Ministry.

2. Policy Changes to be Supported or Elicited

A single year Title I program directed toward earthquake reconstruction does not, in our view, offer much opportunity for policy dialogue beyond that already associated with our program.

3. Proposed Self-Help Measures to be Taken by the YARG

The YARG is assisting the private and mixed agricultural marketing organizations to increase food production and to market farm products. In the past, one of the main constraints to increased domestic food production has been the lack of an adequate marketing/distribution system. These marketing associations, made up of mainly small farmers, would fill this

gap. The associations have the potential to become effective self-help entities and bring a much larger portion of domestic food production to the urban market than is now the case. This YARC self-help initiative will be encouraged and attempts will be made to convince the YARC to gradually increase the size of the program. A related program will encourage export of agricultural produce through farmer associations which will process, package and ship produce.

#### 4. Use of Local Currency

The local currency to be generated through sale of Title I wheat flour should be the equivalent of \$3 million. The YARC has agreed that these proceeds be used to cover partial costs of reconstruction in the earthquake-damaged area. Specific reconstruction activities have not yet been determined but those under consideration include repair of damaged farm-to-market roads, provision of engineering services, loans to home owners for repair or rebuilding of homes and rebuilding or repair of damaged or destroyed schools and government buildings.

#### H. Specific Ways in Which Proposed Agreement Will Support, Interact With and Supplement Other A.I.D. Development Projects

The local currency generated from the PL480 assistance is to be supplemented by the proposed Resources for Earthquake Recovery in Dhamar Project. It may supplement the technical assistance being provided through Small Rural Water Project activities.

#### I. Storage and Distribution Problems

There is an acute shortage of adequate storage facilities in country for imported cereals; however, there does not appear to be a significant problem storing imported flour. One of the main Government concerns in maintaining wheat and wheat flour availability has been in its inability to stock a sufficiently large reserve within the country which could be drawn on to fill gaps in supply caused by irregular delivery of cereal imports. Only by very careful scheduling of imports and by controlling the major portion of imports have periodic shortages been avoided. However, once in the country, there are no serious distribution problems since distribution is made through normal commercial channels.

#### J. Problem of Disincentives to Local Food Production

Yemen has no large-scale domestic flour production capacity. Its production of wheat represents only 25% of current demand and under most optimistic estimates could cover only 30% of domestic demand by the Year 2000. Given the limited domestic wheat production capacity and the relatively small, one-time program proposed, the problem of disincentives for local food production does not appear serious.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS  
(Dollars in Millions, Tonnage in Thousands)

<u>COMMODITIES</u>	<u>FY 1983</u>			<u>Estimated FY 1984</u>			<u>Projected FY 1985</u>		
	<u>Agreement</u> \$ MT	<u>Shipments</u> \$ MT	<u>Carry into</u> <u>FY 1983</u> \$ MT	<u>Agreement</u> \$ MT	<u>Shipments</u> \$ MT	<u>Carry into</u> <u>FY 1984</u> \$ MT	<u>Agreement</u> \$ MT	<u>Shipments</u> \$ MT	<u>Carry into</u> <u>FY 1985</u> \$ MT
Wheat Flour <u>Title I</u>				3	3	10			
<u>Total</u>				3	3	10			
<u>Of which</u> <u>Title III</u>									
<u>Total</u>									

**COMMENT:** The \$3 million Title I PL480 program is a one-year program to support earthquake rehabilitation in Dhamar Province.

FY 1985 ANNUAL BUDGET SUBMISSION

TABLE XII

Country/Office USAID/Yemen

PL 480 TITLE I/III

Supply and Distribution  
(000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1984</u>	<u>Estimated FY 1985</u>
Commodity - <u>Wheat Flour</u>		
Beginning Stocks	34.6	39.0
Production	0	0
Imports	142.8	166.0
Concessional	10.0	0
Non-Concessional	132.8	166.0
Consumption	138.4	160.3
Ending Stocks	39.0	44.8

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Commodity - \_\_\_\_\_  
 Beginning Stocks  
 Production  
 Imports  
   Concessional  
   Non-Concessional  
 Consumption  
 Ending Stocks

---

Commodity - \_\_\_\_\_  
 Beginning Stocks  
 Production  
 Imports  
   Concessional  
   Non-Concessional  
 Consumption  
 Ending Stocks

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Comment:

Project Number and Title: 279-0052; PC/AID Small Project  
Assistance (SPA)  
FY 1984 - FY 1988 Funding: \$50,000/year  
Life of Project Cost: \$290,000 (Grant)  
Appropriation Account: AID/W Central Funds

Project Purpose: To finance, with a limited design/review/approval time requirement, small self-help activities which will have immediate impact at the community level. The SPA program will use Peace Corps Volunteers (PCV's) working in conjunction with community groups in the identification and implementation of these village level development activities. Activities under this project will be in the broad areas of food production energy and and private enterprise, in support of productive income-generating activities.

Progress to Date: USAID and Peace Corps have reviewed guidance provided by PC/W and AID/W. This has resulted in a draft PC/USAID agreement as well as a proposed Project Agreement to be signed by the YARG, Peace Corps, and USAID by June 1983. Discussions have been held on an informal basis with the YARG and USAID contractors who have PCVs currently working with them. Thus far, reaction by the YARG and PCV's have been very positive. Tentative plans are to have the initial few project designed and under implementation soon after the Ramadan and Eid period.

## SHELF PROJECT

<u>Project Number and Title:</u>	279-0052; Agriculture Development Support: On Farm Water Management Subproject (OFWM)
<u>FY 1984 Funding:</u>	\$2,000,000
<u>FY 1985 Funding:</u>	\$1,900,000
<u>Life of Subproject Cost:</u>	\$16,000,000
<u>Appropriation Account:</u>	ARDN

The project purpose is to link new water technologies as demonstrated in AID-funded agriculture stations at Al Irra, the Faculty of Agriculture, and Jarouba to farm trial demonstrations paralleling the extension system developed and used by private sector seed companies in the U.S.

The problems of water use and availability in Yemen agriculture have been studied and documented. Although a comprehensive study has yet to be undertaken, spot studies indicate an alarming drop in the water table in many areas. Actual donor projects and activities, however, have been limited to increasing the availability of water via wells, dams, and weirs. Because of a lack of unified political control over the country as well as complex social, legal and economic issues in water management and distribution, the efficient, regulated allocation and use of water for agriculture is minimal. It is expected that progress on policy formation will be slow, however, in the interim much can be done to increase the conservation and efficient use of water at the farm level. The OFWM proposes a policy-neutral approach to increasing agriculture productivity and to conserving scarce water resources by focusing on technology for water management at the farm level.

Current irrigation technology in Yemen is almost solely limited to spate and furrow techniques. The volume of water used exceeds requirement by a factor of up to 10. The typical Yemeni farmer has little or no knowledge of irrigation (sprinkle, drip, micro-jet, piped, etc.) or water harvesting technologies that have revolutionized agriculture productivity in other countries. This technology gap has contributed to declining agricultural productivity in spite of increased use of the scarce water resources.

The project will provide approximately 18 person-years of technical assistance, 21 person-years of degree training in the U.S. The balance of the project, about 60 percent will go for a.) in-country logistic support, 20 percent; b.) in-country, on-farm training, 20 percent and; c.) commodities to demonstrate appropriate technologies, 20 percent. The project will minimize basic research and maximize transfer of known technology for on-farm management of water resources. The subproject will also expand the institutional capacity of the Irrigation Department of the MAF during the 7 year life of the subproject.

## SHELF PROJECT

### Annual Budget Submission - FY85

Project Number and Title: Municipal Planning and Management, 279-0076  
Life of Project Funding : \$1,500,000  
FY 1984 Funding : None  
FY 1985 Funding : \$1,500,000

The purpose of this project is to assist the Ministry of Municipalities to become a more effective institution with technical expertise in urban planning and design, urban legislation and environmental health.

The Ministry of Municipalities, which became an independent Ministry in 1979, has jurisdiction over the five primary cities of Yemen; namely, Sanaa, Taiz, Hodeidah, Ibb and Dhamar and also 57 secondary cities whose population is under 15,000 inhabitants. Its responsibilities include a whole range of tasks from preparation of urban master plans to programming and monitoring municipal services.

With continued development of infrastructure in the Yemen urban sector during the second five-year plan, coordination of activities and integrated planning are critical. Major responsibility for monitoring and coordinating these efforts rests with the Ministry of Municipalities.

The Ministry has discussed with USAID the many shortcomings that prevent it from effectively carrying out its responsibilities. The lack of trained staff is the major problem, particularly for the technical department. This department has responsibility for environmental health issues, various aspects of planning and establishing relevant codes and ordinances.

The focus of this project is institution-building, primarily through technical assistance to the Ministry of Municipalities and training of Ministry officials. The project will provide a long-term consultant (city planner) for a two-year period and five short-term consultants at three man-months each to assist in legal, environmental and other fields. Appropriate long and short-term training in the US is also planned. Commodity support in computer hardware and software is also planned. Finally, given the limited technical capabilities in the Ministry, there might be a useful role for Peace Corps Volunteers which backgrounds in fields such as engineering, planning and architecture.

BUREAU FOR NEAR EAST: YEMEN  
FY'85 ANNUAL BUDGET SUBMISSION  
PD&S FUND PEQUIREMENTS - FY'84

<u>Activity/Description</u>	<u>PD and S</u>
A. Water Subsector Program Evaluation approximately 3.0 person-months field work in Yemen.	\$45,000 (SDA or Health)
B. Project Design Assistance, 279-0054 Renewable Energy for Remote villages, approximately 1.5 person-months field work in Yemen.	\$22,500 (SDA)
C. Project Design Assistance, 279-0076, Rural Water Supply Institutional Develop- ment, 2.0 person-months field work in Yemen	\$30,000 (Health)
D. Project Evaluation Taiz Water and Sewerage 279-0039, 2.5 person-months contractor TDY.	\$37,000 (Health)
D. Project Evaluation, Small Rural Water Systems 279-0044, Final External, 2.0 person-months contractor TDY.	\$30,000 (Health)