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Annual Budget Submission

FY 1986

Sudan

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Washington, D.C. 20523

SUDAN

FY 1986 ANNUAL BUDGET SUBMISSION

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TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT ($000)

Appropriation Account		FY 1983 ACTUAL	FY 1984 ESTIMATE	--FY 1985-- CP	ESTIMATE	FY 1986 AAPL	1987	PLANNING PERIOD 1988	1989	1990
Agric.,Rural Dev. & Nutrition	Total	25,982	15,600	22,655	20,413	26,260	31,105	29,000	33,000	37,000
	Grants	25,982	15,600	22,655	20,413	26,260	31,105	29,000	33,000	37,000
Population Planning	Total	--	700	--	2,440	1,300	--	2,000	2,000	2,000
	Grants	--	700	--	2,440	1,300	--	2,000	2,000	2,000
Health	Total	1,000	2,100	--	1,140	50	--	2,000	2,000	2,000
	Grants	1,000	2,100	--	1,140	50	--	2,000	2,000	2,000
Education	Total	--	--	--	--	--	--	--	--	--
	Grants	--	--	--	--	--	--	--	--	--
Sel.Dev. Act.	Total	1,500	2,300	5,345	4,007	4,390	4,095	5,700	5,600	5,900
	Grants	1,500	2,300	5,345	4,007	4,390	4,095	5,700	5,600	5,900
Functional Subtotal		28,482	20,700	28,000	28,000	32,000	35,200	38,700	42,600	46,900
	Grants	28,482	20,700	28,000	28,000	32,000	35,200	38,700	42,600	46,900
Internat. Dev. Assist.	Total	--	--	--	--	--	--	--	--	--
	Grants	--	--	--	--	--	--	--	--	--
MRA	Total	(7,500)**	2,400	--	--	3,000	--	--	--	--
	Grants	(7,500)	2,400	--	--	3,000	--	--	--	--
				--	--		--	--	--	--
DA Accounts + MRA	Total	28,482	23,100	28,000	28,000	35,000	35,200	38,700	42,600	46,900
ESF	Total	82,250	120,000	120,000	120,000	132,000	132,000	132,000	132,000	132,000
	Grants	82,250	120,000	120,000	120,000	132,000	132,000	132,000	132,000	132,000
DA,ESF & MRA	Total	110,732	143,100	148,000	148,000	167,000	167,200	170,700	174,600	178,900
	Grants	110,732	143,100	148,000	148,000	167,000	167,200	170,700	174,600	178,900
PL 480 Title I		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
(Title III)		(20,000)	(20,000)	(20,000)	--	--	--	--	--	--
Title II		--	--	1,227	900	1,341	1,408	2,000	2,000	2,000
Total Personnel										
USDH Workyears		29*	31	39*	34	34	34	34	34	34
FNDH Workyears		18*	21	--	21	21	21	21	21	21

* Position Levels
** Non-add since State funds under Migration and Refugee Assistance were substituted.

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FY 1986 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE	G L	OBLIG DATE INIT	OBLIG DATE FIN	-TOTAL COST- AUTH	-TOTAL COST- PLAN	OBLIG THRU FY 83	FY 83 PIPE-LINE	FY 1984 OBLIG-ATIONS	FY 1984 EXPEND-ITURES	FY 1985 OBLIG-ATIONS	FY 1985 EXPEND-ITURES	FY 1985 FUNDED THRU	FY 86 AAPL	FY 86 FUNDED THRU	PEACE CORPS VY84	PEACE CORPS VY85	ITEM NO
ESTIMATED U.S. DOLLAR COST ($000)																	
AGRICULTURE, RURAL DEV. AND NUTRITION																	
650-0012 Regional Finance/Planning	G	79	79	2,000	2,000	2,000	1,072	-	700	-	372	12/85	-	-			
650-0018 Blue Nile Integrated Ag. Dev.	G	78	83	12,032	12,032	12,032	2,547	-	1,500	-	1,047	9/85	-	-			
650-0020 Western Agricultural Research	G	78	87	26,000	31,000	26,000	15,346	-	4,000	-	5,000	9/87	-	-			
650-0021 Southern Manpower Development	G	79	82	6,640	6,640	6,640	537	-	537	-	-	9/84	-	-			
650-0026 Wadi Halfa Community Dev.	G	78	82	518	518	518	44	-	44	-	-		-	-			
650-0031 Southern Rural Infras. P. I	G	80	82	3,628	3,547	3,547	524	-	524	-	-	8/83	-	-			
650-0035 Yambio Agricultural Research - OPG	G	79	80	1,066	1,066	1,066	99	-	99	-	-	9/81	-	-			
650-0043 Southern Region Road Maint. & Rehab.	G	83	85	19,700	19,700	18,237	18,237	-	600	1,463	3,300	1/88	-	-			
650-0046 Southern Ag. Development P. I	G	82	85	10,100	10,100	9,820	9,706	-	400	280	700	8/86	-	-			
650-0047 Agricultural Planning & Statis.	G	81	83	7,300	7,300	7,300	6,313	-	700	-	900	4/87	-	-			
650-0054 Kordofan Rainfed Agriculture	G	85	87	-	18,100	-	-	-	-	4,500	500	9/86	8,000	12/87			
650-0060 River Transport Agr. Marketing	G	85	87	-	10,200	-	-	-	-	3,720	500	9/86	4,200	12/87			

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650-0069 Western Agr. Marketing Road	G	84	88	-	60,000	-	-	15,600	-	10,000	1,000	4/86	14,000	9/87			
650--510 PDS	G	85	Cont.	-	510	-	-	-	-	450	300	-	60	-			
ARDN SUB TOTAL				88,984	182,713	87,160	54,425	15,600	9,104	20,413	13,619		26,260				
POPULATION PLANNING																	
650-0030 Rural Health Support	G	80	81	1,881	1,881	1,881	1,379	-	75	-	500	8/87	-	-			
650-0063 Model Family Planning (PVO)	G	82	85	1,796	1,796	596	596	700	50	500	250	6/87	-	-			
650-0072 Commercial Retail Sales	G	85	86	-	3,200	-	-	-	-	1,900	150	12/86	1,300	4/88			
650-0510 PDS	G	85	Cont.	-	40	-	-	-	-	40	40	-	-	-			
POP SUB TOTAL				3,677	6,917	2,477	1,975	700	125	2,440	940		1,300				
HEALTH																	
650-0011 Northern Primary Health Care	G	78	80	5,863	5,863	5,863	332	-	332	-	-	6/84	-	-			
650-0019 Southern Primary Health Care	G	78	81	3,686	3,686	3,686	1,120	-	1,120	-	-	6/83	-	-			
650-0030 Rural Health Support (PVO)	G	80	85	16,182	16,182	13,000	11,326	2,100	2,000	1,082	2,000	8/87	-	-			
650-0510 PDS	G	85	Cont.	-	108	-	-	-	-	58	58	-	50	-			
HEALTH SUB TOTAL				25,731	25,839	22,549	12,778	2,100	3,452	1,140	2,058		50				

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EDUCATION AND HUMAN RESOURCES																	
650-0028 Literacy Training - OPG	G	79	80	1,400	1,400	1,400	155	-	155	-	-	-	-	-			
EHR SUB TOTAL				1,400	1,400	1,400	155	-	155	-	-		-				
SELECTED DEVELOPMENT ACTIVITIES																	
650-0012 Regional Finance/Planning	G	82	85	1,200	1,200	500	500	-	100	700	500	12/85	-	-			
650-0036 Southern Access Road	G	80	80	10,000	10,000	10,000	3,393	-	700	-	2,000	8/85	-	-			
650-0039 Petroleum Training	G	80	80	200	200	200	2	-	2	-	-		-	-			
650-0041 Rural Renewable Energy	G	81	85	4,600	4,600	1,500	1,124	1,000	400	2,100	500	9/86	-	-			
650-0059 Energy Planning/Management	G	82	87	6,600	8,450	3,055	2,684	1,300	500	-	700	12/85	2,000	12/86			
650-0070 Macro Economic Policy	G	85	87	-	5,000	-	-	-	-	1,000	300	12/85	2,000	12/86			
650-0510 PDS	G	85	Cont.	-	597	-	-	-	-	207	207	-	390	-			
SDA SUB TOTAL				22,600	30,047	15,255	7,703	2,300	1,702	4,007	4,207		4,390				
DA TOTAL				140,992	245,516	127,441	76,881	20,700	14,383	28,000	20,824		32,000				
INTERNATIONAL DEVELOPMENT ASSISTANCE																	
650-0057 N. Kordofan Rural Water Supply (OPG)	G	82	82	880	880	880	670	-	140	-	150	12/84	-	-			
IDA TOTAL				880	880	880	670	-	140	-	150		-	-			

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MIGRATION/REFUGEE ASSISTANCE																	
650-0050 Port Sudan Water Supply	G	81	83	2,000	2,000	2,000	1,869	-	1,869	-	-	6/84	-	-			
650-0064 Eastern Reforestation (PVO)	G	83	86	4,550	7,550	4,550	4,550	-	500	-	700	4/88	3,000	4/90			
650-0065 Gedaref Water Supply	G	83	84	7,500	9,900	7,500	7,500	2,400	500	-	3,000	1/87	-	-			
MRA TOTAL				14,050	19,450	14,050	13,919	2,400	2,869	-	3,700		3,000				
ECONOMIC SUPPORT FUND																	
650-K-601 Commodity Import Program	G	80	80	40,000	40,000	39,857	1	-	1	-	-	12/82	-	-			
650-K-602 Commodity Import Program	G	81	81	50,000	50,000	50,000	4,684	-	4,684	-	-	9/84	-	-			
650-K-603 Commodity Import Program	G	82	82	100,000	100,000	100,000	21,194	-	17,500	-	3,694	1/85	-	-			
650-K-604 Commodity Import Program	G	83	83	60,250	60,250	60,250	39,027	-	30,000	-	9,027	1/85	-	-			
650-K-605 Commodity Import Program (Cash Grant)	G	83	83	20,000	20,000	20,000	-	-	-	-	-	-	-	-			
650-0071 Policy Analysis and Implementation	G	83	85	5,000	5,000	2,000	2,000	-	50	3,000	600	3/86	-	-			
650-K-606 Commodity Import Program	G	84	84	-	102,000	-	-	102,000	2,000	-	80,000	7/86	-	-			
650-K-607 CommodityImport Program (Cash Grant)	G	84	84	18,000	18,000	-	-	18,000	18,000	-	-	-	-	-			
650-K-608 Commodity Import Program	G	85	85	-	117,000	-	-	-	-	117,000	20,000	6/87	-	-			
650-K-609 Commodity Import Program	G	86	86	-	132,000	-	-	-	-	-	-	-	132,000	6/88			
ESF TOTAL				293,250	644,250	272,107	66,906	120,000	72,235	120,000	113,321		132,000				

New Project Narrative

KORDOFAN RAINFED AGRICULTURE PROJECT (650-0054)

Project Funding ($000)

Life of Project	$18,100
FY 1985	$ 4,500
FY 1986	$ 8,000
Appropriation Account	ARDN

Purpose

The proposed project has three objectives: (1) to improve linkages from production areas in Kordofan Region to the interregional transport network and key regional markets; (2) to increase farmers' profit margins from current production levels through redistribution of marketing profits; and (3) to alleviate farmers' seasonal cash flow constraints so that they can participate in and benefit from the market economy.

Background

In its FY 1984 CDSS and recent CDSS update, USAID focused its agricultural assistance on the rainfed subsector because of its contribution to both domestic and export markets and its potential for growth. In the past year USAID's agricultural strategy has evolved to target agricultural inputs to private producers and to restructure marketing incentives through infrastructure investments in roads and storage. A vigorous policy dialogue continues through the Agricultural Planning and Statistics Project and the Title III Program. With an improved policy environment and supporting infrastructure, private commercial farmers have shown that they can and will increase their marketable surplus of export crops and food commodities. The rainfed agricultural zone employs two-thirds of Sudan's rural population and has a comparative advantage in producing Sudan's basic food and cash crops. Rainfed agriculture is the dominant cultivation system in Kordofan Region and is the heart of the region's economy. Since 1975 the combined share of rainfed crops in Sudan's export earnings has increased, reaching a total of 65 percent of the country's gross foreign exchange earnings in 1982. Nationwide, 47 percent of all groundnuts and 90 percent of gum arabic are exported, and Kordofan produces 23 percent and 52 percent of their respective outputs. Livestock has become an increasingly important export, and Kordofan accounts for 16 percent of all cattle and 20 percent of all goats. Kordofan also produces 20 percent of Sudan's sorghum, until 1983 the country's fastest growing export earner.

Continued development of the rainfed sector's high potential in Kordofan requires additional incentives for private producers. Most traditional farmers in Kordofan produce at a point where their returns barely cover their expenses. Slow travel and rough roads have meant high transit costs to compensate for time, vehicle repairs and fuel. These costs cut directly into the farmer's return on his crops. In addition, seasonal cash flow constraints have forced farmers to sell their crops immediately after harvest when prices are lowest. Once farmers have planted a minimum acreage to provide a subsistence income, the incentive to plant additional land is low because high transit costs reduce crop values while most of the returns from the marketing system remain with merchants. Low incomes also mean that farmers hesitate to assume the risks associated with adopting proven yet new technologies.

Project Description

In direct response to these problems, the proposed project will improve farm-to-market transport, provide traditional farmers with access to crop storage facilities, and offer inventory loans to alleviate cash constraints that limit marketing options after harvest. The project components are interrelated aspects of a complete transport and marketing network in Kordofan. Farm-to-market roads link production areas to major transportation arteries. Storage sites provide a holding point between producer and consumer, allowing higher marketing profits from seasonal price increases. The third component, credit, gives farmers the financial flexibility to store their crops.

For all three components, the proposed technologies are compatible with rural needs and financial capabilities. Road rehabilitation and maintenance will focus on critical bottlenecks that prevent passage during most of the rainy season and create the most severe vehicle damage throughout the year. For gently sloping creek beds (khors), rehabilitation will consist of Irish bridges which line the bottoms of the khors with rocks, cement and wire mesh, thereby allowing passage when water covers the bottom. Deep khors with strong water flow will require surface bridges to avoid flash floods and vehicle damage caused by crossing steep banks. Approaches to khor crossings will require some grading and surfacing with laterite.

Storage sites will be located along a priority loop for feeder road improvements in the central production belt in Kordofan. A national storage study for the Ministry of Finance and Economic Planning, current analyses for an Egypt/Sudan Integration Project, and USAID-sponsored marketing studies have indicated that simple warehouses and gravity fed storage bins best suit most storage needs in rural Sudan. Both types of facilities will be incorporated into the project. Warehouses would measure 360 square meters with concrete floors, I-beam columns, corrugated iron sheeting, and natural circulation through openings at the top and bottom.

The credit component, financed strictly with local currency, will be handled through inventory loans integrated with the storage facilities. The proposed inventory loans are virtually risk free since farmers must first deposit their crops at a storage facility before receiving credit. Repayment is taken directly from crop sales when prices rise several months after harvest, thus eliminating the possibility of default. All loan transactions will be channelled through farmer cooperatives in order to minimize the administrative burden of dealing with individual farmers.

Target Group

The storage and credit components are targeted to benefit traditional farmers in Kordofan Region. Traditional farmers account for 75 percent of the region's population and produce all of the area's millet and livestock and much of the sorghum. Improved feeder roads will benefit both traditional and mechanized farming areas within the central production belt in Kordofan. Women and other dependent family members will benefit from increased viability of horticultural crops, craft production, and other small-scale, income-generating activities.

New Project Narrative

MACRO-ECONOMIC POLICY (650-0070)

Project Funding ($000)

Life of Project	$5,000
FY 1985	$1,000
FY 1986	$2,000
Appropriation Account	SDA

Purpose

To assist the Government of Sudan: (1) assess macro-economic policy and institutional constraints to economic development; (2) facilitate policy dialogue on national economic issues; (3) formulate conclusions and recommendations for consideration by the GOS, A.I.D. and bilateral and international development institutions; and (4) strengthen the Government of Sudan's institutional capacity for national policy formulation.

Background

Sudan continues to face a severe balance of payments deficit that began in the 1970's with an overambitious development program, economic distortions stemming from ill-conceived pricing policies, and petroleum price increases. Economic stagnation persists in the 1980's. By official estimates, the 1983 current account deficit was around $1 billion, with import payments being at least three times export earnings. To finance its deficits, Sudan has for years resorted to massive and uncoordinated external borrowing. Estimates of external indebtedness reached $9 billion in early 1984. Since the late 1970's official donor assistance has grown steadily as the Government of Sudan made attempts to reform its ill-advised macro-economic policy structure. There was movement to devalue the Sudanese pound, increase producer prices, eliminate most consumer budget subsidies, manage parastatals on a commercial basis, raise bank interest rates, improve debt payment through rescheduling and better management, and monitor and control credit growth in the period from 1980 through most of 1983. Results were beginning to be seen in crop production and export levels. Since mid-1983, however, the government has again lost ground in economic reform. The free market exchange rate, at LS 2.4 to U.S. $1, now diverges widely from the bank rate of LS 1.8 to U.S. $1. Penalties to exporters, still being paid at an exchange rate of LS 1.47 to U.S. $1, are increasing. Unfavorable short term debt is accumulating rapidly. In response to political instability, government control of prices and productive enterprises is now greater than ever; and disinvestment and capital flight have greatly accelerated in recent months.

Project Description

In line with the CDSS' thrust in policy reform, this project will provide assistance to the Government of Sudan to conduct high quality economic analysis and formulate sound macro-economic policies, institutional arrangements, and procedures through technical expertise for short and long-term periods to collaborate in policy analysis and formulation with Sudanese institutions, researchers, and officials. Collaborating institutions include the Ministry of Finance and Economic Planning, the Bank of Sudan, the University of Khartoum and private Sudanese consulting firms and researchers. These long-term analytical studies are expected to have a professional quality which command respect, both in the Government of Sudan and within the international development community, and to serve as a focus for public policy dialogue on issues of high priority to A.I.D. and the Government of Sudan. Dialogue would be facilitated by workshops and conferences on the findings, conclusions and recommendations. The studies would be implemented through a contract with a U.S. university, consulting firm, or other well-established, internationally recognized organization specializing in macro-economic analysis of developing countries. Long-term Ph.D. training of participants will strengthen the Government of Sudan's institutional capacity for policy formulation. Approximately six participant years will be provided at a cost of $180,000.

Target Groups

The immediate beneficiaries of applied research on macro-economic issues are the planning units of the Government of Sudan, particularly the Ministry of Finance and Economic Planning and the Bank of Sudan. However, both Sudanese private producers and consumers will gain from improved national and sector economic policies and procedures. Also public and private external and domestic creditors will benefit indirectly from improved analysis and management of national economic and financial policy formulation.

New Project Narrative

COMMERCIAL RETAIL SALES PROJECT (650-0072

Project Funding ($000)

Life of Project	$3,200
FY 1985	$1,900
FY 1986	$1,300
Appropriation Account	POP

Purpose

To increase contraceptive use and availability by providing private sector pharmacies the opportunity to create a mass market for contraceptive promotion, distribution and sales.

Background

Sudan's population, according to preliminary figures from the 1983 third population census, now stands at nearly 22 million and is growing at a rate of 3.2% annually. At its current rate of growth, the population will double in 22 years. The urban growth rate is even more serious. Sudan's population growth is emerging as an area of increasing concern among the Government of Sudan planners, policy makers, researchers and social service providers alike due to the surging demand for jobs, goods and services, especially in urban areas. Although the Government of Sudan has no explicit population policy, family planning services are permitted in both public and private sectors and have widespread, informal acceptance. In the public sector, family planning services are accorded low priority due to limited resources and greater demand for other health services. The private sector, likewise, has not shown the ability to respond effectively to the demand for family planning services. Both knowledge and use of contraceptives is low in Sudan. The Sudan Fertility Survey (SFS) in 1979 found that only 6.4% of exposed women were practicing contraception at the time of survey. Use was very low in rural areas (2.7%) and somewhat higher in urban areas (16.4%), with highest use in Khartoum (19.6%). While only 16.4% of urban women used contraception, 38.8% indicated intent to use contraception in the future. Of rural women, only 14.1% indicated intent to use contraception in the future. These findings suggest that efforts to increase awareness and acceptability of family planning in Sudan should first focus on urban areas.

Private pharmacies have been and continue to be important suppliers of contraceptives in urban areas. Findings from a June 1982 survey of male attitudes toward family planning conducted in Khartoum by the Sudan Fertility Control

Association indicated that 60% of the couples who reported that they used contraceptives obtained their supplies from pharmacies.

Contraceptives are not always available in pharmacies, however. Recent economic difficulties have resulted in a sharp reduction in the amount of foreign exchange available for purchase of pharmaceuticals in general and for contraceptives in particular because of the low profit margin. This has resulted in unsteady supply and periodic absence from the marketplace of contraceptive supplies, and no doubt, in decreased prevalence of contraceptive use.

Project Description

The $3.2 million provided under this grant will be used to finance the importation of contraceptives and the initial administrative, training, education and advertising costs of the project. Local currency generated from the establishment of this cost-efficient project will be used to support recurring costs of the project after its initial funding period. The project is relevant to USAID's CDSS and AID/W objectives to support the private sector and to improve the health status of women and children by promoting child spacing and increasing the availability of family planning services and methods.

Target Group

Direct beneficiaries of this project will be pharmacies in the private sector and reproductive age couples. Both will benefit from an available steady supply of contraceptives at an affordable price.

New Project Narrative

COMMODITY IMPORT PROGRAM (CIP) 650-K-608

Program Funding ($000)

Life of Program	$120,000
Appropriation Account	ESF

Purpose

The purpose of the CIP Program is to provide short-term balance of payments support by financing essential imports, including raw materials, capital equipment, and spare parts, which contribute to export earnings, maintenance and expansion of productive capacity, and production of urgently needed consumer goods.

Background

The chronic shortage of foreign exchange which has prevailed since the mid-1970's continues with little, if any, relief. In 1983, both the trade and current account deficits were well above exports. The trade deficit is expected to improve somewhat in 1984 because of a $116 million increase in export earnings with imports declining slightly. However, the current account deficit, excluding official transfers, is expected to rise to $950 million. The slow recovery of Sudan's capacity to earn foreign exchange, and capitalization of annual debt service obligations, with consequent increases in future foreign exchange requirements, make short-term, interim balance of payments support necessary for the economy to function with a minimum supply of productive inputs and essential consumer goods. Policy reforms have been introduced but output in the rainfed sector has not responded much because of drought. Food import needs also are much higher in 1984 because of the failure of rains in the Darfur and Kordofan Regions.

Project Description

In FY 1985, A.I.D. proposes to provide $77 million for CIP balance of payments support, out of $120 million of ESF funding, for high-priority imported commodities. Of the remaining $43 million, $40 million will be used in support of the petroleum initiative, and $3 million will provide the second increment of funding for the Policy Analysis and Implementation Program (PAIP) as indicated in Section 3.1 of the Grant Agreement (650-0071) signed August 31, 1983. Primary emphasis will be given to import of commodities, such as agricultural inputs, which have a significant net foreign

exchange impact. Major categories of eligible CIP imports include:

1. Agricultural and industrial machinery, equipment and spare parts;

2. Power generation, transmission and distribution equipment and spare parts;

3. Industrial raw materials, such as tallow, tinplate, and chemicals; and

4. Transport equipment.

Target Group

End users of imported commodities will be largely private, agricultural producers of exportable crops and manufacturers of import substitutes. The private industrial sector will also benefit from rehabilitation of the electrical transmission and distribution system which continues to impose severe production losses on output because of power failures. The counterpart currency generated from the sale of all imported commodities will be used for expenses of administering the U.S. economic assistance program and the local currency costs of the Government of Sudan development projects to rehabilitate and expand productive and infrastructure facilities. Procurement under the program will be restricted to commodities of Code 941 origin and in accord with a specific list to be agreed upon by the Government of Sudan and A.I.D.

New Project Narrative

COMMODITY IMPORT PROGRAM (C.I.P.) 650-K-609

Program Funding ($000)

Life of Program $132,000

Appropriation Account ESF

Purpose

The purpose of the CIP program is to provide short-term balance of payments support by financing essential imports, including raw materials, capital equipment, and spare parts, which contribute to export earnings, maintenance and expansion of productive capacity, and production of urgently needed consumer goods.

Background

The chronic shortage of foreign exchange which has prevailed since the mid-1970's continues with little, if any, relief. In 1983, both the trade and current account deficits were well above exports. The trade deficit is expected to improve somewhat in 1984 because of a $116 million increase in export earnings with imports declining slightly. However, the current account deficit, excluding official transfers, is expcted to rise to $950 million. The slow recovery of Sudan's capacity to earn foreign exchange and capitalization of annual debt service obligations, with consequent increases in future foreign exchange requirements, makes short-term, interim balance of payments support necessary for the economy to function with a minimum supply of productive inputs and essential consumer goods. Policy reforms have been introduced but output in the rainfed sector has not responded much because of drought. Food import needs also are much higher in 1984 because of the failure of rains in the Darfur and Kordofan regions.

Project Description

In FY 1986, A.I.D. proposes to provide $132 million for CIP balance of payments support for high priority imported commodities. Primary emphasis will continue to be given to commodities, such as agricultural inputs, which have most impact on supplies of foreign exchange (see FY 1985 CIP project description). Forty million dollars ($40,000,000) of the total will be used in support of the petroleum initiative.

New Project Narrative

PROJECT DEVELOPMENT AND SUPPORT FUNDS (650-0510)

Project Funding/Appropriation Accounts

Account	FY 1985	FY 1986
Agriculture, Rural Development and Nutrition (ARDN)	$450,000	$ 60,000
Selected Development Activities (SDA)	$207,000	$390,000
Health (HE)	$ 58,000	$ 50,000
Population (POP)	$ 40,000	-
Total	$755,000	$500,000

Purpose

To assist the Mission in: (1) assessing the feasibility of specific activities intended to resolve key constraints that fall within the country strategy and (2) designing project activities to implement recommendations from feasibility analyses.

FY 85 Activities

1. River Transport Agricultural Marketing PP (ARDN) - $350,000. Final engineering designs and administrative analyses must be completed for the project paper.

2. Assessment of Private Sector Agricultural Input Distriburion (ARDN) - $50,000. A study will review the capability of the distribution, marketing and service network for imported agricultural equipment and domestic inputs. The results of the study will be incorporated into an expanded regional emphasis in the CIP. The study will also help the Mission determine whether specific project assistance is necessary to stimulate private participation in distribution channels.

3. PL 480 (ARDN) - $50,000. USAID will require assistance from a food and resource economist. The resulting analysis of the food grain economy will help structure policy reform measures to be included in the Agreement.

4. Macro-Economic Policy PP (SDA) - $60,000. The key component of the PP design will be an organizational assessment of the Bank of Sudan and the Ministry of Finance and Economic Planning. This analysis will identify key responsibilities and capabilities for budgeting, maintenance of national accounts, and planning. Long-term technical assistance will be structured according to the results of the analysis.

5. Contraceptive Retail Sales PP (POP) - $40,000. Technical assistance will be required to finalize marketing arrangements with private pharmaceutical distributors, plan an advertising strategy, and address any health and social concerns associated with the project.

6. Feasibility Study of Private Sector Pharmaceutical Manufacturing (HE) - $58,000. Foreign exchange constraints often interrupt the flow of pharmaceuticals into Sudan. This analysis will examine the feasibility of reducing pharmaceutical import requirements by meeting part of total demand through domestic private sector production.

7. Computer Model on Fuelwood (SDA) - $147,000. In preparation for possible reforestation/desertification interventions in the future, the Mission plans to contract for the preparation of a computer model on the dynamics affecting fuelwood as a renewable energy resource.

FY 1986 Activities

1. Accelerated Southern Development Feasibility Studies (SDA) - $390,000. A series of studies will be undertaken to determine the feasibility of projects that can be implemented quickly to promote small-scale industry, improve basic infrastructure and improve social services in Southern Sudan.

2. Private Sector Pharmaceutical PP (HE) - $50,000. Based on the results of the FY 1985 feasibility analysis of pharmaceutical production, a project paper will be designed to define project interventions to expand private sector production.

3. Private Sector Agricultural Inputs PP (ARDN) - $60,000. The 1985 assessment of agricultural input distribution channels will help identify policy, administrative and financial interventions to expand private agricultural marketing activities that will have a downstream impact on production.

TABLE V

Annual Budget Submission

Proposed Program Ranking

FY 1986

Decision Unit: Sudan

				Program Funding ($000)		
Rank	No.	Title	New/ Cont.	Approp	Incr.	Cum
1.	K-609	C.I.P.	0	ESF	132,000	132,000
2.	-	PL 480 I	0	P1	(50,000)	132,000
3.	0069	West. Ag. Road	0	ARDN	14,000	146,000
4.	0054	K.Rainfed Ag.	0	ARDN	8,000	154,000
5.	0060	River Trans	0	ARDN	4,200	158,200
6.	0059	Energy Plan/ Man.	0	SDA	2,000	160,200
7.	0070	Macro Econ. Policy	0	SDA	2,000	162,200
8.	0072	Comm. Retail Sales	0	POP	1,300	163,500
9.	-	PL480 Title II				
		(SAWS)	0	P2	(820)	163,500
		(CARE)	0	P2	(521)	163,500
10.	0510	PD&S	0	-	500	164,000

TABLE VIII - FY 1984

ORGANIZATION USAID/SUDAN
(Including RIG Costs if Applicable)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
U.S. DIRECT HIRE	U100		3240.9	0	3240.9	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1666.3		1666.3	34
PT/TEMP U.S. BASIC PAY	U102	112	28.6		28.6	2
DIFFERENTIAL PAY	U103	116	311.1		311.1	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	66.5		66.5	XXXXX
OTHER MISSION FUNDED O.C 11	U105	119	0		0	XXXXX
EDUCATION ALLOWANCES	U106	126	128.4		128.4	18
RETIREMENT - U.S.	U107	120	118.6		118.6	XXXXX
LIVING ALLOWANCES	U108	128	59.6		59.6	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	47.4		47.4	XXXXX
OTHER MISSION FUNDED O.C.12	U110	129	8.8		8.8	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	88.7		88.7	22
POST ASSIGNMENT - FREIGHT	U112	22	492.1		492.1	22
HOME LEAVE - TRAVEL	U113	212	52.6		52.6	12
HOME LEAVE - FREIGHT	U114	22	27.7		27.7	12
EDUCATION TRAVEL	U115	215	22.5		22.5	18
R AND R TRAVEL	U116	215	92.0		92.0	36
ALL OTHER CODE 215 TRAVEL	U117	215	30.0		30.0	14
FOREIGN NATIONAL DH	U200		191.9	170.6	362.5	XXXXX
BASIC PAY	U201	114	102.9	62.8	165.7	21
OVERTIME, HOLIDAY PAY	U202	115	1.0	6.3	7.3	1
ALL OTHER CODE 11 - FN	U203	119	34.7	7.7	42.4	XXXXX
ALL OTHER CODE 12 - FN	U204	129	51.3	90.8	142.1	XXXXX
BENEFITS FORMER FN PERS.	U205	13	2.0	3.0	5.0	XXXXX
CONTRACT PERSONNEL	U300		447.8	1524.0	1971.8	XXXXX
PASA TECHNICIANS	U301	258			0	0
U.S. PSC - SALARY/BENEFITS	U302	113	287.7	105.8	393.5	10
ALL OTHER U.S. PSC COSTS	U303	255	160.1	375.4	535.5	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113		1042.8	1042.8	118
ALL OTHER F.N. PSC COSTS	U305	255			0	XXXXX
JCC COSTS PAID BY AID/W	U306	113			0	0
HOUSING	U400		541.9	3852.1	4394.0	XXXXX
RENT	U401	235	203.3	2917.1	3120.4	122
UTILITIES	U402	235		193.3	193.3	XXXXX
RENOVATION AND MAINT.	U403	259		100.0	100.0	XXXXX
QUARTERS ALLOWANCE	U404	127	4.1	101.5	105.6	0
PURCHASES RES. FURN/EQUIP.	U405	311	183.9	153.9	337.8	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	147.1	1.7	148.8	XXXXX
SECURITY GUARD SERVICES	U407	254		384.6	384.6	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	XXXXX

TABLE VIII - FY 1984

ORGANIZATION USAID/SUDAN
(Including RIG Costs if Applicable)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
OFFICE OPERATIONS	U500		1616.0	11781.1	13397.1	xxxxx
RENT	U501	234		2454.9	2454.9	xxxxx
UTILITIES	U502	234		133.6	133.6	xxxxx
BUILDING MAINT./RENOV.	U503	259	15.0	2061.9	2076.9	xxxxx
OFFICE FURN./EQUIP.	U504	310	138.7	629.0	767.7	xxxxx
VEHICLES	U505	312		143.5	143.5	xxxxx
OTHER EQUIPMENT	U506	319	319.7	100.0	419.7	xxxxx
TRANSPORTATION/FREIGHT	U507	22	240.4	268.0	508.4	xxxxx
COMMUNICATIONS	U508	230	1.5	40.0	41.5	xxxxx
SECURITY GUARD SERVICES	U509	254		37.2	37.2	xxxxx
PRINTING	U510	24	0.2	10.0	10.2	xxxxx
RIG/II OPERATIONAL TRAVEL	U511	210			0	0
SITE VISITS - IN COUNTRY	U512	210		36.0	36.0	226
SITE VISITS - OTHER	U513	210	122.5		122.5	26
INFORMATION MEETINGS	U514	210	25.0		25.0	9
TRAINING ATTENDANCE	U515	210	45.0	1.0	46.0	22
CONFERENCE ATTENDANCE	U516	210	30.0	0.5	30.5	10
OTHER OPERATIONAL TRAVEL	U517	210	5.0		5.0	2
SUPPLIES AND MATERIALS	U518	26	540.0	250.0	790.0	xxxxx
FAAS	U519	257		1354.2	1354.2	xxxxx
CONSULTING SVCS - CONT.	U520	259			0	xxxxx
MGT./PROF. SVCS. - CONT.	U521	259		3.7	3.7	xxxxx
SPEC. STUDIES/ANALYSES CONT.	U522	259			0	xxxxx
ALL OTHER CODE 25	U523	259	133.0	740.8	873.8	xxxxx
REAL PROPERTY	U600			3516.8	3516.8	xxxx
TOTAL O.E. BUDGET			6038.5	17327.8	23366.3	xxxxx
RECONCILIATION			2238.5		2238.5	xxxxx
OPERATING ALLOWANCE REQUEST			3800.0	17327.8	21127.8	xxxxx

OTHER INFORMATION:

Dollar requirement for local currency costs	0
Exchange rate used (as of May 1, 1984)	$1.00=LS.1.30
Project Implementation Trips	$24.3 10 Units

TABLE VIII - FY 1985

ORGANIZATION USAID/SUDAN
(Including RIG Costs if Applicable)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
U.S. DIRECT HIRE	U100		3980.9	0	3980.9	xxxxx
U.S. CITIZENS BASIC PAY	U101	110	1856.9		1856.9	37
PT/TEMP U.S. BASIC PAY	U102	112	32.1		32.1	2
DIFFERENTIAL PAY	U103	116	357.9		357.9	xxxxx
OTHER AID/W FUNDED O.C. 11	U104	119	71.9		71.9	xxxxx
OTHER MISSION FUNDED O.C 11	U105	119	0		0	xxxxx
EDUCATION ALLOWANCES	U106	126	181.9		181.9	23
RETIREMENT - U.S.	U107	120	132.2		132.2	xxxxx
LIVING ALLOWANCES	U108	128	82.2		82.2	xxxxx
OTHER AID/W FUNDED O.C. 12	U109	129	55.2		55.2	xxxxx
OTHER MISSION FUNDED O.C.12	U110	129	10.1		10.1	xxxxx
POST ASSIGNMENT - TRAVEL	U111	212	138.2		138.2	33
POST ASSIGNMENT - FREIGHT	U112	22	749.5		749.5	33
HOME LEAVE - TRAVEL	U113	212	27.0		27.0	6
HOME LEAVE - FREIGHT	U114	22	15.0		15.0	6
EDUCATION TRAVEL	U115	215	55.0		55.0	22
R AND R TRAVEL	U116	215	165.8		165.8	42
ALL OTHER CODE 215 TRAVEL	U117	215	50.0		50.0	10
FOREIGN NATIONAL DH	U200		375.4	244.2	619.6	xxxxx
BASIC PAY	U201	114	176.1	71.5	247.6	21
OVERTIME, HOLIDAY PAY	U202	115	2.0	14.3	16.3	1
ALL OTHER CODE 11 - FN	U203	119	61.5	9.3	70.8	xxxxx
ALL OTHER CODE 12 - FN	U204	129	133.8	146.1	279.9	xxxxx
BENEFITS FORMER FN PERS.	U205	13	2.0	3.0	5.0	xxxxx
CONTRACT PERSONNEL	U300		526.6	2334.1	2860.7	xxxxx
PASA TECHNICIANS	U301	258			0	0
U.S. PSC - SALARY/BENEFITS	U302	113	372.1	225.1	597.2	11.8
ALL OTHER U.S. PSC COSTS	U303	255	80.1	171.9	252.0	xxxxx
F.N. PSC - SALARY/BENEFITS	U304	113		1937.1	1937.1	167
ALL OTHER F.N. PSC COSTS	U305	255			0	xxxxx
JCC COSTS PAID BY AID/W	U306	113	74.4		74.4	1
HOUSING	U400		719.5	1286.5	2006.0	xxxxx
RENT	U401	235	232.6		232.6	10
UTILITIES	U402	235		582.7	582.7	xxxxx
RENOVATION AND MAINT.	U403	259	2.0	100.0	102.0	xxxxx
QUARTERS ALLOWANCE	U404	127	4.8	50.0	54.8	0
PURCHASES RES. FURN/EQUIP.	U405	311	264.8		264.8	xxxxx
TRANS./FREIGHT - CODE 311	U406	22	211.8		211.8	xxxxx
SECURITY GUARD SERVICES	U407	254		553.8	553.8	xxxxx
OFFICIAL RESIDENCE ALLOW.	U408	254	2.0		2.0	xxxxx
REPRESENTATION ALLOWANCE	U409	252	1.5		1.5	xxxxx

TABLE VIII - FY 1985

ORGANIZATION USAID/SUDAN
(Including RIG Costs if Applicable)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
OFFICE OPERATIONS	U500		2640.4	15385.1	18025.5	xxxxx
RENT	U501	234			0	xxxxx
UTILITIES	U502	234		290.8	290.8	xxxxx
BUILDING MAINT./RENOV.	U503	259	35.0	145.0	180.0	xxxxx
OFFICE FURN./EQUIP.	U504	310	199.4	245.0	444.4	xxxxx
VEHICLES	U505	312		40.0	40.0	xxxxx
OTHER EQUIPMENT	U506	319	568.5	40.0	608.5	xxxxx
TRANSPORTATION/FREIGHT	U507	22	644.6	92.0	736.6	xxxxx
COMMUNICATIONS	U508	230	3.0	52.0	55.0	xxxxx
SECURITY GUARD SERVICES	U509	254		135.0	135.0	xxxxx
PRINTING	U510	24	0.2	10.0	10.2	xxxxx
RIG/II OPERATIONAL TRAVEL	U511	210			0	0
SITE VISITS - IN COUNTRY	U512	210		73.0	73.0	682
SITE VISITS - OTHER	U513	210	137.6		137.6	47
INFORMATION MEETINGS	U514	210	63.0		63.0	28
TRAINING ATTENDANCE	U515	210	71.8		71.8	24
CONFERENCE ATTENDANCE	U516	210	57.0		57.0	18
OTHER OPERATIONAL TRAVEL	U517	210	15.3		15.3	5
SUPPLIES AND MATERIALS	U518	26	695.0	487.5	1182.5	xxxxx
FAAS	U519	257		1625.0	1625.0	xxxxx
CONSULTING SVCS - CONT.	U520	259			0	xxxxx
MGT./PROF. SVCS. - CONT.	U521	259	25.0	4.8	29.8	xxxxx
SPEC. STUDIES/ANALYSES CONT.	U522	259			0	xxxxx
ALL OTHER CODE 25	U523	259	125.0	945.0	1070.0	xxxxx
REAL PROPERTY	U600			11200.0	11200.0	xxxx
TOTAL O.E. BUDGET			8242.8	19249.9	27492.7	xxxxx
RECONCILIATION			2580.6	0	2580.6	xxxxx
OPERATING ALLOWANCE REQUEST			5662.2	19249.9	24912.1	xxxxx

OTHER INFORMATION:

Dollar requirement for local currency costs	0.0
Exchange rate used (as of May 1, 1984)	$1.00=LS.1.30
Project Implementation Trips	$29.6 11 Units
Estimated Wage Increases - FY 1984 to FY 1985	30%
Estimated Price Increases - FY 1984 to FY 1985	30%

TABLE VIII - FY 1986

ORGANIZATION USAID/SUDAN
(Including RIG Costs if Applicable)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
U.S. DIRECT HIRE	U100		4101.5	0.0	4101.5	xxxxx
U.S. CITIZENS BASIC PAY	U101	110	1897.9		1897.9	37
PT/TEMP U.S. BASIC PAY	U102	112	33.0		33.0	2
DIFFERENTIAL PAY	U103	116	397.4		397.4	xxxxx
OTHER AID/W FUNDED O.C. 11	U104	119	80.4		80.4	xxxxx
OTHER MISSION FUNDED O.C 11	U105	119	0.0		0.0	xxxxx
EDUCATION ALLOWANCES	U106	126	208.7		208.7	23
RETIREMENT - U.S.	U107	120	135.2		135.2	xxxxx
LIVING ALLOWANCES	U108	128	86.6		86.6	xxxxx
OTHER AID/W FUNDED O.C. 12	U109	129	60.7		60.7	xxxxx
OTHER MISSION FUNDED O.C.12	U110	129	11.2		11.2	xxxxx
POST ASSIGNMENT - TRAVEL	U111	212	195.6		195.6	36
POST ASSIGNMENT - FREIGHT	U112	22	689.1		689.1	36
HOME LEAVE - TRAVEL	U113	212	23.2		23.2	4
HOME LEAVE - FREIGHT	U114	22	12.5		12.5	4
EDUCATION TRAVEL	U115	215	54.0		54.0	18
R AND R TRAVEL	U116	215	166.0		166.0	40
ALL OTHER CODE 215 TRAVEL	U117	215	50.0		50.0	10
FOREIGN NATIONAL DH	U200		320.9	313.3	634.2	xxxxx
BASIC PAY	U201	114	202.6	92.9	295.5	21
OVERTIME, HOLIDAY PAY	U202	115	3.0	18.6	21.6	1
ALL OTHER CODE 11 - FN	U203	119	68.1	12.1	80.2	xxxxx
ALL OTHER CODE 12 - FN	U204	129	44.7	186.2	230.9	xxxxx
BENEFITS FORMER FN PERS.	U205	13	2.5	3.5	6.0	xxxxx
CONTRACT PERSONNEL	U300		462.4	2901.8	3364.2	xxxxx
PASA TECHNICIANS	U301	258			0	0
U.S. PSC - SALARY/BENEFITS	U302	113	291.2	292.6	583.8	10.1
ALL OTHER U.S. PSC COSTS	U303	255	94.4	91.0	185.4	xxxxx
F.N. PSC - SALARY/BENEFITS	U304	113		2518.2	2518.2	167
ALL OTHER F.N. PSC COSTS	U305	255			0	xxxxx
JCC COSTS PAID BY AID/W	U306	113	76.8		76.8	1
HOUSING	U400		696.4	1670.5	2366.9	xxxxx
RENT	U401	235	240.6		240.6	10
UTILITIES	U402	235		779.7	779.7	xxxxx
RENOVATION AND MAINT.	U403	259	5.0	125.0	130.0	xxxxx
QUARTERS ALLOWANCE	U404	127	7.3	73.5	80.8	0
PURCHASES RES. FURN/EQUIP.	U405	311	243.9		243.9	xxxxx
TRANS./FREIGHT - CODE 311	U406	22	195.1		195.1	xxxxx
SECURITY GUARD SERVICES	U407	254		692.3	692.3	xxxxx
OFFICIAL RESIDENCE ALLOW.	U408	254	2.5		2.5	xxxxx
REPRESENTATION ALLOWANCE	U409	252	2.0		2.0	xxxxx

TABLE VIII - FY 1986

ORGANIZATION USAID/SUDAN
(Including RIG Costs if Applicable)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
OFFICE OPERATIONS	U500		1868.9	6602.6	8471.5	xxxxx
RENT	U501	234			0	xxxxx
UTILITIES	U502	234		398.5	398.5	xxxxx
BUILDING MAINT./RENOV.	U503	259	67.5	125.0	192.5	xxxxx
OFFICE FURN./EQUIP.	U504	310	105.6	25.0	130.6	xxxxx
VEHICLES	U505	312		80.0	80.0	xxxxx
OTHER EQUIPMENT	U506	319	206.9	38.5	245.4	xxxxx
TRANSPORTATION/FREIGHT	U507	22	286.0	25.0	311.0	xxxxx
COMMUNICATIONS	U508	230	4.0	67.6	71.6	xxxxx
SECURITY GUARD SERVICES	U509	254		175.0	175.0	xxxxx
PRINTING	U510	24	0.2	13.0	13.2	xxxxx
RIG/II OPERATIONAL TRAVEL	U511	210			0	0
SITE VISITS - IN COUNTRY	U512	210		80.3	80.3	680
SITE VISITS - OTHER	U513	210	151.3		151.3	45
INFORMATION MEETINGS	U514	210	69.3		69.3	30
TRAINING ATTENDANCE	U515	210	79.0		79.0	25
CONFERENCE ATTENDANCE	U516	210	62.7		62.7	15
OTHER OPERATIONAL TRAVEL	U517	210	16.9		16.9	5
SUPPLIES AND MATERIALS	U518	26	544.5	534.4	1078.9	xxxxx
FAAS	U519	257		2111.1	2111.1	xxxxx
CONSULTING SVCS - CONT.	U520	259			0	xxxxx
MGT./PROF. SVCS. - CONT.	U521	259	25.0	6.2	31.2	xxxxx
SPEC. STUDIES/ANALYSES CONT.	U522	259			0	xxxxx
ALL OTHER CODE 25	U523	259	250.0	1173.0	1423.0	xxxxx
REAL PROPERTY	U600			1750.0	1750.0	xxxx
TOTAL O.E. BUDGET			7450.1	11488.2	18938.3	xxxxx
RECONCILIATION			2681.4	0	2681.4	xxxxx
OPERATING ALLOWANCE REQUEST			4768.7	11488.2	16256.9	xxxxx

OTHER INFORMATION:

Dollar requirement for local currency costs	0
Exchange rate used (as of May 1, 1984)	$1.00=LS.1.30
Project Implementation Trips	$32.6 11 Units
Estimated Wage Increases - FY 1985 to FY 1986	30%
Estimated Price Increases - FY 1985 to FY 1986	30%

OPERATING EXPENSE NARRATIVE

Section A - Management Improvements

The objectives of the Management Office for operational improvements are as follows:

1. To establish and staff a contractors' support group for housing maintenance and thereby eliminate the requirement for a commercial maintenance contract which has proven unsatisfactory and very costly. Savings are estimated to be in excess of LS.200,000 per year and the quality of work is better using the support group.

2. To computerize files on vehicles, real and personal property, leasing and maintenance costs in order to improve reporting accuracy and timeliness.

3. To purchase, or secure as a government grant, land to construct an office building, warehouse and residential housing.

4. Pending construction of an owned office building and warehouse, to complete the move into newly leased premises.

5. To upgrade housing for both direct hire and contract staff as better houses become available.

6. To improve (increase) the reserve storage facilities for fuel and water at residences and office buildings in order to ensure an adequate supply in emergencies.

7. To improve communications with Juba and other outlying locations by installing an improved antenna on the new office building; and within Khartoum, by installing a repeater station.

Section B - Justification for Funding Changes

Most large funding changes occur between FY 84 and FY 85. These changes are directly attributable to an increase in US Direct Hires, US and FN Personal Service Contracts and Third Country Nationals. No further personnel increases are projected so that, except for Real Property, FY 86 increases are mainly due to the projected 30% increase in wages and prices.

U.S. Direct Hire

The increase in U.S. Direct Hire costs in FY 85 over FY 84 is due to an increase in the workforce from 36 to 39. This results in additional salary and benefits as well as costs for post assignment and additional education allowances.

Foreign National Direct Hire

The increase in dollar funded Basic Pay represents an increase of 3 Third Country Nationals who will be brought on board at the end of FY 84. Their

salary for a full year plus an estimated 15% increase in TCN compensation accounts for the additional cost in FY 85. The TCN compensation plan was recently revised to include a cost of living allowance paid at the same rate as USDH. The Khartoum rate was raised 50% effective May 1984. The trust fund increase is due to the number and amount of allowances which are paid to TCN employees, but not FNDH. The contracts of four of the TCNs will expire in FY 85 and the costs of their repatriation and replacement are budgeted in U 204.

Contract Personnel

The FY 85 dollar funded salary and benefits reflect the arrival of two additional US PSCs, one of them a systems operator for the Wang VS 100. The trust fund is increased by the addition of a physician and a 30% salary increase over FY 84. The FNPSC cost increase reflects a full year's salary (plus a 30% increase) for the sizable number of a contract personnel who will be added late in FY 84. A number of the new employees are cleaners and drivers whose services had been provided under a dollar funded management contract. Their conversion to PSCs represents a sizable dollar savings. Additional professionals are needed to manage Sudan's programs as well as staff a small clinic which will benefit our Foreign National Direct Hires and US and FN Contract staff.

Housing

A recent legal opinion requires that all pound leases be fully funded. FY 84, therefore, funds 112 years of pound leases as well as 10 years of dollar funded leases. There are no renewals of pound leases in FY 85 and FY 86 as we are budgeting for the purchase/construction of housing in those years. Utilities includes an adequate supply of fuel for generators as power shortages continue and worsen. The increase in guard services is due both to an increase in the number of houses (larger USDH staff) as well as a price increase. Procurement of residential furniture will adequately furnish mission residences.

Office Operations

FY 84 includes the full five year cost of the new office building as well as the three year cost of a warehouse and the necessary renovation of the two properties. Also included in the Maintenance and Renovation costs are those associated with the installation of the Wang VS 100. FY 84 Office Furniture and Equipment and Freight include the cost of the VS 100 as shown in Table VIII(c). The increase in security guard services is due to an increase in the number of guards required at an additional site (warehouse) as well as a price increase. Other equipment includes some purchases deferred from FY 84.

The travel requested in FY 85 and FY 86 is that required to properly monitor the projects in this largest country in Africa as well as take advantage of the training opportunities wanted and needed by the USDH staff. Several of our projects are or will be jointly funded with other donors. This necessitates trips for consultation to Nairobi and Abidjan. Also budgeted are information trips to attend the Paris Club meetings.

Supplies include the additional amounts required for the VS 100 as well as an adequate supply of petroleum products as an emergency reserve both in Khartoum and Juba.

The FAAS for FY 85 and FY 86 reflects an estimated 30% increase each year.

Real property costs in FY 84 include the construction of residential and fuel storage facilities in Juba and the purchase/construction of five houses. FY 85 costs include the purchase of land for an office and warehouse (with construction scheduled for FY 87) and purchase/construction of 10 houses. An additional five houses will be purchased/constructed in FY 86.

Other changes in function codes are attributable to the use of 30% as a price increase.

Section C - Trust Funds

The USAID/Sudan trust fund is provided from local currency generations required by the $120,000,000 per year Commodity Import Program. Given the current economic condition of the country, it is expected that large CIP programs will continue. The Government of Sudan makes available whatever funding is required by the Mission.

TABLE VIII(a) - Information on U.S. PSC Costs
(Function Codes U302 and U303)

ORGANIZATION USAID/SUDAN

Job Title/Position Description	FY 1984	FY 1985	FY 1986
Assistant Population Officer	$ 7.1 (11/83-11/84)	$ 0	$ 0
Assistant Population Officer	$ 202.2 (1/84-1/85)	$ 75.0 (1/85-1/86)	$ 102.3 (1/86-1/87)
Engineer	$ 17.7 (1/84-2/84)		
Assistant Project Development Off.	$ 56.7 (10/85-10/86)	$ 60.8 (10/86-10/87)	$ 0
Assistant Project Development Off.	$ 178.5 (1/84-12/84)	$ 78.0 (1/85-12/85)	$ 97.6 (1/86-12/86)
Assistant Project Development Off.	$ 182.1 (12/83-11/84)	$ 78.3 (12/84-11/85)	$ 103.5 (12/85-11/86)
International Development Economist	$ 159.2 (11/83-11/84)	$ 51.3 (11/84-11/85)	$ 70.0 (11/85-11/86)
International Development Assistant	$ 19.7 (11/83-7/84)	$ 0	$ 0
Forester	$ 0	$ 110.3 (10/84-6/85)	$ 0
Systems Operator	$ 0	$ 170.5 (10/84-9/85)	$ 103.2 (10/85-9/86)
Special Assistant-Management	$ 35.3 (10/83-9/84)	$ 47.4 (10/84-9/85)	$ 61.6 (10/85-9/86)
Secretary	$ 35.3 (10/83-9/84)	$ 47.4 (10/84-9/85)	$ 61.6 (10/85-9/86)
Secretary	$ 23.0 (10/83-9/84)	$ 32.1 (10/84-9/85)	$ 41.8 (10/85-9/86)
Guest House Manager	$ 12.2 (10/83-9/84)	$ 16.9 (10/84-9/85)	$ 22.0 (10/85-9/86)
Physician	$ 0	$ 81.2 (10/84-9/85)	$ 105.6 (10/85-9/86)
TOTAL	$ 929.0	$ 849.2	$ 769.2

TABLE VIII(b) - All Other Code 25 Detail
(Function Code U523)

ORGANIZATION USAID/SUDAN

Description of Service	FY 1984	FY 1985	FY 1986
Office Cleaning Contract	$ 27.0 (6/84-9/89)	$ 108.0 (10/84-9/85)	$ 140.4 (10/85-9/86)
Aircraft Charter	$ 406.2 (1/84-9/84)	$ 528.0 (10/84-9/85)	$ 686.4 (10/85-9/86)
All Other	$ 440.6	$ 434.0	$ 596.2
TOTAL	$ 873.8	$1,070.0	$1,423.0

TABLE VIII(c)
OBLIGATIONS FOR ACQUISITION, OPERATION
AND USE OF INFORMATION TECHNOLOGY SYSTEMS

Item and Explanation	Fiscal Years ($000) 1984	1985	1986
1. Capital Investment			
A. Purchase of Hardware Purchase of automation equipment by the Mission; such as WANG VS mini-computer, WANG OIS System, WANG WP equipment and micro-computers and their associated workstations/terminals, printers and telecommunications modems.	647.0	297.0	0
B. Purchase of Software Purchase of software by the Mission to operate an existing or new automation equipment (hard-ware) such as CP/M, Multiplan, DBASE II and Microstat, LOTUS 1-2-3, etc.	1.0	35.0	0
C. Site and Facility Cost of proposed site construction to prepare for setting up a WANG VS or WANG OIS automatic system, such as raised floors, walls, air conditioning and uninterruptible power sources.	683.5	45.0	0
SUBTOTAL	1331.5	377.0	0

TABLE VIII(c) (continued)

Item and Explanation	Fiscal Years ($000) 1984	1985	1986
2. Personnel Mission will provide requirements below for personnel involved in the information technology functions, such as systems development and operation, and the percentage of management and secretarial personnel also involved. Personnel that use systems will not be included.			
A. Compensation, Benefits and Travel	38.5	247.4	218.6
B. Workyears	(1)	(3)	(3)
3. Equipment Rental, Space and Other Operating Costs			
A. Lease of Equipment Obligations for lease and maintenance of non-government owned equipment (rented equipment)	0	0	0
B. Space Obligations for lease of space to house automation equipment, office space for personnel (direct-hire and contractor) involved in the information technology function (See 2A&B) including basic utilities and house keeping services.	0	0	0

TABLE VIII(c) (continued)

Item and Explanation	Fiscal Years ($000) 1984	1985	1986
C. Supplies and Other Obligations for supplies and software rental (not included in a rental contract for equipment)	50.0	200.0	250.0
D. Non-Commercial Training Obligations for planning and conducting government operated training to prepare users to make effective use of automation resources.	2.0	20.0	20.0
SUBTOTAL	52.0	220.0	270.0
4. Commercial Services This includes obligation for services where payments are made to private industry.			
A. Computer Time Obligations to fund contract with a private firm to provide computer time to the Mission.	0	0	0
B. Leased Telecommunications Services Obligations for leased telephone lines and other telecommunication services to obtain data from other computers or to transmit data. For Missions, where applicable include, but identify separately, the lease of local telephone lines and modems to reach the American Embassy's, Office of Communications for the purpose of the transmission of data to and from AID/W.	0	0	0
C. Operations and Maintenance (1) Operations Include funds to be obligated for contractor services to operate a WANG VS computer or an OIS System (system administrator and staff, not workstation operators).	0	0	0

TABLE VIII(c) (continued)

Item and Explanation	Fiscal Years ($000) 1984	1985	1986
C. (2) Maintenance Include obligations for contracts to maintain government-owned equipment (hardware) and software that is currently in place and that is to be acquired in 1A and 1B above.	10.0	30.0	60.0
D. Systems Analysis and Programming Obligations for contractor services to design and program new ADP or OIS application systems and to maintain existing systems.	0	0	0
E. System Design and Engineering (Do not complete - OMB requirement not applicable to AID.)	XXXX	XXXX	XXXX
F. Studies and Other Obligations for management and feasibility studies, requirement definitions, and commercial training.	0	0	0
SUBTOTAL	10.0	30.0	60.0
5. TOTALS Total Obligations	1432.0	874.4	548.6
Workyears (From item 2A)	(1)	(3)	(3)
6. Special Breakout A. Amounts included in Mission allowances for existing systems. (Includes 2A, 3, and 4) (Services for equipment in place only.)	100.5	146.9	190.4
B. Amounts included in Mission allowances for new or expanded systems. (Includes 1, 2A, 3 and 4.) (Equipment and services for new efforts beginning during the fiscal year.)	1330.5	727.5	358.2

TABLE VIII(c) NARRATIVE

1. USAID Sudan has the following automation equipment on hand now:

   Three Wang 5 stand alone Word Processors (one each in Director's Office, Management Office and Project Operations Office).

   Three Apple IIe Computers (two in the Controller's Office, and one in the Agriculture Office).

2. The three Wang Units are used for word processing.

   The Apple IIe's in the Controller's Office are used for Mission internal financial reporting and budget and project analysis. The one in the Agriculture Office is used for Project analysis and monitoring project information.

3. Current plans are to procure the following additional equipment:

   To provide a Wang VS 100 and ancillary equipment in the Controller's Office and satellite twenty-eight work stations on it located as follows:

   Second Floor

One - Procurement Office	Word Processing
One - C&R Office	Word Processing
One - Reproduction Office	Word Processing
One - Special Assistant's Office	Word Processing
One - Mail Room	Word Processing
One - Secretary's Work Station	Word Processing

   Third Floor

One - SMO Secretaries	Word Processing
One - Travel and Personnel Office	Word Processing

   Fourth Floor

Eight - Controller's Office	Accounting & W.P.

   Fifth Floor

Two - Agriculture Office	Word Processing
Two - Health Office	Word Processing

   Sixth Floor

One - Engineering Office	Word Processing
One - Project Operations Office	Word Processing

   Seventh Floor

One - Program Office	Word Processing
One - General Development Office	Word Processing

Eighth Floor

Two - Economic Policy and Planning Office	Word Processing
Two - Director's Office	Word Processing

In addition to the above work stations, it is planned to have personal computers located in the following offices (a total of twenty one):

One - Supply Management Office	CIP Analysis
One - Contracting Office	Contracting and Leasing
One - Management Office	Inventory Control
Four - Controller's Office	Accounting
One - Agriculture Office	Project Analysis
One - Health Office	Project Analysis
Two - Engineering	Project Design and Analysis
One - General Development Office	Local Currency Analysis
Three - Program Office	Program Analysis
Four - Economic Policy and Planning Office	Economic Analysis
Two - Project Office	Project Analysis

We have planned for the purchase of 21 personal computers, both for the versality of use as terminals and as independent units. As independent units they provide a measure of back-up for any down time of the CPU.

The acquisition of the VS 100 will enable all offices to have adequate word processing and computing capabilities. The Controller's Office will have the capacity to use the MACS system and become the official accounting station for USAID/Sudan.

The cost of this equipment is budgeted in the trust fund for procurement in Saudi Arabia. If the equipment must be purchased in the United States, additional money will be needed in the dollar funded operating allowance request.

Country/Office Sudan

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TABLE XI

P.L. 480 TITLE 1/111 REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

	Actual FY 1984		Estimated FY 1985 1/		Projected FY 1986 1/	
	$	MT	$	MT	$	MT
COMMODITIES						
Title I						
Wheat	34.5	218.4	35.0	221.5	35.0	221.5
Wheat Flour 2/	15.5	96.6	15.0	91.9	15.0	91.9
	50.0	315.0	50.0	313.4	50.0	313.4
Total						
of which Title III						
Total						

COMMENT:

1/ Based on commodity prices in State 120826

2/ Wheat flour in wheat grain equivalents converted at the ratio: 1 MT wheat flour equals 1.39 MT wheat grain.

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TABLE XII

Country/Office Sudan

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Ton)

STOCK SITUATION	FY 1985	Estimated FY 1986
Commodity - Wheat		
Beginning Stocks	69	69
Production	180	220
Imports	518	533
Concessional	314 1/	314 1/
Non-Concessional	204	219
Consumption	698 2/	753 3/
Ending Stocks	69	69
Commodity -		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		
Commodity -		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		

Comment:

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

2/ Composite flour with sorghum replacing wheat at 20%.

3/ Assumes consumption increasing at 10% rate and composite flour with sorghum replacing wheat at 25%.

PL 480 Narrative: Titles I and III

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

- as balance of payment support for critically needed foodstuffs;
- for policy analysis and reform in the agricultural sector; and,
- as a source of local currency to finance important agricultural and rural development projects tied to the USAID/Sudan's CDSS and DA program, and the GOS Three Year Public Investment Plan (TYPIP).

Title I:

PL 480 Title I is a significant instrument for helping the Sudan with its macro-economic problems. Financing wheat, an essential import, has direct and immediate beneficial impact on the balance of payments as well as being a source of local currency for the support of productive activities in the agricultural and related rural development sectors. Aside from this direct benefit, Title I is used to promote needed policy reforms of particular importance to increasing agricultural production. The FY 1985 Title I program will be increased to $50 million to include the $20 million previously allocated to the Title III program.

Local currency generations under Title I are programmed to finance specific development projects in the GOS Three Year Public Investment Plan. Projects included are in the areas of agricultural development, rural development, health and education.

Title III:

The debt forgiveness feature of the Title III program has been a useful vehicle for enhancing our leverage in support of policy reforms.

As with Title I, self-help measures are negotiated in support of needed policy reforms with particular emphasis on the agricultural sector. The last $20 million tranche of the five-year $100 million PL 480 Title III Agreement initiated in FY 1980 will be disbursed in FY 1984.

Local currency generations under Title III are programmed to finance specific development activities within our agricultural and rural development program under the CDSS. The counterpart fund is used to complement USAID/Sudan DA-financed projects, being a key factor in the financial viability of several of them. Such projects include agricultural research in Western Sudan, Primary Health Care in the Western and Southern regions, Regional Finance and Planning, River Transport (with particular relevance to marketing between North and South), Agricultural Planning and Statistics, Rural Renewable Energy, Agricultural Production and Marketing in the South, Marketing and Storage in the West, a Blue Nile integrated agricultural production project, and the Western Sudan Agricultural Marketing Road project.

The development impact of the Title III program has been confirmed by annual evaluations. This program, coupled with other mechanizms, such as ESF/CIP, has given the U.S. a major role in persuading and supporting the GOS in its policy and structural reforms, which are now beginning to show results in terms of increased production and declining inflation.

Food Situation Up-Date

Total consumption of wheat in Sudan is estimated at 759,000MT in FY 1984 and has been increasing at approximately 15 percent annually. Domestic production in FY 1984 is estimated at 175,000 MT, an increase over the previous year due to the increase in farm prices. The shortfall between production and consumption is being met by a combination of

concessional commercial imports. Domestic wheat production is expected to increase as a result of the Gezira Rehabiliation program and the change in farm prices to import parity levels.

USAID will use the FY 1985 Title I negotiations to initiate the use of composite flour (wheat/sorghum) in bread making. Based upon technical research undertaken at the Sudanese Food Research Institute and the results from the commercial trial of composite flour conducted in FY 1984, the rate of substitution of domestic sorghum flour for wheat flour would be in the range of 15 to 30 percent, thereby holding potential for significantly reducing wheat import requirements.

GOS Priority for Domestic Food Production

Over the past several years the GOS has undertaken a number of actions to reduce policy and pricing constraints on domestic agricultural production. Export taxes were reduced or eliminated; commodity prices for both rainfed and irrigated crop were increased to import parity levels; and the price relationships on the irrigated schemes were improved. However, the move to reduce government involvement in a number of direct agricultural production and marketing activities has received little impetus.

Major Elements of Proposed PL 480 Title I Program

USAID requests a continuation of the current $50 million PL 480 level in fiscal years 1985 and 1986. There are no indications that the Sudanese balance of payments and wheat import requirements, apart from the composite flour experiment, are likely to decrease significantly in this frame.

The proposed PL 480 program to be negotiated in FY 1985 would transfer the entire $50 million in foreign exchange and commodity support under Title I. While providing the needed budgetary and resource support, Title I, has not proven as effective up to now in fostering policy dialogue as Title III. However, the stringent management requirements of a Title III program and the difficulties and delays in local currency project implementation, highlighted in the evaluations of the existing Title III Agreement, has convinced the Mission to move entirely to the Title I program.

The proposed Title I program will focus on needed policy reform in wheat pricing, importation, allocation and distribution and the agricultural production and distribution. The local currency generations will be programmed, in cooperation with the GOS, to finance specific development activities tied to the USAID/Sudan's CDSS and DA-supported projects. USAID has developed a computerized system to enhance the control, programming and management of local currency generations.

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country Sudan

Sponsor's Name Seventh Day Adventist World Service (SAWS)

A. Maternal and Child Health.....Total Recipients 35,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
35,000	Mixed-edible oil, lentils and non fat milk	1600.0	820.0
		—	—
Total MCH		1600.0	820.0

B. School Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
		—	—
		—	—
Total School Feeding		—	—

C. Other Child Feeding.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
		—	—
		—	—
Total Other Child Feeding		—	—

D. Food for Work.....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
		—	—
		—	—
Total Food for Work			

E. Other (Specify).....Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
		—	—
		—	—
Total Other		—	—

II. Sponsor's Name _____

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country Sudan

Sponsor's Name CARE

A. Maternal and Child Health.....Total Recipients

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
Total MCH			

B. School Feeding.....Total Recipients

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
Total School Feeding			

C. Other Child Feeding.....Total Recipients

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
Total Other Child Feeding			

D. Food for Work.....Total Recipients 25,000

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
25,000	Grain	300.0	491.0
25,000	Oil	31.0	30.0
Total Food for Work		331.0	521.0

E. Other (Specify).....Total Recipients

No. of Recipients by Commodity	Name of Commodity	(Thousands) KGS	Dollars
Total Other			

II. Sponsor's Name

PL 480 TITLE II NARRATIVE

The Mission is proposing a PL 480 Title II program comprised of two parts. The first is a CARE-administered, food-for-work effort aimed at combatting desertification in Western Sudan. The second is a MCH/nutrition education activitiy under the administration of the Seventh Day Adventists World Service (SAWS) Organization which will focus intially on the Khartoum metropolitan area preparatory to further expansion into western and southern Sudan.

The CARE component is expected to begin in late FY 1985 at an initial funding level of $520,000. The activity was conceived during recent Mission investigations of drought-affected areas in the west. As discussions with CARE have only recently been undertaken, there has not been sufficient time for CARE to develop an operational plan for inclusion in the FY 1986 ABS. However, discussions among the Mission, CARE and the GOS have moved sufficiently along to enable a basic outlining of the proposal. Geographic focus initially would be in the area of El Obeid, the capital of Kordofan Region. Activities being considered include: the establishment of green belts, community forests, fenced grazing belts and acacia tree nursery sites. CARE and the GOS are currently developing a list of activity priorities and specific geographic targets based on consideration of need, the regional government's budget, infrastructure requirements, and the availability of indigenous inputs (seeds, hand implements, fencing materials, etc) and labor. CARE anticipates up to 25,000 beneficiaries in the program.

The CARE proposal relates directly to the Mission's CDSS inasmuch as it adds to our strategic focus on the rainfed agriculture subsector, i.e. Kordofan.

CARE is well-established in Sudan. It maintains an office in Khartoum and has a representative in El Obeid. Moreover, it is currently involved in a number of AID-funded activities to include: the North Kordofan Water Project, the Eastern Reforestation Project and the fuel efficient woodstove component of the Rural Renewable Energy Project. It also has had considerable experience in administering food-for-work programs around the world. There is little doubt that it is capable of effectively carrying out the proposal.

Like CARE, the SAWS project is planned for initiation in FY 1985, at a projected funding level of $380,000. It will concentrate on the large areas of urban poor that are clustered around the periphery of Khartoum. The poor in these areas have little or no access to health services. The SAWS project will provide food supplements and nutrition education to these communities, concentrating on pregnant women, lactating women during the first year of breast feeding, infants between six and twenty-four months of age, and children between two and five diagnosed as having second or third degree malnutrition.

The project will distribute a commodity mix of edible oil, lentils and non-fat milk to the mothers enrolled in the program. The distributions will be linked closely to education aimed at specific behavioral changes leading to adequate nutrition without foreign donation. It is anticipated that some 15,000 beneficiaries will participate in the first year of the project. This figure is expected to rise to 60,000 by the project's fifth and final year. The project

will expand to the Kordofan and Darfur regions in year four, and to the Equatoria region, around Juba, perhaps as early as year two.

Unlike CARE, SAWS has not had much experience working in Sudan, apart from a small clinic it operates in Juba. In view of the severe logistical difficulties encountered in Sudan, the Mission believes it essential that SAWS begin in the Khartoum area before moving to the outlying regions.

The Mission's current health activities, primarily the Rural Health Support Project, focus on the southern and western regions of Sudan and concentrate on improving the health of those poor who have little access to health services, particularly mothers and children. The SAWS project, both in its geographic and target group focus, enhances the Mission's health strategy.

SAWS is currently developing its operational plan with the assistance of AID/W. It has also had extensive discussions with the GOS and is close to reaching an operational agreement.

MIGRATION & REFUGEE ASSISTANCE NARRATIVE

The Mission proposes an expansion of the Eastern Sudan Refugee Reforestation Project (650-0064) in FY 1986. Field observations show CARE is doing an outstanding job at implementing the present project. Personnel and commodities are in place, nursery construction has been completed, seedling production exceeds the project targets and employment is being provided at the rate of more than 50,000 man days per year. Cooperation and support from the Commissioner of Refugee's Office and the Regional Department of Forestry has been exemplary.

The GOS has already approached CARE about expanding their project to the Kassala area (1,500 Km. N.E. of Gedaref). Sudanese farmers having projects (1,000 acres each) with the Mechanized Farming Corporation have already overwhelmed the project with their willingness to participate in the introduction of shelterbelts. The Sudanese are increasingly aware of the agricultural/conservation gains to be realized through agro-forestry.

An expansion in the Kassala area would have ready access to refugee labor. Employment and fuelwood production would continue to be the keystone for expansion, but there would be provision for a gradual shift towards agro-forestry. Whereas the present project has a ratio of agro-forestry to production plantations of 1:4, we might anticipate a ratio of 1:2 in the expansion. This increased emphasis on agro-forestry would be even more labor intensive because of the high extension demand.