

UNCLASSIFIED

# Annual Budget Submission

**FY 1986**

## Zambia

BEST AVAILABLE



**JUNE 1984**

Agency for International Development  
Washington, D.C. 20523

FY 1986 ANNUAL BUDGET SUBMISSION

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FY 1986 ANNUAL BUDGET SUBMISSION  
 TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

	FY 1983 ACTUAL	FY 1984 ESTIMATE	—FY 1985—		FY 1986 AAPL	—PLANNING PERIOD—			
			CP	ESTIMATE		1987	1988	1989	1990
TOTAL DEVELOPMENT ASSISTANCE ACCOUNT	--	--	--	--	--	--	--	--	--
ECONOMIC SUPPORT FUND									
TOTAL	15483	20000	20000	20000	25000	27000	28000	29000	30000
GRANTS	483	20000	20000	20000	25000	27000	28000	29000	30000
LOANS	15000	--	--	--	--	--	--	--	--

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 PL 480

TITLE I (7000) (7000)(10000) (10000) (10000) (11000) (12000) (15000) (15000)

HOUSING GUARANTIES

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 TOTAL PERSONNEL

USDH WORKYEARS	5.5	7.0	7.0
FNDH WORKYEARS	5.0	5.0	5.0



**AID PROGRAM IN FY 1986  
ANNUAL BUDGET SUBMISSION  
TABLE V - PROPOSED PROGRAM RANKING**

DECISION UNIT 611 ZAMBIA

RANK	PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	PROGRAM APPROP	PROGRAM FUNDING (\$000)		CUM
						INCR		
1	0070	COMMODITY IMPORT PROGRAM	0	G	ES	15000		15000
2	0075	AGRICULTURAL TRAINING, PLANNING AND INSTITUTIONAL DEVELOPMENT	0	G	ES	4000		19000
3	0201	AGRICULTURAL DEVELOPMENT: RESEARCH AND EXTENSION	0	G	ES	3000		22000
4	PL01	PL 480 TITLE I - ZAMBIA	--	--	PI	(10000)		22000
5	0206	HUMAN AND INSTITUTIONAL RESOURCES DEVELOPMENT	0	G	ES	3000		25000
<b>TOTAL</b>							<b>25000</b>	

## OPERATING EXPENSE NARRATIVE

A. Management Improvements

Over the past four years AID/Zambia has grown from two USDH and two FNDH to almost twenty operating expense funded personnel (including direct hire, personal service or non personal service contract personnel but excluding guard and maintenance services personnel). Until September 1983, AID/Zambia received most administrative services from the Embassy under what was a "de facto" JAO. FAAS costs of these "services" during 1982, were approximately \$63,000 and in 1983 \$75,000. However, within AID there was general discontent with the quality of service provided. In addition, the Embassy was not in a position to provide services to AID contract personnel outside of Lusaka, the capital city. With the arrival of contractors in 1982, an increased need for support was realized; a cost analysis showed that support of these personnel alone was quite expensive. However, the analysis also indicated that if AID were to take over support of all AID and AID-related personnel there would be cost savings and two important goals would be achieved:

1. Contract personnel would be supported in a manner which would allow them begin work immediately upon arrival and they would receive support similar to USDH employees.
2. There would be an improvement in the quality of support to all AID personnel.

A year ago, March 1983, AID informed the Embassy that certain major services under the FAAS would not be required after September 30, 1983. Travel and household maintenance were the major items dropped and as a result it is estimated that the cost to OE funds, for similar but better services, is about 60% of the cost of the same services under FAAS. Aside from being cost effective, in-house provision of these services has encouraged prompt and efficient project implementation.

To implement these changes part of the 1983 OE budget was set aside to establish a stock of maintenance supplies, ordered in quantity off-shore to avoid the 200-300% local mark-up. The possibility of a local service contract was explored but it was found that a "body contract" using the U.S. employees association was the most economical. To take on the travel function a local travel agent was engaged, at no additional cost to the USG, and FSN staff are now studying an IATA course for travel agents at minimal cost. This again is a major cost saving. AID has also taken over all procurement and most vouchering with no increase in staff. The possibility of training a locally employed technician in maintenance of all our office machines is being explored. Although the initial cost of training, including international travel, may be high, the long term savings should be substantial.

The last area being addressed is financial controls. So far reliance on RFMC has been the operational mode but this has been less than satisfactory. Recruitment of a retired AID FSN chief accountant has been going on for the past year and, until recently, without success. It is hoped that the now identified candidate will be able to train a staff of one or two locally employed accountants, over a period of three to five years, to handle the local cuff record accounting that is essential to a post serviced by RFMC especially one without a DH Controller. Again the initial cost is slightly high but much less than the cost of a USDH employee.

One aspect of management improvement which is impossible to accomplish is the reduction of cost and improvement of service and security because of artificial employment limitations. All parties must realize that, to obtain essential services, yet remain within these limits, overseas posts must enter into personal or non personal services contracts, which are substantially more expensive than direct hire arrangements for local employees.

#### B. Justification for Funding Changes

There are two summary function levels where required funding changes by more than twenty percent between 1984 and 1985 are noted. There are no major changes between 1985 and 1986. The first change is in U.S. direct hire costs and this is directly related to the number of employees at post. During 1984 there will be only 5.5 workyears while a full staff of 7.0 is expected during 1985 and 1986.

The other area of substantial increase is in personal service costs. Before going into the increase between 1984 and 1985 the "adjusted" 1984 budget must be discussed since most of the increase is in this area. Since August 1983 AID/Zambia has had a U.S.PSC filling an established direct hire position. This PSC was funded for six months from FY 1983 funds with the expectation that he would be employed as direct hire in that time. The employment process however has dragged on and an additional \$65,700 is required to fund this contract through the end of this fiscal year. Thirty thousand dollars has already been obligated in FY 1984 but to do this funding in function codes U403, U405, U504, U518 and U523 have been severely reduced. If additional funds are not made available it will be next to impossible to continue this PSC contract. Also, the budget for FY 1985 will have to be increased to make up for the above cuts in other function codes.

The other personal service cost increases are for the employment of the TCN accountant mentioned in Section A of this narrative. A certain amount of financial vulnerability in AID/Zambia has been identified and as operations increase it is essential that there be a senior accountant on the staff. A candidate is being interviewed and can be employed in the near future if funds are available. For these reasons, the "adjusted" budget level for 1984 is absolutely essential.

To address the change in personal services costs between 1984 and 1985 the costs in 1985 are based on the following assumptions:

1. The TCN Senior Accountant will be employed.
2. A local voucher examiner will be employed.
3. The current U.S. PSC will be switched to direct hire status.
4. Another U.S. PSC will be employed for a period of at least one year to fill a relatively short term (less than two years) need for an Education and Human Resources Development Officer on the staff as the initial Project Manager for the new Human and Institutional Resources Development Project (611-0206).

Assumption 1 has already been discussed and assumption 2 was implied in that discussion. After a training period of three years the voucher examiner and perhaps one other would be expected to take over most functions and the TCN contract could end. If assumption 3 is not realized personal services expenses in 1985 and 1986 will increase by at least another 50%.

#### C. Trust Fund

With the signing of this year's Commodity Import Program agreement, we will have converted what has heretofore been a loan program to one on grant terms. This, of course, will give us our first opportunity to consider a Trust Fund with the Zambian Government.

The issue of local currency usage is a very difficult one in the wake of the extreme economic crisis faced by this country. The Government is very sensitive to resource issues of any kind as it negotiates IMF and Rescheduling Agreements and seeks additional resources in various international fora (including a Consultative Group meeting in Paris between May 22, 1984 and May 24, 1984). We have already faced considerable resistance to special accounts in the context of previous PL 480 Title II agreements, U.S. law notwithstanding. We can expect more of the same concerning the establishment of a CIP trust fund.

Nevertheless, there are reasons for such a Fund having to do with logic, efficiency and maximizing the AID/Zambia program which we will pursue. We have asked that three percent be set aside for the Trust Fund. Given the above, our chances of obtaining GRZ agreement are probably no more than 50-50.

TABLE VIII - FY 1984

ORGANIZATION AID/ZAMBIA  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100				490.3	XXXXX
U.S. CITIZENS BASIC PAY	U101	110			296.1	5.5
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116			28.6	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126			69.8	10
RETIREMENT - U.S.	U107	120			20.7	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129				XXXXX
OTHER MISSION FUNDED O.C.12	U110	129				XXXXX
POST ASSIGNMENT - TRAVEL	U111	212			5.0	1
POST ASSIGNMENT - FREIGHT	U112	22			16.5	1
HOME LEAVE - TRAVEL	U113	212			19.1	4
HOME LEAVE - FREIGHT	U114	22			11.5	4
EDUCATION TRAVEL	U115	215			2.7	2
R AND R TRAVEL	U116	215			16.8	8
ALL OTHER CODE 215 TRAVEL	U117	215			3.5	2
<u>FOREIGN NATIONAL DH</u>	U200				43.4	XXXXX
BASIC PAY	U201	114			40.8	5.0
OVERTIME, HOLIDAY PAY	U202	115			0.5	5.0
ALL OTHER CODE 11 - FM	U203	119			1.0	XXXXX
ALL OTHER CODE 12 - FM	U204	129			1.1	XXXXX
BENEFITS FORMER FM PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300				66.4	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113			30.0	0.3
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113			36.4	3.0
ALL OTHER F.N. PSC COSTS	U305	255				XXXXX
JCC COSTS PAID BY AID/W	U306	113				
<u>HOUSING</u>	U400				137.0	XXXXX
RENT	U401	235			69.0	3.0
UTILITIES	U402	235			7.8	XXXXX
RENOVATION AND MAINT.	U403	259			12.5	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311			9.6	XXXXX
TRANS./FREIGHT - CODE 311	U406	22			11.4	XXXXX
SECURITY GUARD SERVICES	U407	254			25.2	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254			0.5	XXXXX
REPRESENTATION ALLOWANCE	U409	252			1.0	XXXXX

TABLE VIII - FY 1984ORGANIZATION AID/ZAMBIA  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500				343.3	XXXXX
RENT	U501	234			8.4	XXXXX
UTILITIES	U502	234			1.5	XXXXX
BUILDING MAINT./RENOV.	U503	259			3.6	XXXXX
OFFICE FURN./EQUIP.	U504	310			32.3	XXXXX
VEHICLES	U505	312			13.4	XXXXX
OTHER EQUIPMENT	U506	319			10.2	XXXXX
TRANSPORTATION/FREIGHT	U507	22			16.3	XXXXX
COMMUNICATIONS	U508	230			27.6	XXXXX
SECURITY GUARD SERVICES	U509	254			9.3	XXXXX
PRINTING	U510	24			2.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS - IN COUNTRY	U512	210			8.4	12
SITE VISITS - OTHER	U513	210			57.8	19
INFORMATION MEETINGS	U514	210			8.9	6
TRAINING ATTENDANCE	U515	210			8.6	2
CONFERENCE ATTENDANCE	U516	210			6.3	2
OTHER OPERATIONAL TRAVEL	U517	210				
SUPPLIES AND MATERIALS	U518	26			57.3	XXXXX
FAAS	U519	257				XXXXX
CONSULTING SVCS - CONT.	U520	259				XXXXX
MGT./PROF. SVCS. - CONT.	U521	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259				XXXXX
ALL OTHER CODE 25	U523	259			71.4	XXXXX
TOTAL O.E. BUDGET					1080.4	XXXXX
RECONCILIATION					345.4	XXXXX
OPERATING ALLOWANCE REQUEST					735.0	XXXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs				289.6		
Exchange rate used (as of May 1, 1984)				\$1.00 = K1.64085		

## TABLE VIII - FY 1984

ORGANIZATION AID/ZAMBIA ADJUSTED LEVEL  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100				490.3	XXXXX
U.S. CITIZENS BASIC PAY	U101	110			296.1	5.5
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116			28.6	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126			69.8	10.0
RETIREMENT - U.S.	U107	120			20.7	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129				XXXXX
OTHER MISSION FUNDED O.C.12	U110	129				XXXXX
POST ASSIGNMENT - TRAVEL	U111	212			5.0	1
POST ASSIGNMENT - FREIGHT	U112	22			16.5	1
HOME LEAVE - TRAVEL	U113	212			19.1	4
HOME LEAVE - FREIGHT	U114	22			11.5	4
EDUCATION TRAVEL	U115	215			2.7	2
R AND R TRAVEL	U116	215			16.8	8
ALL OTHER CODE 215 TRAVEL	U117	215			3.5	2
<u>FOREIGN NATIONAL DH</u>	U200				43.4	XXXXX
BASIC PAY	U201	114			40.8	5.0
OVERTIME, HOLIDAY PAY	U202	115			0.5	5.0
ALL OTHER CODE 11 - FN	U203	119			1.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129			1.1	XXXXX
BENEFITS FORMER FN PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300				146.9	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113			65.7	0.6
ALL OTHER U.S. PSC COSTS	U303	255				XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113			71.2	5.0
ALL OTHER F.N. PSC COSTS	U305	255			10.0	XXXXX
JCC COSTS PAID BY AID/W	U306	113				
<u>HOUSING</u>	U400				154.0	XXXXX
RENT	U401	235			69.0	3.0
UTILITIES	U402	235			7.7	XXXXX
RENOVATION AND MAINT.	U403	259			20.7	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311			12.7	XXXXX
TRANS./FREIGHT - CODE 311	U406	22			17.2	XXXXX
SECURITY GUARD SERVICES	U407	254			25.2	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254			0.5	XXXXX
REPRESENTATION ALLOWANCE	U409	252			1.0	XXXXX

## TABLE VIII - FY 1984

ORGANIZATION AID/ZAMBIA ADJUSTED LEVEL  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500				380.1	XXXXX
RENT	U501	234			8.4	XXXXX
UTILITIES	U502	234			1.5	XXXXX
BUILDING MAINT./RENOV.	U503	259			3.6	XXXXX
OFFICE FURN./EQUIP.	U504	310			47.7	XXXXX
VEHICLES	U505	312			13.4	XXXXX
OTHER EQUIPMENT	U506	319			10.2	XXXXX
TRANSPORTATION/FREIGHT	U507	22			16.3	XXXXX
COMMUNICATIONS	U508	230			27.6	XXXXX
SECURITY GUARD SERVICES	U509	254			9.3	XXXXX
PRINTING	U510	24			2.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS - IN COUNTRY	U512	210			8.4	12
SITE VISITS - OTHER	U513	210			57.8	19
INFORMATION MEETINGS	U514	210			8.9	6
TRAINING ATTENDANCE	U515	210			8.6	2
CONFERENCE ATTENDANCE	U516	210			6.3	2
OTHER OPERATIONAL TRAVEL	U517	210				
SUPPLIES AND MATERIALS	U518	26			67.6	XXXXX
FAAS	U519	257				XXXXX
CONSULTING SVCS - CONT.	U520	259				XXXXX
MGT./PROF. SVCS. - CONT.	U521	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259				XXXXX
ALL OTHER CODE 25	U523	259			82.5	XXXXX
<b>TOTAL O.E. BUDGET</b>					1214.7	XXXXX
<b>RECONCILIATION</b>					345.4	XXXXX
<b>OPERATING ALLOWANCE REQUEST</b>					869.3	XXXXX
<b>OTHER INFORMATION:</b>						
Dollar requirement for local currency costs					299.7	
Exchange rate used (as of May 1, 1984)					\$1.00 = K1.64085	

## TABLE VIII - FY 1985

ORGANIZATION AID/ZAMBIA  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TIMET FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100				667.4	XXXXX
U.S. CITIZENS BASIC PAY	U101	110			383.2	7.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116			40.2	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXXX
OTHER MISSION FUNDED O.C 11	U105	119				XXXXX
EDUCATION ALLOWANCES	U106	126			95.2	12.0
RETIREMENT - U.S.	U107	120			26.9	XXXXX
LIVING ALLOWANCES	U108	128				XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129				XXXXX
OTHER MISSION FUNDED O.C.12	U110	129				XXXXX
POST ASSIGNMENT - TRAVEL	U111	212			15.0	3.0
POST ASSIGNMENT - FREIGHT	U112	22			49.5	3.0
HOME LEAVE - TRAVEL	U113	212			15.0	3.0
HOME LEAVE - FREIGHT	U114	22			12.0	3.0
EDUCATION TRAVEL	U115	215			2.7	2.0
R AND R TRAVEL	U116	215			19.6	8.0
ALL OTHER CODE 215 TRAVEL	U117	215			8.1	6.0
<u>FOREIGN NATIONAL DE</u>	U200				49.4	XXXXX
BASIC PAY	U201	114			43.7	5.0
OVERTIME, HOLIDAY PAY	U202	115			3.5	5.0
ALL OTHER CODE 11 - FM	U203	119			1.0	XXXXX
ALL OTHER CODE 12 - FM	U204	129			1.2	XXXXX
BENEFITS FORMER FM PERS.	U205	13				XXXXX
<u>CONTRACT PERSONNEL</u>	U300				255.5	XXXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113			64.9	1.0
ALL OTHER U.S. PSC COSTS	U303	255			69.2	XXXXX
F.W. PSC - SALARY/BENEFITS	U304	113			117.4	5.0
ALL OTHER F.W. PSC COSTS	U305	255			4.0	XXXXX
JCC COSTS PAID BY AID/W	U306	113				
<u>HOUSING</u>	U400				161.6	XXXXX
RENT	U401	235			60.6	3.0
UTILITIES	U402	235			10.5	XXXXX
RENOVATION AND MAINT.	U403	259			14.0	XXXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311			22.4	XXXXX
TRANS./FREIGHT - CODE 311	U406	22			25.8	XXXXX
SECURITY GUARD SERVICES	U407	254			25.8	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254			0.5	XXXXX
REPRESENTATION ALLOWANCE	U409	252			2.0	XXXXX

TABLE VIII - FY 1985

**ORGANIZATION AID/ZAMBIA**  
(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<b>OFFICE OPERATIONS</b>	<b>U500</b>				<b>408.1</b>	<b>XXXXX</b>
RENT	U501	234			17.3	XXXXX
UTILITIES	U502	234			2.6	XXXXX
BUILDING MAINT./RENOV.	U503	259			3.6	XXXXX
OFFICE FURN./EQUIP.	U504	310			74.9	XXXXX
VEHICLES	U505	312			7.6	XXXXX
OTHER EQUIPMENT	U506	319			3.6	XXXXX
TRANSPORTATION/FREIGHT	U507	22			16.0	XXXXX
COMMUNICATIONS	U508	230			27.6	XXXXX
SECURITY GUARD SERVICES	U509	254			9.3	XXXXX
PRINTING	U510	24			2.2	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS - IN COUNTRY	U512	210			8.4	14
SITE VISITS - OTHER	U513	210			62.0	22
INFORMATION MEETINGS	U514	210			3.9	3
TRAINING ATTENDANCE	U515	210			14.5	5
CONFERENCE ATTENDANCE	U516	210			4.5	3
OTHER OPERATIONAL TRAVEL	U517	210				
SUPPLIES AND MATERIALS	U518	26			67.6	XXXXX
FAAS	U519	257				XXXXX
CONSULTING SVCS - CONT.	U520	259				XXXXX
MGT./PROF. SVCS. - CONT.	U521	259				XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259				XXXXX
ALL OTHER CODE 25	U523	259			82.5	XXXXX
<b>TOTAL O.E. BUDGET</b>					<b>1542.0</b>	<b>XXXXX</b>
<b>RECONCILIATION</b>					<b>450.3</b>	<b>XXXXX</b>
<b>OPERATING ALLOWANCE REQUEST</b>					<b>1091.7</b>	<b>XXXXX</b>

**OTHER INFORMATION:**

Dollar requirement for local currency costs  
Exchange rate used (as of May 1, 1984)

339.9

\$1.00 = K1.64085

Estimated Wage Increases - FY 1984 to FY 1985

10%

Estimated Price Increases - FY 1984 to FY 1985

22%

TABLE VIII - FY 1986

## ORGANIZATION AID/ZAMBIA

(Including KIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100				685.3	XXXX
U.S. CITIZENS BASIC PAY	U101	110			388.8	7.0
PT/TEMP U.S. BASIC PAY	U102	112				
DIFFERENTIAL PAY	U103	116			41.1	XXXX
OTHER AID/W FUNDED O.C. 11	U104	119				XXXX
OTHER MISSION FUNDED O.C. 11	U105	119				XXXX
EDUCATION ALLOWANCES	U106	126			95.2	12
RETIREMENT - U.S.	U107	120			27.4	XXXX
LIVING ALLOWANCES	U108	128				XXXX
OTHER AID/W FUNDED O.C. 12	U109	129				XXXX
OTHER MISSION FUNDED O.C.12	U110	129				XXXX
POST ASSIGNMENT - TRAVEL	U111	212			11.0	2
POST ASSIGNMENT - FREIGHT	U112	22			36.4	2
HOME LEAVE - TRAVEL	U113	212			33.0	4
HOME LEAVE - FREIGHT	U114	22			26.4	4
EDUCATION TRAVEL	U115	215			5.4	4
R AND R TRAVEL	U116	215			9.0	6
ALL OTHER CODE 215 TRAVEL	U117	215			11.6	8
<u>FOREIGN NATIONAL DR</u>	U200				54.9	XXXX
BASIC PAY	U201	114			49.2	5.0
OVERTIME, HOLIDAY PAY	U202	115			3.5	5.0
ALL OTHER CODE 11 - FW	U203	119			1.0	XXXX
ALL OTHER CODE 12 - FW	U204	129			1.2	XXXX
BENEFITS FORMER FW PERS.	U205	13				XXXX
<u>CONTRACT PERSONNEL</u>	U300				223.5	XXXX
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113			64.9	1.0
ALL OTHER U.S. PSC COSTS	U303	255			24.2	XXXX
F.W. PSC - SALARY/BENEFITS	U304	113			130.4	6.0
ALL OTHER F.W. PSC COSTS	U305	255			4.0	XXXX
JCC COSTS PAID BY AID/W	U306	113				
<u>HOUSING</u>	U400				165.1	XXXX
RENT	U401	235			58.6	3
UTILITIES	U402	235			11.9	XXXX
RENOVATION AND MAINT.	U403	259			14.7	XXXX
QUARTERS ALLOWANCE	U404	127				
PURCHASES RES. FURN/EQUIP.	U405	311			23.0	XXXX
TRANS./FREIGHT - CODE 311	U406	22			26.6	XXXX
SECURITY GUARD SERVICES	U407	254			27.8	XXXX
OFFICIAL RESIDENCE ALLOW.	U408	254			0.5	XXXX
REPRESENTATION ALLOWANCE	U409	252			2.0	XXXX

## TABLE VIII - FY 1986

## ORGANIZATION AID/ZAMBIA

(Including RIG Costs if Applicable)

<u>EXPENSE CATEGORY</u>	<u>F.C.</u>	<u>O.C.</u>	<u>DOLLAR FUNDED</u>	<u>TRUST FUNDED</u>	<u>TOTAL BUDGET</u>	<u>UNITS</u>
<u>OFFICE OPERATIONS</u>	U500				386.1	XXXX
RENT	U501	234			17.3	XXXX
UTILITIES	U502	234			2.6	XXXX
BUILDING MAINT./RENOV.	U503	259			3.6	XXXX
OFFICE FURN./EQUIP.	U504	310			11.1	XXXX
VEHICLES	U505	312			7.6	XXXX
OTHER EQUIPMENT	U506	319			4.2	XXXX
TRANSPORTATION/FREIGHT	U507	22			26.3	XXXX
COMMUNICATIONS	U508	230			27.6	XXXX
SECURITY GUARD SERVICES	U509	254			9.5	XXXX
PRINTING	U510	24			2.5	XXXX
RIG/II OPERATIONAL TRAVEL	U511	210				
SITE VISITS - IN COUNTRY	U512	210			16.8	16
SITE VISITS - OTHER	U513	210			72.1	22
INFORMATION MEETINGS	U514	210			4.5	3
TRAINING ATTENDANCE	U515	210			14.7	5
CONFERENCE ATTENDANCE	U516	210			6.0	3
OTHER OPERATIONAL TRAVEL	U517	210				
SUPPLIES AND MATERIALS	U518	26				XXXX
FAAS	U519	257			72.3	XXXX
CONSULTING SVCS - CONT.	U520	259				XXXX
MGT./PROP. SVCS. - CONT.	U521	259				XXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259				XXXX
ALL OTHER CODE 25	U523	259			87.4	XXXX
TOTAL O.E. BUDGET					1514.9	XXXX
RECONCILIATION					457.3	XXXX
OPERATING ALLOWANCE REQUEST					1057.6	XXXX
OTHER INFORMATION:						
Dollar requirement for local currency costs					369.0	
Exchange rate used (as of May 1, 1984)					<u>\$1.00 = K1.64085</u>	
Estimated Wage Increases - FY 1985 to FY 1986					<u>12%</u>	
Estimated Price Increases - FY 1985 to FY 1986					<u>25%</u>	

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

**ORGANIZATION AID/ZAMBIA**

<u>Job Title/Position Description</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>
Agriculture Economist	\$65,700 (4/84-9/84)		
Human Resources Development Officer		\$134,100 (10/84- 9/85)	\$89,100 (10/85- 9/86)

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

**ORGANIZATION AID/ZAMBIA**

<u>Description of Service</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>
All Other Contracts	\$82,500 10/83-9/84	\$82,500 10/84-9/85	\$87,400 10/85-9/86

**INFORMATION TECHNOLOGY NARRATIVE**

AID/Zambia does not currently have any automation equipment but with FY 1984 funds we have ordered, through IBM, four Wang professional computers with software recommended by IBM. Originally there were plans to procure an OIS-140 with seven work stations plus redundancy features but it was decided that the Wang PC would better meet our requirements and be less expensive. The acquisition of nine was considered but because of funding constraints this was reduced to five and then four. It is hoped that an additional six can be approved and procured with FY 1985 funds. IBM Questionnaires have been completed and submitted and their guidance, based on an evaluation of our responses to the questions, will be followed for all subsequent procurement of automation equipment.

AID/Zambia plans to use automation systems for fiscal analysis and data management in support of administrative and program activities as an adjunct to services provided by RFMC in Nairobi; monitoring some 600 returned participants; economic and statistical analysis and compilation of data on the Zambian economy; monitoring of the commodity import program (CIP) and PL-480 activities; mission accounting for real and non-expendable property inventories as well as project commodities; project and operating expense budget preparation and follow-on memorandum accounting records; word processing activity for OCR cable preparation, ABS/CDSS and other special narrative and fiscal reports, and contract and other special letter and document formatting; and maintenance and updating of mailing lists. It is hoped that automation will facilitate exchange of data, documents and information with regional offices such as RFMC and REDSO in Nairobi and central data sources in the United States.

Since the AID/Zambia automation program is really only just beginning and the staff, both U.S. and foreign national, are as yet unfamiliar with its capabilities it is too soon to provide much in the way of long range projections. However, RFMC has been exploring the possibility of telecommunication links between Nairobi and serviced posts in the region. If this is achieved, AID/Zambia should be included in the system. Also, at some point in the future, there should be the capability to network the RFMC professional computers procured during 1984 and 1985. To provide for these two eventualities \$20,000 has been put into the budget for 1986. This figure is only an estimate since cost data are not currently available.

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

<u>Item and Explanation</u>	<u>Fiscal Years (\$000)</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
<b>1. <u>Capital Investment</u></b>			
<b>A. <u>Purchase of Hardware</u></b>			
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.			
4 ea Wang PC	23.3		
6 ea Wang PC		34.9	
Networking/Telecommunication			20.0
<b>B. <u>Purchase of Software</u></b>			
Purchase of software by the Mission to operate an existing or new automation equipment (hardware) such as CP/M, Multiplan, DBASE II and Microstat, LOTUS 1-2-3, etc.			
	7.0	10.5	3.2
<b>C. <u>Site and Facility</u></b>			
Cost of proposed site construction to prepare for setting up a WANG VS or WANG OIS automation system, such as raised floors, walls, air conditioning and uninterruptible power sources.			
	2.0	3.0	2.5
<b>SUBTOTAL</b>	<u>32.3</u>	<u>48.4</u>	<u>25.7</u>

TABLE VIII(c) (continued)

<u>Item and Explanation</u>	<u>Fiscal Years (\$000)</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
2. <u>Personnel</u> 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.			
NONE			
A. <u>Compensation, Benefits and Travel</u>			
B. <u>Workyears</u>	( )	( )	( )
<hr/>			
3. <u>Equipment Rental, Space and Other Operating Costs</u>			
A. <u>Lease of Equipment</u> Obligations for lease and maintenance of non-government owned equipment (rented equipment)			
NONE			
B. <u>Space</u> 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.			
NONE			

TABLE VIII(c) (continued)

<u>Item and Explanation</u>	<u>Fiscal Years (\$000)</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
<b>C. <u>Supplies and Other</u></b> Obligations for supplies and software rental (not included in a rental contract for equipment)			
<b>D. <u>Non-Commercial Training</u></b> Obligations for planning and conducting government operated training to prepare users to make effective use of automation resources.			
<b>SUBTOTAL</b>	_____	_____	_____
<hr/>			
<b>4. <u>Commercial Services</u></b> This includes obligation for services where payments are made to private industry.			
<b>A. <u>Computer Time</u></b> Obligations to fund contract with a private firm to provide computer time to the Mission.			
<b>B. <u>Leased Telecommunications Services</u></b> 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.			
<b>C. <u>Operations and Maintenance</u></b> <b>(1) <u>Operations</u></b> 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).			

TABLE VIII(c) (continued)

<u>Item and Explanation</u>	<u>Fiscal Years (\$000)</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
<u>C. (2) Maintenance</u> 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.	4.0	8.4	9.0
<u>D. Systems Analysis and Programming</u> Obligations for contractor services to design and program new ADP or OIS application systems and to maintain existing systems.			
<u>E. System Design and Engineering</u> (Do not complete - OMB requirement not applicable to AID.)	XXXX	XXXX	XXXX
<u>F. Studies and Other</u> Obligations for management and feasibility studies, requirement definitions, and commercial training.			
<u>SUBTOTAL</u>	_____	_____	_____
<hr/>			
<u>5. TOTALS</u>			
Total Obligations	36.3	56.8	34.7
Workyears (From item 2A)	( )	( )	( )
<hr/>			
<u>6. Special Breakout</u>			
<u>A. Amounts included in Mission allowances for existing systems.</u> (Includes 2A, 3, and 4) (Services for equipment in place only.)		4.2	8.4
<u>B. Amounts included in Mission allowances for new or expanded systems.</u> (Includes 1, 2A, 3 and 4.) (Equipment and services for new efforts beginning during the fiscal year.)	36.3	52.6	26.3

#### A. PL-480 NARRATIVE

Although there are a number of donors that provide sizeable assistance to Zambia, at present the U.S. is the only bilateral donor that links its food aid and commodity loan programs to policy reform. The self-help and local currency measures of each PL-480 agreement are linked with CIP "Support Measures" in order to focus attention on policy objectives and enhance leverage and impact. The overall effect has been significant in helping the Zambian Government overcome the most critical obstacles to economic development. During the past few years, the Zambian Government has taken several steps to improve the farmers' terms of trade and increase private sector investment in the agricultural sector. For example, in 1983 the Zambian Government devalued the Kwacha by some 40% against the U.S. dollar. The Government continues to increase maize and fertilizer consumer prices. In May 1984, the GRZ announced a 16% increase in the producer price of maize and increases in other crops.

The primary policy-related Self Help Measures in the most recent Title I Agreements involve the pricing of commodities which most directly affect Zambia's rural agricultural sector. In these Agreements the Zambian Government agreed to (a) raise agricultural producer prices to incentive levels, (b) reduce government subsidies on agricultural inputs, especially those on fertilizer, and (c) increase the consumer price of maize thus reducing subsidies on marketed maize (most marketed maize is consumed in the urban areas). In developing these policy measures with the GRZ, AID/Zambia has taken into consideration policy measures recommended by the World Bank and the IMF.

In FY 84, FY 85 and FY 86, AID/Zambia will continue to link the PL-480 and CIP programs to Zambian initiatives, improve the relative consumer prices of food products, allow regionally differentiated producer prices, and decrease inappropriate GRZ interventions in the functioning of the agricultural sector. The policy reform Self Help Measures which are now being considered for FY 84 include further reduction in agricultural input and food consumption subsidies; incentive producer prices for agricultural commodities; regionally differentiated producer pricing; the increased role of private sector in the marketing system; and greater incentives in the marketing system. (Other policy measures will no doubt be identified in the course of the continuing policy dialogue). At the same time local currency attributions will continue to be in consonance with CDSS objectives, i.e., support agricultural incentives, strengthen agricultural infrastructure and marketing, and help improve agricultural management and technical capabilities.

Country/Office AID/Zambia

## FY 1986 ANNUAL BUDGET SUBMISSION

## B. TABLE XI

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

	Actual FY 1984		Estimated FY 1985		Projected FY 1986	
	\$	MT	\$	MT	\$	MT
<u>COMMODITIES</u>						
<u>Title I</u>						
Wheat	2.7	17.0	4.0	26.0	5.0	31.6
Vegetable Oil	1.8	6.0	1.5	4.0	3.0	4.5
Rice	2.5	3.8	4.5	6.0	2.0	4.9
<b>Total</b>	<b>7.0</b>	<b>26.8</b>	<b>10.0</b>	<b>36.0</b>	<b>10.0</b>	<b>41.0</b>
<u>of which</u> <u>Title III</u>	NA					

Total

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COMMENT: