

UNCLASSIFIED

Annual Budget Submission

FY 1988

MOROCCO



June 1986

**Agency for International Development
Washington, D.C.**

BEST AVAILABLE

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M O R O C C O

FY 1988 ANNUAL BUDGET SUBMISSION (ABS)

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TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE	OBLIG DATE	INIT FIN AUTH	-TOTAL COST- PLAN	OBLIG THRU FY 85	PIPE- LINE	FY 85	ESTIMATED U.S. DOLLAR COST (\$000)		FY 87	FY 88	OBLIG- ATION	EXPEND- ITURES	PROPOSED- SPECIAL CODE	ITEM NO
							---FY 1986---	---FY 86						
POPULATION PLANNING														
608-0155	G 78	83	FAMILY PLANNING SUPPORT II	9220	9220	20	---	SUBCAT: PNEP	6	---	---	---	IM, ORT, PVO	---
608-0171	G 84	89	FAMILY PLANNING SUPPORT III	17890	23710	9110	7115	3200	3400	11400	3600	6300	3800	5816
APPROPRIATION														
TOTAL			27110	32930	18330	7135	3200	3400	11400	3600	6300	3800		
GRANT			27110	32930	18330	7135	3200	3400	11400	3600	6300	3800		
LOAN			---	---	---	---	---	---	---	---	---	---		
HEALTH														
608-0151	G 81	85	HEALTH MANAGEMENT IMPROVEMENT	3147	2685	2685	259	---	SUBCAT: HEPP	251	---	8	---	7215
608-0178	G 83	87	SECTOR SUPPORT TRAINING	300	300	300	168	---	SUBCAT: HEEH	168	---	---	---	7220
APPROPRIATION														
TOTAL			3447	2985	2985	427	---	419	---	---	8	---		
GRANT			3447	2985	2985	427	---	419	---	---	8	---		
LOAN			---	---	---	---	---	---	---	---	---	---		
CHILD SURVIVAL FUND														
608-0171	G 84	90	FAMILY PLANNING SUPPORT III	---	8000	---	---	2000	1000	6000	1500	1000	1500	10772
APPROPRIATION														
TOTAL			---	8000	---	---	2000	1000	6000	1500	1000	1500		
GRANT			---	8000	---	---	2000	1000	6000	1500	1000	1500		
LOAN			---	---	---	---	---	---	---	---	---	---		

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

608 - MOROCCO

BUREAU FOR ASIA AND NEAR EAST

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)		FY 87		FY 88		SPECIAL CODE	ITEM NO
	FY 85	FY 86	OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES		
EDUCATION & HUMAN RESOURCES								
608-0147	INDUSTRY & COMM JOB TRAINING FOR WOMEN		SUBCAT: EHVI		XPVO:			
G 78	82	3236	3081	25				
608-0149	DEV. TRAINING & MANAGEMENT IMPROVEMENT		SUBCA: EHMA		XPVO:			
G 78	82	4482	4482	7				
608-0154	SOCIAL & ECONOMIC RESEARCH		SUBCAT: EHSP		XPVO:			
G 79	79	450	450	169	29	140		7216
608-0157	SOCIAL SERVICES TRAINING		SUBCAT: EHAC		XPVO:			PC
G 80	83	5400	3880	593	151			
608-0162	STATISTICAL SERVICES		SUBCAT: EHPP		XPVO:			
G 80	83	1500	1500	207	207			
608-0178	SECTOR SUPPORT TRAINING		SUBCAT: EHMA		XPVO:			
G 83	91	8126	17700	6225	4880	2370	1500	2310 1700 5823
APPROPRIATION								
TOTAL	23194	31093	19618	5881	2370	1814	1500	2310 1700
GRANT	23194	31093	19618	5881	2370	1814	1500	2310 1700
LOAN								

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR ASIA AND NEAR EAST

608 - MOROCCO

PROJECT NUMBER AND TITLE	OBLIG DATE	-TOTAL COST- AUTH PLAN	OBLIG THRU FY 85	PIPE- LINE	FY 85	ESTIMATED U.S. DOLLAR COST (\$000)		FY 87 OBLIG- ATION	FY 88- PROPOSED- EXPENDITURES	SPECIAL CODE	ITEM NO
						FY 1986 OBLIG- ATIONS	FY 86 MORTGAGE END OF FY 86				
SELECTED DEVELOPMENT ACTIVITIES											
608-0194	G 86	TETOUAN URBAN DEV.	---	---	500	---	---	---	233	---	10107
						SUBCAT: SDHU		500	---	---	---
608-0180	G 84	ENERGY PLANNING ASSISTANCE	2130	2128	500	934	1370	1148	---	---	5822
						SUBCAT: SDPP		500	---	---	---
608-0181	G 84	PEACE CORPS SMALL PROJECT FUND	130	59	---	15	(40)	60	(40)	---	7585
						SUBCAT: SDZZ		80	---	---	---
608-0187	G 85	SMALL ENTERPRISE DEVELOPMENT (OPG)	300	300	---	61	---	112	---	---	8509
						SUBCAT: SDPV		100	---	---	---
608-0190	G 84	WINTER SNOWPACK AUGMENTATION	1000	1000	---	821	---	179	---	---	10106
						SUBCAT: SDZZ		---	---	---	---
608-0191	G 85	ECONOMIC POLICY ANALYSIS SUPPORT	1070	1070	1500	250	6030	1750	3000	---	10105
						SUBCAT: SDPP		250	---	---	---
APPROPRIATION											
TOTAL		14030	14610	4630	2500	2081	7480	2500	3482	---	3000
GRANT		14030	14610	4630	2500	2081	7480	2500	3482	---	3000
LOAN		---	---	---	---	---	---	---	---	---	---
FUNCTIONAL ACCOUNT											
TOTAL		149454	171291	90285	32057	20470	21849	60536	26520	---	19500
GRANT		149454	171291	90285	32057	20470	21849	60536	26520	---	19500
LOAN		---	---	---	---	---	---	---	---	---	---

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR ASIA AND NEAR EAST

608 - MOROCCO

PROJECT NUMBER AND TITLE	OBLIG	FY 85	FY 86	FY 87	FY 88	ESTIMATED U.S. DOLLAR COST (\$000)	MORTGAGE	OBLIG- FY 86	EXPEND- FY 87	PROPOSED- FY 88	SPECIAL CODE	ITEM NO
G DATE	-TOTAL COST-	PIPE	EXPEND-	OBLIG-	EXPEND-	END OF	ATION	ATION	ITURES	ITURES		
L INIT	FIN AUTH PLAN	LINE	ITURES	ATIONS	ITURES	FY 86						
ECONOMIC SUPPORT FUND												
608-0176	CONVENTIONAL ENERGY											
G 84	87	5000	5000	4000	2787	1570	1000	1000	1500	---		6552
SUBCAT: SDEG X PVO:												
608-0184	BROUGHT RECOVERY											
G 85	85	1500	1500	1500	1500	480	---	---	460	---		6553
SUBCAT: FNFA X PVO:												
608-0189	PRIVATE SECTOR SUP & EXPORT PROMOTION											
G 86	87	---	4000	---	1484	80	2516	1100	---	---		8510
L 86	88	---	16000	---	8000	---	8000	9000	---	---		8511
SUBCAT: SDPE X PVO: 15												
608-0190	WINTER SNOWPACK AUGMENTATION											
G 84	86	5000	5000	3000	953	2000	---	---	1021	---		7606
SUBCAT: SDEV X PVO:												
608-0192	AGRICULTURAL INPUTS											
G 87	87	---	1484	---	---	---	1484	500	---	---		10717
L 87	88	---	19500	---	---	---	19500	7000	12500	---		
SUBCAT: FNAI X PVO:												
608-0193	ENERGY DEMAND MANAGEMENT											
G 88	89	---	5000	---	---	---	5000	---	---	2500		
L 88	89	---	10000	---	---	---	10000	---	---	5000		
SUBCAT: SDEG X PVO:												
APPROPRIATION (ESF)												
TOTAL		11500	67484	8500	5240	11484	3309	47500	20581	20000		
GRANT		11500	21984	8500	5240	3484	3309	10000	5000	4581		2500
LOAN		---	45500	---	---	8000	---	37500	15000	16000		17500
COUNTRY TOTAL												
TOTAL		160954	238775	98785	37297	31954	25158	108036	39500	47101		39500
GRANT		160954	193275	98785	37297	23954	25158	70536	24500	31101		22000
LOAN		---	45500	---	---	8000	---	37500	15000	16000		17500

TABLE I/IV EXPLANATORY NOTES

1. AAPL Levels (DA): Based on the selection of Morocco as a Child Survival "emphasis country" (see State 99765) and the provision by AID/W of an additional \$2.0 million in Child Survival funding for FY 1986, the Mission has used levels in Tables I/IV which reflect its planned Child Survival program. In addition to the \$2.0 million obligated in FY 1986, \$1.5 million has been added to the AAPL levels provided State 140440 to reflect anticipated OYB increases to finance this program. The Mission's 5-year "Child Survival Strategy" is now under intensive preparation and will be submitted to AID/W in June 1986. The approximate total cost of this program will be \$8.0 million, spread over FYs 1986-1990.
2. AAPL Levels (Title II): The figures used on Table I are not those originally provided by State 150925 but reflect the results of the recent phase-over agreement that the Mission has reached with the Government of Morocco and CRS, which has been agreed to by AID/W per State 153950.
3. Dryland Agriculture Applied Research (608-0136): The final year of obligation has been changed from FY 1988 to FY 1989. The Mission now plans to extend the PACD of this project to August 1990.
4. Population and Family Planning Support III (608-0171): The final year of obligation has been changed from FY 1988 to FY 1989. The Mission intends to extend the PACD of this project to September 1991 and increase LOP funding from \$17.89 million to an estimated \$23.71 million.
5. Sector Support Training (608-0178): The Mission is preparing a Project Paper Supplement during the 4th quarter FY 1986, which will: (a) allow for the re-obligation prior to September 30, 1986 of \$470,000 de-obligated from previous EHR projects (0147; 0149; and 0157); (b) extend the PACD from September 1989 to September 1993 (i.e., making it a 10 year project) and provide for the final obligation to be made in FY 1991; and (c) increase LOP funding from \$8.426 million to an estimated \$18.0 million, permitting a significant increase in participant levels.
6. Renewable Energy (608-0159): The Mission will redesign this project in the 4th quarter FY 1986 and may extend the PACD into FY 1988.
7. Agricultural Inputs (608-0192): This is a new ESF project start in FY 1987, for which the Mission submitted a New Project Description in the 1987 Action Plan (March 1986) and will submit a Project Implementation Document (PID) for AID/W's approval. It will include grant funding of \$1.484 million and loan funding of \$19.5 million.
8. Energy Demand Management (608-0193): This is a new ESF project start in FY 1988. LOP grant funding will be \$5.0 million, with \$2.5 million to be obligated in both FY 1988 and FY 1989. LOP loan funding will total \$10.0 million, with \$5.0 million to be obligated in both FY 1988 and FY 1989.

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FY 1988 PROPOSED PROGRAM RANKING (TABLE V)

TABLE V - FY 1988 PROPOSED PROGRAM RANKING PROGRAM ACTIVITY		COUNTRY/OFFICE: MOROCCO PROGRAM FUNDING (\$000)				
RANK	DESCRIPTION	ONGOING NEW	LOAN GRANT	APPR ACCT	INCR	CUM
1	608-0171 FAMILY PLANNING SUPPORT	0	G	PN	3800	3800
2	608-PL01 PL 480 TITLE I	0	L	P1	(40000)	3800
3	608-0136 DRYLAND AGRICULTURE APPLIED RESEARCH	0	G	ARDN	3700	7500
4	608-0160 AGRONOMIC INSTITUTE	0	G	ARDN	3500	11000
5	608-0192 AGRICULTURAL INPUTS	0	L	ESF	12500	23500
6	608-0191 ECONOMIC POLICY ANALYSIS	0	G	SDA	3000	26500
7	608-0178 SECTOR SUPPORT TRAINING	0	G	EH	1700	28200
8	608-0182 AGRICULTURE PLANNING AND STATISTICS	0	G	ARDN	2300	30500
9	608-0193 ENERGY DEMAND MANAGEMENT	0	G L	ESF ESF	2500 5000	33000 38000
10	608-0171 CHILD SURVIVAL	0	G	CS	1500	39500
11	608-0181 PEACE CORPS SMALL PROJECT SUPPORT FUND	0	G	SDA	(40)	39500
12	608-PL02 PL 480 TITLE II CRS	0	G	P2	(4500)	39500
13	608-PL02 PL 480 TITLE II AJDC	0	G	P2	(50)	39500

LOCAL CURRENCY USE PLAN

Local Currency (LC) generated under the PL 480 Title I program will be used to support USAID-financed projects in the agriculture sector, and priority activities in the development budget of the Ministry of Agriculture and Agrarian Reform (MARA). As the budget in Table VI shows, local currency generations provided \$5 million support to USAID-financed projects in agriculture. These included projects for improving range management practices, teaching in the agricultural college, agricultural planning and policy analysis and agricultural research. The level of support is budgeted to increase to \$9.2 million in fiscal year 1986.

In FY 1985 \$ 1 million was used to support the phase-over from Title II commodities to GOM assumption of financing requirements for a greater share of its feeding programs. The GOM has now assumed responsibility for the financing of that portion of its feeding program not covered by the Title II program in FY 1986 and does not wish to allocate Title I local currency generations for this purpose.

In conformity with the new Section 108 of the Food Security Act of 1985, USAID will make a strong effort to channel 25% of the FY 1987 local currency funds (\$10 million) into private sector lending with a particular emphasis on agricultural businesses ranging from farmers to distributors, processors and marketers of agricultural products. This portion of the local currency would through a U.S. owned local currency account for lending to private financial intermediaries and on-lending to private borrowers.

The uses of local currency are mutually agreed upon prior to signature of Title I agreements. USAID plans to use PL 480 counterpart funds in support of priorities identified in the approved Mission strategy with a primary focus on the agriculture sector. In addition to support for MARA's investment budget, the local currency program supports specific objectives from the Action Plan (references provided in parentheses):

- (a) Increase capacity of National Agronomic Institute (IAV) to train agricultural sector professionals (II.A.1)
- (b) Develop improved production technologies for rainfed agriculture through National Research Institute's (INRA) Aridoculture program (II.A.2)
- (c) Extend results of applied research from Aridoculture Center (II.B.5)
- (d) Improve Capacity of Min. of Agriculture to collect and interpret data, appraise investment projects and conduct policy analysis (II.C.6)

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Table VI: Expenditures of Local Currency Generations
(In U.S. Dollar Equivalents, in Millions)

<u>Source/Purpose</u>	<u>1985 ACTUAL</u>	<u>1986 ESTIMATE</u>	<u>1987 PLANNED</u>	<u>1988 PROPOSED</u>
<u>P.L. 480</u>	<u>55.0</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>
A. Public Development Activities	55.0	40.0	30.0	30.0
Dryland Agricultural Development				
a. Support of USAID-financed projects	5.0	9.2		
b. Grain production programs	10.3	9.5		Component-specific amount to be determined in negotiations
c. Integrated Development Projects	6.5	7.0		
d. Erosion Control, Watershed and Forestry Development	4.6	2.8		
e. Small and Medium-Size Water Development	11.1	8.8		
f. Dryland Agriculture Sector Support Activities	4.9	2.7		
g. Rural Water Rehabilitation and Development	5.0	-		
h. Dryland Agriculture Sectors of the Regional Agricultural Authorities	6.6	-		
Title II Program Support	1.0	-		
B. Private Sector Programs	-	-	10.0	10.0
C. Public Sector Recurrent Budget	-	-	-	-
D. AID Operating Expenses	-	-	-	-
<hr/>				
TOTALS	55.0	40.0	40.0	40.0

NEW PROJECT DESCRIPTION

Project Number and Title: 608-0193 - - Energy Demand Management

Proposed Project Funding: FY 1988 - - \$2.5 (G) & \$5.0 (L)
Life-of-Project Funding - - \$15 Million
- - \$5.0 (G) & \$10.0 (L)

Appropriation Account: Economic Support Fund

Project Purpose: The purpose of the project is to reduce Morocco's dependence on imported oil by strengthening the GOM's energy demand management policies and programs.

Problem: The importation of oil is the largest single claimant on the GOM's scarce supply of foreign exchange, even at the markedly lower international oil prices prevailing in mid-1986. The Energy Demand Management Project will support the GOM's structural adjustment efforts, an important objective of USAID/Morocco's CDSS approved by AID/W in 1986.

The effectiveness of energy demand management policies and practices has been demonstrated in developed countries, particularly in the United States and Japan over the past 6 years. Developing countries, on the other hand, have not achieved as high levels of improved energy efficiency because their development tends to be concentrated in basic production sectors rather than the less energy-intensive service sectors, which occupy a larger place in the economies of developed societies. Experience in other developing countries suggests, however, that a well-formulated energy demand management program can result in a high return in the short run. Based on specific examples in Pakistan, the Philippines, and Indonesia, the potential for achieving 10-20% savings within a five-year time period appears well within reach.

Project Components: The Energy Demand Management Project in Morocco would consist of both technical assistance and capital components. Technical assistance will include energy use planning, data base development, technical support, information dissemination and monitoring. The capital component would cover the financing of energy efficient equipment and technologies identified during the project preparation phase as having economically viable rates of return. During the project preparation phase, sectors with the most attractive potential for efficiency gains will be analyzed. Particular attention will be given to transport, manufacturing and processing industries, which have constituted prime conservation targets in other similar programs.

In addition to addressing the CDSS macro-economic policy objectives for Morocco, the project will further AID policy objectives of supporting the private sector. It will also complement the activities of other major assistance agencies in Morocco, especially the IBRD. The Energy Demand Management Project would be planned and implemented in cooperation with the energy programs of the World Bank. Particular attention will be given to assuring that GOM energy policies and programs emphasize a reliance on market forces in the energy sector and enhance the role of the private sector.

Expertise for the initial development of the project is available through the existing Energy Planning Assistance Project (608-0180), which is providing a resident long-term advisor for energy efficiency. Furthermore, energy demand management has been established as a priority during the contractor's first year work plan.

Issues: While experience elsewhere with energy demand management has demonstrated its efficiency, the recent downward shift in oil prices raises the question of whether an energy demand management program will be economically viable. Not only must a range of oil price scenarios be analyzed, but Morocco must consider the opportunity cost of its foreign exchange as well as how domestic energy prices affect its international competitiveness. An economic analysis of this issue will be prepared in parallel with the development of the PID process to assure that an investment of USAID/GOM resources will be sufficiently productive. USAID/Morocco will also actively investigate experiences in other countries in this field through direct contacts with experts and through participation in the ANE Bureau's workshop on energy conservation scheduled for September 1986.

Target Group: This program addresses primarily balance of payments and other macroeconomic issues. However, as energy is used more efficiently, the economy will expand more readily and a wide spectrum of the population will benefit.

Request for Delegation of PID Approval Authority: The important policy issue to be confronted in PID approval centers on the economic justification for the program. USAID/Morocco anticipates preparing an initial economic analysis in conjunction with PID development. Subject to the satisfactory completion of the economic analysis, the Mission requests PID approval authority be granted to the field.

PRIVATIZATION NARRATIVE

Since the AID sponsored International Conference on Privatization in February 1986, the Mission has focused on encouraging a policy dialogue to strengthen the political will and technical expertise supporting privatization in Morocco. Morocco was represented by the largest country delegation at the Conference on Privatization, and its strong participation has furthered USAID's opportunities for policy dialogue on privatization. The GOM recently held a seminar where the conclusions of the Privatization Conference were relayed to a broad cross-section of high-level GOM officials and private sector leaders through reports from the Moroccan conference participants, as well as through a USAID "White Paper" which the Minister for Economic Affairs distributed to seminar attendees.

The aim of this seminar was to focus the attention of government officials on the practical questions of how to define a privatization strategy and how to develop a plan for carrying it out. The GOM is currently taking initial steps toward developing a comprehensive strategy for privatization to be implemented over the next six to eight years. Seminar attendees are preparing for a second seminar this summer to further elaborate the government's privatization strategy.

Paralleling USAID's effort at strengthening policy dialogue on privatization, the Mission has also developed short-term targets to encourage specific privatization initiatives throughout its portfolio:

1. P.L. 480 Title I Program

a. USAID is seeking the privatization of the Plant Materials Center established under the Range Management Improvement Project (608-0145).

b. The GOM has agreed to withdraw in favor of private distributors at 10 fertilizer sales points.

c. The GOM will undertake a reform of cereals marketing which will increase the role of private marketers.

2. The Private Sector Export Promotion Project (608-0189) will provide for the creation of an independent export credit insurance organization with majority private equity participation and private management.

3. The Mission will finance an IESC initiative to assist in the privatization up to four companies which have been identified by Morocco's Office of Industrial Development. These initiatives involve the partial or full divestiture of GOM equity holdings in export-oriented firms, where concrete and demonstrable results could potentially be realized in the near-future.

4. Pricing policy reforms will be pursued under the Economic Policy Analysis Project (608-0191) which will reduce government interventions in the economy and increase the latitude of the private sector to set its own prices.

5. USAID has proposed an Agricultural Inputs Project for FY 1987 which will attempt to strengthen the role of the private sector in production and marketing of fertilizer and seeds.

The Mission continues to scrutinize its entire portfolio to identify further targets of opportunity during the short- to medium-term and to encourage GOM policy changes that will be supportive of privatization.

The next three months will be a critical period as the GOM proceeds to define its strategy for privatization and identify specific targets of opportunity. The GOM seeks to create a balance between short-term demonstrable results and long-term targets. The latter may be more difficult and resource intensive in terms of the reform effort, but may also have a more significant economic impact.

As part of its contribution to the GOM's long-term strategy, the Mission looks to providing support consistent with the GOM view that privatization must be accomplished in a well-analyzed and gradual manner. Following the February conference, Mission staff have deliberated on how the Mission can make discrete and identifiable contributions, to what must be a Moroccan program.

The Mission believes that one of the most significant constraints to privatization will be the thinness of Moroccan financial markets. It is unclear whether the private banking sector will be able to respond to the potential for gradual divestment of the larger state owned enterprises. We will explore dimensions of this constraint on privatization with a team from the PRE Financial Markets Project in June/July, 1986.

During the fall, the Mission anticipates obtaining additional assistance from AID/W under the PRE Privatization Project to further our policy dialogue efforts, as well as to assist in the implementation of our specific privatization initiatives. While we anticipate that significant resources will be available from the two centrally-funded projects discussed above (Financial Markets and Privatization), we have also requested additional resources in our Mission PD&S budget to support these private sector initiatives.

TABLE VIII - FY 1986
Operating Expense Summary

<u>EXPENSE CATEGORY</u>	FUNC. CODE	OBJECT CLASS	<u>DOLLARS</u>	TRUST FUNDS	<u>TOTAL</u>	<u>UNITS</u>	
						<u>NO</u>	<u>COST/U</u>
<u>U.S. DIRECT HIRE</u>	U100						
U.S. CITIZENS BASIC PAY	U101	110	1,191.9	-	1,191.9	25	47.6
PT/TEMP U.S. BASIC PAY	U102	112	4.2	-	4.2	1	4.2
DIFFERENTIAL PAY	U103	116	-	-	-	-	-
OTHER AID/W FUNDED CODE 11	U104	119	98.6	-	98.6	-	-
OTHER MISSION FUNDED CODE 11	U105	119	-	-	-	-	-
EDUCATION ALLOWANCES	U106	126	118.4	-	118.4	15	7.9
RETIREMENT - U.S. DIRECT HIRE	U107	120	85.4	-	85.4	-	-
LIVING ALLOWANCES	U108	128	-	-	-	-	-
OTHER AID/W FUNDED CODE 12	U109	129	-	-	-	-	-
OTHER MISSION FUNDED CODE 12	U110	129	19.4	-	19.4	-	-
POST ASSIGNMENT - TRAVEL	U111	212	23.9	-	23.9	11	2.1
POST ASSIGNMENT - FREIGHT	U112	22	93.5	-	93.5	11	8.5
HOME LEAVE - TRAVEL	U113	212	37.4	-	37.4	17	2.2
HOME LEAVE - FREIGHT	U114	22	23.1	-	23.1	17	1.4
EDUCATION TRAVEL	U115	215	6.2	-	6.2	8	.8
R AND R TRAVEL	U116	215	-	-	-	-	-
OTHER CODE 215 TRAVEL	U117	215	18.3	-	18.3	24	.8
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200						
BASIC PAY	U201	114	135.2	-	135.2	18	7.5
OVERTIME, HOLIDAY PAY	U202	115	21.1	-	21.1	10	2.1
ALL OTHER CODE 11 - FN	U203	119	10.8	-	10.8	-	-
ALL OTHER CODE 12 - FN	U204	129	32.3	-	32.3	-	-
BENEFITS FORMER FN PERSONNEL	U205	13	-	-	-	-	-
<u>CONTRACT PERSONNEL</u>	U300						
PASA TECHNICIANS	U301	258	-	-	-	-	-
U.S. PSC - SALARY/BENEFITS	U302	113	25.5	-	25.5	2	12.4
ALL OTHER U.S. PSC COSTS	U303	255	-	-	-	-	-
F.N. PSC - SALARY/BENEFITS	U304	113	150.0	-	150.0	21	7.1
ALL OTHER F.N. PSC COSTS	U305	255	27.6	-	27.6	2	13.8
MANPOWER CONTRACTS	U306	259	-	-	-	-	-
JCC COSTS PAID BY AID/W	U307	113	-	-	-	-	-
<u>HOUSING</u>	U400						
RESIDENTIAL RENT	U401	235	159.7	-	159.7	23	6.9
RESIDENTIAL UTILITIES	U402	235	96.2	-	96.2	-	-
MAINTENANCE AND RENOVATION	U403	259	20.8	-	20.8	-	-
QUARTERS ALLOWANCES	U404	127	-	-	-	-	-
RESIDENTIAL FURNITURE/EQUIP.	U405	311	27.2	-	27.2	-	-
TRANS./FREIGHT - CODE 311	U406	22	7.6	-	7.6	-	-
SECURITY GUARD SERVICES	U407	254	19.3	-	19.3	-	-
OFFICIAL RESIDENCE ALLOWANCES	U408	254	1.0	-	1.0	-	-
REPRESENTATION ALLOWANCES	U409	252	2.0	-	2.0	-	-

TABLE VIII - FY 1986
Operating Expense Summary

EXPENSE CATEGORY	FUNC. CODE	OBJECT CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	
						NO	COST/I
OFFICE OPERATIONS	U500						
OFFICE RENT	U501	234	59.4	-	59.4	-	-
OFFICE UTILITIES	U502	234	11.1	-	11.1	-	-
BUILDING MAINT./RENOVATION	U503	259	4.6	-	4.6	-	-
OFFICE FURNITURE/EQUIPMENT	U504	310	14.8	-	14.8	-	-
VEHICLES	U505	312	-	-	-	-	-
OTHER EQUIPMENT	U506	319	.9	-	.9	-	-
TRANSPORTATION/FREIGHT	U507	22	2.2	-	2.2	-	-
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	35.1	-	35.1	-	-
COMMUNICATIONS	U509	230	28.5	-	28.5	-	-
SECURITY GUARD SERVICES	U510	254	3.0	-	3.0	-	-
PRINTING	U511	24	-	-	-	-	-
SITE VISITS - RIG PERSONNEL	U512	210	-	-	-	-	-
SITE VISITS-MISSION PERSONNEL	U513	210	35.0	-	35.0	70	.5
SITE VISITS-AID/W PERSONNEL	U514	210	28.4	-	28.4	20	1.4
INFORMATION MEETINGS	U515	210	-	-	-	-	-
TRAINING ATTENDANCE	U516	210	5.0	-	5.0	4	1.2
CONFERENCE ATTENDANCE	U517	210	16.6	-	16.6	5	3.3
OTHER OPERATIONAL TRAVEL	U518	210	-	-	-	-	-
SUPPLIES AND MATERIALS	U519	26	41.3	-	41.3	-	-
FAAS	U520	257	283.0	-	283.0	-	-
CONSULTING SVCS. - CONTRACTS	U521	259	-	-	-	-	-
MGT./PROF. SVCS. - CONTRACTS	U522	259	-	-	-	-	-
SPEC. STUDIES/ANALYSES CONT.	U523	259	-	-	-	-	-
ALL OTHER CODE 25	U524	259	37.6	-	37.6	-	-
TOTAL O.E. BUDGET			3,063.1	-	3,063.1		
RECONCILIATION			(1,663.1)	-	(1,663.1)		
OPERATING BUDGET REQUIREMENTS			1,400.0	-	1,400.0		
636C REQUIREMENTS	U600	32	-	-	-		
TOTAL ALLOWANCE REQUIREMENTS	U000		1,400.0	-	1,400.0		

LOCAL COST SUPPORT COST DATA

F.N. PSC - SALARY/BENEFITS	U304	113	150.0	-	150.0	21	7.1
ALL OTHER F.N. PSC COSTS	U305	255	-	-	-	-	-
MANPOWER CONTRACTS	U306	259	-	-	-	-	-
SITE VISITS - RIG PERSONNEL	U512	210	-	-	-	-	-
SITE VISITS-MISSION PERSONNEL	U512	210	35.0	-	35.0	70	.5

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
EXCHANGE RATE USED (MARCH 31,1986)

\$ 939.6
DH 9.3284

TABLE VIII - FY 1987
Operating Expense Summary

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>	
						<u>NO</u>	<u>COST/1</u>
<u>U.S. DIRECT HIRE</u>	U100						
U.S. CITIZENS BASIC PAY	U101	110	1,273.4	-	1,273.4	25	50.9
PT/TEMP U.S. BASIC PAY	U102	112	31.3	-	31.3	1	31.3
DIFFERENTIAL PAY	U103	116	-	-	-	-	-
OTHER AID/W FUNDED CODE 11	U104	119	46.5	-	46.5	-	-
OTHER MISSION FUNDED CODE 11	U105	119	-	-	-	-	-
EDUCATION ALLOWANCES	U106	126	106.0	-	106.0	18	5.9
RETIREMENT - U.S. DIRECT HIRE	U107	120	91.1	-	91.1	-	-
LIVING ALLOWANCES	U108	128	11.8	-	11.8	-	-
OTHER AID/W FUNDED CODE 12	U109	129	5.0	-	5.0	-	-
OTHER MISSION FUNDED CODE 12	U110	129	11.8	-	11.8	-	-
POST ASSIGNMENT - TRAVEL	U111	212	8.2	-	8.2	2	4.1
POST ASSIGNMENT - FREIGHT	U112	22	11.8	-	11.8	2	5.8
HOME LEAVE - TRAVEL	U113	212	23.7	-	23.7	13	1.8
HOME LEAVE - FREIGHT	U114	22	18.0	-	18.0	13	1.4
EDUCATION TRAVEL	U115	215	7.2	-	7.2	5	1.5
R AND R TRAVEL	U116	215	-	-	-	-	-
OTHER CODE 215 TRAVEL	U117	215	8.0	-	8.0	4	2.0
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200						
BASIC PAY	U201	114	148.7	-	148.7	19	7.8
OVERTIME, HOLIDAY PAY	U202	115	23.2	-	23.2	10	2.3
ALL OTHER CODE 11 - FN	U203	119	11.9	-	11.9	-	-
ALL OTHER CODE 12 - FN	U204	129	35.5	-	35.5	-	-
BENEFITS FORMER FN PERSONNEL	U205	13	-	-	-	-	-
<u>CONTRACT PERSONNEL</u>	U300						
PASA TECHNICIANS	U301	258	-	-	-	-	-
U.S. PSC - SALARY/BENEFITS	U302	113	149.0	-	149.0	3	49.6
ALL OTHER U.S. PSC COSTS	U303	255	70.9	-	70.9	-	-
F.N. PSC - SALARY/BENEFITS	U304	113	182.9	-	182.9	24	7.6
ALL OTHER F.N. PSC COSTS	U305	255	29.0	-	29.0	2	14.5
MANPOWER CONTRACTS	U306	259	-	-	-	-	-
JCC COSTS PAID BY AID/W	U307	113	-	-	-	-	-
<u>HOUSING</u>	U400						
RESIDENTIAL RENT	U401	235	194.3	-	194.3	24	8.1
RESIDENTIAL UTILITIES	U402	235	108.6	-	108.6	-	-
MAINTENANCE AND RENOVATION	U403	259	32.0	-	32.0	-	-
QUARTERS ALLOWANCES	U404	127	-	-	-	-	-
RESIDENTIAL FURNITURE/EQUIP.	U405	311	51.3	-	51.3	-	-
TRANS./FREIGHT - CODE 311	U406	22	7.9	-	7.9	-	-
SECURITY GUARD SERVICES	U407	254	55.2	-	55.2	-	-
OFFICIAL RESIDENCE ALLOWANCES	U408	254	1.0	-	1.0	-	-
REPRESENTATION ALLOWANCES	U409	252	2.0	-	2.0	-	-

TABLE VIII - FY 1987
Operating Expense Summary
(continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u> <u>NO COST/1</u>	
OFFICE OPERATIONS	U500						
OFFICE RENT	U501	234	70.7	-	70.7	-	-
OFFICE UTILITIES	U502	234	12.0	-	12.0	-	-
BUILDING MAINT./RENOVATION	U503	259	5.0	-	5.0	-	-
OFFICE FURNITURE/EQUIPMENT	U504	310	1.0	-	1.0	-	-
VEHICLES	U505	312	-	-	-	-	-
OTHER EQUIPMENT	U506	319	-	-	-	-	-
TRANSPORTATION/FREIGHT	U507	22	-	-	-	-	-
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	35.0	-	35.0	-	-
COMMUNICATIONS	U509	230	33.8	-	33.8	-	-
SECURITY GUARD SERVICES	U510	254	3.0	-	3.0	-	-
PRINTING	U511	24	-	-	-	-	-
SITE VISITS-MISSION PERSONNEL	U512	210	40.0	-	40.0	80	.5
SITE VISITS-ATD/W PERSONNEL	U513	210	30.0	-	30.0	20	1.5
INFORMATION MEETINGS	U514	210	-	-	-	-	-
TRAINING ATTENDANCE	U515	210	10.0	-	10.0	8	1.2
CONFERENCE ATTENDANCE	U517	210	15.0	-	15.0	4	3.7
OTHER OPERATIONAL TRAVEL	U518	210	5.0	-	5.0	3	.6
SUPPLIES AND MATERIALS	U519	26	54.5	-	54.5	-	-
FAAS	U520	257	285.0	-	285.0	-	-
CONSULTING SVCS. - CONTRACTS	U521	259	-	-	-	-	-
MGT./PROF. SVCS. - CONTRACTS	U522	259	-	-	-	-	-
SPEC. STUDIES/ANALYSES CONT.	U523	259	-	-	-	-	-
ALL OTHER CODE 25	U524	259	25.0	-	25.0	-	-
TOTAL O.E. BUDGET			3,382.2	-	3,382.2		
RECONCILIATION			(1,732.3)	-	(1,732.3)		
OPERATING BUDGET REQUIREMENTS			1,649.9	-	1,649.9		
636C REQUIREMENTS	U600	32					
TOTAL ALLOWANCE REQUIREMENTS	U000						

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
EXCHANGE RATE USED (MARCH 31,1986)

\$ 890.4
DH 9.3284

Estimated Wage Increase - FY 1986 to FY 1987
Estimated Price Increase - FY 1986 to FY 1987

10.0%
10.0%

TABLE VIII - FY 1988
Operating Expense Summary

EXPENSE CATEGORY	FUNC. CODE	OBJECT CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNITS	
						NO	COST/U
<u>U.S. DIRECT HIRE</u>	U100		2,092.6		2,092.6		
U.S. CITIZENS BASIC PAY	U101	110	1,280.0	-	1,280.0	25	51.2
PT/TEMP U.S. BASIC PAY	U102	112	312.0	-	312.0	1	31.2
DIFFERENTIAL PAY	U103	116	-	-	-	-	-
OTHER AID/W FUNDED CODE 11	U104	119	47.4	-	47.4	-	-
OTHER MISSION FUNDED CODE 11	U105	119	-	-	-	-	-
EDUCATION ALLOWANCES	U106	126	95.5	-	95.5	15	6.4
RETIREMENT - U.S. DIRECT HIRE	U107	120	91.4	-	-	-	-
LIVING ALLOWANCES	U108	128	-	-	-	-	-
OTHER AID/W FUNDED CODE 12	U109	129	5.0	-	5.0	-	-
OTHER MISSION FUNDED CODE 12	U110	129	29.6	-	29.6	-	-
POST ASSIGNMENT - TRAVEL	U111	212	70.6	-	70.6	9	7.8
POST ASSIGNMENT - FREIGHT	U112	22	98.3	-	98.3	9	10.9
HOME LEAVE - TRAVEL	U113	212	27.2	-	27.2	10	2.7
HOME LEAVE - FREIGHT	U114	22	17.2	-	17.2	10	1.7
EDUCATION TRAVEL	U115	215	5.4	-	5.4	6	.9
R AND R TRAVEL	U116	215	-	-	-	-	-
OTHER CODE 215 TRAVEL	U117	215	13.0	-	13.0	-	-
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		240.3				
BASIC PAY	U201	114	162.8	-	162.8	-	-
OVERTIME, HOLIDAY PAY	U202	115	25.5	-	25.5	-	-
ALL OTHER CODE 11 - FN	U203	119	13.0	-	13.0	-	-
ALL OTHER CODE 12 - FN	U204	129	39.0	-	39.0	-	-
BENEFITS FORMER FN PERSONNEL	U205	13	-	-	-	-	-
<u>CONTRACT PERSONNEL</u>	U300		441.1				
PASA TECHNICIANS	U301	258	-	-	-	-	-
U.S. PSC - SALARY/BENEFITS	U302	113	143.0	-	143.0	2	71.5
ALL OTHER U.S. PSC COSTS	U303	255	78.0	-	78.0	2	39.0
F.N. PSC - SALARY/BENEFITS	U304	113	186.7	-	186.7	-	-
ALL OTHER F.N. PSC COSTS	U305	255	33.4	-	33.4	-	-
MANPOWER CONTRACTS	U306	259	-	-	-	-	-
JCC COSTS PAID BY AID/W	U307	113	-	-	-	-	-
<u>HOUSING</u>	U400		480.2				
RESIDENTIAL RENT	U401	235	203.2	-	203.2	24	8.4
RESIDENTIAL UTILITIES	U402	235	120.0	-	120.0	-	-
MAINTENANCE AND RENOVATION	U403	259	15.0	-	15.0	-	-
QUARTERS ALLOWANCES	U404	127	-	-	-	-	-
RESIDENTIAL FURNITURE/EQUIP.	U405	311	75.0	-	75.0	-	-
TRANS./FREIGHT - CODE 311	U406	22	4.0	-	4.0	-	-
SECURITY GUARD SERVICES	U407	254	60.0	-	60.0	-	-
OFFICIAL RESIDENCE ALLOWANCES	U408	254	1.0	-	1.0	-	-
REPRESENTATION ALLOWANCES	U409	252	2.0	-	2.0	-	-

TABLE VIII - FY 1988
Operating Expense Summary
(continued)

EXPENSE CATEGORY	FUNC. CODE	OBJECT CLASS	DOLLARS	TRUST FUNDS	TOTAL UNITS	
					NO	COST/U
OFFICE OPERATIONS	U500		664.6			
OFFICE RENT	U501	234	70.7	-	70.7	-
OFFICE UTILITIES	U502	234	13.2	-	13.2	-
BUILDING MAINT./RENOVATION	U503	259	5.0	-	5.0	-
OFFICE FURNITURE/EQUIPMENT	U504	310	30.0	-	30.0	-
VEHICLES	U505	312	-	-	-	-
OTHER EQUIPMENT	U506	319	-	-	-	-
TRANSPORTATION/FREIGHT	U507	22	-	-	-	-
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	35.0	-	35.0	-
COMMUNICATIONS	U509	230	37.2	-	37.2	-
SECURITY GUARD SERVICES	U510	254	3.5	-	3.5	-
PRINTING	U511	24	-	-	-	-
SITE VISITS-MISSION PERSONNEL	U512	210	40.0	-	40.0	80 .5
SITE VISITS-AID/W PERSONNEL	U513	210	30.0	-	30.0	20 1.5
INFORMATION MEETINGS	U514	210	-	-	-	-
TRAINING ATTENDANCE	U515	210	10.0	-	10.0	8 1.2
CONFERENCE ATTENDANCE	U517	210	15.0	-	15.0	4 3.7
OTHER OPERATIONAL TRAVEL	U518	210	5.0	-	5.0	3 5.0
SUPPLIES AND MATERIALS	U519	26	60.0	-	60.0	-
FAAS	U520	257	285.0	-	285.0	-
CONSULTING SVCS. - CONTRACTS	U521	259	-	-	-	-
MGT./PROF. SVCS. - CONTRACTS	U522	259	-	-	-	-
SPEC. STUDIES/ANALYSES CONT.	U523	259	-	-	-	-
ALL OTHER CODE 25	U524	259	25.0	-	25.0	-
TOTAL O.E. BUDGET			3,918.8	-	3,918.8	
RECONCILIATION (101,102,104,107,109,520)			(2,020.8)	-	(2,020.8)	
OPERATING BUDGET REQUIREMENTS			1,898.0	-	1,898.0	
636C REQUIREMENTS	U600	32				
TOTAL ALLOWANCE REQUIREMENTS	U000		1,898.0	-	1,898.0	

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
EXCHANGE RATE USED (MARCH 31,1986)

\$1,012.7
DH 9 3284

Estimated Wage Increase - FY 1987 to FY 1988
Estimated Price Increase - FY 1987 to FY 1988

10%
10%

ADJUSTED

TABLE VIII - FY 1988
Operating Expense Summary

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>	
						<u>NO</u>	<u>COST/</u>
<u>U.S. DIRECT HIRE</u>	U100		2,122.1				
U.S. CITIZENS BASIC PAY	U101	110	<u>1,309.5</u>	-	<u>1,309.5</u>	26	50.7
PT/TEMP U.S. BASIC PAY	U102	112	<u>312.0</u>	-	<u>312.0</u>	1	31.2
DIFFERENTIAL PAY	U103	116	-	-	-	-	-
OTHER AID/W FUNDED CODE 11	U104	119	<u>47.4</u>	-	<u>47.4</u>	-	-
OTHER MISSION FUNDED CODE 11	U105	119	-	-	-	-	-
EDUCATION ALLOWANCES	U106	126	<u>95.5</u>	-	<u>95.5</u>	15	6.4
RETIREMENT - U.S. DIRECT HIRE	U107	120	<u>91.4</u>	-	-	-	-
LIVING ALLOWANCES	U108	128	-	-	-	-	-
OTHER AID/W FUNDED CODE 12	U109	129	<u>5.0</u>	-	<u>5.0</u>	-	-
OTHER MISSION FUNDED CODE 12	U110	129	<u>29.6</u>	-	<u>29.6</u>	-	-
POST ASSIGNMENT - TRAVEL	U111	212	<u>70.6</u>	-	<u>70.6</u>	9	7.8
POST ASSIGNMENT - FREIGHT	U112	22	<u>98.3</u>	-	<u>98.3</u>	9	10.9
HOME LEAVE - TRAVEL	U113	212	<u>27.2</u>	-	<u>27.2</u>	10	2.7
HOME LEAVE - FREIGHT	U114	22	<u>17.2</u>	-	<u>17.2</u>	10	1.7
EDUCATION TRAVEL	U115	215	<u>5.4</u>	-	<u>5.4</u>	6	.9
R AND R TRAVEL	U116	215	-	-	-	-	-
OTHER CODE 215 TRAVEL	U117	215	<u>13.0</u>	-	<u>13.0</u>	-	-
<u>FOREIGN NATIONAL DIRECT HIRE</u>	U200		240.3				
BASIC PAY	U201	114	<u>162.8</u>	-	<u>162.8</u>	-	-
OVERTIME, HOLIDAY PAY	U202	115	<u>25.5</u>	-	<u>25.5</u>	-	-
ALL OTHER CODE 11 - FN	U203	119	<u>13.0</u>	-	<u>13.0</u>	-	-
ALL OTHER CODE 12 - FN	U204	129	<u>39.0</u>	-	<u>39.0</u>	-	-
BENEFITS FORMER FN PERSONNEL	U205	13	-	-	-	-	-
<u>CONTRACT PERSONNEL</u>	U300		441.1				
PASA TECHNICIANS	U301	258	-	-	-	-	-
U.S. PSC - SALARY/BENEFITS	U302	113	<u>143.0</u>	-	<u>143.0</u>	2	71.5
ALL OTHER U.S. PSC COSTS	U303	255	<u>78.0</u>	-	<u>78.0</u>	2	39.0
F.N. PSC - SALARY/BENEFITS	U304	113	<u>186.7</u>	-	<u>186.7</u>	-	-
ALL OTHER F.N. PSC COSTS	U305	255	<u>33.4</u>	-	<u>33.4</u>	-	-
MANPOWER CONTRACTS	U306	259	-	-	-	-	-
JCC COSTS PAID BY AID/W	U307	113	-	-	-	-	-
<u>HOUSING</u>	U400		480.2				
RESIDENTIAL RENT	U401	235	<u>203.2</u>	-	<u>203.2</u>	24	8.4
RESIDENTIAL UTILITIES	U402	235	<u>120.0</u>	-	<u>120.0</u>	-	-
MAINTENANCE AND RENOVATION	U403	259	<u>15.0</u>	-	<u>15.0</u>	-	-
QUARTERS ALLOWANCES	U404	127	-	-	-	-	-
RESIDENTIAL FURNITURE/EQUIP.	U405	311	<u>75.0</u>	-	<u>75.0</u>	-	-
TRANS./FREIGHT - CODE 311	U406	22	<u>4.0</u>	-	<u>4.0</u>	-	-
SECURITY GUARD SERVICES	U407	254	<u>60.0</u>	-	<u>60.0</u>	-	-
OFFICIAL RESIDENCE ALLOWANCES	U408	254	<u>1.0</u>	-	<u>1.0</u>	-	-
REPRESENTATION ALLOWANCES	U409	252	<u>2.0</u>	-	<u>2.0</u>	-	-

ADJUSTED

TABLE VIII - FY 1988
Operating Expense Summary
(continued)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>OBJECT CLASS</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>UNITS</u>	<u>NO COST/</u>
OFFICE OPERATIONS	U500		664.6				
OFFICE RENT	U501	234	70.7	-	70.7	-	
OFFICE UTILITIES	U502	234	13.2	-	13.2	-	
BUILDING MAINT./RENOVATION	U503	259	5.0	-	5.0	-	
OFFICE FURNITURE/EQUIPMENT	U504	310	30.0	-	30.0	-	
VEHICLES	U505	312	-	-	-	-	
OTHER EQUIPMENT	U506	319	-	-	-	-	
TRANSPORTATION/FREIGHT	U507	22	-	-	-	-	
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259	35.0	-	35.0	-	
COMMUNICATIONS	U509	230	37.2	-	37.2	-	
SECURITY GUARD SERVICES	U510	254	3.5	-	3.5	-	
PRINTING	U511	24	-	-	-	-	
SITE VISITS-MISSION PERSONNEL	U512	210	40.0	-	40.0	80	.5
SITE VISITS-AID/W PERSONNEL	U513	210	30.0	-	30.0	20	1.5
INFORMATION MEETINGS	U514	210	-	-	-	-	-
TRAINING ATTENDANCE	U515	210	10.0	-	10.0	8	1.2
CONFERENCE ATTENDANCE	U517	210	15.0	-	15.0	4	3.7
OTHER OPERATIONAL TRAVEL	U518	210	5.0	-	5.0	3	5.0
SUPPLIES AND MATERIALS	U519	26	60.0	-	60.0	-	-
FAAS	U520	257	285.0	-	285.0	-	-
CONSULTING SVCS. - CONTRACTS	U521	259	-	-	-	-	-
MGT./PROG. SVCS. - CONTRACTS	U522	259	-	-	-	-	-
SPEC. STUDIES/ANALYSES CONT.	U523	259	-	-	-	-	-
ALL OTHER CODE 25	U524	259	25.0	-	25.0	-	-
TOTAL O.E. BUDGET			3,948.3	-	3,948.3		
RECONCILIATION (101,102,104,107,109,520)			(2,050.3)	-	(2,050.3)		
OPERATING BUDGET REQUIREMENTS			1,898.0	-	1,898.0		
636C REQUIREMENTS	U600	32					
TOTAL ALLOWANCE REQUIREMENTS	U000		1,898.0	-	1,898.0		

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES
EXCHANGE RATE USED (MARCH 31,1986)

\$ 1,012.7
DH 9.3284

Estimated Wage Increase - FY 1987 to FY 1988
Estimated Price Increase - FY 1987 to FY 1988

10%
10%

OPERATING EXPENSE NARRATIVE

Section A - Management Improvements

During Fiscal Year 85, USAID Management has rigorously stressed a "more with less" philosophy. For example, the Mission has made a conscious effort to concentrate its project management efforts into large projects which will have significant impact, and screened carefully its involvement in small, management-intensive projects. When centrally or regionally-funded smaller projects have been accepted, every effort has been made to have budget allowances transferred to the Mission, reducing required paperwork and allowing for more direct control by both project officers and controller's staff. These efforts have enabled the Mission to manage 23 active projects with the modest increases in staff that had been allotted for Fiscal Year 86.

USAID has consistently negotiated against increasing rents, shopped for the most reasonable furniture and equipment, and extended their useful lives when practical. For example, wood furniture has been refurbished and refinished and upholstered furniture reupholstered rather than discarded, saving tens of thousand of dollars in new furniture expenditures.

In the future, USAID intends to pursue the following actions:

- On the job and after hours academic training for FSN employees so that they can replace more expensive TCN or US contract employees at the earliest possible time;
- hosting AID training courses at post, reducing travel costs, while providing employees convenient access to professional training;
- within the context of the Joint Administrative Operation (JAO), intensify our efforts to have more input into the local recruitment process;
- further increase the utilization of competitive bids for procurement and skilled labor services;
- continue our efforts to sustain the JAO in Morocco, which has served the Mission well, even in the face of "Gramm-Rudman" induced budgetary reductions, particularly in the State Department.

Section B - Justification for Workforce and Funding Changes

Workforce

USAID's understanding of the governing rules for the IDI program is that interns are carried under AID/W ceilings throughout the period of the internship and extending, if necessary, to the end of the IDI's first tour at post. HB 28, Chapter 5Q indicates that the IDI will continue to be charged to

the Regional Bureau's temporary ceiling for the entire first tour at post. This rule comes into force with respect to IDI Sydney Lewis, a backstop 94 officer, who arrived at post in November 1985, and who will complete the IDI program in January 1987. She will not, however, complete her first tour of duty until November 1987. The Mission plans to assign Ms. Lewis as a Project Development Officer in the Mission's newly-established Private Sector Office upon completion of her IDI program and requests the addition of one new position beginning in FY 1988 in order that she may return to post for a second full tour.

The scope of activities of the Private Sector Office has expanded very rapidly in fulfillment of the Agency's priority interest in this area. Briefly, the Office has managed two small business development grants (with the IESC and CRS and has assisted the PRE Bureau in the identification negotiation and monitoring of its loans in Morocco. It has also supervised a lengthy project design effort and is just now launching the Mission's new Private Sector Export Promotion umbrella project. This major effort is the centerpiece of the Mission's Private Sector strategy and includes three separate components for export credit insurance, export credit pre-financing and technical assistance to small and medium scale exporters. It appears further that the Office will become heavily engaged in the planning and implementation of a separate portfolio of private sector lending activities which stem from the new amendment to PL 480 (Section 108). This latter activity, mandated by law, requires the establishment of U.S. owned, interest bearing accounts for 25% of the sales value of Title I agreements in a given year (next year's planned Title I level is \$40 million). Upon the establishment of such an account, the AID Mission will enter into loan agreements with private sector banks for on-lending to private borrowers. Preliminary indications are that this new program will prove to be very complex, (involving as it will the Washington members of the food aid subcommittee) and difficult to negotiate with the Moroccan Government, which will be loathe to lose these valuable revenues to its budget. Finally, the Mission's new Private Sector Office is heavily engaged in privatization activities, as described in the Privatization Narrative of this document. A small pilot grant to IESC to assist several Moroccan companies in the divestiture of their GOM equity holdings is currently being discussed and the Mission will begin an in-depth study this summer of Morocco's capital markets in collaboration with the PRE Financial Markets Project.

U400

USAID will experience a substantial increase in housing costs for two reasons:

- During fiscal years 87 and 88 more than half of our leases will expire. Current market values indicate that rents, despite our efforts to negotiate the best possible price, will increase by a minimum of the equivalent of \$100 per month each. In addition, we will be forced to move three people because of returning landlords, and another for security reasons

- USAID found it prudent to initiate a security guard program for residences. This has resulted in an unplanned expenditure beginning in the Spring of 1986, and resulting in a potential expenditure of approximately \$50,000 per year beginning in 1987.

These costs have forced us to all but eliminate budgeting for furniture and equipment that had been previously planned, including information technology systems. We, therefore request a supplement of \$75,000 to our Fiscal Year 86 and 87 budgets. (See table VIII c.)

U 300

While USPSC contract costs appear to increase, this is the result of prior-year funding which carried over into Fiscal Year 86. In fact, there has been no increase in the number of USPSCs.

Section C - Trust Funds

While several requests to reestablish the Trust Fund were tabled and discussed with the GOM during 1985, USAID does not expect to receive a positive response.

The International Monetary Fund has advised the Government of Morocco (GOM) to eliminate all forms of "dedicated" accounts, and to resist the formation of new ones. This advice was given as part of a comprehensive effort to remove the rigidities built into the GOM's budget structure and thus to help address the very large fiscal deficit.

USAID has, however, instituted a practice of working rigorously with counterpart agencies to develop responsible GOM budgeting practices, by asking them to include inter alia in their budget requests monetary amounts needed to ensure the continuation of project benefits after PACD dates.

TABLE VIII (a)
Information on U.S. PSC Costs

<u>Position Title/ Description</u>	<u>Fy 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
Program Assistant (Housing Office)	-	31,650 (10/1/86-6/30/87)	-
Program Economist (Program Office)	25,5 (11/6/85-11/5/86)	83,380 (11/6/86-11/5/87)	110,000 (10/1/87-9/30/88)
Program Assistant (Private Enterprise Office)	-	104,900 (10/1/86-9/30/87)	110,000 (10/1/87-9/30/88)

TABLE VIII (b)
All Other Code 25 Detail

<u>Description</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
No individual contract service with an annual cost more than 25,000.			
Total of all non-personal services contracts with individual cost less than \$25,000.	<u>37,569</u>	<u>25,000</u>	<u>25,000</u>
Total	37,569	25,000	25,000

TABLE VIII(c)
OBLIGATIONS FOR ACQUISITION, OPERATION
AND USE OF INFORMATION TECHNOLOGY SYSTEMS
 (\$000)

<u>ITEM AND EXPLANATION</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
1. <u>Capital Investment</u> (see OE Narrative, section B)			
A. <u>Purchase of Hardware</u> 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 and terminals, printers and telecommunications modems. List on one line, each item of equipment separately, by vender name, name of item and model number. Show cost of acquisition under appropriate fiscal year. 3 IBM PC's + tables	-	\$11,000	- *
B. <u>Purchase of Software</u> Purchase of software by the Mission to operate existing or new automation equipment (hardware) such as CP/M, Multiplan, DBASE and Microstat, LOTUS 1-2-3, etc. List on one line, each item of software separately, by vender name, name of item and brief description. Show cost of acquisition under appropriate fiscal year. 2 Lotus (Release 2)	-	\$1,200	*
C. <u>Site Facility</u> 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 un-interruptible power sources.	-	8,500	*
SUBTOTAL	-	20,700	-

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. <u>Compensation, Benefits and Travel</u>	55,000	56,800	58,600
B. <u>Workyears</u>	<u>2.3</u>	<u>2.5</u>	<u>2.5</u>

* Funding relief needed before acquisition of goods/services can be effected.

TABLE VIII(c)
(Continued)

<u>ITEM AND EXPLANATION</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
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).			
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 & 2B) including basic utilities and house-keeping services.			
C. <u>Supplies and Other Material</u>	10,000	12,000	14,000
Obligations for supplies and software rental (not included in a rental contract for equipment).			
D. <u>Non-Commercial Training</u>	-	-	-
Obligations for planning and conducting government operated training to prepare users to make effective use of resources.			
SUBTOTAL	<u>10,000</u>	<u>12,000</u>	<u>14,000</u>
<hr/>			
4. <u>Commercial Services</u>			
This includes obligations for services where payments are made to private industry.			
A. <u>Computer Time</u>	-	-	-
Obligations to fund contracts with a private firm to provide computer time to the Mission.			
B. <u>Leased Telecommunications Services</u>	2.0	2.0	3.0
Obligations for leased telephone lines and other telecommunications 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 transmission of data to and from AID/W.			

TABLE VIII(c)
(Continued)

<u>ITEM AND EXPLANATION</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
<u>C. Operations and Maintenance</u>			
(1) <u>Operations</u> 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).			
(2) <u>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.	35.5	35	36
<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> (NOT REQUIRED BY AID MISSIONS)			
<u>F. Studies and Other</u> Obligations for management and feasibility studies, requirement definitions, and commercial training.			
SUBTOTAL	<u>35.5</u>	<u>35</u>	<u>36</u>
<hr/>			
5. TOTAL DOLLARS	<u> </u>	<u> </u>	<u> </u>
TOTAL WORKYEARS (From item 2A)	<u>2.3</u>	<u>2.5</u>	<u>2.5</u>
<hr/>			
6. <u>MISSION ALLOWANCE LEVELS</u>			
A. Amounts included in Mission allowances for existing systems (includes 2A, 3, and 4). (Services for equipment in place only.)	<u>67.0</u>	<u>70.8</u>	<u>75.6</u>
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 FY.)	<u>0.</u>	<u>0</u>	<u>0</u>

INFORMATION TECHNOLOGY NARRATIVE

Section A - Uses of Mission Automation Equipment

Current uses include:

- Word processing - automated project and administrative document preparation.
- Mission Accounting - MACS.
- Participant Tracking and Information System - PTIS
- Communication and records tracking and tickler system.
- Project-procured computer inventories.
- Disbursement and accounting by telegram - DATEL, TATEL.
- Mission to Mission telecommunications.
- Various spreadsheet applications:
 - budgeting
 - cash flow analysis
 - mortgage analysis
 - project portfolio analysis

Statistical analysis

Section B - Current and Long Range Plans

Based on recommendations contained in a recent AID/W, IRM review of our usage, short-range plans include:

- Acquisition of a minimal number of additional workstations.
- Converting the current Wang VS-90 to VS-100 and adding an additional megabyte of memory to compensate for the additional load to be placed on the core equipment.
- Improvements in existing data management internal controls, procedures, and system security considerations.

Unfortunately, budgetary considerations may force us to postpone these plans. See OE Narrative, Section B.

In addition, the Mission plans:

- An integrated Mission accounting, payment tracking and DATEL system.

-Advanced user training sessions to supplement the ongoing beginner to intermediate user training.

-Acquisition of improved statistical and data analysis software such as Lotus release 2.

Mission long range plans include:

-Project management, tracking, and evaluation systems.

-Acquisition of portable computing equipment for field use, compatible with existing systems.

-Improved formatting in telecommunications facilities for transfer of documents, from Post to Washington or other Posts.

Country/Office Morocco

FY 1988 ANNUAL BUDGET SUBMISSION

TABLE XI

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

	<u>Actual</u>		<u>Estimated</u>		<u>Projected</u>	
	<u>FY 1986</u>		<u>FY 1987</u>		<u>FY 1988</u>	
	<u>\$</u>	<u>MT</u>	<u>\$</u>	<u>MT</u>	<u>\$</u>	<u>MT</u>
<u>COMMODITIES</u>						
<u>Title I</u>						
	40.0	335.0 (Wheat)	40.0	335.0 (Wheat)	40.0	335.0 (Wheat)
TOTAL	40.0	335.0	40.0	335.0	40.0	335.0
<hr/>						
of which						
Title III						
None						
TOTAL						

COMMENT: Tonnages estimated on the basis of current price of wheat: \$115 to \$120 per metric ton.

FY 1988 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country MOROCCO

Sponsor's Name C.R.S.

A. Maternal and Child Health.....Total Recipients 450.0

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>450.0</u>	<u>WHEAT FLOUR</u>	<u>11 970</u>	<u>2,729.1</u>
<u>450.0</u>	<u>VEGOLI</u>	<u>1 800</u>	<u>1,594.8</u>
<u>450.0</u>	<u>NFDM</u>	<u>1 800</u>	<u>198.0</u>
Total MCH		<u>15 570.</u>	<u>4,521.9</u>

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 1988 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country MOROCCO

Sponsor's Name A.J.D.C.

A. Maternal and Child Health.....Total Recipients 0.2

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>0.2</u>	<u>WHEAT FLOUR</u>	<u>8.0</u>	<u>1.5</u>
<u>0.2</u>	<u>VEGOLL</u>	<u>1.0</u>	<u>0.8</u>
<u>0.2</u>	<u>NFDM</u>	<u>2.4</u>	<u>0.3</u>
Total MCH		<u>11.4</u>	<u>2.6</u>

B. School Feeding.....Total Recipients 2.3

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>2.3</u>	<u>WHEAT FLOUR</u>	<u>83.0</u>	<u>15.5</u>
<u>2.3</u>	<u>VEGOLL</u>	<u>7.0</u>	<u>5.7</u>
<u>2.3</u>	<u>NFDM</u>	<u>23.0</u>	<u>2.5</u>
Total School Feeding		<u>113.0</u>	<u>23.7</u>

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).. ADULT HEALTH CASES.....Total Recipients 1.5

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>1.5</u>	<u>WHEAT FLOUR</u>	<u>108.0</u>	<u>20.2</u>
<u>1.5</u>	<u>VEGOLL</u>	<u>8.1</u>	<u>6.6</u>
Total Other		<u>116.1</u>	<u>26.8</u>

II. Sponsor's Name _____