

# **Annual Budget Submission**

**FY 1988**

**PAKISAN**



**June 1986**

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

**THIS BUDGET SUBMISSION HAS BEEN  
PREPARED BY THE A.I.D. FIELD MISSION.**

**IT IS PREPARED ANNUALLY AND USED  
FOR PLANNING PURPOSES IN THE FIELD  
AND IN WASHINGTON.**

**IT DOES NOT REPRESENT  
OFFICIAL AGENCY POLICY.**

PAKISTAN  
FY 1988 ANNUAL BUDGET SUBMISSION

Table of Contents

	<u>Page</u>
Table I Long Range Plan by Appropriation Account.....	1
Table IV Project Budget Data.....	2
Table V Priority Ranking of FY 1988 Projects.....	3
Table VI Local Currency Use Plan.....	4
Table VIII Operating Expense Narrative.....	9
Operating Expense Summary.....	12
Table VIII(a) U.S. PSC Costs.....	18
Table VIII(b) Code 25 Details.....	19
Table VIII(c) Obligations for Acquisition, Operation and Use of Information Technology Systems.....	22
Information Technology Narrative.....	20
Table XI, PL 480 Requirements.....	26
Privatization Plan.....	27

USAID/PAKISTAN  
 FY 1988 ANNUAL BUDGET SUBMISSION  
 TABLE I- LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

		FY 1985	FY 1986	----FY 1987----		FY 1988	1989	1990	1991	1992
		ACTUAL	ESTIMATE	CP	EST	AAPL				
AGRICULTURE, RURAL DEVELOPMENT										
	TOTAL	37800	11000	13200	12000	20000	28000	25000	25000	25000
	GRANTS	0	8500	13200	12000	20000	28000	25000	25000	25000
	LOANS	37800	2500	0	0	0	0	0	0	0
POPULATION										
	TOTAL	12200	6500	8800	6500	8000	7000	10000	10000	10000
	GRANTS	12200	6500	8800	6500	8000	7000	10000	10000	10000
	LOANS	0	0	0	0	0	0	0	0	0
HEALTH										
	TOTAL	0	6500	0	0	12000	0	3000	3000	3000
	GRANTS	0	6500	0	0	12000	0	3000	3000	3000
	LOANS	0	0	0	0	0	0	0	0	0
EDUCATION										
	TOTAL	0	0	3000	6500	10000	15000	12000	12000	12000
	GRANTS	0	0	3000	6500	10000	15000	12000	12000	12000
	LOANS	0	0	0	0	0	0	0	0	0
SELECTED DEVELOPMENT										
	TOTAL	0	0	0	0	0	0	0	0	0
	GRANTS	0	0	0	0	0	0	0	0	0
	LOANS	0	0	0	0	0	0	0	0	0
FUNCTIONAL SUBTOTAL										
	TOTAL	50000	24000	25000	25000	50000	50000	50000	50000	50000
	GRANTS	12200	21500	25000	25000	50000	50000	50000	50000	50000
	LOANS	37800	2500	0	0	0	0	0	0	0
DA ACCOUNTS										
	TOTAL	50000	24000	25000	25000	50000	50000	50000	50000	50000
	GRANTS	12200	21500	25000	25000	50000	50000	50000	50000	50000
	LOANS	37800	2500	0	0	0	0	0	0	0
ESF										
	TOTAL	200000	239250	250000	250000	250000	250000	250000	250000	250000
	GRANTS	154800	170750	158000	163000	250000	250000	250000	250000	250000
	LOANS	45200	68500	92000	87000	0	0	0	0	0
DA AND ESF										
	TOTAL	250000	263250	275000	275000	300000	300000	300000	300000	300000
	GRANTS	167000	192250	183000	188000	300000	300000	300000	300000	300000
	LOANS	83000	71000	92000	87000	0	0	0	0	0
PL 480 TITLE I		59000	50000	50000	50000	80000	80000	80000	80000	80000
(TITLE III)		0	0	0	0	0	0	0	0	0
PL 480 TITLE II		0	0	0	0	0	0	0	0	0
HOUSING GUARANTIES		0	0	0	0	0	0	0	0	0
PERSONNEL										
	USDH WORKYEARS				40	40	40	40	40	40
	FNDH WORKYEARS				38	38	38	38	38	38



FY 1988 ANNUAL BUDGET SUBMISSION- PAKISTAN

NUMBER	TITLE	SPECIALI CODE	SUB CAT	IB/L	INITIAL	FINAL	AUTH	PLAN	THRU FY 1985		MORTGAGE AS OF	FY 1986		FY 1987		FY 1988 AAPL	
									OBL	PIPELINE		9730/86	OBL	EXP	OBL		EXP
DEVELOPMENT ASSISTANCE																	
391-0296	AGRICULTURAL RESEARCH		FNDS	L	69	82	6200	6200	6200	18	0	18	NA	NA	NA	NA	NA
391-0413	ON-FARM WATER MANAGEMENT	WA	FNWD	G	77	83	917	917	29	0	29	NA	NA	NA	NA	NA	NA
391-0468	AGRICULTURAL COMMODITIES & EQUIP	PRZ	FNAI	L	82	88*	40300	37800	28307	0	2500	13000	0	24800	NA	NA	NA
391-0469	POPULATION WELFARE PLANNING	PVD	FNPC	G	82	93*	12200	12200	NA	20000	NA	NA	NA	NA	NA	20000	8000
391-0474	DEVELOPMENT SUPPORT TRAINING		EHMA	G	83	92*	0	500	0	0	6500	0	0	500	1000	NA	NA
391-0475	PRIMARY HEALTH CARE		HEDH	G	82	86	0	6500	0	0	0	1000	0	3000	NA	NA	NA
391-0488	TRANSFORMATION AND INTEGRATION OF THE PROVINCIAL AGRICULTURAL NETWORK AND TECHNOLOGY		FNTE	G	84	88	0	9500	0	0	8500	0	0	1500	NA	NA	NA
391-0489	MANAGEMENT OF AGRICULTURAL RESEARCH		FNCS	G	84	88*	0	12000	0	0	3500	1000	3500	NA	NA	NA	NA
391-0496	HEALTHY CHILDREN *		HEDA	G	88	93	0	12000	NA	NA	12000	NA	NA	NA	NA	12000	NA
391-0487	EDUCATIONAL DEVELOPMENT*		EHED	G	88	92	0	10000	NA	NA	10000	NA	NA	NA	NA	10000	NA
TOTAL DA																	
							59617	156117	57117	40554	75000	19247	25000	41850	50000	50000	50000
							46500	46500	44000	28325	0	2500	13018	0	24800	0	0
							13117	109617	13117	12229	75000	6229	21500	25000	17050	50000	50000
TOTAL ESF & DA																	
							1153817	2808117	782117	505141	1762750	244764	275000	357266	300000	300000	300000
							352200	471200	265200	123998	135000	71000	87000	161973	0	0	0
							801617	2336917	516917	375743	1627750	192250	188000	195293	300000	300000	300000

\* = CHANGE FROM CONGRESSIONAL PRESENTATION

TABLE V

FY 1988 ABS

Rank	Proj#	Title	New/ Cont	L/G	App- rop	Program Fundings	
						INC	CUM
1.	0469	Pop Welfare Planning	O	G	ES	1,000	1,000
			O	G	PN	8,000	9,000
2.	0484	Social Marketing	O	G	ES	7,000	16,000
3.	0498	Institutional Excellence	N	G	ES	5,000	21,000
4.	0492	Ag Sector Support Proj	N	G	ES	15,000	36,000
5.	0496	Healthy Child	N	G	ES	3,000	39,000
			N	G	HE	12,000	51,000
6.	0474	Development Support Training	O	G	ES	10,000	61,000
7.	0500	Special Development Fund	N	G	ES	10,000	71,000
8.	0473	Rural Electrification	O	G	ES	27,000	98,000
9.	0478	Energy Planning	O	G	ES	15,000	113,000
10.	0468	Ag Commodities & Equip	O	G	ES	15,000	128,000
			O	G	FN	20,000	148,000
11.	0499	Regional Infrastructure	N	G	ES	20,000	168,000
12.	0472	Malaria Control	N	G	ES	8,000	176,000
13.	0486	Energy Commodities	O	G	ES	25,000	201,000
14.	0494	Private Sector Energy	N	G	ES	17,000	218,000
15.	0497	Educational Development	N	G	ES	10,000	228,000
			N	G	EH	10,000	238,000
16.	0470	Proj Design & Imp Fund	O	G	ES	3,000	241,000
17.	0488	TIPAN	O	G	ES	9,000	250,000
18.	0489	MART	O	G	ES	10,000	260,000
19.	0467	Irrigation Systems Management	O	G	ES	15,000	275,000
20.	0487	Lakhra Coal Power	O	G	ES	25,000	300,000
21.	-	PL-480 Title I			PI	(80,000)	300,000

LOCAL CURRENCY USE PLAN

Non-project assistance currently results in the generations of local currency proceeds accruing to the GOP under two USAID/Pakistan supported activities, PL 480 Title I and Agricultural Commodities and Equipment (ACE). ACE is financed almost exclusively with ESF resources, as is almost all of U.S. economic assistance to Pakistan. However, \$37.8 million in DA resources were introduced into the program in FY 1985 and these are reflected in Table VI.

Although the fundamental rationale for the sizeable U.S. economic assistance program for Pakistan is political and strategic, and balance of payments support is a major feature of our program, considerable attention is given to the programming of local currency which accrues to the GOP from A.I.D. assistance.

In accordance with Section 609 of the Foreign Assistance Act, local currency proceeds accruing to the GOP from the sale of commodities financed with ESF grant funds are deposited into a special account and jointly programmed by the GOP and USAID. Local currency generated by the sale of commodities financed with other USAID resources is programmed in accordance with Policy Determination #5 and the arrangements established with and agreed to by AID/W. (See the following messages for a complete discussion of the approach agreed to for the allocation of proceeds under the Pakistan program: 84 State 2677; 84 State 66395; 84 Islamabad 12088; and, 84 State 188040.)

ESF grant funds have resulted in the generation of proceeds accruing to the GOP for the first time this year. Such generations are resulting from the FY 1984 funded purchases of cotton, fertilizer and wheat and the FY 1985 funded purchases of wheat and fertilizer. These generations became available for programming during Pakistani Fiscal Year 1985/86 (July 1, 1985, to June 30, 1986), and were deposited into a special account. On May 22, 1985, the Mission initiated discussions with the GOP on the budget categories to be financed with the proceeds to be utilized during PFY 1985/6. A report on actual uses of the proceeds is expected after the close of Pakistan Fiscal Year, probably around December 1, 1986.

For local currency proceeds other than those generated by ESF and DA grant financing, i.e., PL 480, Title I, the Mission follows the procedure outlined below in order to maximize A.I.D.'s influence on multi-year resource allocations for priority sectors and development activities. USAID/Pakistan follows a three-stage process in discussing the use of proceeds with the GOP. First, a meeting is held wherein USAID presents its general concerns about the GOP budget, e.g., adequacy of financing for maintenance, recurring costs, research, education, population, etc. Second, USAID meets with the GOP before the budget is announced to present the budget categories USAID would like to see financed with proceeds, and to suggest the specific amounts each category is to receive, e.g., agricultural research, irrigation, family planning, etc.

Third, after the budget is finalized, USAID meets with the GOP to agree on the specific activities to receive proceeds. In addition, throughout the year, project managers and senior Mission management meet with their counterparts at both Federal and Provincial levels to assure that adequate budget provisions are made to finance USAID supported activities and sectors of interest to USAID.

During the period covered by this Local Currency Use Plan, FY 1985 to FY 1988, the equivalent of a total of approximately \$303 million in local currency will accrue to the GOP. By far, the greatest proportion of these proceeds will be from the PL 480 Title I program (approximately 198 million). USAID/Pakistan has been successful in getting the GOP to agree that proceeds accruing to the GOP under our programs will be used to finance Pakistan's Annual Development Program, i.e., the development budget, as opposed to the recurring cost "non-development" budget. Utilization of the proceeds also closely parallels the sectors in which A.I.D. is most active, e.g., irrigation, agricultural research and education, rural development, and those of critical importance for Pakistan's long-term growth, e.g., population.

Because of the time lag between the obligation of A.I.D.'s resources and the ordering, delivery, and sale of commodities, proceeds are normally generated and programed in the fiscal year following their obligation. The following table summarizes the proceeds programed or to be programed in FYs 1985 to 1988.

Since the GOP's fiscal year does not coincide with the U.S. fiscal year (the GOP's fiscal year commences 1 July and ends 30 June), we have chosen the closest approximate dates. FY 1985 corresponds to the GOP's financial year July 1, 1984 to June 30, 1985. It is not possible to compare generations against obligations since the local sales price for commodities differs from the U.S. purchase price and transportation, delivery and handling charges and exchange rates vary.)

<u>Source</u>	<u>U.S. FY Obligated</u>	<u>PFY Generated &amp; Programed</u>	<u>Amount (\$millions)</u>
PL 480	1984	1985	47.5
	1985	1986	56.0
	1986	1987	47.5
	1987	1988	47.5
Subtotal			198.5
ESF	1983	1986	15.03
	1983	1986	.33
	1984	1986	20.80
	1985	1986	31.76
	1986	1987	12.11
	1987	1988	0.00
Subtotal			80.03

DA	1985	1986	24.37
Subtotal			24.37
Total			302.90

The exchange rates assumed for the year in which the proceeds are programmed is as follows: \$1 = Rs.15 in PFY 84/85, Rs. 16.50 in PFY 85/86 and RS. 17.00 in PFY 86/87.

FY 1988 ANNUAL BUDGET SUBMISSION

Table VI: Expenditures of Local Currency Generations a/  
(all in the U.S. dollar equivalents, and in \$ millions)

<u>Source/Purpose</u>	1985 <u>b/</u> <u>ACTUAL</u>	1986 <u>ESTIMATE</u>	1987 <u>c/</u> <u>PLANNED</u>	1988 <u>c/</u> <u>PROPOSED</u>
I <u>ECONOMIC SUPPORT FUND</u>	0.00	67.92	12.11	0.00
A. Public Development Activities	0.00	67.92	12.11	
1. Agricultural Research		17.03		
2. Irrigation		3.00		
3. Agricultural Education		7.00	1.00	
4. Rural Development		4.00	3.11	
5. Energy		24.89	3.50	
6. Population		7.50	2.00	
7. Health		4.50	2.50	
B. Private Sector Programs	Not applicable			
C. Public Sector Recurrent Budget	Not applicable			
D. AID Operating Expenses (Trust Funds)				
The GOP provides Trust Funds from regular budgetary resources, not local currency proceeds				
I. <u>DEVELOPMENT ASSISTANCE</u>	N.A.	24.37	N.A.	N.A.
A. Public Development Activities		24.37		
1. Agriculture		24.37		
B. Private Sector Programs	Not applicable			
C. Public Sector Recurrent Budget	Not applicable			
D. AID Operating Expenses (Trust Funds)				
The gop provides trust funds from regular budgetary resources, not local currency proceeds				
<b>SUBTOTAL ESF &amp; DA</b>	<b>0.00</b>	<b>92.29</b>	<b>12.11</b>	<b>0.00</b>

a/ The years refer to the Pakistan fiscal year (July 1 to June 30) in which the expenditures are made; i.e. 1985 refers to 1984/85, 1986 refers to 1985/86, etc.

b/ Estimate

c/ Grant funds will be used for a private sector CIP, but repayments, and thus local currency generations will not begin until 1989.

FY 1988 ANNUAL BUDGET SUBMISSION

Table VI: Expenditures of Local Currency Generations a/  
(all in the U.S. dollar equivalents, and in \$ millions)

---

<u>Source/Purpose</u>	<u>1985</u> <u>ACTUAL</u>	<u>1986</u> <u>ESTIMATE</u>	<u>1987</u> <u>PLANNED</u>	<u>1988</u> <u>PROPOSED</u>
III. PL 480	47.5	56.0	47.5	47.5
A. Public Development Activities	47.5	56.0	47.5	47.5
1. Agricultural Research	3.6	-	-	-
2. Irrigation	30.6	32.3	15.0	
3. Agricultural Education	0.7	1.2		
4. Education	-	14.8	23.6	
5. Population Planning	12.6	7.7	7.7	
B. Private Sector Programs	Not applicable			(10.0) <u>b/</u>
C. Public Sector Recurrent Budget	Not applicable			
D. AID Operating Expenses (Trust Funds)				
The Gop provides Trust Funds from regular budgetary resources, not local currency proceeds				

---

a/ The years refer to the Pakistan fiscal year (July 1 to June 30) in which the expenditures are made; i.e. 1985 refers to 1984/85, 1986 refers to 1985/86; etc. The funds were obligated in the preceding U.S. fiscal year; i.e. the USFY 84 program was the source of funds for the 1985 expenditures in the table.

b/ Notional entry without consultation with the GOP.

## OPERATING EXPENSE NARRATIVE

### SECTION A - MANAGEMENT IMPROVEMENT

Continuous appraisal of management practices at the USAID Mission leads to optimal use of scarce operating expense resources through the use of more efficient and economical methods of work. The objective is the successful implementation of AID programs in Pakistan at minimum cost.

The USAID Mission continues to have success in restricting the expenditure of dollar funds for operating expenses. For example, a computer maintenance contract with the local representative of WANG is paid for in Pakistani rupees with Trust Funds rather than with dollars. Computer supplies and software, to the extent they are available locally in Pakistan, are also purchased in rupees. Furniture and equipment required for residential quarters as well as for offices is purchased with local currency as far as possible. The Mission purchased 57 sets of household furniture with Trust Funds local currency during the current fiscal year to furnish AID leased houses for use by AID U.S. direct-hire, PSC, PASA and contract employees. Mission management thus saved expenditure of scarce dollars from the operating expense and project funds.

The Mission continues to scrutinize FAAS expenses to ensure that only essential support services are obtained from the Embassy. In a recent review of FAAS Schedules, the Mission saved \$16,390 in funds previously charged to AID. Eighty-two percent of the FAAS bill is paid with Trust Fund rupees which results in additional saving of OE dollars.

The Mission installed electric power generators at AID-leased offices and residences at selected field posts to provide electricity during load shedding periods. At those locations the power load shedding periods extend to a greater part of the day and night, causing an extensive inconvenience to personnel and work efficiency.

The USAID Mission made available to all U.S. personnel in Pakistan hand held radios to provide immediate communication facility during emergency periods. The Mission also installed a single side band (SSB) radio net linking USAID Headquarters with field posts and with vehicle travelling in remote areas.

A telex circuit facility has been installed between USAID Islamabad Headquarters office and field posts to provide direct communication.

Mission management negotiated with the Government of Pakistan officials and obtained their agreement in principle for the extension of lease term on the GOP land on which the present USAID Karachi office/warehouse complex is constructed for a further period of five years beyond 1987. This is a significant achievement, as the GOP was initially unwilling to renew the lease on this property since USAID did not have an option for further extension.

The USAID management arranged an in-house training program to enhance the English language proficiency of foreign national employees with an objective to improve quality of their work, increase efficiency and provide upward mobility to Mission personnel. Additionally USAID organized a records management workshop to acquaint foreign national personnel with latest records maintenance techniques. Also USAID facilitated many other types of training courses through the Pakistan Institute of Management and through Software, Technical & Management Services Limited.

The USAID Automatic Data Processing Section trained 66 personnel in the operation of automatic data processing equipment with an objective to meet Mission operational requirements in the area of word processing and data processing.

The USAID Mission in Pakistan derives significant savings in operating expenses from the maximum utilization of excellent foreign national professional staff. This Mission is fortunate in having filled project monitoring, financial management and administrative positions with foreign national employees, replacing the normally required USDH staff. The resultant savings run into millions of dollars in salaries and support costs. The Mission makes greater use of service contracts for obtaining skilled and non-skilled personnel rather than resorting to FSN direct-hire employment, so as to fit our support capability to actual needs.

USAID/Pakistan continues to design and manage its portfolio, conduct a policy dialogue with the Government of Pakistan, and respond to AID/Washington's requirements with a USDH staff level below what would normally be provided for the job. Savings are thus achieved through the sacrifices of many of the staff in terms of unpaid overtime and long absences from their homes on job related travel.

#### SECTION B - JUSTIFICATION FOR FUNDING CHANGES

(A) The increase in FY1987 over FY1986 under summary function code U-200 and U-300 is due to an anticipated 15% increase in FSN salary and benefits.

(B) The increase in FY 1988 over FY 1987 under summary function code U-200 and U-300 is due to an anticipated increase in FSN salary and benefits.

(C) The increase in FY1988 over 1987 under summary function code U-400 is due to the anticipated increase in the residential rents and utilities, and procurement of furniture and equipment.

**SECTION C - TRUST FUNDS**

The final rupee deposit to the Trust Fund Account for FY1986 will be made on July 1, 1986. The Trust Fund Agreement was negotiated for two years, i.e. FY1986 & 1987. The first deposit of rupees for FY1987 will be made on October 1, 1986. Mission is planning to negotiate a new Trust Fund agreement with GOP for FY1988 & 1989 by the middle of FY1987.

TABLE VIII - FY 1986  
Operating Expense Summary

EXPENSE CATEGORY	FUNC CODE	OBJECT CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNIT COST
U.S. DIRECT HIRE	U100		3383.7	325.4	3709.1	
-----						
U.S. CITIZENS BASIC PAY	U101	110	2172.9		2172.9	57.2
PT/TEMP U.S. BASIC PAY	U102	112	56.0		56.0	28.0
DIFFERENTIAL PAY	U103	116	517.6		517.6	
OTHER AID/W FUNDED CODE 11	U104	119	2.0		2.0	
OTHER MISSION FUNDED CODE 11	U105	119				
EDUCATION ALLOWANCE	U106	126	233.0		233.0	5.0
RETIREMENT - U.S. DIRECT HIRE	U107	120	152.1		152.1	
LIVING ALLOWANCES	U108	128				
OTHER AID/W FUNDED CODE 12	U109	129	43.5		43.5	
OTHER MISSION FUNDED CODE 12	U110	129	44.3		44.3	
POST ASSIGNMENT - TRAVEL	U111	212	5.0	22.9	27.9	5.6
POST ASSIGNMENT - FREIGHT	U112	22	60.0	4.9	64.9	13.0
HOME LEAVE - TRAVEL	U113	212	29.0	86.8	115.8	7.2
HOME LEAVE - FREIGHT	U114	22	30.3	94.3	124.6	7.6
EDUCATION TRAVEL	U115	215	1.0	4.4	5.4	2.7
R AND R TRAVEL	U116	215	2.0	80.7	82.7	3.3
OTHER CODE 215 TRAVEL	U117	215	35.0	31.4	66.4	4.0
FOREIGN NATIONAL DIRECT HIRE	U200		8.2	561.4	569.6	
-----						
BASIC PAY	U201	114	1.7	195.2	196.9	5.0
OVERTIME, HOLIDAY PAY	U202	115		12.6	12.6	1.1
ALL OTHER CODE 11 - FN	U203	119	1.5	7.6	9.1	
ALL OTHER CODE 12 - FN	U204	129	5.0	233.6	238.6	
BENEFITS FORMER FN PERSONNEL	U205	13		112.4	112.4	
CONTRACT PERSONNEL	U300		71.6	3866.1	3937.7	
-----						
FASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	57.6	273.2	330.8	30.1
ALL OTHER U.S. PSC COSTS	U303	255	4.0	24.7	28.7	
F.N. PSC - SALARY/BENEFITS	U304	113		1773.9	1773.9	7.7
ALL OTHER F.N. PSC COSTS	U305	255	10.0	518.1	528.1	
MANPOWER CONTRACTS	U306	259		1276.2	1276.2	212.7
JCC COSTS PAID BY AID/W	U307	113				
HOUSING	U400		125.9	943.2	1069.1	
-----						
RESIDENTIAL RENT	U401	235		561.2	561.2	8.1
RESIDENTIAL UTILITIES	U402	235		218.8	218.8	
MAINTENANCE AND RENOVATION	U403	259		19.0	19.0	
QUARTERS ALLOWANCES	U404	127				
RESIDENTIAL FURNITURE/EQUIP.	U405	311	103.7	144.2	247.9	

TRANS./FREIGHT - CODE 311	U406	22	10.4		18.4		
SECURITY GUARD SERVICES	U407	254					
OFFICIAL RESIDENCE ALLOWANCES	U408	254	2.0		2.0		
REPRESENTATION ALLOWANCES	U409	252	1.8		1.8		
OFFICE OPERATIONS	U500		1184.7	2177.9	3362.6		
-----							
OFFICE RENT	U501	234		46.4			
OFFICE UTILITIES	U502	234		285.2	285.2		
BUILDING MAINT./RENOVATION	U503	259		62.9	62.9		
OFFICE FURNITURE/EQUIPMENT	U504	310	133.7	110.1	243.8		
VEHICLES	U505	312	175.0		175.0		
OTHER EQUIPMENT	U506	319	116.5	31.4	147.9		
TRANSPORTATION/FREIGHT	U507	22	82.3	62.9	145.2		
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259					
COMMUNICATIONS	U509	230		210.6	210.6		
SECURITY GUARD SERVICES	U510	254					
PRINTING	U511	24		11.9	11.9		
SITE VISITS - RIG PERSONNEL	U512	210					
SITE VISITS-MISSION PERSONNEL	U513	210	16.7	379.6	396.3	0.5	
SITE VISITS-AID/W PERSONNEL	U514	210	15.6	89.1	104.7	3.5	
INFORMATION MEETINGS	U515	210					
TRAINING ATTENDANCE	U516	210	14.0	18.6	32.6	3.3	
CONFERENCE ATTENDANCE	U517	210	12.2	9.5	21.7	2.2	
OTHER OPERATIONAL TRAVEL	U518	210					
SUPPLIES AND MATERIALS	U519	26	593.7	450.7	1044.4		
FAAS	U520	257		94.5	94.5		
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	314.5	339.5		
TOTAL O.E. BUDGET			4774.1	7874.0	12648.1		
RECONCILIATION			2944.1		2944.1		
OPERATING BUDGET REQUIREMENTS			1830.0	7874.0	9704.0		
636C REQUIREMENTS	U600	32					
TOTAL ALLOWANCE REQUIREMENTS	U600		1830.0				
LOCAL COST SUPPORT COST DATA							
-----							
F.N. PSC - SALARY/BENEFITS	U304	113					
ALL OTHER F.N. PSC COSTS	U305	255	63.2		63.2		
HANPOWER CONTRACTS	U306	259					
SITE VISITS - RIG PERSONNEL	U512	210					
SITE VISITS-MISSION PERSONNEL	U513	210	21.5		21.5	3.1	
DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES			3.2				
EXCHANGE RATE USED (MARCH 31, 1986)			15.90				

TABLE VIII - FY 1987  
Operating Expense Summary

EXPENSE CATEGORY	FUNC CODE	OBJECT CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNIT COST
U.S. DIRECT HIRE	U100		3527.5	456.3	3983.8	
U.S. CITIZENS BASIC PAY	U101	110	2283.5		2283.5	57.1
PT/TEMP U.S. BASIC PAY	U102	112	57.5		57.5	28.7
DIFFERENTIAL PAY	U103	116	545.5		545.5	
OTHER AID/W FUNDED CODE 11	U104	119	2.0		2.0	
OTHER MISSION FUNDED CODE 11	U105	119				
EDUCATION ALLOWANCE	U106	126	212.4		212.4	4.7
RETIREMENT - U.S. DIRECT HIRE	U107	120	159.8		159.8	
LIVING ALLOWANCES	U108	128				
OTHER AID/W FUNDED CODE 12	U109	129	45.7		45.7	
OTHER MISSION FUNDED CODE 12	U110	129	20.1		20.1	
POST ASSIGNMENT - TRAVEL	U111	212	6.0	30.2	36.2	6.0
POST ASSIGNMENT - FREIGHT	U112	22	78.0	15.1	93.1	15.5
HOME LEAVE - TRAVEL	U113	212	45.4	184.9	230.3	9.2
HOME LEAVE - FREIGHT	U114	22	51.6	103.6	155.2	6.2
EDUCATION TRAVEL	U115	215	1.0	4.4	5.4	2.7
R AND R TRAVEL	U116	215	4.0	93.2	97.2	6.1
OTHER CODE 215 TRAVEL	U117	215	15.0	24.9	39.9	4.0
FOREIGN NATIONAL DIRECT HIRE	U200			666.6	666.6	
BASIC PAY	U201	114		254.4	254.4	6.7
OVERTIME, HOLIDAY PAY	U202	115		15.7	15.7	1.3
ALL OTHER CODE 11 - FN	U203	119		7.5	7.5	
ALL OTHER CODE 12 - FN	U204	129		302.9	302.9	
BENEFITS FORMER FN PERSONNEL	U205	13		86.1	86.1	
CONTRACT PERSONNEL	U300		156.7	4275.9	4432.6	
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	36.0	189.7	225.7	32.4
ALL OTHER U.S. PSC COSTS	U303	255	2.2	19.9	22.1	
F.N. PSC - SALARY/BENEFITS	U304	113		2330.1	2330.1	8.6
ALL OTHER F.N. PSC COSTS	U305	255	118.5	560.4	678.9	
MANPOWER CONTRACTS	U306	259		1175.8	1175.8	235.2
JCC COSTS PAID BY AID/W	U307	113				
HOUSING	U400		43.8	965.9	1009.7	
RESIDENTIAL RENT	U401	235		526.0	526.0	8.7
RESIDENTIAL UTILITIES	U402	235		283.6	283.6	
MAINTENANCE AND RENOVATION	U403	259		19.2	19.2	
QUARTERS ALLOWANCES	U404	127				
RESIDENTIAL FURNITURE/EQUIP.	U405	311	32.0	137.1	169.1	
TRANS./FREIGHT - CODE 311	U406	22	8.0		8.0	

SECURITY GUARD SERVICES	U407	254				
OFFICIAL RESIDENCE ALLOWANCES	U408	254	2.0			2.0
REPRESENTATION ALLOWANCES	U409	252	1.8			1.8
OFFICE OPERATIONS	U500		1101.7	1738.1	2839.8	
-----						
OFFICE RENT	U501	234		33.1	33.1	
OFFICE UTILITIES	U502	234		265.5	265.5	
BUILDING MAINT./RENOVATION	U503	259		8.8	8.8	
OFFICE FURNITURE/EQUIPMENT	U504	310	128.0	29.4	157.4	
VEHICLES	U505	312	177.0		177.0	
OTHER EQUIPMENT	U506	319	35.0		35.0	
TRANSPORTATION/FREIGHT	U507	22	101.5		101.5	
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259				
COMMUNICATIONS	U509	230		240.5	240.5	
SECURITY GUARD SERVICES	U510	254				
PRINTING	U511	24		11.9	11.9	
SITE VISITS-MISSION PERSONNEL	U512	210	57.0	361.5	418.5	0.5
SITE VISITS-AID/W PERSONNEL	U513	210	7.4	69.4	76.8	4.0
INFORMATION MEETINGS	U514	210				
TRAINING ATTENDANCE	U515	210	45.8	55.3	101.1	2.7
CONFERENCE ATTENDANCE	U517	210	22.6	23.5	46.1	2.2
OTHER OPERATIONAL TRAVEL	U518	210				
SUPPLIES AND MATERIALS	U519	26	502.4	356.0	858.4	
FAAS	U520	257		115.0	115.0	
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	168.2	193.2	
TOTAL O.E. BUDGET			4829.7	8102.8	12932.5	
RECONCILIATION			3094.0		3094.0	
OPERATING BUDGET REQUIREMENTS			1735.7	8102.8	9838.5	
636C REQUIREMENTS	U600	32				
TOTAL ALLOWANCE REQUIREMENTS	U000		1735.7			

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES  
EXCHANGE RATE USED (MARCH 31, 1986) 15.90

ESTIMATED WAGE INCREASE - FY 1986 TO FY 1987 15%  
ESTIMATED PRICE INCREASE - FY 1986 TO FY 1987 19%

TABLE VIII - FY 1988  
Operating Expense Summary

EXPENSE CATEGORY	FUNC CODE	OBJECT CLASS	DOLLARS	TRUST FUNDS	TOTAL	UNIT COST
U.S. DIRECT HIRE	U100		3446.4	321.4	3767.8	
-----						
U.S. CITIZENS BASIC PAY	U101	110	2332.3		2332.3	58.3
PT/TEMP U.S. BASIC PAY	U102	112	59.4		59.4	29.7
DIFFERENTIAL PAY	U103	116	546.2		546.2	
OTHER AID/W FUNDED CODE 11	U104	119	3.0		3.0	
OTHER MISSION FUNDED CODE 11	U105	119				
EDUCATION ALLOWANCE	U106	126	209.6		209.6	4.7
RETIREMENT - U.S. DIRECT HIRE	U107	120	163.3		163.3	
LIVING ALLOWANCES	U108	128				
OTHER AID/W FUNDED CODE 12	U109	129	46.6		46.6	
OTHER MISSION FUNDED CODE 12	U110	129	14.1		14.1	
POST ASSIGNMENT - TRAVEL	U111	212				
POST ASSIGNMENT - FREIGHT	U112	22				
HOME LEAVE - TRAVEL	U113	212	25.1	83.2	108.3	7.7
HOME LEAVE - FREIGHT	U114	22	27.4	62.4	89.8	6.4
EDUCATION TRAVEL	U115	215	0.4	2.2	2.6	2.2
R AND R TRAVEL	U116	215	4.0	148.7	152.7	6.1
OTHER CODE 215 TRAVEL	U117	215	15.0	24.9	39.9	4.0
FOREIGN NATIONAL DIRECT HIRE	U200			821.2	821.2	
-----						
BASIC PAY	U201	114		307.0	307.0	8.1
OVERTIME, HOLIDAY PAY	U202	115		15.7	15.7	1.3
ALL OTHER CODE 11 - FN	U203	119		9.4	9.4	
ALL OTHER CODE 12 - FN	U204	129		363.9	363.9	
BENEFITS FORMER FN PERSONNEL	U205	13		125.2	125.2	
CONTRACT PERSONNEL	U300		163.6	4972.8	5136.4	
-----						
PASA TECHNICIANS	U301	258				
U.S. PSC - SALARY/BENEFITS	U302	113	37.0	201.0	238.0	34.0
ALL OTHER U.S. PSC COSTS	U303	255	2.3	19.9	22.2	
F.N. PSC - SALARY/BENEFITS	U304	113		2850.0	2850.0	10.5
ALL OTHER F.N. PSC COSTS	U305	255	124.3	604.0	728.3	
MANPOWER CONTRACTS	U306	259		1297.9	1297.9	259.6
JCC COSTS PAID BY AID/W	U307	113				
HOUSING	U400		71.3	1064.5	1135.8	
-----						
RESIDENTIAL RENT	U401	235		578.6	578.6	9.5
RESIDENTIAL UTILITIES	U402	235		312.0	312.0	
MAINTENANCE AND RENOVATION	U403	259		21.1	21.1	
QUARTERS ALLOWANCES	U404	127				
RESIDENTIAL FURNITURE/EQUIP.	U405	311	54.5	152.8	207.3	
TRANS./FREIGHT - CODE 311	U406	22	13.0		13.0	

SECURITY GUARD SERVICES	U407	254				
OFFICIAL RESIDENCE ALLOWANCES	U408	254	2.0			2.0
REPRESENTATION ALLOWANCES	U409	252	1.8			1.8
OFFICE OPERATIONS	U500		1285.2	1868.9	3154.1	
-----						
OFFICE RENT	U501	234		36.5	36.5	
OFFICE UTILITIES	U502	234		292.3	292.3	
BUILDING MAINT./RENOVATION	U503	259		9.7	9.7	
OFFICE FURNITURE/EQUIPMENT	U504	310	148.5	37.7	186.2	
VEHICLES	U505	312	165.0		165.0	
OTHER EQUIPMENT	U506	319	119.0		119.0	
TRANSPORTATION/FREIGHT	U507	22	86.5		86.5	
FURN/EQUIP/VEHICLE REPAIR/MAINT.	U508	259				
COMMUNICATIONS	U509	230		264.5	264.5	
SECURITY GUARD SERVICES	U510	254				
PRINTING	U511	24		13.1	13.1	
SITE VISITS-MISSION PERSONNEL	U512	210	42.4	397.9	440.3	0.6
SITE VISITS-AID/W PERSONNEL	U513	210	4.8	46.2	51.0	3.0
INFORMATION MEETINGS	U514	210				
TRAINING ATTENDANCE	U515	210	37.1	47.3	84.4	2.8
CONFERENCE ATTENDANCE	U517	210	22.9	28.3	51.2	2.6
OTHER OPERATIONAL TRAVEL	U518	210				
SUPPLIES AND MATERIALS	U519	26	634.0	391.6	1025.6	
FAAS	U520	257		120.0	120.0	
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	183.8	208.8	
TOTAL O.E. BUDGET			4966.5	9048.8	14015.3	
RECONCILIATION			3150.8		3150.8	
OPERATING BUDGET REQUIREMENTS			1815.7	9048.8	10864.5	
636C REQUIREMENTS	U600	32				
TOTAL ALLOWANCE REQUIREMENTS	U000		1815.7			

DOLLARS REQUIRED FOR LOCAL CURRENCY EXPENSES  
EXCHANGE RATE USED (MARCH 31, 1986) 15.90

ESTIMATED WAGE INCREASE - FY 1987 TO FY 1988 20%  
ESTIMATED PRICE INCREASE - FY 1987 TO FY 1988 10%

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>
Secretary, RAO Peshawar	\$ 16,899 (2/86-2/87)	\$ 17,742 (3/87-2/88)	\$ 18,629 (3/88-2/89)
Secretary, RAO Quetta	\$ 8,437 (12/85-11/86)	\$ 8,855 (12/86-11/87)	\$ 9,302 (12/87-9/88)
Program Asstt., Karachi	\$ 29,876 (3/86-6/87)	-	-
Sr. Program Asstt, O/RLA-CC	\$ 36,984 (10/85-9/86)	\$ 40,497 (10/86-9/87)	\$ 44,340 (10/87-9/88)
Pop./Int./NGO Coordinator, HPN	\$ 59,636 (11/85-6/87)	\$ 37,209 (7/87-6/88)	\$ 38,300 (7/88-6/89)
Health Dvl. Spec., HPN	\$105,057 (8/85-2/87)	\$ 56,597 (9/87-2/88)	\$ 59,050 (9/88-8/89)
Tech. & Mngt. Adv., E&E	\$ 32,634 (2/86-2/87)	\$ 34,063 (2/87-2/88)	\$ 35,560 (2/88-2/89)
Secretary, PRO	\$ 5,971 (2/86-5/86)	-	-
Report Writer	\$ 50,398 (3/86-3/87)	\$ 52,805 (3/87-2/88)	\$ 55,094 (3/88-2/89)
Report Writer, PDM	\$ 6,838 (3/86-7/86)	-	-
Report Writer, PDM	\$ 6,838 (3/86-7/86)	-	-
<b>Total</b>	<b>\$359,568</b>	<b>\$247,759</b>	<b>\$260,275</b>

**FY 1988 ANNUAL BUDGET SUBMISSION  
TABLE VIII(b) - ALL OTHER CODE 25 DETAILS**

<u>Description of Services</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>
Wang Service Contract	\$ 35,975 (10/85-9/86)	\$ 81,761 (10/86-9/87)	\$ 89,937 (10/87-9/88)
Advertisements	\$ 28,302 (10/85-9/86)	\$ 28,302 (10/86-9/87)	\$ 31,132 (10/87-9/88)
Value of all other items	\$ 275,189 (10/85-9/86)	\$ 83,176 (10/86-9/87)	\$ 87,704 (10/87-9/88)
<b>TOTAL:</b>	<b>\$ 339,466</b>	<b>\$ 193,239</b>	<b>\$ 208,773</b>

## INFORMATION TECHNOLOGY NARRATIVE

### SECTION A

Word processing continues to be the heaviest used computer application in this Mission. A greater number of employees are now using the word processing facility than they were a year ago. The second highest application is the Mission Accounting Control System (MACS). Telecommunication, as and when it becomes operational in the near future, is expected to be the third highest application. With the introduction and installation of several PC's, spread-sheet applications are gaining wider use and importance. The Office of Project Development and Monitoring is in the process of converting their projects data to a sophisticated spreadsheet based project monitoring system (PROMIS). Library Management Package is being utilized by the Mission's Library. Participant tracking system is scheduled for implementation within the current fiscal year. Computerized personnel system continues to be utilized and a new Medical Insurance Tracking system is in the implementation phase. Similarly, a mail tracking system is being utilized by various offices in the Mission.

### SECTION B

The USAID Mission's current year information management priorities remain essentially the same as defined in Section A above. However, over the next several years, as computer systems become more established, the emerging trend points toward a greater emphasis on providing better and direct support to the various project officers. The strategy to achieve this objective is currently developing at two different levels: (1) Extraction of particular project information from the MACS data base through various Mission developed reports, and (2) greater usage of spreadsheet analysis and packages for project developing and monitoring on the PC's. Also, the implementation of the telecommunication facilities in the near future will have a major positive impact on the working of the Mission.

Currently, the Automatic Data Processing (ADP) section of the Office of Management employs four persons, one ADP Manager, two Systems Analysts, and a Word Processing Operations Manager. One of the Systems Analysts assumes full responsibility for managing all applications training and jobs related to microcomputers (WANG and IBM PC's, and Apples). Similarly, the second Analyst's major assignment is to take care of the duties related to Wang VS-90 minicomputers, while the Word Processing Operation Manager fulfills all the training and support requirements for the OIS-140 system. The ADP Manager has the overall responsibility for the smooth functioning of the section. With the introduction of Teleprocessing, the ADP Section would require the services of an operator, to take care of all the operational functions for VS, OIS and PC's. The availability of an operator would relieve the Word Processing Operations Manager who is planned to be promoted to the level of a systems analyst. The proposed position of the third systems analyst would made a major impact on clearing the current application development and training backlog.

The ADP Section regularly conducts the following training programs for the Mission staff:

- 1) Basic Word processing
- 2) Advanced Word Processing
- 3) Basic Lotus 1/2/3
- 4) Advanced Lotus 1/2/3 .

The training for other packages, such as dBase, Wordstar and Supercalc, etc., is arranged according to the users' requirements.

### SECTION C

During the current year, the major acquisition plans focus on upgrading the VS-90 to VS-100 and purchasing of a new 288 MB drive. The upgrade is essential, since the VS-90 has almost reached its limits, and the system is really slowing down. The new drive is necessary for running MACS which has outgrown the 75MB drive. We also plan to purchase, during the current year three PC's and a workstation to meet the growing demands of the Mission for more automation facilities. over the next several years, some extensions to the VS-100 would be required together with more PC's and workstations.

The number of regular automation equipment users is 190. With an average of ten TDYers, this number comes out to be a total of 200. The current number of workstations is 60. Thus the ratio of users to workstations works out to be approximately 3.33. Assuming that the number of users remains steady, the number of workstations by the end of the next year should go up to 70 which would yield a ration of 2.85 users per workstation.

TABLE VIII(C)

OBLIGATIONS FOR ACQUISITION, OPERATION AND USE OF  
INFORMATION TECHNOLOGY SYSTEMS

USAID/Pakistan is continually upgrading the word processing and data processing equipment to meet the increased requirements of the Mission. During the current fiscal year, as well as during the next two fiscal years, we plan tentatively to purchase at least the following additional equipment:

<u>FY 1986</u>		<u>Est. Cost</u>
6	Wang microcomputers with printers	40,000
-	Upgrade of ADP equipment	50,000
1	288 MB Hard Disk	26,000
-	Daisy Ptr/WS	<u>14,000</u>
		130,000
 <u>FY 1987</u>		
1	UPS (Uninterrupted power supply unit	17,000
6	Wang PC's with printers	54,000
4	Wang work stations	16,000
3	Wang printers	24,000
-	Wang VS upgrades	<u>18,000</u>
		129,000
 <u>FY 1988</u>		
10	Wang PC's	90,000
4	Wang Workstations	16,000
3	Wang printers	24,000
-	Wang VS upgrades	<u>5,000</u>
		135,000

An estimated amount of \$25,000 has been budgeted in each fiscal year for purchase of software, and an additional estimated \$25,000 in each fiscal year for supplies has been included in the budget figures. The maintenance of the ADP equipment is being carried out by the local representative of Wang under a contract with USAID Mission. The contractor is paid in local currency with Trust Funds. In FY 1986 the maintenance contract includes an obligation of \$35,975 equivalent in rupees, in FY 1987 an estimated \$81,761 equivalent, and in FY 1988 \$88,937 equivalent has been estimated.

The USAID ADP staff currently consist of a Computer Specialist, two System Analysts, and a word processing system manager. A telecommunication operator is planned to be added to this staff beginning in FY 1987, and the present word processing systems manager is also planned to be converted to systems analyst.

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

<u>Item and Explanation</u>	<u>Fiscal</u> <u>1986</u>	<u>Years</u> <u>1987</u>	<u>(\$000)</u> <u>1988</u>
<b>1. <u>Capital Investment</u></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/terminals, printers and telecommunications modems.	130.0	129.0	135.0
B. <u>Purchase of Software</u> 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.	25.0	25.0	25.0
C. <u>Site and 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 uninterruptible power sources.	-	-	-
SUBTOTAL	<u>155.0</u>	<u>154.0</u>	<u>160.0</u>
<hr/>			
<b>2. <u>Personnel</u></b>			
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>	65.4	47.5	48.0
B. <u>Workyears</u>	( 4 )	( 5 )	( 5 )
<hr/>			

TABLE VIII(C) (continued)

<u>Items and Explanation</u>	<u>Fiscal Years</u>		<u>(\$000)</u>
	<u>1986</u>	<u>1987</u>	<u>1988</u>
<b>3. <u>Equipment Rental, Space and Other Operating Costs</u></b>			
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&B) including basic utilities and house keeping services.	-	-	-
C. <u>Supplies</u> and Other obligations for supplies and software rental (not included in a rental contract for equipment)	25.0	25.0	25.0
D. <u>Non-Commercial Training</u> Obligations for planning and conducting government operated training to prepare users to make effective use of automation resources.	-	-	-
SUBTOTAL	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>
<b>4. <u>Commercial Services</u></b>	-	-	-
This includes obligation for services where payments are made to private industry.			
A. <u>Computer Time</u> Obligations to fund contract with a private firm to provide computer time to the Mission.	-	-	-
B. <u>Leased Telecommunications Services</u> Obligations for leased telephone line 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.	3.0	3.0	3.0

TABLE VIII(C) (continued)

<u>Item and Explanation</u>	<u>Fiscal</u>	<u>Years</u>	<u>(\$000)</u>
	<u>1986</u>	<u>1987</u>	<u>1988</u>
<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).	-	-	-
<b>(2) <u>Maintenance</u></b> 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.	36.0	82.0	89.0
<b>D. <u>Systems Analysis and Programming</u></b> Obligations for contractor services to design and program new ADP or OIS application systems and to maintain existing systems.	11.25	12.5	12.5
<b>E. <u>System Design and Engineering</u></b> (Do not complete - OMB requirement not applicable to AID.)	XXX	XXX	XXX
<b>F. <u>Studies and Other</u></b> Obligations for management and feasibility studies, requirement definitions, and commercial training.	-	-	-
<b>SUBTOTAL</b>	<u>50.25</u>	<u>97.5</u>	<u>104.5</u>
<hr/>			
<b>5. TOTALS</b>			
Total Obligations	<u>295.65</u>	<u>324.0</u>	<u>337.5</u>
Workyears (From item 2A)	<u>( 4 )</u>	<u>( 5 )</u>	<u>( 5 )</u>
<hr/>			
<b>6. <u>Special Breakout</u></b>			
A. Amounts included in Mission allowance for existing systems. (Includes 2A, 3, and 4) (Services for equipment in place only).	140.65	170.0	177.5
B. Amounts included in Mission allowance for new or expanded systems. (Includes 1, 2A, 3 and 4). (Equipment and services for new efforts beginning during the fiscal year).	155.0	154.0	160.0

## FY 1988 ANNUAL BUDGET SUBMISSION

TABLE XI

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

		<u>Actual</u> <u>FY 1986</u>		<u>Estimated</u> <u>FY 1987</u>		<u>Projected</u> <u>FY 1988</u>	
		\$	MT	\$	MT	\$	MT
<b><u>COMMODITIES</u></b>							
<b><u>Title I</u></b>	Vegetable Oil	50.0	120	50.0	97.8	50.0	97.8
	Other	-	-	-	-	30.0*	-
<b>Total</b>		50.0	120	50.0	97.8	80.0	-
<b>of which</b>							
<b>Title III</b>							

**Total**  
**COMMENT:**

\*The Mission is investigating the possibility of an additional commodity in FY 1988 when the dollar value of the program will increase by sixty percent.

## PRIVATIZATION STRATEGY

The enhancement of free market principles is a core policy theme of USAID/Pakistan's program and is pursued at appropriate instances across sectors and at the macroeconomic level. The two principle impediments to the growth of more vigorous private sector in Pakistan's economy are: (a) excessive government regulation of private sector decision making; and (b) skewed government policies that protect state-owned enterprises against competition from existing and potential private sector companies .

USAID's policy dialogue with the GOP has succeeded in reducing state involvement in parts of the economy: edible oil and fertilizer subsectors were deregulated; liberalized rules for private investment companies have been drafted (a possible prelude to initiation of private banking); and private investment in the power sector is now being encouraged.

It is also now the stated government policy to make the private sector the engine of growth in the economy. We are seeking ways to assist the government execute this policy in general. The government has continuously endorsed the privatization concept but has been proceeding slowly in its implementation.

The Mission is discussing with the government new policies to allow the private sector to develop certain gas fields; provide new power plants; and distribute an increasing share of imported fertilizer. The government has announced its willingness to privatize some edible oil plants and to sell mutual fund type shares in selected state corporations (up to 49 percent). Furthermore, we are informally pursuing the divestiture of some public sector power plants.

The Mission has commenced discussions with key GOP proponents to sponsor a Pakistan-specific privatization conference in the spring of 1987 (Islamabad 10286 provides details). We propose to place the following issues on the agenda of the proposed Pakistan privatization conference:

- Identification and exploration of the various methods countries have pursued in divesting themselves of their state owned enterprises (SOE). This should include the roles of the central government, the specific industrial subsector and private companies in it, and contracted agents used for valuation and marketing.
- Strategies other countries have developed for sequencing divestiture actions.
- Experiences in handling perceived political problems of redundant employees, e.g. alternative job training schemes, worker equity participation, pension rights, etc.

-- The arguments for divesting/privatizing profitable SOEs vs white elephants and other losers.

-- Experience with domestic, foreign and mixed capital buyouts.

The Mission has already offered to assist discrete privatization opportunities. Further, we will pursue targets of opportunity flowing from policy and operational analysis in other Mission projects, or studies such as the upcoming one on agrobusiness. Another potentially useful activity will be to foster observation/visitation travel for key GOP and private sector leaders to countries which have previously grappled with privatization issues and the benefits of private sector led economies, e.g. Pacific rim countries. Naturally, we would follow up on issues and suggestions resulting from the proposed conference.