

UNCLASSIFIED

**Annual Budget  
Submission**

**FY 1985**

**ASIA REGIONAL PROGRAM  
(Including ASEAN)**



**MAY 1983**

**Agency for International Development  
Washington, D.C. 20523**

UNCLASSIFIED

ANNUAL BUDGET SUBMISSION

FY 1985

ASIA REGIONAL PROGRAM  
(including ASEAN)

May 1983

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FY 1985 ASIA REGIONAL ANNUAL BUDGET SUBMISSION

This Annual Budget Submission describes the Asia Regional program, including assistance to the Association of Southeast Asian Nations (ASEAN), funded out of the Asia Regional Account. The FY 1985 request for Asia Regional, \$20 million, is broken down as follows:

-- 30% for Program Development and Support, to finance feasibility studies and other project design work, project evaluation, program development, and the data base for program planning;

-- 24% for the ASEAN program, described in detail in the attached ASEAN ABS;

-- 20% to finance the cost of labor programs carried out by the Asian-American Free Labor Institute;

-- 10% for existing commitments involving other Bureaus and Agencies, including Peace Corps activities, human rights, and the water management project jointly funded with S&T; and

-- 16% for miscellaneous regionally funded activities, chiefly in Forestry and Bioresource system Management and in Rural Non-Farm Enterprise.

These elements are displayed in the table that follows. Next is a narrative for a new project proposal, Regional Acute Respiratory Infectious Disease Control, which is offered as a shelf item. Finally, there is attached a full ABS for the ASEAN Program, submitted by the AID/ASEAN Liaison Office in Manila, containing a number of new ideas for the conduct of that program.

FY 1985 ASIA REGIONAL ABS  
(\$000)

<u>NO.</u>	<u>PROJECT</u>	<u>1983 OYB</u>	<u>1984 CP</u>	<u>1984 REQUEST</u>	<u>1985 REQUEST</u>
<u>LESS DISCRETIONARY</u>					
0249	PD&S	4,926	5,655	5,500	6,000
0258/77	ASEAN	4,425	4,500	4,500	4,800
0263	AAFLI	4,100	4,100	4,100	4,100
0279	SPAP (Peace Corps)	120	360	160	160
0000	Human Rights	400	---	800	800
0274	Water Management	(1,000)	1,000	1,000	1,000
	"L.D." Subtotal	(13,971)	(15,615)	(16,060)	(16,860)
	Control	(16,592)	(18,300)	(18,300)	(20,000)
	Available	(2,621)	(2,685)	(2,240)	(3,140)
<u>MORE DISCRETIONARY</u>					
0276	Forestry & Bio Resource	---	500	500	1,000
0275	Rural N-F Enterprise	300	1,000	1,500	1,200
0273	Regional Malaria	(150)	150	150	150
0251	PVO	621	500	90	258
0265	Extension Small Scale Ag.	1,250	---	---	532
0256	A.I.P.	50	---	---	---
0253	Regional Remote Sensing	400	535	---	---
	TOTAL (Control)	16,592	18,300	18,300	20,000
<u>ADDITIONAL REQUIREMENTS</u>					
0253	Regional Remote Sensing	---	---	535	955
---	Respiratory Diseases	---	---	900	900

ASIA/DP

SHELF

Project Narrative

Acute Respiratory Infectious Disease Control (ARIDC) Project (Regional)

Funding (x\$000):	FY 84	FY 85	LOP (7 years)
	900	900	6,000 (100% grant)

Appropriation Account: Health

The purpose of the project is to develop cost-effective, affordable control strategies for Acute Respiratory Infectious Diseases in Asia.

Statement of Problem

Acute Respiratory Infections (ARI) are a major contributor to infant and young morbidity and mortality in Asia. The World Health Organization estimates that 20% of infant deaths and 50% of health facility visits in the Asia region are due to this group of diseases. At particular risk are the infants and young children of rural Asia, that is roughly 80% of the regional population, who do not have access to high technology curative or preventive care for ARI. Furthermore, there is no existing technology to prevent mortality from ARI comparable to that of oral rehydration therapy which has been readily adopted by primary health care programs.

One of the major obstacles to developing the technology to combat ARI is the lack of information available on these diseases. The problems is further complicated by the fact that ARI represents a great variety and number of diseases.

Project Summary

The project will provide support to collect, analyze, and synthesize Asian-based data on ARI which are needed to develop appropriate control strategies, that is interventions for use in primary health care programs. Four kinds of research will be conducted: (1) epidemiological research; (2) laboratory studies; (3) clinical studies, and (4) community studies. The research will focus on ARI as a cause of death and be field oriented. An ARI research consortium, consisting of a limited number Asian based research institutions will be established to manage the research activities in conjunction with U.S. research institutions. A large portion of the project funds will be used to sponsor studies on ARI prevention, diagnosis, and treatment managed or conducted by the consortium. The remaining funds will support the functions of the centers or consortium, including program management, research coordination, publication and distribution, and conference management. Thus, the two major project outputs will be: (1) new knowledge on ARI; and (2) a consortium of functioning ARI centers in Asia.

## Program Factors

The project directly addresses the primary goal of the Asia Bureau and Agency Health Strategy, i.e., the reduction of infant and young child mortality. Furthermore, the approach taken in the project, i.e., attempting the development of an affordable technology for PHC programs to reduce ARI mortality, is most cost-effective as identified in the strategy.

The project also responds to major Agency policy concerns about technology transfer and institutional development. The AID supported countries have indicated their commitments to PHC and the reduction of infant mortality through the establishment of primary health care programs. Technology acquisitions and skills development have also been major components of development strategies for these countries. Thus, it is essential that these countries take steps to gain the necessary working skills and expertise in biomedical research, especially ARI research, so that appropriate improvements in prevention and therapy can be developed and integrated into primary health care programs.

The project is directly responsive to the Agency's research priorities in biomedical research. The need for ARI Disease research was identified as one of the priority areas by international biomedical research specialists at a recently convened conference sponsored by AID in response to the Agency technology transfer initiative. In fact, the project design has been strongly influenced by the conference findings.

## Issues

Although ARI related child mortality is a world-wide concern, it seems more efficiently addressed regionally rather than globally. The disparity in research capabilities between regions and the difficulties of world-wide coordination would reduce the manageable scope of the project. Research resources and priorities differ vastly among Africa, Latin America, Asia, and other regions of the world. At the same time, the need for conducting and combining many different kinds of research requires many specialists which are unlikely to be found at any one institution. Thus, a regional research consortium appears to be the most appropriate mechanism for implementing the project.

One drawback of research and institutional development projects can be the lack of direct development application. The project attempts to overcome this problem by emphasizing the application of the research with the focus on ARI as a cause of mortality and working toward the objective of the consortium becoming an integral Asian research resource to complement other successful organizations such as the Center for Diarrheal Disease Research. By the end of the seven year funding period, the value of the centers should be established. Furthermore, by this time the centers should be attractive to other sources of funding such as WHO, other international sources, and bilateral sources.

ASEAN

FY 1985 ANNUAL BUDGET SUBMISSION

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FORWARD

Submitted herewith is the ASEAN Liaison Office's FY 1985 Annual Budget Submission. In addition to the FY 1985 ABS requirement Guidelines, the ALO believed it important that this ABS include in the Long Range Plan Narrative an ASEAN Program Overview, covering U.S. Interests and Objectives, and AID Strategy and Objectives. In the absence of a COSS for the ASEAN Regional Program, this appeared necessary in order to provide Agency management with a basis to make the program, budget, and administrative decisions required to conduct an effective ASEAN Regional Program over the next several years.

ALO overseas workforce and operating expenses are included in USAID/Philippines' ABS in accordance with the FY 1985 Annual Budget Submission Guidance. The ALO and USAID/Philippines coordinated preparation of those data. The ASEAN Regional program neither has nor plans any PL 480 activities.

  
Donald N. Melville  
AID/ASEAN Liaison Officer

ACTION PLAN FOR FYS 1984 AND 1985

1. General:

Fiscal years 1984 and 1985 constitute a key juncture in the evolution of the ASEAN Regional program. It is during these years that the program will be more clearly focussed on the ASEAN Regional strategy and objectives set forth in this ABS. This adjustment is both possible and desirable at this juncture. AID's commitment to most of the first generation ASEAN Regional projects will be largely satisfied and the funding mortgage largely liquidated during these fiscal years. This will allow for new and innovative initiatives which are more in consonance with AID's redefined directions and the realities of ASEAN Regional funding and personnel allocations.

As described more fully in the Long Range Plan Narrative, AID's ASEAN Regional Program Strategy is recast in this ABS to reflect a major thrust directed at the enhancement of policy dialogue within a regional context between the U.S. and ASEAN as well as among ASEAN countries. This strategy is pursued inter alia through an assistance program emphasizing three basic objectives: 1) improving regional institutional capabilities, 2) accelerating technology transfer, and maximizing the role of private enterprise in development of the Region.

2. Program Management and Staffing:

In FY 1983 the ASIA Bureau decided that the ASEAN Regional program should be regularized in terms of AID's program submissions, documentation, reporting, evaluation and audit requirements. Concomitant with this decision was another decision to abolish the ALO's Program Officer position at the end of FY 83 thereby effecting a 50% reduction in USDH staffing. Taken together, these decisions necessitate new and innovative means of project management and assistance delivery modes if AID is to pursue an effective ASEAN Regional Program.

Since staffing is a critical factor in the type of program that can be undertaken in pursuance of AID's ASEAN strategy, a two-pronged approach is proposed. The first is to provide a contractual project liaison officer as an integral element of certain major new projects and activities as appropriate to assist the ALO with project management and monitoring requirements. This is a key element of the FY 83 ASEAN Watershed project. The second is to assign an IDI and a foreign national contract employee to the ALO to assist with overall program management including program submissions, documentation, reporting and evaluation requirements.

3. Assistance Delivery Modes:

Funding and staffing limitations necessitate a mode of delivery which minimizes requirements for USDH staff attention and which maximizes the flexibility required to pursue an effective AID strategy. To accommodate these requirements, an ASEAN Regional Program Support project is proposed

for initiation in FY 84. Such a project would be designed in a manner that affords a wide variety of activities directed at specific AID objectives which could be undertaken within the parameters and funding authorization of a single project. The savings in AID/W and ALO staff time for the design and approval process along with the capacity for flexible and prompt response to ASEAN needs will more than offset whatever advantages there are in a project-by-project design and approval process.

Assuming that such a project can be designed, approved and funded in FY 1984, it is proposed that four activities be funded within the context of this project during FY 84. These would include the SEAMEO scholarships program for the development of human resources recommended by USAID/Bangkok and endorsed by USAID/Jakarta, extension of the TROPMED Scholarship Program, Phase III of the Postharvest Crops Program sponsored by Kansas State University and funded heretofore by AID's Bureau for Science and Technology, and a two-year extension of the technical advisory services provided at AIT for ASEAN under the ASEAN Energy Activities project. Progressively, all new ASEAN Regional activities would be subsumed under this project with the exception of the ASEAN SMBI project with its specific private sector focus and variety of activities.

#### 4. Program Funding and Objectives:

The ASEAN Regional Program's FY 84-85 work plan for attaining program objectives consists of three major thrusts. These are the launch of a new initiative directed specifically at the private sector objective, the development and implementation of a new, more flexible and more efficient mode of delivering AID assistance to ASEAN, and continued support of projects and activities aimed at institutional development and technology transfer objectives.

##### (a) Fiscal Year 1984

The FY 1984 program level of \$4.5 million will be used to fund five projects of which two are new (\$2.25 million) and three are continuing (\$2.25 million). The two new projects are the ASEAN Small and Medium Business Improvement (ASMBI) and the ASEAN Regional Support Project (ARS). Funding for ASMBI is required to launch the program's first project directed specifically at AID's private enterprise objective while funding for the ARS project is required to launch an experimental project designed to afford a more flexible and efficient mode of delivering assistance to ASEAN. The latter will consist initially of four activities (SEAMEO Scholarships, extension of TROPMED scholarships, assistance for Postharvest Phase III, and technical assistance for AIT's alternative energy program). The first two activities are directed primarily at the institutional development objective while the other two activities are directed at the technology transfer objective.

The ASMBI project is designed to overcome the policy, technological and managerial constraints to more rapid growth and development of the ASEAN Region's small and medium business sector. This project is the first in the ASEAN Regional Program to channel resources directly to the private sector and constitutes an initial intervention that will identify and lead to additional assistance and downstream investments. The project's first phase consists of two major elements. The studies and research element which supports the resolution of specific business issues and problems including identification and definition of the need for additional assistance and investments. The other element supports localized need of small and medium business for technological expertise and training. A rolling sub-strategy will identify and address other elements as the project gains momentum.

Funding of \$1.25 million for the ASEAN Regional Support project constitutes an endeavor to come up with a comprehensive delivery mode which provides AID with the flexibility required to effectively pursue AID strategy and program objectives in a manner which is responsive to ASEAN needs while minimizing USDH staffing requirements. This project is designed in such a manner that it affords an opportunity to undertake a variety of activities/sub-projects directed at specific program objectives, and in response to ASEAN preferences. In FY 84 this project consists of four activities of which two are new to the ASEAN Regional Program (SEAMEO Scholarships and Postharvest Phase III) and two are continuing activities (TROPMED Scholarships and ASEAN Energy Activities formerly funded through other projects in the program portfolio).

The balance of FY 84 funding (\$2.25 million) is required to finance the continuation of three projects directed primarily at the institutional development objective and secondarily at the technology transfer objective. This involves the final year of funding committed to the AADPC project (\$400,000), second-year funding committed to the ASEAN Watershed Project (\$850,000), and the first half of the additional funding required to complete the AIT Scholarship Project (\$1 million).

The additional funding for the AIT Scholarship Project is particularly important since it is required to partially complete funding of the 250 scholarship target established in the original project documentation. AID's original commitment of \$3,125,000 was based on 250 twenty-month masters level scholarships and research awards at a fixed cost of \$12,500 per scholarship. Actual costs, however, have increased periodically reaching a level of \$19,415 in 1982. Thus, the total number of scholarships which can be financed within the original life-of-project funding commitment has been reduced to about 170. It is estimated that an additional \$2 million (\$1 million in FY 1984 and \$1 million in FY 1985) is required to fully fund the target level of 250 scholarships. The ASEAN Standing Committee on April 21, 1983 confirmed ASEAN's interest in the program and their strong desire to see the 250 scholarship level fully attained. A multi-national evaluation team concluded in May 1982 that

this project had a significant impact on the institutional development of AIT. The evaluation report notes moreover that "...this project has been successful in providing the kinds of training required by participating countries, enhancing the effective utilization of trained personnel within the region, promoting research applicable to the region, and encouraging the support of a regional institution capable of providing these objectives on a continuing basis."

In summary, \$3.05 million is being used to support and enhance the capacities of five regional institutions in pursuance of the institutional development objective, \$1.0 million is being used to launch a new initiative directed at the private enterprise objective and \$0.45 million is being used to support two activities providing technical services aimed at the technology transfer objective.

(b) Fiscal Year 1985

In FY 1985 a program level of \$4.8 million is required to pursue the ASEAN Regional Program strategy and its three major objectives. This program level will provide funding for four continuing projects including \$1 million to complete the funding of the AIT Scholarship project, \$945,000 to complete funding of the ASEAN Watershed project, \$1 million for second-year funding of the continuing ASEAN Small and Medium Business Improvement project and \$1,855,000 for second-year funding of the continuing ASEAN Regional Support project.

While no new projects are currently planned, second-year funding of \$1,855,000 for the ASEAN Regional Support (ARS) project includes \$505,000 for new and as yet unidentified activities. Funding for continuing activities/sub-projects under this project includes \$300,000 for second year funding of the SEAMEO Scholarship project, \$500,000 for second-year funding of the TROPMED Scholarship program extension, \$150,000 for second-year funding of the Postharvest Phase III activity and \$400,000 for first-year funding of a three-year extension of the ASEAN Plant Quarantine program to be subsumed under the ARS project. This extension is required to assist PLANTI, a new regional institution created with AID and Government of Malaysia funding, make the transition from that of a new institution to that of a mature and viable institution. The proposed additional AID funding will be used to finance short-term U.S. consultants and scholarship and training activities.

In summary, it is proposed that FY 1985 funding consist of \$3.145 million in support of the Institutional Development objective, \$1.0 million in support of the Private Enterprise objective, and \$655,000 in support of the Technology Transfer objective.

(c) Out Year Funding (FY 1986-FY 1989)

Out year funding levels are straight lined at \$5 million and a content which reflects an accelerating shift from project specific funding to the ASEAN Regional Support project under which most activities remain to be identified and developed. By FY 86 the ASEAN Regional Program would consist of only two projects: The ASEAN Small and Medium Business Project and the ASEAN Regional Support Project. Both of these, however, would consist of a variety of new and continuing activities aimed at the program's three major objectives.

5. Program Submissions, Reports, Evaluations & Audits

AA/ASIA's decision that the ASEAN Regional Program be regularized in terms of Agency program requirements involves a number of new program management functions. The most notable of these are the development of a coherent ASEAN Regional Program Strategy, Annual Budget Submissions (ABS), Congressional Presentations, Project Implementation Reports (PIRs), more regular evaluations, and the initiation of audits.

The Long Term Plan narrative of this ABS sets forth the strategy and major objectives of the ASEAN Regional Program. This strategy and its objectives will be refined and submitted to AID/W during FY 1984 for possible incorporation into the overall Asian Regional Program Strategy.

This document constitutes the first Annual Budget Submission exclusively for the ASEAN Regional Program. The Operational Expense component, however, has been excluded since the ALO's OE budget is included in USAID/Philippines' ABS. The ALO will also prepare and submit an ABS for fiscal years 1986 and 1987 over the next two years.

Although the ALO submitted full scale Congressional Presentations during the past two years (i.e. for FYs 1983 and 1984), these submissions were incorporated only partially into the Asian Regional Presentation rather than in their entirety. Nevertheless, the ALO will continue to submit full-scale CPs in the expectation that AID/W now plans to present the ASEAN Regional Program as a distinct element of the ASIA Bureau Program.

The ALO entered the regular project implementation reporting system in early April 1983 with submission of eight PIRs for the period Oct. 1982 - March 1983. Previously, the ALO had submitted a narrative report semi-annually as of June 30 and Dec. 31. PIRs will continue to be submitted in accordance with Agency requirements.

The first evaluation of an ASEAN Regional Project was conducted in May 1982 and submitted to ASIA/DP in July of that year. The evaluation of the AIT Scholarship Program was conducted by an international team drawn from the ASEAN Region and headed by the ALO's Program Officer. The AIT Scholarship project which started in 1979 was the first project in the ASEAN Regional Program to reach sufficient maturity to warrant an evaluation. Evaluations of other projects reaching such junctures have been scheduled. These include the ASEAN Agriculture Development Planning

Center Project in the first quarter of FY 84, the TROPMED Scholarship Project in mid-FY 84, and the ASEAN Plant Quarantine Project in first quarter FY 85. The loss of the ALO's Program Officer who was also an experienced Evaluation Officer will necessitate AID/W assistance for these scheduled evaluations.

While there has yet to be an audit of an ASEAN Regional project, the ALO has been in consultation with RIG/Manila regarding an audit plan. As a result of these discussions, RIG/Manila has scheduled a "Planning Survey" of the ASEAN Regional Program. It is expected that this survey will identify one or more projects to be audited in FY 84 and FY 85.

FY 1985 ANNUAL BUDGET SUBMISSION  
 TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)  
 COUNTRY/OFFICE ASEAN REGIONAL PROGRAM

		FY 1983	----FY 1984----	FY 1985	-----PLANNING PERIOD-----				
		ESTIMATE	CP	ESTIMATE	AAPL	1986	1987	1988	1989
AGRICULTURE, RURAL DEV & NUTRITION	TOTAL	3205	1495	1400	1495	550	400	---	---
	GRANTS	3205	1495	1400	1495	550	400	---	---
	LOANS	---	---	---	---	---	---	---	---
POPULATION	TOTAL	---	---	---	---	---	---	---	---
	GRANTS	---	---	---	---	---	---	---	---
	LOANS	---	---	---	---	---	---	---	---
HEALTH	TOTAL	500	500	500	500	500	---	---	---
	GRANTS	500	500	500	500	500	---	---	---
	LOANS	---	---	---	---	---	---	---	---
EDUCATION	TOTAL	725	1230	1300	1300	300	300	300	---
	GRANTS	725	1230	1300	1300	300	300	300	---
	LOANS	---	---	---	---	---	---	---	---
SEL. DEV. ACT.	TOTAL	---	1575	1300	1505	1000	1000	1000	1000
	GRANTS	---	1575	1300	1505	1000	1000	1000	1000
	LOANS	---	---	---	---	---	---	---	---
TO BE DETERMINED	TOTAL	---	---	---	---	2650	3300	3700	4000
	GRANTS	---	---	---	---	2650	3300	3700	4000
	LOANS	---	---	---	---	---	---	---	---
FUNCTIONAL	TOTAL	4430	4800	4500	4800	5000	5000	5000	5000
	GRANTS	4430	4800	4500	4800	5000	5000	5000	5000
	LOANS	---	---	---	---	---	---	---	---
DA ACCOUNTS	TOTAL	4430	4800	4500	4800	5000	5000	5000	5000
	GRANTS	4430	4800	4500	4800	5000	5000	5000	5000
	LOANS	---	---	---	---	---	---	---	---
(OF WHICH PVO'S)		(---)	(---)	(---)	(---)	(---)	(---)	(---)	(---)
ESF	TOTAL	---	---	---	---	---	---	---	---
	GRANTS	---	---	---	---	---	---	---	---
	LOANS	---	---	---	---	---	---	---	---
DA & ESF	TOTAL	4430	4800	4500	4800	5000	5000	5000	5000
	GRANTS	4430	4800	4500	4800	5000	5000	5000	5000
	LOANS	---	---	---	---	---	---	---	---
PL 480	TITLE I	---	---	---	---	---	---	---	
	TITLE III	(---)	(---)	(---)	(---)	(---)	(---)	(---)	
PL 480	TITLE II	---	---	---	---	---	---	---	
HOUSING	GUARANTIES	---	---	---	---	---	---	---	
<hr/>									
TOTAL PERSONNEL a/									
USDH Workyears a/		(2.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)
FNCH Workyears a/		(---)	(---)	(---)	(---)	(---)	(---)	(---)	(---)

a/  
 Included in USAID/Philippines FY 1985 Annual Budget Submission.

TABLE I NARRATIVE

1. ASEAN Overview

The Association of Southeast Asian Nations (ASEAN) is a regional organization formed in 1967 by the Governments of Indonesia, Malaysia, the Philippines, Singapore and Thailand. Created for the purpose of establishing a regional identity which would provide a firm foundation for common action to promote regional cooperation in Southeast Asia, ASEAN has emerged as a respected economic and political force in Southeast Asia, and on the world scene.

The ASEAN Region consists of a land area totalling about 1.2 million square miles and a population of more than 250 million of which about two-thirds reside in rural areas. The Region is rich in natural resources and development potential. Collectively and individually, the five ASEAN countries are endowed with the prerequisites for socio-economic development and for sustained growth. These include large labor forces, large domestic markets, rich natural resources, strong economic growth rates, relative political stability, economic systems which promote free enterprise, and governments which encourage foreign investment.

The past decade has been characterized by rapid growth, with the five member countries doubling their collective gross national product. The average annual growth rate for the Region during the 1970's was about 4.5 percent. With 1979 per capita GNPs ranging from \$370 for Indonesia to \$3,830 for Singapore, four of the five ASEAN countries are now classified as middle-income countries. Given the Region's resources and the development policies of ASEAN governments, real GNP during the 1980's is expected to grow at a rate of 5 to 6 percent.

ASEAN countries have also made substantial gains in social development. Life expectancy exceeds 60 years in all but one of the member countries, infant mortality is 35 and below per 1000 live births in all but two member countries and adult literacy rates are between 60 percent and 88 percent. Daily per capita caloric intake ranges between 2000 and 2800 for the Region while daily per capita protein intake ranges between 44 and 75.

While the social and economic indicators for the ASEAN Region are relatively high as compared to other developing areas, the Region is confronted with a growing population (growth rate estimated at 2.5 percent for the region) which threatens to undermine ASEAN's socio-economic gains. Pervasive rural poverty, inadequate employment opportunities, large trade deficits, and growing demands for a more equitable distribution of social and economic benefits weaken the internal political structures of most ASEAN countries and their regional unity. These factors coupled with external threats make it imperative that ASEAN maintain and enhance regional unity as the most effective means of addressing ASEAN countries national goals.

ASEAN countries recognize that the long-term solution to many of their problems lies in economic and social reform. This has led to the formulation of ambitious development goals which include rapid industrialization, more productive use of human and natural resources and economic benefits. ASEAN's overall development thrust is directed towards creating income producing opportunities, especially for rural people who constitute two-thirds of the Region's population. Specific development objectives are to increase the output and utilization of agricultural and industrial production, expand trade, improve physical infrastructure, and increase living standards. There is a consensus among ASEAN countries that these development goals can best be obtained through regional cooperation.

A common element found in each of the ASEAN countries development programs is the view that the private sector must be involved in the development process and that foreign investment must play a major role in financing development. ASEAN looks to the U.S. and other developed countries for support and cooperation in terms of trade, investment and general economic assistance.

## 2. U.S. Interests and Objectives

The ASEAN governments' structures and traditions embody many democratic forms and principles which allow for substantial economic freedom. This sets them apart from their Indochinese neighbors in Southeast Asia. Looking toward free enterprise as the engine of development, the five countries promote domestic and regional stability by means of a process of continuous consultation and collective decision-making that has intensified steadily over the past decade.

ASEAN is also a major trade partner with the industrialized countries, particularly the United States, the European Economic Community and Japan. The ASEAN Region is a major supplier of raw materials to the United States and other industrialized countries, and a major importer of commodities and technology from the West. Trade with the United States constitutes a significant share of ASEAN exports and imports. In 1981 exports to the United States reached a level of about 15 billion U.S. dollars (about 20 percent of ASEAN's exports) while imports from the United States amounted to about 12 billion U.S. dollars (about 16 percent of ASEAN imports).

Another matter of special interest to the U.S. is the geographic span and location of the ASEAN Region. The Region straddles major sea lanes which are of strategic and commercial importance to the U.S. The maintenance of free access to these sea lanes and the continuation of U.S. base rights in the Region are key elements of U.S. Policy.

Thus, ASEAN is of substantial interest to the United States for reasons of its moderate forms of government, its stabilizing influence in Southeast Asia, its strategic location and its trade with the industrialized West. The cohesion and viability of ASEAN is of major importance to the United States. The role of AID's ASEAN Regional Program as well as other major donors (e.g. Australia, EEC, and Japan) is to support ASEAN projects which promote regional endeavors and cooperation and at the same time complement the individual members development objectives.

### 3. AID Strategy

The ASEAN Regional Program Strategy is to promote AID's new policies and priorities within the parameters of the newly formulated but still evolving strategic plan for the ASIA Region. The enhancement of policy dialogue within a regional context between the U.S. and ASEAN as well as among ASEAN countries is the major thrust of this strategy. Periodic ASEAN-U.S. Dialogues in which AID plays a major role constitute a formal arrangement to promote constructive exchanges of views and concerns on political, commercial and developmental issues of mutual interest. Given the regional character of ASEAN, conditions of U.S. assistance are necessarily general and implicit in nature and are secondary to the more specific and explicit conditions found in the three AID bilateral programs in the ASEAN Region. In summary, these are focussed on the maintenance of moderate governments which allow substantial economic freedom, more equitable distribution of social and economic benefits, maintenance of healthy trade relationships, maintenance of a cohesive viable regional entity capable of exerting a stabilizing influence in Southeast Asia, and maintenance of free access to major sea lanes and base rights.

Both ASEAN-U.S. dialogues and ASEAN's internal policy dialogues are supported with programs which generate and enhance regional identity, cooperation and solidarity within the ASEAN Region. While AID's strategy for assisting ASEAN is regional in character and therefore has a different complexion than AID's development strategies in the three ASEAN countries with AID bilateral programs (Indonesia, Philippines and Thailand), these AID strategies are nevertheless complementary.

AID's ASEAN Regional strategy is focussed primarily on improving the institutional capability and regional character of institutions located in the ASEAN Region. This strategy is applied in a manner which employs the fullest possible use of existing Southeast Asian institutions and expertise for project implementation. While continuing to appraise the potential of existing institutions within the ASEAN Region to perform a regional role in the development process, AID is also exploring innovative means to assist the private sector within an ASEAN regional framework. The private sector is recognized by ASEAN as the key factor in establishing and maintaining self-sustained economic growth and social development.

AID strategy is pursued through an assistance program which emphasizes three basic objectives: improving regional institutional capabilities, accelerating technology transfer, and maximizing the role of private enterprise in development of the Region. Improvement of the region's agriculture, health, energy, small/medium scale business, and training needs are key elements in the pursuance of these objectives and AID's overall strategy.

#### 4. AID Objectives

A. Improving Regional Capabilities: This objective is pursued in a manner which employs the fullest possible use of existing Southeast Asian institutions and expertise for project implementation. As such the ASEAN Regional Program is concentrated to the extent possible on improving the institutional capability and regional character of existing institutions located in the ASEAN region. While most projects are focused primarily on institutional development, many of these also play a secondary role in supporting one or two of the other objectives.

The ASEAN Regional program's emphasis on institutional development has been in large measure a matter of mutual convenience given the urgent need during the early years of this program to locate effective delivery mechanisms for U.S. regional assistance. While this approach to some extent has been a matter of expediency, it has proven quite successful in strengthening regional institutions in a cost effective manner. Strong regional institutions promote regional identity, cooperation and cohesion within the region.

ASEAN regional assistance is provided to or through institutions in areas where assistance is urgently needed and in which AID has particular concerns. ASEAN institutions presently receiving such AID assistance under this program include the Asian Institute of Technology (AIT) in Thailand, Institute of Southeast Asian Studies (ISEAS) in Singapore, the Plant Quarantine Training Center and Institute (PLANTI) in Malaysia, the Institute of Tropical Medicine and Public Health (TROPMED) in Thailand, and the ASEAN Agriculture Development and Planning Center (AADPC) in Thailand. The new ASEAN Watershed Project being implemented in FY 1983 also has an institutional development character and will be implemented through existing institutions in the Philippines.

While most of the early institutional development projects consist mainly of scholarship support (e.g. the AIT, ISEAS, and TROPMED projects) for the reasons cited above, the pursuance of this objective has expanded beyond scholarship support and towards strengthening internal institutional capacities (e.g. the two ASEAN Regional Energy projects) and creating urgently needed new institutions (e.g. the AADPC, PLANTI and Watershed projects).

B. Accelerating Technology Transfer: The ASEAN Regional program portfolio consists of six active projects with a primary or secondary objective of discovering new knowledge and/or disseminating knowledge and technology to users. Two of these are energy projects having technology transfer as their primary objectives. AID is assisting U.S.-ASEAN cooperation in non-conventional energy matters through the ASEAN Energy Activities project. AID funding provides for a two-year assignment to the region of a U.S. energy expert, professional development of ASEAN energy specialists, and improved technical information exchange both within and outside the region. An ASEAN energy experts tour of U.S. energy facilities was also provided under this grant. This project is being implemented through AIT.

The other energy project, ASEAN Energy Cooperation in Development, is assisting to further ASEAN-U.S. cooperation in energy. This project seeks to expand knowledge of ASEAN's present and future requirements and options; increase the exchange of technical information between the U.S. and ASEAN nations; enhance ASEAN educational and institutional capabilities in alternative-energy technology and energy-demand management; and improve the planning implementation, and evaluation of alternative energy demonstration projects in ASEAN countries. The project consists of three components including (1) training for coal utilization, (2) energy conservation in buildings and (3) water pumping with photovoltaic and solar collectors. The project is being implemented through the Indonesian Institute of Sciences (LIPI), and through PASA's with DOE in the U.S.

Four other projects having institutional development as their primary objectives involve technology transfer as an integral element and as secondary objectives.

AID is assisting AIT with Master's level studies for 250 ASEAN students. Areas of study offered include, among others, agriculture and food process engineering, energy technology, human settlements and rural development planning, soil and water engineering, computer application technology, and transportation engineering and systems. There are currently 66 students enrolled at AIT under the program.

AID is also assisting with the acceleration of manpower development in the health field. This project is focused on public health and preventive medicine activities designed to improve health standards in rural areas where 80 percent of the ASEAN region's population resides. The project administered on behalf of ASEAN by the Government of Thailand, consists of providing scholarships at existing education institutions in the ASEAN region.

AID is also assisting with the establishment of the new ASEAN Plant Quarantine Training Center and Institute (PLANTI) near Kuala Lumpur. This institute constitutes a focal point and a coordinating mechanism for improving plant quarantine activities throughout the Region. PLANTI provides training, conducts research and sponsors research studies. The project, administered on behalf of ASEAN by the Government of Malaysia, consists of constructing facilities, acquiring and developing a staff, and providing equipment and other commodities.

In a new FY 83 project, AID is assisting ASEAN to mount a coordinated comprehensive program on research and development in watershed management and conservation. This project, planned for implementation by the GOP's Bureau of Forest Development, will promote collaboration among ASEAN researchers and institutions and facilitate the dissemination and application of results. AID assistance will be used primarily to finance technical assistance from the U.S., and training activities.

C. Maximizing the Role of Private Enterprise in Development of the Region: An ASEAN Regional initiative to improve and increase the services and resources available to ASEAN small and medium scale businesses is proposed for FY 1984. This proposal set forth in the ALO's Project Identification Document (PID) dated March 16, 1983 emanates from a formal proposal presented to the U.S. Delegation at the Fourth ASEAN-U.S. Dialogue held during March 1982. The scope and role of AID support for the ASEAN proposal has been refined to identify a role which is within AID's policy framework and resource limitations. Other donors such as the Asian Development Bank have expressed interest in accommodating such other elements as capital assistance incorporated in the original proposal.

The project is designed to overcome the Region's policy, technological and managerial constraints to more rapid growth and development of ASEAN's small and medium scale business sector. The project purpose is to improve and increase the level of services and resources available to this level of the private sector on an ASEAN-wide basis. Intermediate to this principal purpose is an organizational objective of strengthening the capacities of participating institutions and networks to serve this level of the private sector. The project will support practical study and research directed at the resolution of specific issues and problems and will assist with local needs for technology, technical expertise and training in ASEAN member countries.

While other ASEAN Regional projects are directed specifically at institutional development and/or technology transfers, several of these projects are also contributing indirectly to indigenous private sector development in the ASEAN Region. The most notable of these are the ASEAN Plant Quarantine, ASEAN Energy Cooperation in Development, and ASEAN Agriculture and Development Planning Center projects.

The ASEAN Plant Quarantine project's goal of improving plant quarantine standards, procedures, and practices should facilitate agricultural trade within and outside the region. Since most ASEAN agricultural trade items are grown and handled by the private sector, a wide range of private entrepreneurs including farmers, shippers and suppliers will benefit from this project.

The ASEAN Agriculture Development and Planning Center will also benefit the private sector. The ultimate goal of this project is to enhance the formulation of agriculture policies conducive to increasing food production. Since most food in the ASEAN Region is produced by private farmers, soundly conceived agriculture policies will benefit private enterprise in the rural sector.

The purpose of the ASEAN Energy Cooperation in Development Project is to increase the capacity of ASEAN countries to substitute coal for oil in the power sector, to increase the efficiency of energy use in buildings, and to develop and apply alternative systems for water pumping. The attainment of these project goals should produce cheaper, more efficient utilization of energy which will benefit the private sector including rural farmers.

FY 1985 ANNUAL BUDGET SUBMISSION

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

Country/Office: ASEAN REGIONAL  
PROGRAM

<u>APPROPRIATION ACCOUNT</u>		<u>FY 1983</u>	<u>FY 1984</u>	<u>FY 1985</u>
<u>AGRICULTURE, RURAL DEV. &amp; NUTRITION</u>		<u>3,205</u>	<u>1,400</u>	<u>1,495</u>
498-0258.11	ASEAN Agric. Dev. & Planning Center	G 700	400	---
498-0258.12	ASEAN Plant Quarantine	G 1,300	---	---
498-0258.13	ASEAN Watershed	G 1,205	850	945
<u>a/</u>	ASEAN Program Support	G ---	150	550
<u>HEALTH</u>		<u>500</u>	<u>500</u>	<u>500</u>
498-0258.0	ASEAN Health Scholarships	G 500	---	---
<u>a/</u>	ASEAN Program Support	G ---	500	500
<u>EDUCATION</u>		<u>725</u>	<u>1,300</u>	<u>1,300</u>
498-0258.04	ASEAN/AIT Scholarships & Research	G 675	1,000	1,000
498-0258.10	ASEAN/ISEAS Fellowships	G 50	---	---
<u>a/</u>	ASEAN Program Support	G ---	300	300
<u>SELECTED DEVELOPMENT ACTIVITIES</u>		<u>---</u>	<u>1,300</u>	<u>1,000</u>
498-0277	ASEAN Small & Medium Business Improvement	G ---	1,000	1,000
<u>a/</u>	ASEAN Program Support	G ---	300	---
<u>TO BE DETERMINED</u>		<u>---</u>	<u>---</u>	<u>505</u>
<u>a/</u>	ASEAN Program Support	G ---	---	505
TOTAL ALL DA APPROP. ACCTS.		G <u>4,430</u>	<u>4,500</u>	<u>4,800</u>
<u>ECONOMIC SUPPORT FUND</u>		<u>---</u>	<u>---</u>	<u>---</u>
TOTAL DA & ESF		G <u>4,430</u>	<u>4,500</u>	<u>4,800</u>

a/To be assigned by Asia Bureau.

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)											
OBLIG G DATE L INIT FIN	-TOTAL COST- AUTH PLAN	FY 82 PIPE- LINE	FY 83 OBLIG- ATIONS	FY 1983 EXPEND- ITURES	FY 84 OBLIG- ATIONS	FY 1984 EXPEND- ITURES	FY 85 APPL	FUNDED THRU	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 OBLIG	ITEM NO.
AGRICULTURE, RURAL DEV. AND NUTRITION													
4980258.11	ASEAN AGRIC. DEV. PLAN. CENTER												
G 80 84	3000 3000	1331	700	600	400	500	---	5/85					
			SUBCAT: FNZZ		TECHNICAL CODE: 030								
4980258.12	ASEAN PLANT QUARANTINE												
G 80 83	5400 5400	2215	1300	1000	---	1000	---	9/85					
			SUBCAT: FNZZ		TECHNICAL CODE: 030								
4980258.13	ASEAN WATERSHED												
G 83 85	3000 3000	---	1205	300	850	800	945	3/89					
			SUBCAT: FMNC		TECHNICAL CODE: 160								
ASEAN REGIONAL PROGRAM SUPPORT													
G 84	1650	---	---	---	150	50	550	9/86	550	400			
			SUBCAT: FMMS		TECHNICAL CODE: 320								
APPROP. TOTAL	8400 13050	3546	3205	1900	1400	2350	1495		550	400			
GRANT	8400 13050	3546	3205	1900	1400	2350	1495		550	400			
LOAN	---	---	---	---	---	---	---		---	---			

PROJECT NUMBER AND TITLE	OBLIG DATE	INIT FIN	AUTH	PLAN	TOTAL COST-	ESTIMATED U.S. DOLLAR COST (\$000)										ITEM NO.			
						OBLIG THRU FY 82	PIPE- LINE	FY 82	OBLIG- ATIONS	1983- EXPEND- ITURES	1984- EXPEND- ITURES	FY 85 AAPL	FUNDED THRU	FY 86 OBLIG	FY 87 OBLIG		FY 88 OBLIG	FY 89 OBLIG	
HEALTH																			
4980258.07	G 81	83	3000	3000		2500	2175		500	500		560	8/86						
ASEAN REGIONAL PROGRAM SUPPORT																			
	G 84				1500							560	5/85	500					
APPROP. TOTAL			3000	4500		2500	2175		500	500		560		500					
GRANT			3000	4500		2500	2175		500	500		560		500					
LOAN																			

PROJECT NUMBER AND TITLE		ESTIMATED U.S. DOLLAR COST (\$000)												
OBLIG DATE	-TOTAL COST- L INIT FIN AUTH PLAN	FY 82 PIPE- LINE	FY 82 OBLIG- ATIONS	FY 83 OBLIG- ATIONS	FY 83 EXPEND- ITURES	FY 84 OBLIG- ATIONS	FY 84 EXPEND- ITURES	FY 85 APPL	FUNDED THRU	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 OBLIG	ITEM NO.
EDUCATION														
4980258.04	ASEAN/AIT SCHOLARSHIP & RESEARCH													
G 79 85	3125 5125	834	675	1000	1000	1000	1000	1000	7/86					
-----														
4980258.10	ASEAN/ISEAS FELLOWSHIPS													
G 79 83	850 855	639	50	200	200	---	200	---	7/85					
-----														
ASEAN REGIONAL PROGRAM SUPPORT														
G 84	---	---	---	---	---	---	---	---	---	---	---	---	---	---
-----														
APPROP.	TOTAL	3975	7480	1473	1200	1300	1350	1300	5/86	300	300	300	300	---
GRANT	3975	7480	1473	1200	1200	1300	1350	1300		300	300	300	300	---
LOAN	---	---	---	---	---	---	---	---		---	---	---	---	---

PROJECT NUMBER AND TITLE	ESTIMATED U.S. DOLLAR COST (\$000)											
	OBLIG THRU FY 82	FY 82 PIPE LINE	FY 83 OBLIGATIONS	FY 1983 EXPENDITURES	FY 84 OBLIGATIONS	FY 84 EXPENDITURES	FY 85 APPL THRU	FY 85 FUNDED	FY 86 OBLIG	FY 87 OBLIG	FY 88 OBLIG	FY 89 ITEM NC.
SELECTED DEVELOPMENT ACTIVITIES												
4980258 ASEAN ENERGY ACTIVITIES	500	180						6/84				
G 80 80 500 500			SUBCAT: FNNE	100	TECHNICAL CODE: 870	80						
4980272 ASEAN ENERGY COOPERATION IN DEV.	1000							3/85				
G 82 82 1000 1000			SUBCAT: FNNE	300	TECHNICAL CODE: 870	400						
498-0277 ASEAN SMALL & MEDIUM BUSINESS IMP.												
G 84 89 6000			SUBCAT: FNPE		TECHNICAL CODE: 840	200	1000	6/86	1000	1000	1000	1000
ASEAN REGIONAL PROGRAM SUPPORT												
G 84 84 300			SUBCAT: FNNE		TECHNICAL CODE: 870	300		6/86				
APPROP. TOTAL	1500	180		400	1300	830	1000		1000	1000	1000	1000
GRANT	1500	180		400	1300	830	1000		1000	1000	1000	1000
LOAN												



NEW PROJECT NARRATIVE

1. Project Title and Number:

- a. ASEAN Regional Program Support
- b. Project Number will be assigned by the Asia Bureau

2. Project Funding:

- a. FY 1984 - \$ 1,250,000 Grant
- b. FY 1985 - \$ 1,855,000 Grant
- c. Out Years - \$16,000,000 Grant

3. Appropriation Accounts: The nature and scope of this project coupled with the wide variety of activities and sub-projects envisaged therein precludes any reasonable estimate of funding by appropriation accounts beyond FY 1985. To the extent allocations are known is as follows in thousands of dollars:

<u>APPROPRIATION ACCOUNT</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>
FN	150	550	550	400	-	-
HE	500	500	500	-	-	-
EH	300	300	300	300	300	-
SD	300	-	-	-	-	-
TO BE DETERMINED	-	505	2650	3300	3700	4000
TOTAL	<u>1250</u>	<u>1855</u>	<u>4000</u>	<u>4000</u>	<u>4000</u>	<u>4000</u>

4. Project Purpose & Objectives: The purpose of this project is to provide an assistance delivery mode which allows AID the flexibility to undertake a comprehensive program consisting of a variety of activities directed at specific objectives in pursuit of the ASEAN Regional Strategy of enhancing policy dialogue between the U.S. and ASEAN. Specific AID objectives are: 1) improving regional institutional capabilities, 2) accelerating technology transfer and 3) maximizing the role of private enterprise in development of the Region.

5. Problems to be Addressed and Means of Dealing With Them: Funding and staffing limitations necessitate a mode of delivery which minimizes USDH staff requirements and which provides the flexibility required to pursue an effective AID/ASEAN strategy. To accommodate these requirements, an ASEAN Regional Support Project is proposed for initiation in FY 84. This project would be designed in a manner that affords a variety of activities directed at specific AID/ASEAN objectives which could be undertaken within the parameters and funding authorization of a single project. The savings in AID/W and ALO staff time for the design and approval process along with the capacity for flexible and prompt response to ASEAN needs will more than offset whatever advantages there are in a project-by-project design and approval process. Progressively, all new ASEAN Regional activities would be subsumed under this project.

Assuming that such a project can be designed, approved and funded in FY 1984, it is proposed that four activities be funded within the context of this project during FY 84. These would include the SEAMEO scholarships program for the development of human resources recommended by USAID/Bangkok and endorsed by USAID/Jakarta and the ALO, extension of the TROPMED Scholarship Program, Postharvest Phase III sponsored by Kansas State University and funded heretofore by AID's Bureau for Science and Technology, and a two-year extension of the technical advisory services provided to AIT under the ASEAN Energy Activities Project.

Funding (\$300,000) for the SEAMEO Scholarships activity is in response to a GOT/ASEAN proposal endorsed by USAID/Jakarta and the ALO for AID to support fellowships for training of ASEAN country personnel primarily in the areas of tropical biology and forestry, non-formal education, science, mathematics and agriculture. SEAMEO has seven regional centers which are located in the five ASEAN member countries and serve the social and economic development needs of the ASEAN community and individual member countries through organizing and implementing training and research activities, seminars, workshops, and conferences. Participants in these SEAMEO programs and activities are officials holding key positions in the various ministries and government departments of the ASEAN countries. All are nominated by the individual governments of the ASEAN countries through their respective ministries of education. For the period 1966 to 1981, the SEAMEO regional centers and projects have trained a total of 11,133 scholars.

The AID support, provided through SEAMEO, will directly benefit individual ASEAN country human resource development programs. Continued AID support will help SEAMEO fill an anticipated budgetary gap and promote further ASEAN cooperation in this important area. It is proposed that the ASEAN-U.S. scholarship program for SEAMEO be used for ASEAN personnel nominated by the ASEAN member states to receive short term training in technical areas directly related to solving basic human needs problems. Training will be given at the following five SEAMEO regional centers:

- SEAMEO Regional Center for Tropical Biology (BIOTROP), Bogor, Indonesia;
- SEAMEO Regional Center for Educational Innovation and Technology (INNOTECH), Quezon City, Philippines;
- SEAMEO Regional Center for Education in Science and Mathematics (RECSAM), Penang, Malaysia;
- SEAMEO Regional Center for Graduate Study and Research in Agriculture (SEARCA), Laguna, Philippines

The program covers a period of five years, commencing 1 July 1984, at the level of \$300,000 per year for a total of \$1.5 million. This level is less than 10 per cent of special funds (scholarship) requirements over the next 5-year period, and approximately 2 per cent of the projected total annual SEAMEO program costs during the same period. When viewed in terms of these numbers, the requested \$300,000 represents modest but very significant support, especially in regard to member country and other donor views.

The Postharvest Crops Program Phases I and II funded by AID's Bureau for Science and Technology and implemented by Kansas State University (KSU) involved activities in support of research and development for the postharvest sector of rice and other grain industries in Southeast Asia. The objectives of this program have been:

1. Provision of support for research and development,
2. Manpower development,
3. Postharvest information and communication support.

Although this program is already almost six years old, the Postharvest Program is still quite young when compared to most of the International Agricultural Research Centers (IARC's) under the umbrella of the Consultative Group for International Agricultural Research (CGIAR). Most of these CGIAR activities are almost exclusively production oriented and have relative little or no postharvest storage processing or marketing components. The International Agricultural Research Centers have a strong and historical base of national and regional research and research institutions to build upon. The Postharvest Crops Program has no such comparable research or institutional base, and in fact has and continues to work toward the creation or establishment of such a capacity. Therefore, it is proposed that the Southeast Asia Cooperative Postharvest Crops research and development program be continued for a Third Phase under ASEAN auspices for a period of three years at a cost of \$150,000 per year in line with the specific objectives, priorities, program of work, and budget outlined in this proposal. The ASEAN COFAF has assumed formal direction of the Program and designated the GOP's National Food Authority as the official action agent.

The objectives of Phase III are: (1) to recommend solutions to the postharvest problems identified in Phase II based on research, development, training, information, and pilot projects; and (2) to continue to identify constraints and problems affecting the postharvest systems in the region. The Technical Team, *per se* does not undertake research projects. Team members' time and operational funds are used for identifying, analyzing, and assisting in placing priorities on postharvest problems. These activities are conducted informally through visits and discussions with postharvest specialists in the participating countries and through more formal situation analysis workshops with selected participants. Team members then follow-up on these priorities to facilitate the development of an action plan, which could be a research project, a discussion paper, or a development proposal.

Funding of \$300,000 for the ASEAN Energy Activity under the ARS project is needed to continue for two years the contract technical services of the alternative energy specialist provided under the ASEAN Energy I project. While this expert is attached to the Asian Institute of Technology, he spends about six months of each year advising various institutions in the ASEAN Region. His services at AIT consist of advising AIT's Energy Technology Division on alternative energy matters, developing appropriate curricula and training programs, and participation in classroom instruction and seminars. Demand for his consulting services and expertise by ASEAN energy institutions has greatly increased and he currently spends about 70% of his time on consulting projects which include leading a feasibility study for the Philippine National Oil Company (PNOC) on oxygenated motor fuels, a national alcohol fuels study for BPPT in Indonesia, technical assistance to the Ministry of Science, Technology and Energy in Thailand. Future projects in this area will include a feasibility study of dendrothermal power in Indonesia and liaison with World Bank projects in the region. The energy specialist also liaises with the TOP office in Hong Kong where appropriate as in the current PNOC work and in the future dendrothermal energy work.

Additional funding of \$1.5 million over a three-year period is for extension of the TROPMED Scholarship Program to assist TROPMED with undertaking short-term courses which will increase the attention being given to several priority health concerns in the region. These concerns include diarrheal diseases of children, the role of primary health care in community health, the application of data processing in epidemiology, field study of schistosomal and malarial vectors, etc. The additional funding for this purpose has been programmed as an activity under the proposed ASEAN Regional Support Program.

In the event that the ARS project or a similar delivery mode should fail to materialize, project papers or other documentation will have to be developed for both the SEAMED Scholarship Program and the Postharvest Phase III activity while the TROPMED Scholarship Program and the AIT Energy Activity could be undertaken by authority to extend existing projects.

6. Target Groups: The target groups of this project are regional institutions and networks and organizations capable of effecting technology transfers which benefit small and middle scale businesses throughout the ASEAN Region.

TABLE V - FY 1985 PROPOSED PROGRAM RANKING					Country/Office ASEAN REGIONAL		
RANK	PROGRAM ACTIVITY		ONGOING NEW	LOAN GRANT	APPR ACCT	PROGRAM FUNDING (\$000)	
	DESCRIPTION					INCR	CUM
1	498-0258.00	ASEAN Small & Medium Business Improvement	0	G	SD	1000	1000
2	498-0258.13	ASEAN Watershed	0	G	FN	945	1945
3	498-0258.04	ASEAN/AIT Scholarship and Research	0	G	EH	1000	2945
4	<u>a/</u>	ASEAN Regional Program Support	0	G	<u>b/</u>	1855	4800
(a)		SEAMED Scholarships	(0)	(G)	(EH)	( 300)	
(b)		Postharvest Phase III	(0)	(G)	(FN)	( 150)	
(c)		TROPMED Scholarships	(0)	(G)	(HE)	( 500)	
(d)		Plant Quarantine Activities	(N)	(G)	(FN)	( 400)	
(e)		New Support Activities To be determined	(N)	(G)	( -)	( 505)	

a/To be assigned by ASIA Bureau

b/Mixed appropriation accounts determined by activities/sub-projects

TABLE V NARRATIVE

The ranking of ASEAN Regional Program's FY 1985 projects is an endeavor to prioritize support in terms of AID's strategy and three major objectives described earlier in this ABS.

1. Initial funding of \$1.0 million for the ASEAN Small and Medium Business Improvement project has priority ranking for FY 85 funding. This project is the first in the ASEAN Regional Program to channel resources directly to the private sector. As such it is important that this project be undertaken as the only direct means at present of pursuing the ASEAN Regional Program's objective of maximizing the role of private enterprise in development of the Region. Since a major element of the first phase consists of research and studies directed at the identification and definition of the need for additional assistance and investments, the sooner this project is undertaken the sooner AID will begin to make a regional impact on enhancing the role of the private sector in the development process.
2. Second-year funding of \$850,000 for the ASEAN Watershed project is given the second priority since this funding is required to continue this new project started in FY 1983. Beyond the high priority given the substance of this project by ASEAN it is the only ASEAN Regional Project with a focal institution in the Philippines. This project is directed at the program objective of improving regional institutional capabilities.
3. Final-year funding of \$1 million for the ASEAN/AIT Scholarship project is given third priority. This funding is required to complete the target of 250 scholarships planned in the original project. This project is directed at the program objective of improving regional institutional capabilities.
4. Second-year funding of \$1.25 million for the ASEAN Regional Program Support project is required to allow AID the flexibility to maintain a comprehensive program with a variety of activities directed at specific AID and ASEAN objectives. This funding will provide for the continuation of three ongoing activities, one new activity and one or more new, but as yet unidentified activities.

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

Project List (Project No. & Title)	FY 1984		FY 1985		Reasons/Issues	Funding SOURCE (\$000)	USAID Person Days	Collateral AID Assistance
	Last Eval Completed (Mo./Yr.)	Start (Qtr)	Start (Qtr)	To (Qtr)				
498-0258.11 ASEAN Agric. Dev. Planning Center	1	2			PACD - 5/85 The reason for this evaluation is to assess the overall impact of the project on improving and coordinating agricultural planning by the ASEAN countries. The institutional potential of AADPC to influence agricultural policies and coordination within the ASEAN Region commensurate with AID's Institutional Development objective will be given special attention. This evaluation has been scheduled and will be conducted by USAID/Thailand	PDS or OE of USAID/ Thailand		To be determined by USAID/Thailand
	2	3			PACD 8/86 The reason for this evaluation inter alia is to assess the scholarship support program in terms of its actual impact on improving the institutional capabilities of TROPMED, and national health delivery services to serve the ASEAN Region's priority health needs. The evaluation is scheduled prior to in-depth consideration of TROPMED's request for additional assistance programmed for FY 84 under the ASEAN Regional Program Support project.	OE	4 3	AID/W TDY for 10 days Region Mission TDY 10 days

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

Project List (Project No. & title)	Last Eval Completed (Mo./Yr.)	FY 1984		FY 1985		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral AID Assistance
		Start To	Start To	Start To	Start To				
		(Qtr)	(Qtr)	(Qtr)	(Qtr)				
498-0258.12 ASEAN Plant Quarantine				1	2	PACD - 9/85 The reason for this evaluation is to assess overall project effective- ness in creating a new institution capable of meeting the ASEAN Region's need for plant quarantine training, research and coordination. The timing of this evaluation is scheduled so as to insure the results are available before in-depth consideration of the additional assistance under the ASEAN Regional Support Program believed necessary to help PLANTI make the transition from a new institution to a mature institution.	OE PASA PDS	- 6 10	AID/W TDY 21 days USDA TDY 21 days PSC consultant 21 days