

**Annual Budget
Submission**

FY 1989

PORTUGAL

BEST AVAILABLE

May 1987



Agency for International Development
Washington, D.C. 20523

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**IT IS PREPARED ANNUALLY AND USED
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**IT DOES NOT REPRESENT
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ANNUAL BUDGET SUBMISSION

OVERVIEW

A. PROGRAM STATUS

Program phase out plans described in the FY 88 ABS are in progress as projected.

In support of the 1984 Base Agreement, ESF cash Transfers for economic development in the Azores and the Luso-American Development Foundation are programmed for FY 89 and thru the planning period at \$80 million per year.

The third phase of \$75 million programmed for Housing Guaranty loans will be authorized in FY 87. Up to half of the total could be disbursed by the end of the calendar year 1987 and the program completed by the end of calendar 1989.

Of the two remaining pipeline projects, the project activity completion date for the \$10 million Agriculture Production Program is December 31, 1987 and for the \$12.75 million Technical Consultation and Training Program is December 31, 1989. Remaining sub-projects of the Technical Consultants and Training Program to complete in FY 88-89 include: the Hospital Cost Management, the MBA Program of the New University of Lisbon, the Center for Small Business Management Training, Development of Private Investment Banking, Agricultural Production Policy and Economic Studies, Rural Agricultural Universities, Energy Efficient Planning in Rural Towns (MEREC), Technical Assistance in Housing, and short/long term Participant Training.

Liason support is provided for projects in Guinea-Bissau and Sao Tome e Principe funded under Trilateral Memoranda of Understanding by AID'S Africa Bureau and the Portuguese Institute for Economic Cooperation in Lisbon. Limited support is also provided, principally in the area of training, for bilateral Africa Bureau Programs in Portuguese speaking Africa. A Trilateral Memorandum with Mozambique, that had been anticipated, has not been agreed upon in Maputo.

Limited support is also provided to several centrally funded projects: research projects funded under AID's Program in Science and Technology Cooperation and the U.S. - Israel National Health Survey funded under a Near East Population Project; and assistance to the School of dentistry under a grant to Project Hope from the Office of American Schools and Hospitals Abroad.

B. Phase-out of Mission Management

Management phase-out plans as described in FY 88 ABS are also in progress as projected.

1) Staffing

The Housing and Urban Development Officer has been increasingly involved in overall Program Management during FY 87 and on departure of the AID Representative early in the fourth quarter will assume dual responsibilities and act as AID Representative. This will be the sole remaining US Direct Hire position and beginning FY 88 OE costs will be shared between the Mission and the Office of Housing.

Total Operating Expenses will be reduced from 275,100 dollars in FY 87 to 212,900 dollars in FY 88 and 197,600 dollars in FY 89 though the part that is the Mission allowance goes up slightly in FY 88 then reduces as the program approaches closure.

As shown in Table A, Foreign National Direct Hire positions will be held to 3 thru FY 88 and then reduced beginning FY 89 with total positions Direct Hire and Contract reducing from 10.3 in FY 87 to 8.0 in FY 88 and under 6.0 in FY 89. Staff will be further reduced and then the Mission closed by December 31, 1989.

2) Projects

With the Luso-American Development Foundation in full operation and support for the Azores channeled thru the Regional Government, AID involvement in management of ESF cash transfers centers principally on the annual cash transfer(s).

After final reviews and audits, AID management of the Agriculture Production Program will be closed, and the technical Consultants and Training Program has been reduced to a half dozen active sub-projects all under host country contracts except participant training and technical assistance for housing. By the end of FY 87 less than \$4 million should remain to disburse in the two Projects.

The Housing Guaranty Program, which was designed with important policy and institutional objectives, requires continued developmental involvement and program supervision. The program is, however, advancing towards its objectives, the first projects financed by the Instituto Nacional de Habitacao are already completed and by the end of calendar year 1987 up to half of the \$75 million programmed will have been eligible for disbursement. With this progress, the Housing Officer has been able to reduce the time required to supervise the Housing Program and increase time available for management of other activities.

Though the support provided to African and Centrally funded programs varies and in any case is limited, USAID/Lisbon is discussing the impact of Mission phase-out with each of the responsible offices in AID. USAID/Lisbon will also begin discussion with the Embassy about management of residual affairs when the Mission closes.

FY 1989 ANNUAL BUDGET SUBMISSION

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

Country: PORTUGAL

	FY 1986 ACTUAL	FY 1987 ESTIMATE	--FY 1988--		FY 1989 AAPL	-----PLANNING PERIOD-----				
			CP	ESTIMATE		1990	1991	1992	1993	
<u>FUNCTIONAL ACCOUNTS</u>						N/A				
<u>DA ACCOUNT</u>						NONE				
<u>ECONOMIC SUPPORT FUND</u>										
TOTAL	76487	79712 a)	80000	80000	80000	80000	80000	80000	80000	
GRANTS	76487	79712	80000	80000	80000	80000	80000	80000	80000	
LOANS	---	---	---	---	---	---	---	---	---	
<u>DA AND ESF TOTAL</u>										
TOTAL	76487	79712	80000	80000	80000	80000	80000	80000	80000	
GRANTS	76487	79712	80000	80000	80000	80000	80000	80000	80000	
LOANS	---	---	---	---	---	---	---	---	---	
<u>PL 480</u>						NONE				
<u>HOUSING GUARANTIES</u>										
	(25,000)	(25,000)	---	---	---	---	---	---	---	

a) Of which 15 million in FY 87 Supplemental ESF Budget Request.

Country: PORTUGAL

FY 1989 ANNUAL BUDGET SUBMISSION

TABLE IV - PROJECT BUDGET DATA

PROJECT NUMBER AND TITLE	OBLIG DATE	INIT FIN	AUTH PLAN	TOTAL COST	THRU FY 86	PIPE LINE	FY 86 OBLIG- ATIONS	ESTIMATED U.S. DOLLAR COST (\$000)		FY 89 AAPL EXPEND- ITURES	SPECIAL CODES	ITEM NO
								1987 OBLIG- ATIONS	1988 OBLIG- ATIONS			
ECONOMIC SUPPORT FUND												
1508005 CASH TRANSFER												
G	87	87	64712	79712 a)			79712	79712			N/A	2862
1508001 TECHNICAL CONSULTANTS AND TRAINING												
G	75	85	12750	12750	12750	2245		1200		770		2038
1508023 AGRICULTURE PRODUCTION PROGRAM												
G	80	80	10000	10000	10000	1966		1466		500		2039
1508005 CASH TRANSFER												
G	88	88		80000						80000		3222
1508006 CASH TRANSFER												
G	89	89		80000						80000		0989 N/A
APPROPRIATION												
TOTAL 87462 262562 22750 4211 79812 82478 --- 80000 81270 80000												
GRANT 87462 262562 22750 4211 79812 82478 --- 80000 81270 80000												
LOAN --- --- --- --- --- --- --- --- --- ---												
COUNTRY TOTAL												
TOTAL 87462 262562 22750 4211 79812 82478 --- 80000 81270 80000												
GRANT 87462 262562 22750 4211 79812 82478 --- 80000 81270 80000												
LOAN --- --- --- --- --- --- --- --- --- ---												

a) Of which 15 million in FY 87 Supplemental ESF Budget Request.

AID PROGRAM IN FY 1989
 ANNUAL BUDGET SUBMISSION
 TABLE V - PROPOSED PROGRAM RANKING
 (\$000)

RANK PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	PROGRAM FUNDING (\$000)		
				APPROP	INCR	CUM

N/APPLICABLE

FY 1989 ANNUAL BUDGET SUBMISSION

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

USAID/PORTUGAL

<u>Source/Purposes</u>	<u>1986</u> <u>ACTUAL</u>	<u>1987</u> <u>EST.</u>	<u>1988</u> <u>PLANNED</u>	<u>1989</u> <u>PROP.</u>
I. ECONOMIC SUPPORT FUND	The Azores Base Agreement ESF Cash Transfers do not generate local currency. The Transfers are used for economic development support to the Azores and for capitalization of the Luso American Foundation.			
A. Public Dev Activities				
1. e.g. Ag. Research, irrigation, rural infrastructure (also indicate the amount of this counterpart which is in direct support of AID projects)				
2.				
B. Private Sector Programs				
1.				
2.				
C. Public Sector Recurrent Budget				
1.				
2.				
D. AID Operating Expenses (Trust Fund)				
II. DEVELOPMENT ASSISTANCE				
A. Public Development Activities				
1.				
2.				
E. Private Sector Programs, Small Enterprise Credit (also include type of organization, e.g., PVO Coop, Business, Other)				
1. e.g., PVO, Small Enterprise Development				
2. e.g., COOP, Housing				
C. Public Sector Recurrent Budget				
1.				
2.				
D. AID Operating Expenses (Trust Funds)				
<hr/>				
SUBTOTAL ESF & DA				

FY 1989 ANNUAL BUDGET SUBMISSION

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

<u>Source/Purposes</u>	<u>1986</u> <u>ACTUAL</u>	<u>1987</u> <u>EST.</u>	<u>1988</u> <u>PLANNED</u>	<u>1989</u> <u>PROP.</u>
II. PL 480				
A. Public Development Activities				
1.				
2.				
B. Private Sector Programs				
1.				
2.				
C. Public Sector Recurrent Budget				
1. e.g., Child Survival (also indicate the amount of this counterpart which is in direct support of AID projects)				
2. Agriculture or other subsidies				
D. AID Operating Expenses (Trust Funds)				

TOTALS

USAID/LISBON, PORTUGAL

TABLE VIII - FY 1987
Operating Expense Summary
(\$000)

EXPENSE CATEGORY	FUNC CODE	DOLL	TRUST FUNDS	TOTAL	UNITS
U.S. DIRECT HIRE	U100	70.7	0.0	70.7	
U.S. FULL TIME BASIC PAY	U101	61.7		61.7	0.8
U.S.PART TIME BASIC PAY	U102			0.0	
DIFFERENTIAL PAY	U103			0.0	
OTHER AID/W FUNDED CODE 11	U104			0.0	
OTHER MISSION FUNDED CODE 11	U105			0.0	
EDUCATION ALLOWANCES	U106			0.0	
RETIREMENT - U.S. DIRECT HIRE	U107	4.3		4.3	
COST OF LIVING ALLOWANCES	U108			0.0	
OTHER AID/W FUNDED CODE 12	U109	1.1		1.1	
OTHER MISSION FUNDED CODE 12	U110	2.0		2.0	
POST ASSIGNMENT - TRAVEL	U111			0.0	
POST ASSIGNMENT - FREIGHT	U112			0.0	
HOME LEAVE - TRAVEL	U113			0.0	
HOME LEAVE - FREIGHT	U114			0.0	
EDUCATION TRAVEL	U115			0.0	
R AND R TRAVEL	U116			0.0	
OTHER CODE 215 TRAVEL	U117	1.6		1.6	1.0
FOREIGN NATIONAL DIRECT HIRE	U200	57.4	0.0	57.4	
F N BASIC PAY	U201	49.1		49.1	3.0
OVERTIME/ HOLIDAY PAY	U202	3.0		3.0	0.4
ALL OTHER CODE 11 - FN	U203			0.0	
ALL OTHER CODE 12 - FN	U204	5.3		5.3	
BENEFITS - FORMER FN PERSONNEL	U205			0.0	
CONTRACT PERSONNEL	U300	50.4	0.0	50.4	
PASA TECHNICIANS	U301			0.0	
U.S. PSC - SALARY/BENEFITS	U302			0.0	
ALL OTHER U.S. PSC COSTS	U303			0.0	
F.N. PSC - SALARY/BENEFITS	U304	49.6		49.6	4.5
ALL OTHER F.N. PSC COSTS	U305	0.8		0.8	
MANPOWER CONTRACTS	U306			0.0	
HOUSING	U400	14.5	0.0	14.5	
RESIDENTIAL RENT	U401			0.0	
RESIDENTIAL UTILITIES	U402			0.0	
MAINTENANCE AND RENOVATION	U403	0.4		0.4	
QUARTERS ALLOWANCES	U404	13.6		13.6	0.8
RESIDENTIAL FURNITURE/EQUIP.	U405			0.0	
TRANS./FREIGHT - CODE 311	U406			0.0	
SECURITY GUARD SERVICES	U407			0.0	
OFFICIAL RESIDENCE ALLOWANCE	U408			0.0	
REPRESENTATION ALLOWANCE	U409	0.5		0.5	

OFFICE OPERATIONS	U500	82.1	0.0	82.1	
OFFICE RENT	U501	0.7		0.7	
OFFICE UTILITIES	U502			0.0	
BUILDING MAINT./RENOVATION	U503			0.0	
OFFICE FURNITURE/EQUIPMENT	U504	3.0		3.0	
VEHICLES	U505			0.0	
OTHER EQUIPMENT	U506	3.0		3.0	
TRANSPORTATION/FREIGHT	U507	0.5		0.5	
FURN/EQUIP/VEHICLE REPAIR/MAINT	U508	8.0		8.0	
COMMUNICATIONS	U509	13.2		13.2	
SECURITY GUARD SERVICES	U510			0.0	
PRINTING	U511	0.7		0.7	
SITE VISITS-MISSION PERSONNEL	U513	5.3		5.3	7.0
SITE VISITS - AID/W PERSONNEL	U514	2.0		2.0	1.0
INFORMATION MEETINGS	U515			0.0	
TRAINING ATTENDANCE	U516			0.0	
CONFERENCE ATTENDANCE	U517	2.7		2.7	1.0
OTHER OPERATIONAL TRAVEL	U518			0.0	
SUPPLIES AND MATERIALS	U519	6.4		6.4	
FAAS	U520	25.0		25.0	
CONSULTING SVCS. - CONTRACTS	U521			0.0	
MGT./PROF. SVCS. - CONTRACTS	U522			0.0	
SPEC. STUDIES/ANALYSES CONT.	U523			0.0	
ALL OTHER CODE 25	U524	11.6		11.6	
TOTAL O.E. BUDGET		275.1	0.0	275.1	
RECONCILIATION		92.1	0.0	92.1	
OPERATING BUDGET REQUIREMENTS		183.0	0.0	183.0	
636C REQUIREMENTS	U600				
TOTAL ALLOWANCE REQUIREMENTS	U000	183.0	0.0	183.0	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases	135.1
Exchange Rate Used (Average rate for FY 87)	141.48
Estimated Inflation Rate	13%

USAID/LISBON, PORTUGAL

TABLE VIII - FY 1988
Operating Expense Summary
(\$000)

EXPENSE CATEGORY	FUNC CODE	DOLL	TRUST FUNDS	TOTAL	UNITS
U.S. DIRECT HIRE	U100	0.0	0.0	0.0	
U.S. FULL TIME BASIC PAY	U101			0.0	
U.S. PART TIME BASIC PAY	U102			0.0	
DIFFERENTIAL PAY	U103			0.0	
OTHER AID/W FUNDED CODE 11	U104			0.0	
OTHER MISSION FUNDED CODE 11	U105			0.0	
EDUCATION ALLOWANCES	U106			0.0	
RETIREMENT - U.S. DIRECT HIRE	U107			0.0	
COST OF LIVING ALLOWANCES	U108			0.0	
OTHER AID/W FUNDED CODE 12	U109			0.0	
OTHER MISSION FUNDED CODE 12	U110			0.0	
POST ASSIGNMENT - TRAVEL	U111			0.0	
POST ASSIGNMENT - FREIGHT	U112			0.0	
HOME LEAVE - TRAVEL	U113			0.0	
HOME LEAVE - FREIGHT	U114			0.0	
EDUCATION TRAVEL	U115			0.0	
R AND R TRAVEL	U116			0.0	
OTHER CODE 215 TRAVEL	U117			0.0	
FOREIGN NATIONAL DIRECT HIRE	U200	60.9	0.0	60.9	
F N BASIC PAY	U201	51.9		51.9	3.0
OVERTIME/ HOLIDAY PAY	U202	3.4		3.4	0.4
ALL OTHER CODE 11 - FN	U203			0.0	
ALL OTHER CODE 12 - FN	U204	5.6		5.6	
BENEFITS - FORMER FN PERSONNEL	U205			0.0	
CONTRACT PERSONNEL	U300	31.7	0.0	31.7	
PASA TECHNICIANS	U301			0.0	
U.S. PSC - SALARY/BENEFITS	U302			0.0	
ALL OTHER U.S. PSC COSTS	U303			0.0	
F.N. PSC - SALARY/BENEFITS	U304	30.9		30.9	2.8
ALL OTHER F.N. PSC COSTS	U305	0.8		0.8	
MANPOWER CONTRACTS	U306			0.0	
HOUSING	U400	23.2	0.0	23.2	
RESIDENTIAL RENT	U401			0.0	
RESIDENTIAL UTILITIES	U402			0.0	
MAINTENANCE AND RENOVATION	U403	0.7		0.7	
QUARTERS ALLOWANCES	U404	22.0		22.0	1.0 *
RESIDENTIAL FURNITURE/EQUIP.	U405			0.0	
TRANS./FREIGHT - CODE 311	U406			0.0	
SECURITY GUARD SERVICES	U407			0.0	
OFFICIAL RESIDENCE ALLOWANCE	U408			0.0	
REPRESENTATION ALLOWANCE	U409	0.5		0.5	

OFFICE OPERATIONS	U500	97.1	0.0	97.1	
OFFICE RENT	U501	0.8		0.8	
OFFICE UTILITIES	U502			0.0	
BUILDING MAINT./RENOVATION	U503			0.0	
OFFICE FURNITURE/EQUIPMENT	U504	2.0		2.0	
VEHICLES	U505			0.0	
OTHER EQUIPMENT	U506	2.0		2.0	
TRANSPORTATION/FREIGHT	U507	0.5		0.5	
FURN/EQUIP/VEHICLE REPAIR/MAINT	U508	9.6		9.6	
COMMUNICATIONS	U509	14.8		14.8	
SECURITY GUARD SERVICES	U510			0.0	
PRINTING	U511	0.8		0.8	
SITE VISITS-MISSION PERSONNEL	U513	8.0		8.0	13.0
SITE VISITS - AID/W PERSONNEL	U514	6.3		6.3	1.0
INFORMATION MEETINGS	U515			0.0	
TRAINING ATTENDANCE	U516	2.3		2.3	1.0
CONFERENCE ATTENDANCE	U517	3.0		3.0	1.0
OTHER OPERATIONAL TRAVEL	U518			0.0	
SUPPLIES AND MATERIALS	U519	7.6		7.6	
FAAS	U520	25.0		25.0	
CONSULTING SVCS. - CONTRACTS	U521			0.0	
MGT./PROF. SVCS. - CONTRACTS	U522			0.0	
SPEC. STUDIES/ANALYSES CONT.	U523			0.0	
ALL OTHER CODE 25	U524	14.4		14.4	
TOTAL O.E. BUDGET		212.9	0.0	212.9	
RECONCILIATION		25.0	0.0	25.0	
OPERATING BUDGET REQUIREMENTS		187.9	0.0	187.9	
636C REQUIREMENTS	U600				
TOTAL ALLOWANCE REQUIREMENTS	U000	187.9	0.0	187.9	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases	122.9
Exchange Rate Used (Average rate for FY 87)	141.48
Estimated Inflation Rate	12%

*Acting AID Representative's local costs funded under USAID/LISBON Budget Allowance.

USAID/LISBON, PORTUGAL

TABLE VIII - FY 1989
Operating Expense Summary
(\$000)

EXPENSE CATEGORY	FUNC CODE	DOLL	TRUST		TOTAL UNITS
			FUNDS		
U.S. DIRECT HIRE	U100	0.0	0.0	0.0	
U.S. FULL TIME BASIC PAY	U101			0.0	
U.S. PART TIME BASIC PAY	U102			0.0	
DIFFERENTIAL PAY	U103			0.0	
OTHER AID/W FUNDED CODE 11	U104			0.0	
OTHER MISSION FUNDED CODE 11	U105			0.0	
EDUCATION ALLOWANCES	U106			0.0	
RETIREMENT - U.S. DIRECT HIRE	U107			0.0	
COST OF LIVING ALLOWANCES	U108			0.0	
OTHER AID/W FUNDED CODE 12	U109			0.0	
OTHER MISSION FUNDED CODE 12	U110			0.0	
POST ASSIGNMENT - TRAVEL	U111			0.0	
POST ASSIGNMENT - FREIGHT	U112			0.0	
HOME LEAVE - TRAVEL	U113			0.0	
HOME LEAVE - FREIGHT	U114			0.0	
EDUCATION TRAVEL	U115			0.0	
R AND R TRAVEL	U116			0.0	
OTHER CODE 215 TRAVEL	U117			0.0	
FOREIGN NATIONAL DIRECT HIRE	U200	56.5	0.0	56.5	
F N BASIC PAY	U201	49.5		49.5	2.3
OVERTIME/ HOLIDAY PAY	U202			0.0	
ALL OTHER CODE 11 - FN	U203			0.0	
ALL OTHER CODE 12 - FN	U204	4.5		4.5	
BENEFITS - FORMER FN PERSONNEL	U205	2.5		2.5	
CONTRACT PERSONNEL	U300	25.9	0.0	25.9	
PASA TECHNICIANS	U301			0.0	
U.S. PSC - SALARY/BENEFITS	U302			0.0	
ALL OTHER U.S. PSC COSTS	U303			0.0	
F.N. PSC - SALARY/BENEFITS	U304	25.9		25.9	2.2
ALL OTHER F.N. PSC COSTS	U305			0.0	
MANPOWER CONTRACTS	U306			0.0	
HOUSING	U400	25.3	0.0	25.3	
RESIDENTIAL RENT	U401			0.0	
RESIDENTIAL UTILITIES	U402			0.0	
MAINTENANCE AND RENOVATION	U403	0.8		0.8	
QUARTERS ALLOWANCES	U404	24.0		24.0	1.0 *
RESIDENTIAL FURNITURE/EQUIP.	U405			0.0	
TRANS./FREIGHT - CODE 311	U406			0.0	
SECURITY GUARD SERVICES	U407			0.0	
OFFICIAL RESIDENCE ALLOWANCE	U408			0.0	
REPRESENTATION ALLOWANCE	U409	0.5		0.5	

OFFICE OPERATIONS	U500	89.9	0.0	89.9	
OFFICE RENT	U501	0.9		0.9	
OFFICE UTILITIES	U502			0.0	
BUILDING MAINT./RENOVATION	U503			0.0	
OFFICE FURNITURE/EQUIPMENT	U504			0.0	
VEHICLES	U505			0.0	
OTHER EQUIPMENT	U506			0.0	
TRANSPORTATION/FREIGHT	U507			0.0	
FURN/EQUIP/VEHICLE REPAIR/MAINT	U508	9.0		9.0	
COMMUNICATIONS	U509	16.6		16.6	
SECURITY GUARD SERVICES	U510			0.0	
PRINTING	U511			0.0	
SITE VISITS-MISSION PERSONNEL	U513	9.0		9.0	13.0
SITE VISITS - AID/W PERSONNEL	U514	2.5		2.5	1.0
INFORMATION MEETINGS	U515			0.0	
TRAINING ATTENDANCE	U516	2.4		2.4	1.0
CONFERENCE ATTENDANCE	U517	3.3		3.3	1.0
OTHER OPERATIONAL TRAVEL	U518			0.0	
SUPPLIES AND MATERIALS	U519	5.8		5.8	
FAAS	U520	25.0		25.0	
CONSULTING SVCS. - CONTRACTS	U521			0.0	
MGT./PROF. SVCS. - CONTRACTS	U522			0.0	
SPEC. STUDIES/ANALYSES CONT.	U523			0.0	
ALL OTHER CODE 25	U524	15.4		15.4	
TOTAL O.E. BUDGET		197.6	0.0	197.6	
RECONCILIATION		25.0	0.0	25.0	
OPERATING BUDGET REQUIREMENTS		172.6	0.0	172.6	
636C REQUIREMENTS	U600				
TOTAL ALLOWANCE REQUIREMENTS	U000	172.6	0.0	172.6	

OTHER INFORMATION

Dollar Requirements for Local Currency Purchases	114.5
Exchange Rate Used (Average rate for FY 87)	141.48
Estimated Inflation Rate	12%

*Acting AID Representative's local costs funded under USAID/LISBON Budget Allowance.

TABLE VIII (a)

NARRATIVE

1. Management Improvements

The remaining program activity for USAID/PORTUGAL is being implemented and managed in accordance with AA/ANE and DA/AID program decisions, within the guidelines outlined in the FY 1988 Annual Budget Submission.

Effective from FY 1988 the Housing and Urban Development Officer will also be the Acting AID Representative. As per arrangements (Ms. J.Jordon/Mr. D. Franklin meeting) USAID Portugal will fund all the local support costs including Living Quarters Allowance for the Acting AID Representative and RHUDO will fund all costs for U100 function level codes. This sharing of costs will represent a reduction of some \$70,000 in USAID/Portugal O.E. Budget for FY 1988.

2. Reasons for Variation

In general the overall savings resulting from the elimination of the AID Representative position, effective from July 1987 and the phase down of the AID operation in Portugal reduced the Mission total O.E. Budget by 23% in 1988 and a further 7% for 1989 when compared against the FY 1987 Budget and further offset the estimated wage and price increases for FY 1988 and FY 1989.

However, the overall variation in terms of Total Allowance Requirements is +3% for FY 1988 and -8% for FY 1989. Brief Comments on variations by Summary Function Levels follow:

a) Variation Between FY 1987 and FY 1988

I) No funding required for function level U100. Acting AID Representative will be funded by RHUDO.

II) Function level U200 a 6% increase resulting from estimated wage increase.

III) Function level U300 a 37% decrease due to PSC staff reduction from 4.5 to 3.0 person years, providing for estimated wage increase for the remaining personnel.

IV) Function level U400 a 60% increase. FY 87 expenditures are for the current AID Representative based on quarters without family for a partial year (thru July). FY 88 projection for the Acting AID Representative is based on quarters with family for a full year.

V) Function level U500 a 18% increase resulting from both estimated inflation and increased travel needs, reflecting Mission funding of local travel for housing that previously has been funded by RHUDO.

b) Variation Between FY 1988 and FY 1989

I) Function level U200 a 7% reduction. Difference resulting from estimated wage increase and unit reduction from 3 to 2.3 person years.

II) Function level U300 a 18% reduction. Difference between estimated salary increase and unit reduction from 3.0 to 2.2 person years.

III) Function Level U400 a 9% increase due to estimated inflation.

IV) Function level U500 a 7% reduction. Difference between estimated cost of inflation and overall phase-down of Mission operations.

3. Trust Funds

During the 12 years of USAID/Lisbon mission existence through FY 1986 it was impossible to negotiate a trust fund agreement with Portugal in view of Portuguese financial restrictions. With Mission phase out commencing in FY 1986 the negotiating climate is not conducive to developing such an agreement. An apparently acceptable alternative is the ESF-PD&S approach in FY 1986 and FY 1987.

Organization USAID/PORTUGAL

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

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
------------------------------	----------------	----------------	----------------

N/APPLICABLE

Organization USAID/PORTUGAL

TABLE VIII(c)
All Other Code 25 Detail

<u>Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
--------------------	----------------	----------------	----------------

N/APPLICABLE

Organization USAID/PORTUGAL

TABLE VIII(d)
Manpower Contract Detail

<u>Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
--------------------	----------------	----------------	----------------

N/APPLICABLE

Organization USAID/PORTUGAL

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

<u>ITEM AND EXPLANATION</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 19</u>
1. <u>Capital Investment:</u>			
A. Purchase of Hardware			
B. Purchase of Software Purchase of Lotus 1-2-3 updated version and power line conditioners for existing equipment.	3.0	2.0	
C. Site Facility			
SUBTOTAL Section 1	<u>3.0</u>	<u>2.0</u>	<u>—</u>
<hr/>			
2. <u>Personnel:</u>			
A. Compensation, Benefits and Travel	N/APPLICABLE		
B. Workyears			
<hr/>			
3. <u>Equipment Rental, Space and Other Operating Costs:</u>			
A. Lease of Equipment			
B. Space			
C. Supplies and Other Material	N/APPLICABLE		
D. Non-Commercial Training			
SUBTOTAL Section 3	<u> </u>	<u> </u>	<u> </u>

Organization USAID/PORTUGAL

TABLE VIII(e)
(Continued)

<u>ITEM AND EXPLANATION</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
4. <u>Commercial Services:</u>			
A. Computer Time			
B. Leased Telecommunications Services			
C. Operations and Maintenance			
(1) Operations			
(2) Maintenance:			
Other than WANG equipment			
WANG equipment (Local maintenance)			
WANG equipment (A.I.D./W maintenance	4.2	5.5	6.0
D. <u>Systems Analysis and Programming:</u>			
E. <u>System Design and Engineering</u>			
F. <u>Studies and Other</u>			
SUBTOTAL Section 4	4.2	5.5	6.0
<hr/>			
5. TOTAL DOLLARS	7.2	5.7	6.0
TOTAL WORKYEARS (From item 2A)	--	--	--
<hr/>			
6. <u>MISSION ALLOWANCE LEVELS:</u>			
A. Existing systems	7.2	5.7	6.0
B. New or expanded systems			

TABLE VIII(f) - 1
TABLE VIII(f)1
Report on Motor Vehicle Operations

<u>ITEM AND EXPLANATION</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
<u>Numbers of Vehicles:</u>			
1. <u>Purchased Vehicles:</u>			
(a) Number of vehicles on-hand at start of year	2	1	1
(b) Plus Number of vehicles to be purchased during the year			
(c) Less Number of vehicles to be disposed of during the year	1	-	-
(d) Number of vehicles on hand end of year	<u>1</u>	<u>1</u>	<u>1</u>
	-----	-----	-----
2. <u>Leased Vehicles:</u>			
Average number of leased vehicles in use during year			
<u>Estimated Obligations:</u>			
1. Vehicle Purchases			
2. Special modifications (such as armor plating)			
3. Transportation of purchased vehicles			
4. Vehicle Leases	1.2	1.2	1.0
5. Vehicle Maintenance/Repairs			
6. Salaries/Benefits of Drivers/Dispatchers			
7. Supplies/Materials/Gas/Oil	3.6	4.1	3.5
8. Rental of Warehouse/Garage space			
9. Other Miscellaneous Costs			
10. Total Obligations	<u>4.8</u>	<u>5.3</u>	<u>4.5</u>
	-----	-----	-----
<u>Estimated Disbursements:</u>			
1. Vehicle Purchases			
2. Special modifications (such as armor plating)			
3. Transportation of purchased vehicles			
4. Vehicle Leases			
5. Vehicle Maintenance/Repairs	1.6	1.2	1.0
6. Salaries/Benefits of Drivers/Dispatchers			
7. Supplies/Materials/Gas/Oil	3.6	4.1	3.5
8. Rental of Warehouse/Garage space			
9. Other Miscellaneous Costs			
10. Total Disbursements	<u>5.2</u>	<u>5.3</u>	<u>4.5</u>
	-----	-----	-----
. Vehicles included in (A) above owned by A.I.D. but operated/maintained by JAO/Embassy motor pool:			
(1) On-hand at start of year			
(2) To be purchased during the year			
(3) To be disposed of during the year			

TABLE VIII(f) - 2
Report on Motor Vehicle Operations
 (Trust Funds)

<u>ITEM AND EXPLANATION</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>
A. <u>Numbers of Vehicles:</u>			
1. <u>Purchased Vehicles:</u>			
(a) Number of vehicles on-hand at start of year			
(b) Plus Number of vehicles to be purchased during the year			
(c) Less Number of vehicles to be disposed of during the year			
(d) Number of vehicles on hand end of year	_____	_____	_____
	=====	=====	=====
2. <u>Leased Vehicles:</u>			
Average number of leased vehicles in use during year			
B. <u>Estimated Obligations:</u>			
1. Vehicle Purchases			
2. Special modifications (such as armor plating)			
3. Transportation of purchased vehicles		N/APPLICABLE	
4. Vehicle Leases			
5. Vehicle Maintenance/Repairs			
6. Salaries/Benefits of Drivers/Dispatchers			
7. Supplies/Materials/Gas/Oil			
8. Rental of Warehouse/Garage space			
9. Other Miscellaneous Costs			
10. Total Obligations	_____	_____	_____
	=====	=====	=====
C. Vehicles included in (A) above owned by A.I.D. but operated/maintained by JAO/Embassy motor pool:			
(1) On-hand at start of year			
(2) To be purchased during the year			
(3) To be disposed of during the year			

Country/Office USAID/PORTUGAL

FY 1989 ANNUAL BUDGET SUBMISSION

TABLE XI

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

	ACTUAL FY 1987	ESTIMATED FY 1988	PROJECTED FY 1989
	\$ MT	\$ MT	\$ MT

COMMODITIES

Title I

N/APPLICABLE

Total
of which
Title III

Total
COMMENT:

FY 1989 ANNUAL BUDGET SUBMISSION

TABLE XII

COUNTRY/OFFICE USAID/PORTUGAL

PL 480 TITLE I/III

SUPPLY AND DISTRIBUTION
(000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1988</u>	<u>ESTIMATED FY 1989</u>
Commodity - _____		
Beginning Stocks		
Production		
Imports		N/APPLICABLE
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		
<hr/>		
Commodity - _____		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		
<hr/>		
Commodity - _____		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		

Comment:

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE XIII
PL 480 TITLE II

I. Country PORTUGAL

N/APPLICABLE

Sponsor's Name _____

A. Maternal and Child Health. Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	DOLLARS
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total MCH</u>		_____	_____

B. School Feeding Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	DOLLARS
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total School Feeding</u>		_____	_____

C. Other Child Feeding. Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	DOLLARS
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Other Child Feeding</u>		_____	_____

D. Food for Work Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	DOLLARS
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Food for Work</u>		_____	_____

E. Other (Specify) Total Recipients _____

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	DOLLARS
_____	_____	_____	_____
_____	_____	_____	_____
<u>Total Other</u>		_____	_____

II. Sponsor's Name _____

PRIVATIZATION PLANS

As stated in the FY 88 ABS, because the Program is phasing out no new Mission initiatives in privatization are planned.

The remaining portfolio of activities does include several directly related to the private sector.

a) Technical assistance and training are being provided to one of the first new private investment banks in Portugal. That assistance, in part, is helping them develop new capital market instruments.

b) Assistance in curriculum development and other areas is being provided to the Portuguese Center for Small Business Management Training and to the MBA Program of the New University of Lisbon.

Though a PRE study last year on privatization and capital markets was well received, there has been no request for follow up assistance. With remaining funding in the Mission Technical Consultants and Training Program, it is intended to:

a) Give priority to requests for training in areas of privatization and capital markets.

b) Provide training to the holding company that manages the Government's portfolio of publicly owned companies and has recently begun undertaking some divestiture.

c) Provide training to another holding company recently established to manage and divest publicly owned land and rental housing in urban areas. Urbanized land will be sold to private developers and cooperatives, while up to 40,000 low income rental apartments built under earlier public housing programs will be sold to the tenants that are in them.