

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 1981

NEPAL

BEST AVAILABLE

**DEPARTMENT
OF
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MAY, 1979



UNCLASSIFIED

AGENCY

FOR

INTERNATIONAL DEVELOPMENT

ANNUAL BUDGET SUBMISSION

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Annual Budget Submission

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

	Decision Unit - 367 NEPAL											
	FY 1979 Est.	FY 1980 Est.	FY 1981 REQUEST		PLANNING PERIOD							
			Minimum	Current	AAPL	1982	1983	1984	1985			
<u>Development Assistance</u>												
Agriculture, Rural Dev. & Nutrition Grants	4,770	7,900	7,800	10,800	12,200	15,900	22,000	27,700	12,000			
Population Grants	4,171	1,900	1,400	1,400	1,400	5,100	-	4,300	10,000			
Health Grants	2,125	5,200	3,800	3,800	3,800	8,400	-	5,000	13,000			
Education Grants	2,035	-	-	-	1,200	1,500	-	-	-			
Selected Dev. Activities Grants	-	-	-	-	1,400	1,100	-	-	-			
SUBTOTAL FUNCTIONAL ACCOUNTS	13,101	15,000	13,000	16,000	20,000	32,000	22,000	37,000	35,000			
Other DA Accounts Grants	-	-	-	-	-	-	-	-	-			
TOTAL DA ACCOUNTS	13,101	15,000	13,000	16,000	20,000	32,000	22,000	37,000	35,000			
<u>Security Supporting Assistance</u>												
Grants	-	-	-	-	-	-	-	-	-			
TOTAL DA AND SSA	13,101	15,000	13,000	16,000	20,000	32,000	22,000	37,000	35,000			

PL 480 (non-add)
 Title I
 (of which Title III)
 Title II

Housing Guaranties (non-add)

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT FY 1979 - FY 1981 (Thousands \$)				DECISION UNIT 367 NEPAL		
APPROPRIATION ACCOUNT/PROJECT NO./TITLE	L/G	FY 1979	FY 1980	Minimum	FY 1981	
					Current	AAPL
<u>Agriculture, Rural Development & Nutrition</u>						
0102 Institute of Agriculture and Animal Sciences - II	G	-	-	2,500	2,500	2,500
0114 Integrated Cereals	G	1,770	-	-	-	-
0119 Trail Suspension Bridges	G	2,000	1,000	-	-	-
0129 Rural Area Development - Rapati Zone	G	-	3,600	-	2,300	3,700
0132 Resource Conservation and Utilization	G	-	3,300	2,000	2,700	2,700
0134 Agriculture Resource Inventory - Nepal	G	1,000	-	-	-	-
0137 Farming Systems	G	-	-	3,300	3,300	3,300
<u>Population</u>						
0096 Population/Family Planning	G	2,271	-	-	-	-
0130 Population Policy Development	G	1,900	-	-	-	-
0135 Integrated Rural Health/FP Services*	G	-	1,900	1,400	1,400	1,400
<u>Health</u>						
0126 Integrated Health Services	G	2,125	1,100	-	-	-
0135 Integrated Rural Health/FP Services*	G	-	3,000	2,200	2,200	2,200
*Split funded (Health and Population)						

APPROPRIATION ACCOUNT/PROJECT NO./TITLE		DECISION UNIT				
		367 NEPAL				
		FY 1979	FY 1980	Minimum	FY 1981 Current	AAPL
L/G	FY 1979	FY 1980	Minimum	FY 1981 Current	AAPL	
0136 Rural Medical Education	G	-	1,100	1,600	1,600	1,600
<u>Education</u>						
0123 Radio Education Teacher Training	G	1,966	-	-	-	-
0124 Education Skills Training	G	69	-	-	-	-
0131 Development Services and Training	G	-	-	-	-	1,200
<u>Selected Development Activities</u>						
0138 Landslide and Soil Stabilization	G	-	-	-	-	1,400
SUBTOTAL FUNCTIONAL ACCOUNTS		13,101	15,000	13,000	16,000	20,000
Other Programs		-	-	-	-	-
TOTAL ALL DA APPROPRIATION ACCOUNTS		13,101	15,000	13,000	16,000	20,000
Security Supporting Assistance		-	-	-	-	-
TOTAL SSA		-	-	-	-	-
TOTAL DA AND SSA		13,101	15,000	13,000	16,000	20,000

EXPLANATORY ANNEX TO TABLE III

Decision Unit - 367 NEPAL

<u>Appropriation Accounts Project No.</u>	<u>Change (+ or -) (\$000)</u>	<u>Explanation of Change in FY 1980 Funding Level</u>
Population 367-0135	1,200	Increase emphasis on health aspects of project.
Health 367-0126	1,100	Changed strategy which had an effect on the length and scope of project.
Health 367-0135	100	Increased emphasis on health aspects of project.
Education 367-0131	600	Delayed project start to FY 1981.

TABLE IV - PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		DATE OF NEXT PLANNED NON-ROUTINE EVAL.	CUM. PIPELINE AS OF 9/30/78	FY 1979			FY 1980			FY 1981 AAPL OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS	
			INITIAL	FINAL			OBLIG.	EXPEND.	CUM. PIPELINE	OBLIG.	EXPEND.	CUM. PIPELINE			FY 1982	FY 1983 & BEYOND
0096	Population/Family Planning	G	1973	1979	-	1,305	2,271	1,300	-	1,250	-	1,026	-	-	-	-
0130	Population Policy Development	G	1979	1979	-	-	1,900	50	-	236	-	1,614	-	9/84	-	-
*0135	Integrated Rural Health/Family Planning Services**	G	1980	1984	1/82	-	-	-	-	50	1,900	1,850	1,400	3/82	6,200	-
0126	Health Integrated Health Services	G	1976	1980	-	741	2,125	866	2,000	2,500	1,100	600	-	-	-	-
*0135	Integrated Rural Health/Family Planning Services	G	1980	1984	1/82	-	-	-	-	50	3,000	2,950	2,200	3/82	9,300	-
0136	Rural Medical Education	G	1980	1981	-	-	-	-	-	825	1,100	275	1,600	9/85	-	-
0251	Rehabilitation for Disabled and Blind - QPG	G	1979	1980	-	-	75	50	25	230	285	80	-	9/82	-	-
0251	Volunteer Village Health Workers - QPG	G	1979	1980	-	-	75	50	25	315	423	133	-	9/82	-	-

*Split funded.
**State 116038 received after ABS Tables completed. Thus, estimates for AID/W-provided contraceptives excluded. These estimates will be provided per additional guidance when received.

PROJECT NUMBER		TITLE	G/L	OBLIGATION DATE		DATE OF NEXT PLANNED NON-ROUTINE EVAL.	CUM. PIPELINE AS OF 9/30/78	FY 1979			FY 1980			FY 1981 AARL OBLG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS		
				INITIAL	FINAL			OBLG.	EXPEND.	CUM. PIPELINE	OBLG.	EXPEND.	CUM. PIPELINE			FY 1982	FY 1983 & BEYOND	
																		ESTIMATED U.S. DOLLAR COST (\$000)
DECISION UNIT 367 NEPAL																		
0123	Education		G	1977	1979	-	1,304	1,966	2,140	1,130	-	545	585	-	9/82	-	-	
0124	Radio Education Teacher Training		G	1976	1979	-	459	69	195	333	-	208	125	-	9/81	-	-	
0131	Education Skills Training		G	1981	1982	-	-	-	-	-	-	-	-	-	9/84	1,200	1,000	
0138	Development Services and Training		G	1981	1982	-	-	-	-	-	-	-	-	-	9/81	1,400	1,100	
	Selected Development Activities																	
	Landslide & Soil Stabilization		G	1981	1982	-	-	-	-	-	-	-	-	-	9/81	1,400	1,100	

Decision Unit - 367 Nepal

Decision Package - Minimum

DECISION PACKAGE NARRATIVE

The minimum package focuses on four of Nepal's development problems as follows: population growth, poor health, environmental degradation, and food production. USAID/N believes this package addresses interrelated problems that hold crucial importance for Nepal's development. These problems must be addressed simultaneously since progress (or the lack thereof) in any one of these areas can affect progress on the other three. USAID/N has concluded that it would be an unacceptable approach to completely eliminate focus on any one of these four problem areas in the minimum package. Accordingly, inputs to address the four problem areas have been reduced to a level such that if further reductions were imposed, USAID/N believes that little contribution would be made toward addressing the goals set forth in the Country Development Strategy Statement.

With population increasing at slightly more than 2.5% per year, tremendous pressure is being exerted on the environment and on the country's capacity to provide food and bare essential health services. With this increased population pressure, Nepal is forced to turn to marginal lands in order to attempt to produce the added food requirement. The result has been the acceleration of soil erosion, the triggering of landslides in many areas, and the eventual net reduction of agriculturally productive land. Also, with this increased population pressure the need for an effective health delivery system for basic health services, coupled with programs designed to reduce directly the nation's population growth rate, becomes clear.

USAID/N began addressing directly the population growth reduction problem a decade ago through what is now the Population/Family Planning project (367-0096). This project, which terminates in FY 1980, has been instrumental in both creating demand for and supplying population growth rate reduction services, especially through the project's voluntary sterilization program. At the same time, USAID/N began through the Integrated Health Services project (367-0126) to help the Government establish a capacity to organize and manage an effective integrated basic health service.

The Integrated Rural Health/Family Planning Services project (367-0135), starting in FY 1980 as a follow-on to the Integrated Health Services project (367-0126), also was designed to continue the population/family planning activities begun in the earlier project (367-0096) and to

integrate the provision of family planning and MCH services as the first priority of an effective integrated basic health services delivery system. To provide current and accurate information on the incidence of diseases in Nepal, crucial for an effective MCH program, project 367-0126 is being extended to allow an Epidemiological Survey to be conducted. The projected final outputs of project 367-0135 would eventually impact on Nepal's total population. By the end of the project -- 1985 -- the Government's (and USAID/N's) goal is for basic health services to be available to be some 15 million people, through more than 1,000 health posts. In addition, 400,000 effective users of contraceptives are projected to be using commodities supplied under this project. Also, some 15,000 rural health personnel will be assigned nationwide, trained in MCH and family planning services, as well as other aspects of basic health care.

Also an integral part of this minimum package, a project which also focuses on reducing Nepal's population growth rate, is the Population Policy Development project (367-0130). While the delivery of health and family planning services is a necessary prerequisite to reducing fertility in Nepal, it is also important -- perhaps equally so -- that Nepal's population problems be considered at the highest planning and decision-making levels in Government. The Population Policy Development project is helping the Government analyze the determinants of fertility in Nepal, whether they be cultural, social, economic or political. Nepal's Population Commission, begun in 1976 under the chairmanship of the Prime Minister, is the entity within Government which has the ability to inject the project's research findings into the decision-making process that will result in new laws and policies that can impact on reducing the national population growth rate. It considers particularly what can be done to increase the demand for family planning services. Perhaps more important than the operations research on fertility determinants is the emphasis in this project on establishing a continuing population information disseminating ability within the Population Commission.

In addition to the family planning and MCH services already described as a part of this minimum package, the ability of the Government to deliver services depends in large part on the availability -- in place -- of trained personnel. Two of USAID/N's minimum package projects specifically address this problem. First, the Rural Medical Education project (367-0136) is training rural physicians, who as a part of their training, must spend over 12 months on one of two rural campuses. Here students will receive practical training in the rural community and in one of two small rural teaching hospitals, learning while performing health and family planning services. Following graduation, each physician will be required to serve a one year supervised internship in a rural area before permanent assignment. Persons to be trained as rural physicians will be drawn as much as possible from the rural areas so that the likelihood is increased that these physicians will return on a more permanent basis once their

training is completed. Second, the International Human Assistance Program, a US private voluntary organization, will conduct a project (entitled Volunteer Health Workers) in the high, remote Jumla District (in the Karnali Zone) to train health workers who will become part of the Government's cadre of health post workers to man the health posts in the Jumla District.

As population pressure increases in Nepal, farming patterns and other practices are forced to change. As the population has increased during the last generation or so, even sub-marginal lands have been brought into production. In order to provide food for livestock and to provide fuel for cooking, all available vegetation -- from grasses to forest trees -- has been used to satisfy short-term needs. The result has been the removal of ground cover over large areas of Nepal, which has led to soil erosion that in some areas has affected land already under production, the leaching of nutrients from the soil, and degradation of other areas as well. Rivers and streams are no longer contained within established river beds and migrate back and forth across once productive river valleys, resulting in the erosion of land and the deposition of sediment onto these lands. While natural phenomena may account for many changes in river flows and erosion, accelerated changes have taken place in the last several decades. These changes have been induced largely by intensive cultivation practices on steep mountain slopes and the absence of effective conservation practices. The effect has been that the average productivity of farmland has decreased at an alarming rate.

Through the Resource Conservation and Utilization project (367-0132), USAID/N will assist the Government to examine environmental degradation. The project focuses specifically on soil erosion, utilizing watershed management and land use management techniques as important tools to introduce conservation of resources in Nepal. A key element of the RCU project at the national level is to strengthen Government's institutional capability to deal with environmental degradation. In this regard, the RCU project will train a cadre of Government personnel capable of co-ordinating a resource conservation program in rural areas. The project will also help to develop an Institute of Renewable Resources within Tribhuvan University. Also at the national level, the project will address the following critical needs in four representative small watersheds through the Government's Soil and Water Conservation Department within the Ministry of Forestry:

- 1) identifying and testing erosion practices/techniques that can be applied generally in Nepal's mountain and hill areas.
- 2) improving water use management techniques to reduce flooding.
- 3) developing alternative uses for lands ecologically unsuitable for cultivation.
- 4) assisting with reforestation.
- 5) developing farming systems (both crops and livestock) to improve usage of available resources in the hills and mountains.

A final element of USAID/N's minimum package directly concerns agricultural production. Four projects, Integrated Cereals (367-0114), the Seed Production and Input Storage project (367-0118), the Institute for Agriculture and Animal Sciences -- Phase II project (367-0102), and a new project -- Farming Systems -- are included. The current trend of declining per capita food production in Nepal is a cause for concern. The Government has recognized in its draft Principles for the Sixth Development Plan that there is a need for agricultural reform. We fully expect that the Government will address, as it has indicated, the question of agricultural reform in the actual Sixth Development Plan, currently under preparation. In order, therefore, that USAID/N can coordinate with the Government and other donors, the question of food production and overall agricultural planning will be reflected in USAID/N's project focus after FY 1981.

USAID/N believes that the objective of arresting (and eventually reversing) the current trend of declining per capita food production at the national level is too important to leave completely for future attention. Thus, at the minimum level USAID/N is continuing to support the Integrated Cereals project (367-0114). This project is central to USAID/N's focus in the area of agriculture. Through this project USAID/N is assisting the Government to improve agriculture production technology for major food grain crops (wheat, rice and corn) and to transfer the improved technology to farmers in a manner such that the new practices will be readily adopted. Research/production kits containing improved seeds and other inputs have been developed, distributed and are being used in conjunction with technological and farming systems changes also developed under this project. Already, through technical advice, technological improvements, training activities, multi-cropping and extension programs, preliminary results of this project are encouraging, and as a result of these inputs, the Government is providing increased support to meet project objectives. The target, through life of project, is that approximately one-third of the country's farm families will benefit in some important way.

This progress indicates that an even greater effort needs to be made toward tying together production possibilities with technologies appropriate to local farming areas. To this end a new project, Farming Systems, has also been included at the minimum decision package level. This project will focus primarily on the hill agricultural areas, assisting the Government in developing an integrated, participatory approach for assessing production options and introducing appropriate technological changes with regard to grains, vegetables, livestock and other cash crops. This new project will look at processing and, in a limited way, marketing, and production. The thrust of the project, however, will be to increase per capita productivity of major food crops, grazing lands, livestock and forests in the hill areas of Nepal through a systems approach. Since two-thirds of the country's population live in the hill areas, it is appropriate that efforts to increase agricultural production be undertaken in the hills even before the Government comes fully to grips with the broader question of overall agriculture policy, and certainly during the period when focus on the problem begins to sharpen.

The Seed Production project (367-0118) also grew out of the Integrated Cereals project and began in FY 1978. It is crucial to helping local communities provide storage, and ultimately distribute adequate supplies of seeds or other inputs for major food crops. If the current national level problem of declining per capita food production is to be curtailed (and eventually reversed), an adequate supply of reliable seeds must be available to small farmers in the hills at a price they can afford. This project is designed to assist the Government in reaching that state of seed availability.

USAID/N has also included additional funding to complete construction of the Institute of Agriculture and Animal Sciences (IAAS) project in the minimum package. USAID/N assistance to IAAS began in 1974 to aid the Government in meeting manpower and skill shortages in the agriculture sector. The actual training and advisory services for the project are being carried out through an institutional contract with the Mid-Western University Consortium for International Activity (MUCIA) and are running only slightly behind schedule. The construction part of the project, however, has fallen significantly behind schedule due to several factors, including protracted shortages of building materials largely beyond the control of both USAID/N and IAAS. Also unexpected but helpful land acquisition which more than doubled the campus size (from 300 to 770 acres) and a shortage of labor have added to the cost of the project. A substantial cost overrun has resulted. USAID/N has included additional funding for construction for IAAS in the minimum package due to the desirability of completing the construction in such a way that the training component of the project does not suffer. The ultimate purpose to which the completion of construction will contribute is to produce trained middle level agriculture personnel for work in rural areas.

The minimum decision package would permit USAID/N to focus only on critical national level problems. It would not permit the Mission to undertake local level projects which are designed to reinforce the national level focus.

In order to carry out the minimum package, there would be a decrease of ~~two~~ persons in USDH manpower requirements below that required for FY 1980. At the minimum level, 25 USDH would be required to carry out the program. Since only national level problem areas would be addressed at the minimum decision package level, USDH for the Rural Area Development Office are excluded at this level.

Decision Package - Current

DECISION PACKAGE NARRATIVE

The current level decision package would permit USAID/N to broaden its focus beyond just the national level and to address local level problems as well. The strategy, as outlined in the CDSS, requires that problems be addressed at both levels simultaneously. In the minimum decision package only the national level problems of population growth, poor health, environmental degradation, and food production would be addressed. At the current level decision package a local level problem area also can be addressed. This fifth problem area may be referred to as "local area stagnation". There are essentially four critical elements of local area stagnation, which are: 1) weak participatory/resource mobilizing institutions, 2) under-employment, 3) lack of appropriate technology, and 4) lack of modernizing skills. At the current level only the first two elements of local area stagnation are addressed.

The primary project in the current decision package level is the Rural Area Development project (367-0129). This project supports a balanced regional development scheme in a large multi-district area of the country. This project is consistent with the Government's strategy to support several large area-specific rural development projects in poor and primarily hill regions of Nepal. Through the project USAID/N and the Government of Nepal seek to improve the quality of life of the rural poor in several critical areas, and in so doing, to strengthen those basic elements required for continued, locally sustained development. There are both national level and local level activities embraced by this project, but clearly the major thrust of the project is at the local (or district) level. The objectives of the project are to:

- 1) quantitatively and qualitatively improve food production and consumption by the rural poor.
- 2) improve and increase income generating opportunities which are accessible to poor farmers, landless laborers and occupational castes within rural areas.
- 3) strengthen the capacity of panchayats, cooperatives and other local organizations to plan, implement and sustain local development efforts.
- 4) provide basic services at the village and district levels that tie into national systems, including those for improved family planning and health services for farm families.

In addition, national level line ministry programs will be provided training, monitoring, evaluation and possibly research assistance in order to strengthen the central Integrated Panchayat Development structure. All of the project's activities, however, whether at the national or local level, will be targeted on assisting the Government's efforts to decentralize the development process such that participation and responsibility of the rural poor in the process are increased.

The Government has high expectations of the Rapati Zone project within the framework of its strongly supported efforts to decentralize and localize basic development responsibilities within Nepal. Thus, Government support of the problems addressed by this project is expected to continue at a high level for a sustained period.

A second project in the current level decision package is the Agro-Based Income Generation project, administered by CARE. This project addresses alternative employment opportunities in the rural areas. The project will provide more productive, cash income generating activities for women through four major activities. The four activities are: 1) seed and seedling projects, 2) small ruminant and poultry-raising, 3) crop processing projects, and 4) cottage industries. Through these activities, women affected by this project will not only increase their productivity in agriculture and agriculturally related work but create time and skills for income-generating non-agricultural activities as well.

Also included in the current package is the Agriculture Resource Inventory project (367-0134). Nepal's rough terrain makes it difficult to determine with accuracy from ground investigations information regarding the country's agricultural resources and conditions under which these resources might be most effectively utilized. By establishing a Remote Sensing Center (RSC) in Nepal, the task of collecting information on the country's resources will be made easier. The RSC will permit the use of LANDSAT satellite imagery, aerial photography and other remote sensing techniques to accurately and quickly determine the quantity, location, conditions, and possible uses of Nepal's agricultural resources. Availability of this information is essential for rational decision-making by the Government to effectively make use of its resources. Since the environmental degradation problem described in the minimum package depends in major part on accurate identification and classification of problem areas, especially where landslides are involved, the information that will be available through this project will be of decided importance. Particularly, the work underway in both the Resource Conservation and Utilization project (367-0132) and the Rural Area Development - Rapati Zone project (367-0129) can be significantly aided by the benefits to be realized under the Agriculture Resource

Inventory project. For example, the Rural Area Development project would be assisted by the Agriculture Resources Inventory project through the provision of data compiled and interpreted at the national level and fed back to local and district (local) leaders along with instructions on how to use the data. This local use of central outputs is entirely consistent with the Government's efforts under the Integrated Panchayat Development system to decentralize decision-making in Nepal.

Also included in the current decision package is the Bio-Gas Research and Construction project under the administration of the United Mission to Nepal, also a PVO. This project is closely related to the Resource Conservation and Utilization project (367-0132). It is conceptually an important element of the RCU project in that it focuses on an alternative source of energy for use in rural areas of Nepal. The project will also provide information for the larger RCU project. Specifically, it will conduct investigations into alternatives to burning firewood as fuel for cooking. The main thrust of the project is to contribute to the country's arsenal of weapons against the devastating environmental degradation problem. The bio-gas project converts animal and human waste into a natural gas that, when properly contained, can be used as a safe, clean-burning fuel for cooking. In addition, the slurry that results as the waste is converted into gas can be used further as a rich fertilizer for crops. Thus, this project fits into USAID/N's country strategy for Nepal in two areas: a) reducing environmental degradation, and b) helping to increase agricultural production. Moreover, the bio-gas project utilizes a form of technology USAID/N believes to be appropriate for Nepal.

Additional funding for the Resource Conservation and Utilization project (367-0132) will permit focus on several elements of the local area stagnation problem. These additional activities include:

- 1) providing employment in reforestation, soil and water conservation, cottage industry, public works and other areas as alternatives to agricultural employment on marginal land;
- 2) developing new energy sources as alternatives to wood and cow dung as fuel; and,
- 3) strengthening village management of local forests and water sheds.

These are local level activities that could have important implications for assisting in arresting the process of resource degradation in key research areas. Also on a local level, the project will address several of the national level problems for area-specific relevance.

CARE will also administer an Integrated Rural Development project as a part of the current level decision package. CARE plans to organize several small rural works, agriculture, service oriented activities in the Baglung, Myagdi and Parbat districts in the Dhaulagiri Zone,

which lies in north central Nepal. While specific activities have not yet been identified, CARE plans to focus its project particularly on supporting the Local Development Department of the Home-Panchayat Ministry in an effort to help strengthen the Government's new Integrated Panchayat Development system. It is likely also that in addition to working specifically with the Local Development Department, CARE will coordinate its activities with a mix of Government agencies. However, the project, as discussed so far with CARE officials, will be in accord with USAID/N's local level focus on the problem of local area stagnation.

Within the current decision package it is possible to begin addressing the problem of local area stagnation in addition to the four national level problems addressed within the minimum package. The current decision package includes the minimum package, five additional projects, and additional funding for one project already included in the minimum package. All of the incremental activities added to the minimum decision package in the current package focus at the local level. Thus, the Mission's dual level strategy, so strongly advocated in the CDSS, can achieve minimum application in the current decision package. Still, several important elements of local area stagnation must be sacrificed at this level.

The USDH workforce level is raised to a new level of 28 in the current decision package. The three persons added in this package are in the Rural Area Development Office. The added personnel would provide the necessary manpower to implement the Rapati Zone project. No additional USDH personnel would be required to carry out activities under the other projects in the current decision package.

Decision Unit - 367 Nepal

Decision Package - AAPL

DECISION PACKAGE NARRATIVE

The AAPL decision package addresses the full range of problem areas outlined in the USAID/N CDSS for FY 1981. Specifically, the national level problem areas of population, health, resource conservation and agriculture production are addressed, as well as is the problem of local area stagnation. While the current level decision package permits a minimum focus on local area stagnation, the AAPL package permits a greater focus on this problem. The combined effect of all projects at this level is that USAID/N can have a significant impact at both the national and local levels in support of the Government's development process.

Seven projects and additional funding for one more are added to the current level decision package to form the AAPL decision package.

The Trail Suspension Bridges project (367-0119), by improving transportation possibilities in remote, even inaccessible areas, addresses several of USAID/N's strategy elements. As a necessary part of farm-to-market systems and as a means of transporting seeds and other inputs to farm sites, the bridges project should impact favorably on agricultural production. It should also provide a means of getting basic health and family planning services into villages and getting villagers to where they can take advantage of such services. In the same vein, the project should provide accessibility to new technology, potential off-farm employment opportunities, as well as the possibility of increased contact and trade where frequent outside contact was limited.

An environmental problem, only recently recognized, is that of the effect of construction -- without proper prior assessment -- of farm-to-market roads and other road networks through Nepal's difficult terrain. Nepal's young mountain ranges are still evolving and are prone to violent changes, often in the form of landslides. However, the high population density, road construction, and/or intensive agriculture on unstable terrain have accelerated the process. As population increases have forced much of Nepal's populace to depend more and more on the movement of goods from one area to another, it has become necessary to construct a means of transportation with a greater carrying capacity than the traditional foot trails that are found in all parts of Nepal. Road-cuts made without proper assessment of possible impact have disturbed nature's critical balance, triggering

reactivation of ancient dormant landslides and causing new ones to occur. As debris from the road construction has been side-cast onto agricultural lands and into live streams, the productivity of these lands and lands downstream has been reduced and subsequent landslide possibilities have been increased. More important, however, is the fact that the re-activated and/or new landslides have taken farmland out of production by removing topsoil and ground cover. Still to be assessed, perhaps years later, is the downstream effect of the increased sediment being carried off following landslides in the mountains. Additional agricultural land will eventually be taken out of production in the Terai areas, both because of sediment deposition and the resulting stream migration.

In order to address this critical problem, a new project, Landslide and Soil Stabilization, is included as a part of USAID/N's AAPL decision package.

Also addressing the same problem, but focussing specifically in the Rapati Zone, additional funding is provided at the AAPL for the Rapati Zone project (367-0129). This additional funding will expand environmental stabilization and protection activities under the project to include assistance for these purposes targeted to selected locally constructed roads and trails in the project area. This added component of the project will strengthen the infrastructure building element of the project and, as such, will increase access of rural families to basic services within the Zone. It will also enhance the agriculture production capabilities of the Zone by facilitating the inflow of agricultural inputs as well as the outflow of excess agricultural yields for cash. Perhaps even more importantly, the additional funding will support resource conservation efforts made under the project and provide for integration of many disparate elements of the development process in the Rapati Zone.

Also in the AAPL decision package is the Training in Agriculture Research and Planning project (498-0251) which has been administered under an AID grant since 1976 by the Agriculture Development Council, a US Private Voluntary Organization (PVO). This project is training Nepalese in agricultural research and planning, aimed at helping to close the manpower gap in the agriculture sector. While training Nepalese agriculturalists is the main component of this project, another important component is to assist the Government to bring into use the technical knowledge that is now becoming available through USAID/N's Integrated Cereals project (367-0114). In this latter regard, the Agriculture Development Council project (498-0251) is helping to increase agricultural production in the rural areas of Nepal.

Three projects at the AAPL level will help to strengthen modernizing skills for future development. One of these projects, Development Services Training (367-0131) is a new project for FY 1981. Originally this project was to begin in FY 1979. It was later shifted to FY 1981 following Government's decision to examine the need for establishing a National Staff College that would eventually provide much of the

modernizing skills needed in this country. The issue still is not resolved. However, the Development Services Training project will be required whether or not the Government decides to establish the National Staff College. By delaying the start of the project to FY 1981, sufficient time is being provided for the Government to finalize its decision and to allow time for revising the Development Services Training project, if changes in the project as now designed are indicated in future deliberations with the Government.

The other two education projects in the AAPL package are the Radio Education Teacher Training (367-0123) and Education Skills Training (367-0124). The Radio Education project began in FY 1977 and is assisting the Government to create a continuing capacity to provide in-service rural teacher training, principally through radio broadcasts. This method of instruction permits the Government to train rural teacher in geographic areas where instruction would otherwise be difficult and sporadic because of the problem of transportation. The radio broadcasts supplemented by short residence instruction periods, provide the most reasonable benefit/cost solution among several options assessed by the Government to provide this modernizing skills training.

The Education Skills Training project also assists in providing necessary

continuing its development process. Under this project some of the shortage of trained personnel available in Nepal for education planning and program administration will be met.

The final project in the AAPL decision package, Rehabilitation for Disabled and Blind is administered by a US PWD the International Human

DECISION UNIT 367 NEPAL

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)	
					INCR	CUM	INCR	CUM
	<u>DECISION PACKAGE MINIMUM</u>							
	<u>*Terminated Projects with Pipeline</u>							
	367-0096 Population/Family Planning	T	G	PN	(1,026)	(1,026)		
	367-0224 Manpower Development Training	T	G	EH	(31)	(1,057)		
	367-0228 Teacher & Materials Utilization & Development	T	G	EH	(23)	(1,080)		
	Sub-total (Non-Add)					(1,080)		
	<u>New and Continuing Projects</u>							
1	367-0135 Integrated Rural Health/Family Planning Services	O	G	HE/PN	3,600	3,600		
2	367-0130 Population Policy Development	O	G	PN	-	3,600		
3	**367-0126 Integrated Health Services	O	G	HE	-	3,600		
4	367-0132 Resource Conservation & Utilization	O	G	FN	2,000	5,600		
5	367-0136 Rural Medical Education	O	G	HE	1,600	7,200		
6	498-0251 Volunteer Village Health Workers - OPG	O	G	HE	-	7,200		

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)			
					INCR	CUM	INCR	CUM	FNDH	CUM
7	**367-0114 Integrated Cereals	O	G	FN	-	7,200	-	-	-	-
8	**367-0118 Seed Production and Input Storage	O	G	FN	-	7,200	-	-	-	-
9	367-0137 Farming Systems	N	G	FN	3,300	10,500	-	-	-	-
10	**367-0102 Institute of Agriculture & Animal Sciences (L/C projects, excluding PL 480 funded: No. of Projects - 2; \$ value - 1.5 million) (Centrally-funded projects requiring mission management inputs: No. of Projects - 1; \$ value - 215,000)	O	G	FN	2,500	13,000	-	-	-	-
11	Basic Workforce				-	13,000	25	25		
12	<u>Workforce Increment for Project Design</u> Total Minimum Package and Related Workforce				-	13,000	-	25		
<u>DECISION PACKAGE CURRENT</u>										
13	367-0129 Rural Area Development - Rapati Zone	O	G	FN	2,300	15,300	3	28		
14	498-0251 Agro-Based Income Generation (CARE)	O	G	FN	-	15,300	-	28		

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)		
					INCR	CUM	INCR	CUM	
					INCR	CUM	INCR	CUM	
15	367-0134 Agriculture Resource Inventory - Nepal	O	G	FN	-	15,300	-	28	
16	498-0251 Bio-Gas research & Construction - OPG	O	G	FN	-	15,300	-	28	
17	367-0132 Resource Conservation & Utilization	O	G	FN	700	16,000	-	28	
18	498-0251 Integrated Rural Development - OPG	O	G	FN	-	16,000	-	28	
19	Workforce Increment Current Package Total Current Package & Related Workforce				3,000	-	3	28	
<u>DECISION PACKAGE AAPL</u>									
20	367-0119 Trail Suspension Bridges	O	G	FN	-	16,000	-	28	
21	367-0138 Landslide & Soil Stabilization	N	G	SD	1,400	17,400	-		
22	367-0129 Rural Area Development - Kapati Zone	O	G	FN	1,400	18,800	-		
23	**498-0251 Training in Agriculture Research & Planning - OPG	O	G	FN	-	18,800	-		

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)		
					INCR	CUM	INCR	CUM	INCR
24	367-0131 Development Services & Training	N	G	EH	1,200	20,000			
25	**367-0123 Radio Education Teacher Training	O	G	EH	-	20,000			
26	**367-0124 Education Skills Training	O	G	EH	-	20,000			
27	498-0251 Rehabilitation for Disabled & Blind - OPG	O	G	HE	-	20,000			
Total AAPL Package and Related Workforce					4,000	-	28		

*Unliquidated as of 9/30/80
 **Approved PP as of 4/30/79
 ***Requires PP Amendment

PROJECT SUMMARY

NUMBER OF PROJECTS

	FY 77	FY 78	FY 79	FY 80	FY 81		AAPL
					MINIMUM	CURRENT	
Implementation at Beginning of Year	10	16	19	21	22	22	22
Moving from Design to Implementation During Year	6	3	6	4	1	3	5
Design for Future Year Implementation	6	7	5	5	4	2	-
SUBTOTAL	22	26	30	30	27	27	27
Number of Non-Project Activities							
TOTAL	22	26	30	30	27	27	27

NUMBER OF PROJECTS MOVING FROM DESIGN TO IMPLEMENTATION BY PROJECT SIZE

	FY 77	FY 78	FY 79	FY 80	FY 81		AAPL
					MINIMUM	CURRENT	
AID'S CONTRIBUTION TO LIFE OF PROJECT COST							
Less than \$1 Million	4	1	3			2	2
\$1 To \$5 Million	2	2	3	1			2
\$5 To \$15 Million				1	1	1	1
\$15 To \$25 Million				2			
More Than \$25 Million							

AID 1510-6 (3-79)

TABLE VI SUPPLEMENT
PROJECT MANAGEMENT INTENSITY

	FY 77	FY 78	FY 79	FY 80	81 MIN	81 CURR	81 AAPL
<u>Implementation at Beginning of Year</u>	10	16	19	21	22	22	22
-- Medium to High Management Intensity	9	11	13	13	15	15	15
-- Low Management Intensity	1	5	6	8	7	7	7
-- AID/W Project	(1)	(4)	(5)	(2)	(1)	(1)	(1)
-- PVO Project		(1)	(1)	(4)	(4)	(4)	(4)
-- Only Participants to return				(2)	(2)	(2)	(2)
<u>Moving from Design to Implementation During Year</u>	6	3	6	4	1	3	5
-- Medium to High Management Intensity	2	2	3	4	1	1	3
-- Low Management Intensity	4	1	3			2	2
-- AID/W Project	(3)	(1)					
-- PVO Project	(1)		(3)			(2)	(2)
<u>Design for Future Year Implementation</u>	6	7	5	5	4	2	
-- Medium to High Management Intensity	6	7	5	3	2	2	
-- Low Management Intensity				2	2		
-- AID/W Project							
-- PVO Project				(2)	(2)		
Subtotal Medium to High Management Intensity	17	20	21	20	18	18	18
Subtotal Low Management Intensity	5	6	9	10	9	9	9
Total	22	26	30	30	27	27	27

TABLE VI SUPPLEMENT

This Table is included because the Project Summary (Table VI), although useful in many respects, does not distinguish between different management intensities. The relatively high number of PVO projects, AID/W managed projects, and Mission funded projects that show as on-going only because all participants have not yet returned to Nepal may give a somewhat false impression to AID/W of the Mission's management load. As the Table below will show, in FY 1980, ten of the 30 projects are either PVO projects, AID/W activities or are shown as on-going only because a few participants have not returned. In FY 1981, nine of the 27 projects shown in Table VI fall within one of these low management intensity categories. Since projects that fall in these categories place little management burden on USAID/N, the numbers provided in Table VI should not obscure the fact that USAID/N's management intensive project portfolio will, as forecast early in FY 1979, remain at around 20 projects or lower.

OPERATING EXPENSE SUMMARY

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COST SUMMARIES	FY 77			FY 78			FY 79			FY 80		
	(\$000's)	RELATED WORKYRS.	UNIT COST									
US Direct Hire	782.6	15.7	49.8	1010.2	18.7	54.0	1262.5	24.3	52.0	1368.8	26.0	52.6
FN Direct Hire	96.7	69.0	1.4	111.0	70.5	1.6	183.2(b)	75.0	2.4	133.0	64.0	2.1
US Contract Personnel	-	-	-	152.1	6.3	24.1	18.6	.3	62.0	83.0	1.0	83.0
FN Contract Personnel	5.2	15.0	.3	25.6	26.0	1.0	45.5(b)	38.0	1.1	20.7	20.0	1.0
Housing	87.9			142.1	13.4	10.6	116.0	16.9	6.9	184.2	22.0	8.4
Office Operations	663.4	XXXX	XXX	492.0	XXXX	XXX	633.6	XXXX	XXX	935.9(c)	XXXX	XXX
TOTAL REQUEST Δ	1635.8			1933.0			2259.4			2625.6		
Amount of Trust Fund Included in Total Requested (a)	695.2			140.3			63.6			30.5		

(a) TRUST FUND + US OWNED LOCAL CURRANCY

(b) Includes 45.7 (FNHH) + 6.8 (FN Contract) for proposed RIF BENEFITS

(c) Includes 30.0 for NON-PSC Support Contract increase

COST SUMMARIES	FY 81 AAMPL			FY 81 MINIMUM			FY 81 CURRENT		
	(\$000's)	RELATED WORKYRS.	UNIT COST	(\$000's)	RELATED WORKYRS.	UNIT COST	(\$000's)	RELATED WORKYRS.	UNIT COST
US Direct Hire	1724.0	27.0	63.8	1564.2	24.0	65.2	1724.0	27.0	63.8
FN Direct Hire	138.0	64.0	2.2	132.6	61.0	2.1	138.0	64.0	2.2
US Contract Personnel	65.0	1.0	65.0	65.0	1.0	65.0	65.0	1.0	65.0
FN Contract Personnel	22.8	22.0	1.0	19.7	19.0	1.0	20.7	20.0	1.0
Housing	164.1	23.0	7.1	150.5	22.0	6.8	164.1	23.0	7.1
Office Operations	912.3(c)	XXXX	XXX	904.9(c)	XXXX	XXX	912.3(c)	XXXX	XXX
TOTAL REQUEST Δ	3026.2			2836.9			3024.1		
Amount of Trust Fund Included in Total Requested (a)	30.6			30.6			30.6		

FY 80 Non-Expendable Property Procurement Plan
O/C 310, 311, 312 and 319

TABLE VIII(B)

Item No	D E S C R I P T I O N	NUMBER OF AVAILABLE UNITS			Units to be Purchased			Cost		Comments
		Warehouse	Issued	On order	Total	C	A	NR	Item	
	<u>319</u>									
1	Misc. Camping Supplies Tents									
	(a) 6 man	3	-	-	3	2	-	-	-	-
	(b) 4 man	5	-	-	5	3	-	-	1200	630
	(c) 2 man	5	-	-	5	5	-	-	-	-
2	Generator	6	13	-	19	-	6	-	24000	12600
3	Chain Saw	-	1	-	1	-	1	-	360	189
4	Airconditioner	1	11	-	12	-	4	-	960	504
5	Fan, Table Electric 16"	-	175	24	199	24	-	-	1440	756
6	Fan, Exhaust	-	37	-	37	6	-	-	312	160
7	Projector, Slide	2	-	-	2	-	1	-	192	101
8	Fan, Pedestal	-	26	-	26	-	12	-	504	264
9	Misc. Tools and Equipments	-	-	-	-	-	-	-	6000	3150
	Sub-total								34968	18354
	TOTALS								113016	46904

C = Replacement based on condition of item

A = Replacement based on age

AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION Nepal

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TABLE VIII(C)

International Operational Travel
(Line No. 52 of OE Budget - O/C 210)
FY 1980 - Mission Requested Travel

PURPOSE OF TRAVEL AND BUDGET

TRAVELER	Total Travel Cost	DESIGN		IMPLEMENTATION		EVALUATION		PROJECT RELATED		OTHER ADMINISTRATIVE	
		Number of Trips	Amount	Number of Trips	Amount						
1. USAID											
<u>Director</u>	3									1	3
To U. S.	4									2	4
To Other Points											
<u>All Other Staff</u>	38	4	15	1	4			3	10	3	9
To U.S.	15	1	2	3	8			3		3	5
To Other Points											
<u>Training</u>	19	1	4	2	2			2	5	5	8
<u>Invitational</u>											
2. Regional Offices											
<u>AAG/HS</u>	4			4	4						
Other (Specify)											
Regional Malaria Adviser											
Regional Contracting Officer	2									4	2
Regional Legal Ad.	2									4	2
3. AID/W Staff											
<u>ASIA/PD</u>	24	3	10	1	4			3	10		
<u>ASIA/PN</u>	4										
<u>ASIA/TR</u>	14	2	6					2	8		
<u>ASIA/DP</u>	2	1	2								
<u>DS/RAD</u>	7			2	7						
<u>DSB</u>	4	1	4								
Other AID/W	4									1	4
TOTAL OE FUND D	146	13	43	13	29	5	18	6	19	23	37

OPERATING EXPENSE BUDGET NARRATIVE

OVERVIEW

The USAID/N program increased from \$10.4 million (plus \$1 million equivalent in US-owned local currency) in FY 1978 to \$13.1 million (plus some \$2.4 million equivalent in US-owned local currency) in FY 1979. The FY 1980 program is projected at \$15 million (all appropriated dollars) followed by a projected program of \$20 million in FY 1981 (all references to FY 1981 in this narrative refer to the AAPL). Throughout the three-year period, the number of management intensive projects remains at a level between 18 and 21 with the number of low management intensive activities actually showing a net increase during FY 1980 and FY 1981 (see Table VI Supplement).

As was pointed out in the FY 1980 ABS, the high number of management intensive projects requires a relatively large work force to manage them. Moreover, many of the activities carried out under USAID/N's projects require extensive movement of project personnel to many remote areas. The time and travel required to adequately monitor these projects are reflected in the Operating Expense Budget requests for FY 1980 and FY 1981.

CAUSES OF INCREASE IN OE BUDGET

The total operating expense budget for FY 1980 is \$2,625,600; for FY 1981, the request is \$3,026,200. The causes for significant operating expense budget requests in FY 1980 and FY 1981 grow out of changes being effected during the last half of FY 1979. These changes are 1) increase in USDH in late FY 1979 with heavy movement of USDH personnel (Transfer to post, HL/RTP and HL/Transfer); 2) funding required for Reduction-in-Force benefits for Nepali national employees who would be affected by AID/W's and the Mission's decisions to reduce the local staff; 3) additional housing requirements for the increased USDH staff; 4) non-PSC support contracts for services following the RIF; and 5) increased office operations.

For USDH personnel, the FY 1979 operating expense budget increased by \$252,300 over FY 1978. The FY 1980 request is for \$106,300 over FY 1979, and the increase for FY 1981 is another \$355,200 over FY 1980.

The increase in USDH staff is consistent with the Agency's policy of increasing Missions' responsibilities for project design and approval. While we welcome the recent redelegation to the field of authority to review and approve projects with life-of-project funding up to \$5,000,000, we also realize the necessity to have in place adequate staff to carry out this responsibility. With the recent addition of several key officers (Agriculture Development Officer, Rural Area Development Officer, Capital Resources Development Officer, Program Officer, Engineer, Social Scientist/Anthropologist), we believe the Mission now has the capacity to adequately carry out these new responsibilities.

The housing increase in the budget (\$68,200 - FY 1980 over FY 1979) reflects the necessity to enter into two new leases for housing new USDH personnel and the purchase of furnishings for the houses. Also included in this increased amount is funding for replacement furnishings and equipment.

Office operations is another category that shows a significant increase in FY 1980 (\$172,300) and FY 1981 (\$248,000) over the FY 1979 budget request. A part of the increase (\$59,000 in FY 1980 and \$31,000 in FY 1981) is due to an increase in procurement of office supplies and equipment. However, the more significant increase in both years is due to an increased budget amount for international operational travel (\$146,000 in each FY). The budget request in this category is significantly higher than the FY 1979 allotment (\$81,000) because of the recent decision by the Deputy Administrator on 3/1/79 to eliminate the 30 day rule on TDY travel. Thus, we have budgeted to cover all travel of direct hire personnel for design, evaluation and implementation previously funded by AID/W. It should be pointed out that of the \$146,000 request, only \$79,000 or 54% is requested to cover travel by USAID/N personnel. \$59,000 (40.4%) of the budgeted amount covers travel by AID/W personnel, while the remainder will provide for travel by personnel from regional offices. It is noteworthy that the portion of the international operational travel budget requested to cover travel by USAID/N personnel is less than the funds actually allotted to the Mission for this purpose during FY 1979.

Finally, inflation accounts for an important part of the OE budget request increase. The requests reflect a 10% inflation factor for supplies, materials and equipment, and a 5% inflation factor for utilities. In addition, 10% has been added to cover increased transportation costs.

TRUST FUND

The operating expense budgets in the past (prior to FY 1980) combined US-owned local currency and trust fund monies and identified this combined figure as a part of the total OE budget request. However, beginning with FY 1980 strictly trust fund monies are identified since continued use of US-owned local currency generally will not be available beyond FY 1979.

IMPACT OF RESTRICTIONS ON PROGRAM IMPLEMENTATION

The PSC ceiling restriction initially presented a problem to USAID/N's project implementation efforts. At the beginning of FY 1979, a ceiling of \$12,600 was imposed on the Mission for purposes of contracting with PSCs. When it became known that the ceiling was clearly inadequate, USAID/N requested a higher PSC ceiling. The ceiling eventually was raised to \$20,700 which the Mission believes adequate for the remainder of the fiscal year. In the broad sense the imposition of a PSC ceiling has not been an insurmountable problem, but it has had a delaying effect on the Mission's ability to hire locally-available talents from time to time.

Travel restrictions have also affected project implementation at times. Prior to the Deputy Administrator's decision to eliminate the 30 day rule on TDY travel, missions were literally dependent on adequate planning outside their control when personnel were required for periods less than 30 days. In the case of Nepal, the effect was to limit the Mission's ability to utilize AID/W TDY officers for project development and design purposes when such requirements were for less than 30 days. Under the new rule, missions should be able to plan more adequately since funding for TDY trips is now budgeted by the office or mission that requests the service.

IMPACT OF BUDGET RESTRICTIONS ON NON-EXPENDABLE PROCUREMENT PLAN

The USAID/N non-expendable procurement plan, totalling \$159,920 (including transportation) is composed of all replacement items, except for one important category. The exception is to procure generators for residential use.

For the past several years there has been an increasingly severe electrical power shortage in the Kathmandu Valley. The population and demand for electrical power generation are simply increasing at a rate faster than power can be supplied. Given the current schedule for new power generation capacity to come on stream, we

anticipate an even greater power shortage over the next two years (through FY 1981). Thus, in order to adequately prepare for an expected increase in power generation problems, the Mission is preparing a comprehensive energy plan which will be completed shortly. The plan will take into account measures to insure adequate supplies of water, refrigeration and lights for USDH residences. We have budgeted for the procurement of energy-efficient appliances in FY 1980.

In the past, the requirement that AID/W prior approval be obtained before making purchases of \$500 or more had a dilatory effect on the Mission's procurement of non-expendable property. The Mission has no record of AID/W disapproval of such requests, and only rarely was additional justification requested. However, in several instances AID/W's approval took a considerable amount of time to arrive. In some cases, the delay resulted in price increases or in the necessity of having to relocate items following substantial delay in AID/W's response granting prior approval. Thus, the prior-approval process has been in many respects, more of a constraint on the procurement of non-expendable property than the budget itself.

MORE EFFICIENT UTILIZATION OF OE UNITS

USAID/N has taken two measures recently to make USDH employees less dependent on electrical power, especially in view of the rather bleak outlook for adequate electrical power in the Kathmandu Valley over the next several years. The Mission has completed plans to convert all residences from using electrical ranges to use of gas ranges. The latter not only has a more adequate fuel supply, but is also a more efficient energy user. Also in an effort to reduce the consumption of electrical power in USDH residences, the Mission is phasing out the use of Mission-supplied food freezers. These measures are expected to help increase the efficient use of funds required for energy consumption in residential homes.

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	DECISION UNIT 367 NEPAL											
	DECISION PACKAGE											
	NUMBER OF POSITIONS											
FY 1979	FY 1980			FY 1981			FY 1981			FY 1981		
	USDH	FNDH	USDH	FNDH	USDH	FNDH	Minimum	Current	AAPL	USDH	FNDH	FNDH
<u>EXECUTIVE DIRECTION</u>												
<u>Director's Office</u>												
1		1					1					
1		1					1					
2		2					2					
4		4					4					
<u>PROGRAM PLANNING</u>												
<u>Program Office</u>												
1		1					1					
1		1					1					
1		1					1					
1		1					1					
1		1					1					
1		1					1					
6		5					5					
<u>PROJECT DESIGN AND IMPLEMENTATION</u>												
<u>Project Design & Implementation Support Staff</u>												
1		1					1					
1		1					1					
1		1					1					
1		1					1					
4		4					4					

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	DECISION UNIT 367 NEPAL												
	DECISION PACKAGE												
	NUMBER OF POSITIONS												
	FY 1979			FY 1980			FY 1981			Current			
USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
<u>PROJECT DESIGN AND IMPLEMENTATION (CONT'D)</u>													
<u>Agriculture</u>													
1		1											
1		1											
1		1											
3		5											
Sub-total													
1		1											
1		1											
2		2											
Sub-total													
1		1											
1		1											
1		1											
1		1											
Sub-total													
1		1											
1		1											
1		1											
Sub-total													
2		2											
13		15											
Sub-total Project Design & Imp.													

*PASA

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1979 - 1981
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS												DECISION UNIT 367 NEPAL			
	FY 1979			FY 1980			FY 1981 Current			AAPL			DECISION PACKAGE			
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH
<u>FINANCIAL MANAGEMENT</u>																
<u>Controller's Office</u>																
Controller	1			1												
Sub-total Financial Management	1			1												
<u>MISSION SUPPORT</u>																
<u>Administrative Office</u>																
Executive Officer	1			1												
Personnel Officer																
General Services Officer	1			1												
Sub-total Administrative Support	2			2												
Total Increment	26			27										3		
Cumulative Total	26			27										28		

Decision Unit - 367 Nepal

SUPPORTING NARRATIVE ON POSITION
REQUIREMENTS

The ABS preparation comes at a time when USAID/N is faced with a Reduction in Force, mandated by AID/W, that will affect staffing levels of FNDH employees for FY 1979, 1980 and 1981. Since the Mission is awaiting AID/W advice on questions that bear directly on the Reduction in Force, it is not possible at this time to do a realistic work force analysis. Final decisions on FNDH staffing will be made in the coming months and at that time Tables V, VII, IX, V Narrative and IX Narrative will be revised following completion of the Mission's workload analysis. These revisions will be provided to AID/W prior to preparation of the Congressional Presentation.

TABLE X SPECIAL CONCERNS - ADDITIONAL PROJECTS

DECISION UNIT: 367 NEPAL

PROJECT NUMBER AND TITLE: 367-0102 Institute of Agriculture & Animal Sciences APPROPRIATION: Agriculture, Rural Dev. and Nutrition

CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981	CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981
LTPG	100 %	100 %					

PROJECT NUMBER AND TITLE: 367-0114 Integrated Cereals APPROPRIATION: Agr. RD & Nutrition

CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981	CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981
ATNL	100 %			LTPG	17 %		
				LTRN	2 %		

PROJECT NUMBER AND TITLE: 367-0134 Agriculture Resource Inventory - Nepal APPROPRIATION: Agr. RD & Nutrition

CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981	CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981
ATNL	100 %			ENVR	50 %		
				LTPG	10 %		

PROJECT NUMBER AND TITLE: _____ APPROPRIATION: _____

CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981	CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981

PROJECT NUMBER AND TITLE: 498-0251 Bio-Gas Research & Construction APPROPRIATION: Agr. RD & Nutrition

CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981	CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981
ENER	50 %	50 %		RPSA	50 %	50 %	

TABLE X SPECIAL CONCERNS - ADDITIONAL PROJECTS

DECISION UNIT: 367 NEPAL

PROJECT NUMBER AND TITLE:		APPROPRIATION:					
CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET
	1979 1980 1981		1979 1980 1981		1979 1980 1981		1979 1980 1981
	% % %		% % %		% % %		% % %

PROJECT NUMBER AND TITLE: 498-0251 Training in Agr. Research & Planning		APPROPRIATION: Agr. RD & Nutrition					
CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET
	1979 1980 1981		1979 1980 1981		1979 1980 1981		1979 1980 1981
RESA	50 % 50 %		% % %		% % %		% % %

PROJECT NUMBER AND TITLE:		APPROPRIATION:					
CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET
	1979 1980 1981		1979 1980 1981		1979 1980 1981		1979 1980 1981
	% % %		% % %		% % %		% % %

PROJECT NUMBER AND TITLE: 498-0251 Agro-Based Income Generation (CARE)		APPROPRIATION: Agr. RD & Nutrition					
CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET
	1979 1980 1981		1979 1980 1981		1979 1980 1981		1979 1980 1981
WID	% 100 %		% % %		% % %		% % %

PROJECT NUMBER AND TITLE: 367-0096 Population/Family Planning		APPROPRIATION: Population					
CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET	CONCERN CODE	PERCENTAGE OF BUDGET
	1979 1980 1981		1979 1980 1981		1979 1980 1981		1979 1980 1981
PARA	20 %		% % %		% % %		% % %

TABLE X SPECIAL CONCERNS - ADDITIONAL PROJECTS

DECISION UNIT: 367 NEPAL

PROJECT NUMBER AND TITLE: 498-0251 Volunteer Village Health Workers APPROPRIATION: Health

CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981	CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981
PARA	100%	100%	%		%	%	%

PROJECT NUMBER AND TITLE: 367-0138 Landslide & Soil Stabilization APPROPRIATION: Selected Dev. Activities

CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981	CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981
ENVR	%	100%	%		%	%	%

PROJECT NUMBER AND TITLE: APPROPRIATION:

CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981	CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981
	%	%	%		%	%	%

PROJECT NUMBER AND TITLE: APPROPRIATION:

CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981	CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981
	%	%	%		%	%	%

PROJECT NUMBER AND TITLE: APPROPRIATION:

CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981	CONCERN CODE	PERCENTAGE OF BUDGET 1979	PERCENTAGE OF BUDGET 1980	PERCENTAGE OF BUDGET 1981
	%	%	%		%	%	%

Decision Unit - 367 Nepal

P.L. 480 NARRATIVE

USAID/N does not currently envision a P.L. 480 Title I program or the use of P.L. 480 Title III commodities.

All P.L. 480 Title II activities in Nepal are administered by the World Food Program. USAID/N does not anticipate any change in the administration of P.L. 480 Title II commodities in the immediate future. However, recently we began discussions with CARE about the possible use of P.L. 480 Title II commodities -- that would be administered by CARE as food for work -- in connection with the Resource Conservation and Utilization project (367-0132) and the Rural Area Development - Rapati Zone project (367-0129). The Mission has also discussed the same possibility with the World Food Program. Discussions are still in the early stages in both cases.