

UNCLASSIFIED

Annual Budget Submission

FY 1990

Bureau for Private Enterprise

OFFICE OF INVESTMENT
OFFICE OF PROJECT DEVELOPMENT
OFFICE OF DEVELOPMENT PLANNING

June 1988



Agency for International Development
Washington, D.C. 20523

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ANNUAL BUDGET SUBMISSION

FY 1990

BUREAU FOR PRIVATE ENTERPRISE

JUNE 1988

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

UNCLASSIFIED

This ABS excludes the
Office of Housing

FY 1990 ANNUAL BUDGET SUBMISSION

BUREAU FOR PRIVATE ENTERPRISE

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OFFICE OF PROJECT DEVELOPMENT

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OFFICE OF DEVELOPMENT PLANNING

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AID PROGRAM IN FY 1990
TABLE 1 - LONG RANGE PLAN BY COUNTRY OR MAJOR PROGRAM AREA

BUREAU FOR PRIVATE ENTERPRISE

DECISION UNIT	FY 1987	FY 1988	FY 1989		FY 1990	PLANNING PERIOD			
	ACTUAL	ESTIMATE	CP	ESTIMATE	PROPOSED	1991	1992	1993	1994
INVESTMENT									
TOTALS:	16,131	4,600	9,300	9,200	9,800	4,549	4,592	4,532	4,670
DEVELOPMENT PLANNING									
TOTALS:	908	793	770	570	1,000	1,033	1,061	1,088	1,113
PROJECT DEVELOPMENT									
TOTALS:	14,301	10,435	11,020	11,020	11,300	14,462	14,866	15,233	15,539
BUREAU TOTAL									
TOTALS:	31,340	16,083	20,790	20,790	22,100	20,044	20,519	20,958	21,372

AGENCY FOR INTERNATIONAL DEVELOPMENT
 FY 1990 ANNUAL BUDGET SUBMISSION

TABLE 2 - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

BUREAU FOR PRIVATE ENTERPRISE

	FY 1987	FY 1988	---FY 1989---		FY 1990	-----PLANNING PERIOD-----			
	ACTUAL	ESTIMATE	CP	ESTIMATE	PROPOSED	1991	1992	1993	1994
AGRICULTURE, RURAL DEV. AND NUTRITION TOTALS:	8,066	6,059	11,131	11,131	10,900	9,998	10,214	10,413	10,601
POPULATION PLANNING TOTALS:	---	---	---	---	4,300	1,500	1,500	1,500	1,500
SELECTED DEVELOPMENT ACTIVITIES TOTALS:	8,124	6,074	9,659	9,659	6,900	5,546	3,805	9,045	9,271
SUBTOTAL FUNCTIONAL ACCOUNTS TOTALS:	16,190	12,133	20,790	20,790	22,100	20,344	20,519	20,958	21,372
PRIVATE SECTOR REVOLVING FUND TOTALS:	15,150	3,950	(8,500)	(8,500)	(8,300)	(3,000)	(3,000)	(3,000)	(3,000)
TOTAL DA ACCOUNTS TOTALS:	31,340	16,083	20,790	20,790	22,100	20,344	20,519	20,953	21,372

AID PROGRAM IN FY 1990
ANNUAL BUDGET SUBMISSION
TABLE V -PROPOSED PROGRAM
RANKING

Rank	Project	Title	New/ Cont	Loan/ Grant	Approp	Program Funding (\$000)	
						Incr	
1	9400002	Investment Packaging	0	L	FN	4300	4300
1	9400002	Investment Packaging	0	L	FN	4000	8300
2	9400008	Divestiture and Privatization	0	G	SD	1000	9300
2	9400008	Divestiture and Privatization	0	G	FN	1000	10300
3	9400014	Financial Sector Support	0	G	SD	450	10750
3	9400014	Financial Sector Support	0	G	FN	450	11200
4	9402028	Private Enterprise Dev Support	0	G	FN	1000	12200
4	9402028	Private Enterprise Dev support	0	G	SD	1000	13200
5	9400012	Intl Executive Service Corps (IESC)	0	G	SD	2500	15700
5	9400012	Intl Executive Service Corps (IESC)	0	G	FN	2500	18200
6	9402002	Investment Development and Packaging	0	G	SD	500	18700
6	9402002	Investment Development and Packaging	0	G	FN	500	19200
7	9400011	U.S. Trade/Tech	0	G	SD	500	19700
7	9400011	U.S. Trade/Tech	0	G	FN	500	20200
8	9405000	U.S. Private Sector Investment Abroad	0	G	SD	250	20450
8	9405000	U.S. Private Sector Investment Abroad	0	G	FN	250	20700
9	9400001	Program Development and Support	0	G	SD	500	21200
9	9400001	Program development and Support	0	G	FN	500	21700
10	9400015	Informal Sector Support	N	G	FN	200	21900
10	9400015	Informal Sector Support	N	G	SD	200	22100

FY 1990 ANNUAL BUDGET SUBMISSION
 TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

BUREAU FOR PRIVATE ENTERPRISE

939 INVESTMENT

	FY 1987	FY 1988	----FY 1989----	FY 1990	-----PLANNING PERIOD-----				
	ACTUAL	ESTIMATE	CP	ESTIMATE	PROPOSED	1991	1992	1993	1994
AGRICULTURE, RURAL DEV. AND NUTRITION									
TOTALS:	---	450	5,236	5,336	4,750	2,250	2,250	2,250	2,250
POPULATION PLANNING									
TOTALS:	---	---	---	---	4,300	1,500	1,500	1,500	1,500
SELECTED DEVELOPMENT ACTIVITIES									
TOTALS:	981	400	3,764	3,864	750	799	342	832	920
SUBTOTAL FUNCTIONAL ACCOUNTS									
TOTALS:	931	850	9,000	9,200	9,300	4,549	4,592	4,632	4,670
PRIVATE SECTOR REVOLVING FUND									
TOTALS:	15,150	3,950	---	---	---	---	---	---	---
TOTAL A.I.J. BILATERAL									
TOTALS:	15,131	4,800	9,000	9,200	9,300	4,549	4,592	4,632	4,670

FY 1990 ANNUAL BUDGET SUBMISSION
 TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION
 (\$000)

BUREAU FOR PRIVATE ENTERPRISE
 939 - INVESTMENT

APPROPRIATION ACCOUNT PROJECT NO. AND TITLE	FY 1988 ESTIMATE	--FY 1989-- CP ESTIMATE	FY 1990 PROPOSED
AGRICULTURE, RURAL DEV. AND NUTRITION			
9400002 INVESTMENT PACKAGING	---	4,936	4,936
9400002.60 UNION OF BOLIVIAN BANKS	30	---	---
9400002.73 DIAMOND TRUST OF KENYA	50	---	---
9402002 INVESTMENT DEVELOPMENT AND PACKAGING	370	250	500
9405000 U.S. PRIVATE SECTOR INVESTMENT ABROAD	---	---	100
APPROPRIATION TOTALS:	450	5,236	5,336
POPULATION PLANNING			
9400002 INVESTMENT PACKAGING	---	---	4,300
APPROPRIATION TOTALS:	---	---	4,300
SELECTED DEVELOPMENT ACTIVITIES			
9400002 INVESTMENT PACKAGING	---	3,514	3,514
9400002.60 UNION OF BOLIVIAN BANKS	30	---	---
9402002 INVESTMENT DEVELOPMENT AND PACKAGING	309	250	500
9405000 U.S. PRIVATE SECTOR INVESTMENT ABROAD	51	---	100
APPROPRIATION TOTALS:	400	3,764	3,664
FUNCTIONAL ACCOUNT TOTALS:	850	9,000	9,200
PRIVATE SECTOR REVOLVING FUND			
9400002 INVESTMENT PACKAGING	3,950	---	---
APPROPRIATION TOTALS:	3,950	---	---
DA ACCOUNT TOTALS:	4,300	9,000	9,200

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

939 - INVESTMENT
BUREAU FOR PRIVATE ENTERPRISE

PROJECT NUMBER AND TITLE				ESTIMATED U.S. DOLLAR COST (\$000)						
OBLIG S L	DATE INIT	-TOTAL COST-		OBLIG THRU FY 87	FY 87 PIPE- LINE	----FY 1983----		----FY 1989----		FY 90-- PROPOSED
		AUTH	PLAN			OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATION	EXPEND- ITURES	

AGRICULTURE, RURAL DEV. AND NUTRITION

940002	L 82 C	---	---	3,400	---	---	---	4,936	---	4,000
--------	--------	-----	-----	-------	-----	-----	-----	-------	-----	-------

940002.60	S 88 88	30	30	---	---	30	30	---	---	---
-----------	---------	----	----	-----	-----	----	----	-----	-----	-----

940002.73	S 88 88	50	50	---	---	50	50	---	---	---
-----------	---------	----	----	-----	-----	----	----	-----	-----	-----

9402002	S 85 C	---	---	144	---	370	200	250	250	500
---------	--------	-----	-----	-----	-----	-----	-----	-----	-----	-----

9405000	S 87 C	---	---	---	---	---	---	100	75	250
---------	--------	-----	-----	-----	-----	-----	-----	-----	----	-----

APPROPRIATION

TOTAL	90	90	8,544	---	450	230	5,336	325	4,750
GRANT	80	80	144	---	450	230	350	325	750
LOAN	---	---	8,400	---	---	---	4,936	---	4,000

POPULATION PLANNING

940002	L 85 C	---	---	---	---	---	---	---	---	4,300
--------	--------	-----	-----	-----	-----	-----	-----	-----	-----	-------

APPROPRIATION

TOTAL	---	---	---	---	---	---	---	---	---	4,300
GRANT	---	---	---	---	---	---	---	---	---	---
LOAN	---	---	---	---	---	---	---	---	---	4,300

SELECTED DEVELOPMENT ACTIVITIES

940002	L 82 C	---	---	2,350	2,500	---	2,500	3,514	---	---
--------	--------	-----	-----	-------	-------	-----	-------	-------	-----	-----

940002.60 UNION OF BOLIVIAN BANKS

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

939 - INVESTMENT
BUREAU FOR PRIVATE ENTERPRISE

PROJECT NUMBER AND TITLE				ESTIMATED U.S. DOLLAR COST (\$000)						
G L	OBLIG DATE INIT FIN	-TOTAL COST-		OBLIG THRU FY 87	FY 87 PIPE- LINE	FY 1988		FY 1989		FY 90 PROPOSED
		AUTH	PLAN			OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATION	EXPEND- ITURES	
9 88	88	30	30	---	---	30	30	---	---	---
9402002	INVESTMENT DEVELOPMENT AND PACKAGING									
9 85	C	---	---	1,160	483	309	300	250	250	500
9405000	U.S. PRIVATE SECTOR INVESTMENT ABROAD									
9 87	C	---	---	495	447	61	300	100	200	250
APPROPRIATION										
	TOTAL	30	30	4,508	3,430	400	630	3,264	450	750
	GRANT	30	30	1,650	930	400	630	350	450	750
	LOAN	---	---	2,850	2,500	---	---	3,514	---	---
FUNCTIONAL ACCOUNT										
	TOTAL	110	110	13,052	3,430	350	910	9,200	775	9,300
	GRANT	110	110	1,802	930	250	910	700	775	1,500
	LOAN	---	---	11,250	2,500	---	---	8,500	---	8,300
PRIVATE SECTOR REVOLVING FUND										
9400002	INVESTMENT PACKAGING									
L 82	C	---	---	60,050	39,879	3,950	13,110	---	14,500	---
APPROPRIATION										
	TOTAL	---	---	60,050	39,879	3,950	13,110	---	14,500	---
	GRANT	---	---	---	---	---	---	---	---	---
	LOAN	---	---	60,050	39,879	3,950	13,110	---	14,500	---
DA ACCOUNT										
	TOTAL	110	110	73,102	43,309	4,300	14,020	9,200	15,275	9,300
	GRANT	110	110	1,802	930	250	910	700	775	1,500
	LOAN	---	---	71,300	42,379	3,950	13,110	8,500	14,500	8,300
COUNTRY TOTAL										
	TOTAL	110	110	73,102	43,309	4,300	14,020	9,200	15,275	9,300
	GRANT	110	110	1,802	930	250	910	700	775	1,500
	LOAN	---	---	71,300	42,379	3,950	13,110	8,500	14,500	8,300

AID PROGRAM IN FY 1990
ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKING

DECISION UNIT 939 INVESTMENT

RANK	PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	APPROP	PROGRAM FUNDING (\$000)	
						INCR	CJM
1	9400002	INVESTMENT PACKAGING	0	L	FN	4300	4300
2	9400002	INVESTMENT PACKAGING	0	L	FN	4000	8300
3	9402002	INVESTMENT DEVELOPMENT AND PACKAGING	0	G	SD	500	8800
4	9402002	INVESTMENT DEVELOPMENT AND PACKAGING	0	G	FN	500	9300
5	9405000	U.S. PRIVATE SECTOR INVESTMENT ABROAD	0	G	SD	250	9550
6	9405000	J.S. PRIVATE SECTOR INVESTMENT ABROAD	0	G	FN	250	9800
TOTAL						9300	

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

BUREAU FOR PRIVATE ENTERPRISE

940 PROJECT DEVELOPMENT

	FY 1987 ACTUAL	FY 1988 ESTIMATE	---FY 1989--- CP ESTIMATE	FY 1990 PROPOSED	-----PLANNING PERIOD----- 1991 1992 1993 1994			
AGRICULTURE, RURAL DEV. AND NUTRITION TOTALS:	8,065	5,242	5,510	5,650	7,231	7,433	7,619	7,794
SELECTED DEVELOPMENT ACTIVITIES TOTALS:	5,235	5,243	5,510	5,650	7,231	7,433	7,619	7,795
SUBTOTAL FUNCTIONAL ACCOUNTS TOTALS:	14,301	10,485	11,020	11,300	14,462	14,866	15,238	15,589

FY 1990 ANNUAL BUDGET SUBMISSION
 TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION
 (\$000)

BUREAU FOR PRIVATE ENTERPRISE
 940 - PROJECT DEVELOPMENT

APPROPRIATION ACCOUNT PROJECT NO. AND TITLE	FY 1988 ESTIMATE	CP	FY 1989-- ESTIMATE	FY 1990 PROPOSED
--	---------------------	----	-----------------------	---------------------

AGRICULTURE, RURAL DEV. AND NUTRITION

9400004	INTL EXECUTIVE SERVICE CORPS (IESC)		2,530	---	---	---
9400008	DIVESTITURE AND PRIVATIZATION		1,250	1,125	1,125	1,000
9400011	U.S. TRADE/TECH		---	500	500	500
9400012	INTL EXECUTIVE SERVICE CORPS (IESC)		---	2,630	2,530	2,500
9400014	FINANCIAL SECTOR DEVELOPMENT		352	---	380	450
9400015	INFORMAL SECTOR SUPPORT		---	---	---	200
9402005	FINANCIAL MARKETS DEVELOPMENT		---	330	---	---
9402028	PRIVATE ENTERPRISE DEV SUPPORT		1,000	750	750	1,000
9402038	TRAINING DEVELOPMENT		---	125	125	---

APPROPRIATION TOTALS: 5,242 5,510 5,510 5,650

SELECTED DEVELOPMENT ACTIVITIES

9400004	INTL EXECUTIVE SERVICE CORPS (IESC)		2,370	---	---	---
9400008	DIVESTITURE AND PRIVATIZATION		1,307	1,125	1,125	1,000
9400011	U.S. TRADE/TECH		---	500	500	500
9400012	INTL EXECUTIVE SERVICE CORPS (IESC)		---	2,630	2,530	2,500
9400013	TRADE AND INVESTMENT SERVICES/IESC		250	---	---	---
9400014	FINANCIAL SECTOR DEVELOPMENT		326	---	380	450
9400015	INFORMAL SECTOR SUPPORT		---	---	---	200
9402005	FINANCIAL MARKETS DEVELOPMENT		37	330	---	---
9402028	PRIVATE ENTERPRISE DEV SUPPORT		943	750	750	1,000
9402038	TRAINING DEVELOPMENT		---	125	125	---

APPROPRIATION TOTALS: 5,243 5,510 5,510 5,650

FUNCTIONAL ACCOUNT TOTALS: 10,435 11,020 11,020 11,300

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

94J - PROJECT DEVELOPMENT
BUREAU FOR PRIVATE ENTERPRISE

PROJECT NUMBER AND TITLE				ESTIMATED U.S. DOLLAR COST (\$000)						
OBLIG G DATE L INIT FIN	AUTH	-TOTAL COST- PLAN	OBLIG THRU FY 87	FY 87 PIPE- LINE	FY 1983		FY 1989		FY 90-- PROPOSED	
					OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATION	EXPEND- ITURES		
AGRICULTURE, RURAL DEV. AND NUTRITION										
94J0003	VARIOUS COOP GRANTS									
3 85 87		13,544	13,544	13,544	3,553	---	3,553	---	---	---
94J0002	INVESTMENT PACKAGING									
3 82 C		500	600	600	37	---	37	---	---	---
94J0004	INTL EXECUTIVE SERVICE CORPS (IESC)									
3 7J 83		8,530	8,530	5,900	790	2,630	2,500	---	920	---
94J0008	DIVESTITURE AND PRIVATIZATION									
3 85 9J		2,526	4,651	1,276	1,073	1,250	1,000	1,125	1,125	1,000
94J0011	U.S. TRADE/TECH									
3 89 93		---	2,500	---	---	---	---	500	250	500
94J0012	INTL EXECUTIVE SERVICE CORPS (IESC)									
3 89 92		---	10,000	---	---	---	---	2,630	2,000	2,500
94J0014	FINANCIAL SECTOR DEVELOPMENT									
3 88 92		2,111	2,211	---	---	362	---	390	500	450
94J0015	INFORMAL SECTOR SUPPORT									
3 9J 94		---	5,000	---	---	---	---	---	---	200
94J0257	INTL. TRADE DEV. PROGRAM (NCBA)									
3 85 87		1,847	1,847	1,847	217	---	217	---	---	---
94J2005	FINANCIAL MARKETS DEVELOPMENT									
3 85 83		10	10	10	---	---	10	---	---	---
94J2028	PRIVATE ENTERPRISE DEV SUPPORT									
3 85 91		2,029	5,600	1,029	651	1,000	600	750	750	1,000

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

94J - PROJECT DEVELOPMENT
BUREAU FOR PRIVATE ENTERPRISE

PROJECT NUMBER AND TITLE				ESTIMATED U.S. DOLLAR COST (\$000)						
OBLIG S L	DATE INIT	-TOTAL COST- AUTH	PLAN	OBLIG THRU FY 87	FY 37 PIPE- LINE	---FY 1989---		---FY 1989---		--FY 90-- PROPOSED
						OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATION	EXPEND- ITURES	
94J2038		TRAINING DEVELOPMENT						125	100	
3 85	C									
94J5000		NATL YEAR OF THE AMERICAS (NYOTA)								
3 87	87	19	19	19	19		19			
APPROPRIATION										
	TOTAL	31,216	54,512	24,225	6,395	5,242	7,991	5,510	5,645	5,650
	GRANT	31,216	54,512	24,225	6,395	5,242	7,991	5,510	5,645	5,650
	LOAN									
HEALTH										
94J0002		INVESTMENT PACKAGING								
3 82	85	1,170	1,170	1,170	13		13			
94J0004		INTL EXECUTIVE SERVICE CORPS (IESC)								
3 70	83	300	300	300						
APPROPRIATION										
	TOTAL	1,470	1,470	1,470	13		13			
	GRANT	1,470	1,470	1,470	13		13			
	LOAN									
SELECTED DEVELOPMENT ACTIVITIES										
94J0002		INVESTMENT PACKAGING								
3 82	85	5,173	5,173	5,173	539		539			
94J0004		INTL EXECUTIVE SERVICE CORPS (IESC)								
3 70	88	54,265	54,265	51,895	3,760	2,370	4,000		2,130	
94J0008		DIVESTITURE AND PRIVATIZATION								
3 85	90	6,025	8,151	4,719	903	1,307	1,500	1,125	1,125	1,000
94J0011		U.S. TRADE/TECH								
3 89	93		2,500					500	500	500

AID PROGRAM IN FY 1990
ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKING

DECISION UNIT 940 PROJECT DEVELOPMENT

RANK	PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	APPROP	PROGRAM FUNDING (\$000)	
						INCR	CJM
1	9400012	INTL EXECUTIVE SERVICE CORPS (IESC)	0	G	SD	2500	2500
1	9400012	INTL EXECUTIVE SERVICE CORPS (IESC)	0	G	FN	2500	5000
2	9400008	DIVESTITURE AND PRIVATIZATION	0	G	SD	1000	6000
2	9400008	DIVESTITURE AND PRIVATIZATION	0	G	FN	1000	7000
3	9402023	PRIVATE ENTERPRISE DEV SUPPORT	0	G	FN	1000	3000
3	9402028	PRIVATE ENTERPRISE DEV SUPPORT	0	G	SD	1000	9000
4	9400011	J.S. TRADE/TECH	0	G	SD	500	9500
4	9400011	J.S. TRADE/TECH	0	G	FN	500	10000
5	9400014	FINANCIAL SECTOR DEVELOPMENT	0	G	SD	450	10450
5	9400014	FINANCIAL SECTOR DEVELOPMENT	0	G	FN	450	10900
5 *	9400015	INFORMAL SECTOR SUPPORT	N	G	FN	200	11100
5	9400015	INFORMAL SECTOR SUPPORT	N	G	SD	200	11300
TOTAL						11300	

New Project Narrative

Project Number: 940-0015
Project Title: Informal Sector Support
Life of Project Funding: \$10 Million
Proposed FY 1990 Obligation: \$400,000
Appropriation Account: Agriculture, Rural Development & Nutrition
Selected Development Activities

Major Development Problem to be Addressed

The "informal" business sector is a substantial provider of goods and services in A.I.D.-assisted countries and is in large part comprised of micro-enterprises that operate outside the realm of formal government and donor agency programs. Worldwide, development agencies have only recently begun to study the phenomena associated with the operation of the informal business sector. Therefore, programmatic attempts to harness the development potential of this sector are in their infancy. Nonetheless, ground breaking action/research, primarily in Latin America, strongly suggests that replicable programmatic methodologies exist which can add a powerful dimension to A.I.D.'s development portfolio.

Project Purpose

To create an institute whose goal is to assist informal sector businesses in their efforts to openly and efficiently gain access to factors of production, and to help remove restrictive barriers to establishing and operating small and micro-enterprises.

Preliminary Description

An unduly restrictive host government policy and regulatory environment makes it difficult for the informal sector to develop businesses, i.e., they lack easy access to capital, technology, improved management skills, and other basic inputs and services needed to expand markets, increase production and increase employment.

To provide an organizational focal point for A.I.D. and other donor efforts to unleash the potential productive capacity of the informal sector, a U.S. based center will be established to coordinate research, develop strategies, deliver technical services, and disseminate information aimed at reducing or eliminating the restrictive policies and regulations that force people to resort to legally unrecognized means to achieve legal economic goals.

The A.I.D.-sponsored center will draw upon the Latin American experience and take the lead in addressing the problems in Asia and Africa, where similar phenomena occur. The role of the proposed institute/center will be to conduct applied research and provide the underpinnings for a policy approach that relieves the market of unduly restrictive legal constraints surrounding the informal business sector.

FY 1990 ANNUAL BUDGET SUBMISSION
 TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

BUREAU FOR PRIVATE ENTERPRISE

945 DEVELOPMENT PLANNING

	FY 1987	FY 1988	----FY 1989----		FY 1990	-----PLANNING PERIOD-----			
	ACTUAL	ESTIMATE	CP	ESTIMATE	PROPOSED	1991	1992	1993	1994
AGRICULTURE, RURAL DEV. AND NUTRITION									
TOTALS:	---	367	385	295	500	517	531	544	557
SELECTED DEVELOPMENT ACTIVITIES									
TOTALS:	903	431	335	200	500	516	530	544	556
SUBTOTAL FUNCTIONAL ACCOUNTS									
TOTALS:	903	798	770	570	1,000	1,033	1,061	1,083	1,113

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION
(\$000)

BUREAU FOR PRIVATE ENTERPRISE
445 - DEVELOPMENT PLANNING

APPROPRIATION ACCOUNT
PROJECT NO. AND TITLE

FY 1988
ESTIMATE

---FY 1989---
CP ESTIMATE

FY 1990
PROPOSED

AGRICULTURE, RURAL DEV. AND NUTRITION

9400001	PROGRAM DEVELOPMENT AND SUPPORT	357	385	285	500
	APPROPRIATION TOTALS:	357	385	285	500

SELECTED DEVELOPMENT ACTIVITIES

9400001	PROGRAM DEVELOPMENT AND SUPPORT	431	385	285	500
	APPROPRIATION TOTALS:	431	385	285	500
	FUNCTIONAL ACCOUNT TOTALS:	798	770	570	1,000

AID PROGRAM IN FY 1990.
ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKING

DECISION UNIT 945 DEVELOPMENT PLANNING

RANK	PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	APPROP	PROGRAM FUNDING (0000)	
						INCR	CJM
1	9400001	PROGRAM DEVELOPMENT AND SUPPORT	0	0	50	500	500
2	9400001	PROGRAM DEVELOPMENT AND SUPPORT	0	0	50	500	1000
		TOTAL				1000	

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1990 ANNUAL BUDGET SUBMISSION
 Bureau for Private Enterprise
 Office of Development Planning

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1988		FY 1989		Reasons/Issues	Funding Source	(\$000) Amount	AID/W Person Days	Collateral Assistance
		Start	To	Start	To					
		(Qtr.)		(Qtr.)						
<u>Project Development</u>										
940-0008 Divestiture & Privatization DPE-0008-C-00-5058-00	6/87			2	3	Mid-Term review to assess impact and assist decision- making prior to end of funding cycle.	PD&S	80	10	Contractor
940-2028 Private Enterprise Development Support (PEDS) I and II PDC-2028-Z-00-7186-00	N/A			3	4	Impact assessment of project's first phase; mid-term review of second phase.	PD&S	80	10	Contractor
940-0257 Cooperative Business International (CBI) DPE-0257-A-00-5005-00	N/A	4			1	End-of-project evaluation	PD&S	80	10	Contractor
<u>INVESTMENTS</u>										
Guatemalan Commercial Financial Institutions 520-S-046	N/A			3	4	Mid-term review to assess impacts and identify any needed modifications.	PD&S	40	10	Contractor
Edesa S.A. Holding 698-S-020	N/A			3	4	" " "	PD&S	40	10	Contractor
Diamond Trust of Kenya 615-S-023	N/A			3	4	" " "	PD&S	40	10	Contractor

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1990 ANNUAL BUDGET SUBMISSION
 Bureau for Private Enterprise
 Office of Development Planning

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1988		FY 1989		Reasons/Issues	Funding Source	(\$000) Amount	AID/W Person Days	Collateral Assistance
		Start (Qtr.)	To	Start (Qtr.)	To					
<u>INVESTMENTS</u> (Continued)										
Societe Marocaine de Depot et Credit (SMDC) 608-S-045	N/A			3	4	" " "	PD&S	40	10	Contractor
ACCION Micro-lending Guarantee Pool 598-S-008	N/A	4			1	Mid-term review to assess impacts and identify any needed modifications.	PD&S	20	10	Contractor
Bank Niaga 497-S-090	N/A	4			1	" " "	PD&S	20	10	Contractor
Securitized Trade 277-S-160	N/A	4			1	" " "	PD&S	20	10	Contractor
Thai Venture Capital 493-S-045	N/A	4			1	Mid-term review to assess impacts and identify any needed modifications.	PD&S	20	10	Contractor
Thailand Livestock Meat Processing 493-S-040	N/A	4			1	" " "	PD&S	20	10	Contractor

BUREAU FOR PRIVATE ENTERPRISE
FY 1990 ABS

EVALUATION NARRATIVE

The evaluations scheduled in the revised plan presented in the PRE Bureau's FY 1989 ABS will be completed or underway in FY 1988. The schedule for FY 1988 was revised to include a brief assessment of the Financial Markets Development Project in order to contribute to Bureau decisionmaking regarding future direction of the project.

According to plan, evaluation of all of PRE's major grant projects will be completed before the end of FY 1988. Testing of the Bureau's monitoring and evaluation system for its Revolving Fund loan projects has continued, with a third set of loan case studies scheduled to begin during the summer of 1988. Implementation of the Revolving Fund monitoring system has progressed with completion of the automated data system and a second set of loan case studies during FY 1988.

The Bureau achieved an important step in dissemination of lessons learned from the loan evaluations with the development of a manual titled "Design and Management of Credit Projects for Small and Medium-Scale Enterprises." This set of guidelines was designed to assist Mission private sector officers in development of investment projects and is currently being distributed Agency-wide.

The Bureau's evaluation plan for FY 1989 calls for evaluation of two of the Bureau's central technical assistance projects, the Divestiture and Privatization Project and the Private Enterprise Development Support (PEDS) Projects. In addition, a fourth set of case studies of Revolving Fund loans is scheduled to commence in the fourth quarter of FY 1989.

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C 20523

JUN 21 1988

MEMORANDUM

TO: PFM/FM/BUD, Marcus C. Rarick

FROM: AA/PRE, Neal Peden ^{Original signed by}
Neal Peden

SUBJECT: FY 1990 Operating Expense Budget Request

REF: Your Memo date 5/16/88

Attached is the FY 1989 and FY 1990 Operating Expense Budget Request for the Bureau for Private Enterprise (PRE). It justifies the minimum funding levels required by the Bureau for travel, workforce, and miscellaneous services.

PRE is charged with providing intellectual leadership and policy guidance to the Agency effort to focus resources and implement projects in support of A.I.D.'s Private Sector Initiative. The Initiative provides an effective means for helping LDCs achieve durable growth through the use of market forces. To meet its responsibilities within the Initiative, PRE must serve as a center within the Agency for conceiving and designing innovative projects, and for implementing operational research activities.

The Operating Expense Budget level requested by PRE is that amount considered absolutely necessary to carry out its responsibilities under the Agency's Private Enterprise Initiative. The amounts requested reflect only a moderate increase over FYs 1987 and 1988 level even though PRE is planning two major new activities, i.e., a loan guarantee authority under the Revolving Fund that would expand its operation from around \$15 million to \$100 million per year, and a new project to link U.S. and foreign investors that will be management intensive in its initial stages.

Please call Roberta Gray, 647-7302, or Robert Friedline, 647-5623, if you have any questions or require additional information about the content of this budget request.

The Bureau for Private Enterprise (PRE) provides the intellectual, conceptual, and operational research residence for the Private Enterprise Initiative. In addition to ideas and policy formulation, PRE carries out operational activities which test and evaluate project concepts, and implement a range of private sector oriented projects which provide services best administered on a centralized basis, e.g., direct investments, guaranties on private investments, and expert technical assistance.

PRE projects must be designed and carried out in collaboration with A.I.D. field missions. The breadth of the geographic coverage and collaboration required is expanding in direct proportion to the increased range of services being provided through the Revolving Fund and the growth of PRE's portfolio of centrally administered projects. The success of the Private Sector Initiative will be directly affected by the levels of Operating Expenses provided to assure that sufficient numbers of PRE professionals, with the requisite specialized training, receive the travel funds and other required resources necessary for the successful design and management of their assigned project portfolios.

Travel

The travel funds requested in FYs 1989 and 1990 (\$180,000 and \$190,000, respectively) represent the minimum funding needed, even though PRE's programs will be expanding, and additional countries will be participating in them, e.g., increased travel is expected as part of the Bureau's planned enhancement of its Africa portfolio and two new programs starting in FY 1989 (additional loan guarantee authority through the Revolving Fund and investment promotion).

Workforce

PRE has authorized ceilings for fifty-one (51) full-time positions*, fifteen (15) of which are allocated to the Office of Housing and Urban Programs. The remaining thirty-six (36) full-time positions (including professional and support staff) are allocated among: (1) the Office of the Assistant Administrator, (2) the Office of Development Planning, (3) the Office of Investment,

*Expenses for the Office of Housing and Urban Programs (HUP) are not charged against A.I.D.'S Operating Expense Budget. HUP's Operating Expense narrative and budget tables will be submitted separately.

4) the office of Project Development, and (5) the Administrative Office. With this limited number of ceilings, PRE continues to be the smallest A.I.D. Bureau.

Despite the small size of PRE, it is responsible for an ever increasing array of innovative and complex programs with the following organizational assignment of responsibilities:

The Office of Development Planning serves as a staff coordinator for the programs and projects undertaken by the Bureau. It is responsible for the design, analysis, development, implementation, budgeting, and evaluation of Bureau strategies and policies that encourage and influence changes in the private enterprise sectors of developing countries assisted by A.I.D. by maintaining contact with A.I.D. regional bureaus, other bilateral donor agencies, Multilateral Development Banks and the private sector.

The Office of Investment is responsible for the identification, development, and management of highly innovative investment banking activities under the Revolving Fund, and several non-Revolving Fund projects. The professional staff of this Office require special "investment banker" skills not present in any other unit of the Agency. Because the recruitment of individuals with these types of skills is difficult, and the Agency has so few of them, those few available to the Agency must cover the gamut of A.I.D. geographical operations. In turn, this generates special communication and travel requirements, which may also be unique within the Agency.

The Office of Project Development, is responsible for developing and managing innovative projects that promote expanded business activity in A.I.D. assisted countries. This includes improving the business climate, improving access to financial capital, divestiture of state owned enterprises and trade and investment development. In addition it is charged with assessing the viability and development impact of continuing and new activities, and finding mechanisms for replicating successful activities more broadly throughout A.I.D. field mission programs.

As stated in previous budget submissions, PRE is confronted with substantially increasing workload requirements by such new or expanded activities as the following:

- Increased involvement in Regional Bureau and LDC policy development
- Rising demand by USAIDs for increased PRE support services in such areas as financial markets, privatization, US trade and technology, etc.
- Enactment of PL 480 Section 108 and the Private Sector Guaranty Authority
- The identification by the GAO and various management operations assessment teams of priority action areas requiring Bureau response

Fully recognizing that this is not the mechanism through which a request for an increase in our full-time ceiling allocation is made, we nevertheless feel compelled to point out the fact that PRE's long standing contention that this Bureau is severely under staffed has been borne-out by several management assessments conducted by groups outside of PRE including a GAO audit. The agency should give serious consideration to these findings.

Needless to say, any reduction in current ceilings, would alter our ability to administer and provide intellectual and operational leadership to the Agency's private enterprise program.

In order to meet the critical staffing needs of the Bureau, PRE will continue to require consultant assistance in FYs 1989 and 1990. Consultant workdays will be required to provide guidance to PRE on the overall policy framework and operation of the Bureau's Investment Revolving Loan Fund, and the budgetary process of the Bureau's grant-funded portfolio.

Again, because of the very limited full-time ceilings allocated to the Bureau, PRE continuously seeks ways to augment its work force. With only 7 full-time support staff assigned to the Bureau, our only recourse is to seek relief through the allocation of non-FTEPT positions. Needless to say, the present allocation of .08 (excluding PRE/H) work years is insufficient for our needs.

Miscellaneous Services

PRE's Miscellaneous Services Budget request of \$93,000 for FY 1989 and \$89,000 for FY 1990 includes full funding by PRE for an Office Systems Administrator. PRE has a mandate from SER/IRM to ensure the proper maintenance of the considerable ADP and word-processing equipment now allocated to PRE, and PRE's current staff ceilings are not sufficient to allow for the allocation of a critically needed full-time ceiling to this activity. It is anticipated that the move of PRE/H in October 1988 to SA-2 where an IRM Service Center will be operational will result in the withdrawal of PRE/H funding and the need for the Bureau to fund all of the costs of this contractual service.

This need, of course, is in addition to the Bureau's requirement for publications and reference materials that enable the specialized personnel of the Bureau to keep abreast of current activities and advancements in the dynamically active field of private enterprise development. Similarly, funding is required to finance such activities as 1) technical conferences and workshops and 2) specific analyses and management Studies

BUDGET SUMMARY

SCHEDULE II

Bureau for Private Enterprise
(Dollars in Thousands)

----- Funding Summary -----				
__CATEGORY__	FY 1987 ACTUAL	FY 1988 ESTIMATED	FY 1989 REQUEST	FY 1990 REQUEST
T500 Travel	144.7	163.3	180	190
T900 Special Travel: ^{1/}	5.3	2.0	-	-
V900 Miscellaneous Services	86.0	37.5	93	89
TOTAL	236.0	202.8	273.	279.

----- Workforce Summary -----								
__CATEGORY__	FY 87 ACTUAL		FY 88 ESTIMATE		FY 89 ESTIMATE		FY 90 ESTIMATE	
	On Brd.	FTE	Pos.	FTE	Pos.	FTE	Pos.	FTE
FTEPT	51	46.2	51	51.0	51	51.0	51	45.0 ^{2/} (51)
Non-FTEPT *		2.1		2.4		2.4		2.4
TOTAL FTE		48.3		53.4		53.4		53.4

* For FY 1988 through FY 1990, excludes workyears associated with experts/consultants.

Expert/Consultant Days	33	80 ^{3/}	130	130
Overtime Hours	133	150	300	300

^{1/} National year of the Americas. Budget request/justification not submitted by PRE Bureau.

^{2/} In absence of explanation, assume reduction in FY 90 FTE estimate was in error.

^{3/} Correct consultive mandays for FY 88 is 190 days.

TRAVEL

SCHEDULE IV

BUREAU/OFFICE - PRE (Excluding Housing)
 (Dollars in Thousands)

FUNCTION CODE - DESCRIPTION	FY 1987 ACTUAL		FY 1988 ESTIMATE	
	TRIPS	AMOUNT	TRIPS	AMOUNT
T511 - Site Visits Proj. Design/Dev.	17	41	12	46
T514 - Site Visits Proj. Imp.	1	4	8	18
T517 - Site Visits Proj. Rev./Eval.	17	22	13	35
T530 - Site Visits for Adain. Support	-	-	-	-
T551 - Info. Mtgs. - Prog./Proj.	18	40	14	34
T552 - Info. Mtgs. - Non-Prog./Proj.	-	-	4	1
T553 - Speeches and Presentations	11	6	11	17
T554 - Conf. Attend. - Prog./Proj.	9	19	3	10
T555 - Conf. Attend. - Non-Prog./Proj.	4	1	-	-
T560 - Invitational Travel	-	-	-	-
T570 - Travel of Exp./Consult.	-	-	-	-
T581 - Advisory Com. - Exp./Consult.	-	-	-	-
T582 - Other Advisory Committee Travel	-	-	-	-
T591 - Orientation Travel	-	-	-	-
T592 - All Other Travel	3	1	17	2
TOTAL	80	134	82	163

TRAVEL

SCHEDULE IV

BUREAU/OFFICE - PRE (Excluding Housing)
(Dollars in Thousands)

FUNCTION CODE - DESCRIPTION	FY 1989 REQUEST		FY 1990 REQUEST	
	TRIPS	AMOUNT	TRIPS	AMOUNT
T511 - Site Visits Proj. Design/Dev.	14	54	16	64
T514 - Site Visits Proj. Imp.	11	27	13	37
T517 - Site Visits Proj. Rev./Eval.	13	35	11	25
T530 - Site Visits for Admin. Support	-	-	-	-
T551 - Info. Mtgs. - Prog./Proj.	14	34	14	34
T552 - Info. Mtgs. - Non-Prog./Proj.	4	1	4	1
T553 - Speeches and Presentations	11	17	11	17
T554 - Conf. Attend. - Prog./Proj.	3	10	3	10
T555 - Conf. Attend. - Non-Prog./Proj.	-	-	-	-
T560 - Invitational Travel	-	-	-	-
T570 - Travel of Exp./Consult.	-	-	-	-
T581 - Advisory Comm. - Exp./Consult.	-	-	-	-
T582 - Other Advisory Committee Travel	-	-	-	-
T591 - Orientation Travel	-	-	-	-
T592 - All Other Travel	15	2	15	2
TOTAL	85	180	87	190

MISCELLANEOUS SERVICES

SCHEDULE V - Part II

Page 1 of 2

BUREAU/OFFICE - PRE (Excluding Housing)
(Dollars in Thousands)

FUNCTION CODE -	PURPOSE/DESCRIPTION OF SERVICE	FY 1987 ACTUAL FUNDING PER. OF SVC.	FY 1988 ESTIMATE FUNDING PER. OF SVC.
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V910 - Manpower Contracts

V919 -	Moderator for PRE Retreat	2	11/23-25, 1986	-
	- Office Systems Administrator	21	4/87-3/88	20
	Sub-Total V910	23		20

V930 - Conference, Meeting, Seminars

V932 -	PRE Retreat	7	11/23-25/86	3
V933 -	Investment Banking/Credit Analysis Seminar	-	-	10
	Sub-Total V930	7		13

V940 - Books, Subscriptions, Publications

V943 -	Newspapers/Magazines Subscriptions	1	10/1/86-9/30/87	1
V949 -	All other Books Subscriptions/Publications	2	10/1/86-9/30/87	3
	Sub-Total V940	3		4

Sub-Total Page 1 of 2

--33.0

---37.0

MISCELLANEOUS SERVICES

SCHEDULE V - Part II

Page 2 of 2

BUREAU/OFFICE - PRE (Excluding Housing)
(Dollars in Thousands)

FUNCTION	FY 1987 ACTUAL	FY 1988 ESTIMATE
CODE - PURPOSE/DESCRIPTION OF SERVICE	FUNDING PER. OF SVC.	FUNDING PER. OF SVC.

V950 - Special Studies and Analysis

V951 - Management Analysis and Assessment relative to PRE's Programmatic and Organizational relationship to the Agency	20	1/87-5/87	-	-
- Assessment of A.I.D.'s Private Enterprise Initiative and Recommendations for further institutionalization in A.I.D.	24	3/87-5/87	-	-
	<u>44</u>			

V990 - Other Miscellaneous Services

- Close out of PRE Feasibility Study Program	3	8/87	-	-
- Development of Case Studies for Private Enterprise Course	7	9/87-5/88	-	-
	<u>10</u>			

Sub-Total Page 2 of 2	---	54.0	---	---
SUB-TOTAL MISC. SERVICES - PART II	---	87.0	---	37.0
SUB-TOTAL MISC. SERVICES - PART I	---	---	---	---
TOTAL MISCELLANEOUS SERVICES	---	87.0	---	37.0

MISCELLANEOUS SERVICES

SCHEDULE V - Part II

Page 1 of 2

BUREAU/OFFICE - PRE (Excluding Housing)
(Dollars in Thousands)

FUNCTION		FY 1989 REQUEST		FY 1990 REQUEST	
CODE	PURPOSE/DESCRIPTION OF SERVICE	FUNDING	PER. OF SVC.	FUNDING	PER. OF SVC.

V910 - Manpower Contracts

V-919	- Moderator for PRE Retreat	2	11/88	2	11/89
	- Office Systems Administrator	60	1/89-9/89	65	10/89-9/90
	Sub-Total V910	62		67	

V930 - Conferences, Meetings, Seminars

V932	- PRE Retreat	4	11/89-12/89	5	11/90-12/90
V933	- Investment Banking/Credit Analysis Seminar	10	7/89-8/89	10	7/90-8/89
	Sub-Total V930	14		15	

V940 - Books, Subscriptions, Publications

V943	- Newspapers, Magazines, Subscriptions	1	10/1/88-9/30/89	1	10/1/89-9/30/90
V949	- All other Books, Subscriptions, Publications	2	10/1/88-9/30/89	2	10/1/89-9/30/90
	Sub-Total V940	3		3	

Sub-Total Page 1 of 2

79.0

85.0

MISCELLANEOUS SERVICES

SCHEDULE V - Part II

Page 2 of 2

BUREAU/OFFICE - PRE (Excluding Housing)
(Dollars in Thousands)

FUNCTION	FY 1989 REQUEST		FY 1990 REQUEST	
CODE - PURPOSE/DESCRIPTION OF SERVICE	FUNDING	PER. OF SVC.	FUNDING	PER. OF SVC.

V950 - Special Studies and Analysis

V951 - Assessment of A.I.D. Private Sector Officer Training Requisites and recommendations for in-service and/or academic Training	10	10/89-12/89	-	
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Sub-Total V950 10 -

V990 - Other Miscellaneous Services

- Update of PRE Brochures and Progress Report	4	10/1/88-9/30/89	4	10/1/89-9/30/9
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Sub-Total V990 4 4

Sub-Total Page 2 of 2 14.0 4.0

SUB-TOTAL MISC. SERVICES - PART II 93.0 89.0

SUB-TOTAL MISC. SERVICES - PART I - -

TOTAL MISCELLANEOUS SERVICES 93.0 89.0

ANNUAL BUDGET SUBMISSION, FY 1990 :

PD-AAAX-816

BUREAU FOR PRIVATE ENTERPRISE -- OFFICE

1 OF 1 (24X)

1988

ANNUAL BUDGET SUBMISSION