PD-AAY-413

Annual Budget Submission

FY 1990

BURMA

July 1988

Agency for International Development
Washington, D.C. 20523

BEST AVAILABLE

AID/BURMA
FY 1990 ANNUAL BUDGET SUBMISSION

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Note: Neither of the two new projects described in the following pages is included in the FY 1990 Burma program budget. We do not have adequate budget to finance them.

We include them in the ABS in order that:

(1) AID/Washington offices will have opportunity to see where our preliminary outyear planning seems to be leading;

(2) we may benefit, early on, from feedback which the Bureau may provide with regard to the projects; and

(3) we may begin to position the projects for possible "shelf" funding in FY 1990.

We welcome comments.

FY 1990 ANNUAL BUDGET SUBMISSION

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

482 BURMA

	FY 1987 ACTUAL	FY 1988 ESTIMATE	--FY 1989-- CP	ESTIMATE	FY 1990 AAPL	-------PLANNING PERIOD------- 1991	1992	1993	1994
AGRICULTURE, RURAL DEV. AND NUTRITION									
TOTAL	5500	5475	5985	5960	4965	4920	5000	4500	4500
GRANTS	5500	5475	5985	5960	4965	4920	5000	4500	4500
LOANS	-	-	-	-	-	-	-	-	-
POPULATION PLANNING									
TOTAL	-	-	-	-	-	-	-	-	-
GRANTS	-	-	-	-	-	-	-	-	-
LOANS	-	-	-	-	-	-	-	-	-
HEALTH									
TOTAL	1500	3550	-	-	2035	2095	1500	2000	2000
GRANTS	1500	3550	-	-	2035	2095	1500	2000	2000
LOANS	-	-	-	-	-	-	-	-	-
EDUCATION									
TOTAL	1000	1475	1015	1040	500	985	1500	1500	1500
GRANTS	1000	1475	1015	1040	500	985	1500	1500	1500
LOANS	-	-	-	-	-	-	-	-	-
SELECTED DEVELOPMENT ACTIVITIES									
TOTAL	-	-	-	-	-	-	-	-	-
GRANTS	-	-	-	-	-	-	-	-	-
LOANS	-	-	-	-	-	-	-	-	-
SUBTOTAL FUNCTIONAL ACCOUNTS									
TOTAL	8000	10500	7000	7000	7500	8000	8000	8000	8000
GRANTS	8000	10500	7000	7000	7500	8000	8000	8000	8000
LOANS	-	-	-	-	-	-	-	-	-
INTERNATIONAL DISASTER ASSISTANCE									
TOTAL	-	-	-	-	-	-	-	-	-
GRANTS	-	-	-	-	-	-	-	-	-
LOANS	-	-	-	-	-	-	-	-	-
TOTAL DA ACCOUNT									
TOTAL	8000	10500	7000	7000	7500	8000	8000	8000	8000
GRANTS	8000	10500	7000	7000	7500	8000	8000	8000	8000
LOANS	-	-	-	-	-	-	-	-	-

ECONOMIC SUPPORT FUND									
TOTAL	-	-	-	-	-	-	-	-	-
GRANTS	-	-	-	-	-	-	-	-	-
LOANS	-	-	-	-	-	-	-	-	-
DA AND ESF TOTAL									
TOTAL	8000	10500	7000	7000	7500	8000	8000	8000	8000
GRANTS	8000	10500	7000	7000	7500	8000	8000	8000	8000
LOANS	-	-	-	-	-	-	-	-	-
PL 480									
TITLE I		-	-	-	-	-	-	-	-
TITLE III		-	-	-	-	-	-	-	-
TITLE II		-	-	-	-	-	-	-	-
HOUSING GUARANTIES									
	-	-	-	-	-	-	-	-	-

NOTE: This table includes funding provided under Burma Operating Year Budgets under both bilateral and non-bilateral projects. See Table IV for details.

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FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 1
FORESTRY

482 - Burma

APPROPRIATION ACCOUNT PROJECT NO.	TITLE	L/G	LIFE OF PROJECT	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 AAPL
Agriculture, Rural Dev. and Nutrition						
482-0007	Burma Agricultural Production	G	45	15	15	-
	Appropriation Total		45	15	15	-
	Country Total		45	15	15	-

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FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 2
INTEGRATED RESOURCE MANAGEMENT

482 - Burma

APPROPRIATION ACCOUNT PROJECT NO.	TITLE	L/G	LIFE OF PROJECT	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 AAPL
Agriculture, Rural Dev. and Nutrition						
482-0007	Burma Agricultural Production	G	1,546	531	407	306
	Water Management					
	Technical Assistance	G	(270)	(105)	(60)	(60)
	Training	G	(238)	(78)	(66)	(40)
	Pest Management					
	Technical Assistance	G	(195)	(60)	(60)	(45)
	Training		(624)	(223)	(145)	(134)
	Soil Management					
	Technical Assistance	G	(45)	(15)	(15)	(15)
	Training	G	(174)	(50)	(61)	(12)
482-0012	Burma Agriculture Research and Development	G	1082	438	368	274
	Water Management					
	Technical Assistance	G	(120)	(60)	-	-
	Training	G	(62)	(25)	(25)	(12)
	Commodities	G	(52)	(27)	-	-
	Pest Management					
	Technical Assistance	G	(210)	(60)	(75)	(75)
	Training		(366)	(161)	(163)	(150)
	Soil Management					
	Technical Assistance	G	(60)	(30)	(30)	-
	Training	G	(212)	(75)	(75)	(37)
	Appropriation Total		2,628	969	775	580
Education						
398-0354	Burma Regional Development Training*	G	(125)	(50)	(50)	-
	Country Total		2,628	1019	825	580

*AID/Burma includes here as a non-add item the contributions of the Burma Regional Development Training Project to integrated resource management. The project's contribution to training in park administration and development and coastal areas fisheries is significant, and it is unlikely that these contributions would be reported by the regional bureau in its submission.

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FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 3
BIOLOGICAL DIVERSITY

482 - Burma

APPROPRIATION ACCOUNT PROJECT NO.	TITLE	L/G	LIFE OF PROJECT	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 AAPL
Education						
398-0354	Burma Regional Development Training*	G	(125)	(50)	(50)	-

*AID/Burma lists here as a non-add item funding from the Burma Regional Development Training Project which supports biological diversity. The project contributes to training in park administration and is the mechanism through which AID/Burma supports efforts of the U.S. National Park Service and the World Wildlife Fund to preserve and extend protected areas in Burma. These contributions probably will not be reported by the regional bureau in its submission.

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FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 4
CHILD SURVIVAL

482 - Burma

APPROPRIATION ACCOUNT PROJECT NO.	TITLE	L/G	LIFE OF PROJECT	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 AAPL
Health						
482-0004	Primary Health Care II	G	932	20	200	-
	Immunization	G	-	-	-	-
	Oral Rehydration Therapy	G	-	-	-	-
	Nutrition		-	-	-	-
	High Risk Births		-	-	-	-
	Other CS Functions	G	(932)	(20)	(200)	-
482-0013	Quality Care for Child Survival	G	2,595	1,050	1,070	574
	Immunization	G	(1,813)	(909)	(749)	(154)
	Oral Rehydration Therapy	G	(177)	(30)	(104)	(43)
	Nutrition		-	-	-	-
	High Risk Births		-	-	-	-
	Other CS Functions	G	(605)	(111)	(217)	(377)
	Appropriation Total		3,527	1,070	1,270	574
Child Survival						
	Appropriation Total		-	-	-	-
	Country Total		3,527	1,070	1,270	574

NOTE: Figures used under the category "Other CS Functions" represent amounts equal to approximately 10% of those projected for general primary health care support in Burma. Children under 5 years old make up about 10% of Burma's population.

Doc:ABS90P#10

BURMA AGRICULTURE RESEARCH AND DEVELOPMENT PROJECT (PHASE II)

Purpose: Phase II will further strengthen the agricultural research system in Burma, with emphasis on crop diversification and sustainable improvement of agricultural systems.

Project Description: AID began its support to the agricultural research system in 1986 through the BARD I project. The purpose of that project is to strengthen the capability of the Agricultural Research Institute (ARI) in Yezin, to plan, organize and carry out production-oriented research in maize, oilseed and other selected crops. Technical assistance, training and equipment are being provided to ARI and four small satellite research farms to improve the appropriateness, design and quality of research projects and to make research more reliable through better land preparation. Laboratory and farm equipment, and library materials, are being provided. BARD I will end on 09/30/91. It's mid-term evaluation is scheduled for September, 1988.

BARD II will continue the institutional development work of BARD I. It will provide technical assistance in research administration and in selected technical fields, degree and non-degree training in selected technical fields, and some equipment needed for the expansion of ARI's satellite farms in different agro-climatic zones of the country. It will also address two or more special topics or constraints associated with crop diversification away from rice, and will stress environmental and sustainability issues in all that is does.

Relationship of the Project to AID's Country Strategy: The project will be the principal vehicle for assisting Burma to develop an institution which is fundamental to AID's objective of promoting agricultural diversification and economic growth. The project will focus on non-rice crops, including agro-forestry, while emphasizing solutions to problems and issues of sustainability, decentralization, diversification and trade liberalization. The project will build on earlier AID investments and will provide a substantive focus for dialogue with the GOB on agricultural policy issues.

Host Country and Other Donors: The project will require the GOB to increase resources allocated to agricultural research. Japanese, German, British and World Bank, UNDP/FAO resources are and will be applied to meeting needs for related infrastructural and equipment support.

Beneficiaries: Direct beneficiaries will be the Burma farmers who adopt new cash crops. Indirect beneficiaries will be those farmers who continue to grow rice in less saturated market, and produce marketers who will benefit from increased sales in expanding diversified markets.

Budget:

	$000
Technical Assistance (4 person yrs)	800
- (40 person mon consultants)	600
Training - (20 M.Sc. Philippines)	600
- (5 Ph.D. U.S.)	500
- 30 Short Courses	300
Equipment and Materials	1,500
Specific Programs	2,500
Evaluation	150
Contingency/Inflation (20%)	1,390
Total	$8,340

Burma Maternal and Child Health Project (Grant)
FY 1991 - FY 1995

Purpose

The purpose of the project is to reduce morbidity and mortality among infants, young children and pregnant women caused by immunizable and diarrheal diseases, malnutrition and malaria.

Project Description

The Burma Maternal and Child Health (BMCH) Project interlinks with successful USAID/Burma assistance in the Primary Health Care I (PHC-I), Primary Health Care II (PHC-II) and Quality Care for Child Survival (QCCS) projects and directly addresses Burmese national priority issues of infant and child mortality and maternal mortality.

Major project activities will include support to (1) Expanded Program of Immunization (EPI) through provision of vaccines and supplies; (2) training support for volunteer village workers and basic health workers in the effective use of ORS, immunization, nutrition surveillance and health education; (3) malaria control through use of anti-malarials, specialized training of field staff and introduction of simple source reduction methodologies; and (4) increased local training in the management and supervision of the health delivery services including health information systems.

This project will build upon management, decentralization and data management programs developed under predecessor projects to focus its support on areas of the country where the highest Infant Mortality Rates (IMR) and Maternal Mortality Rates (MMR) occur. Project objectives will be accomplished in part through training of approximately 500 public health personnel in epidemiological surveillance, increased use of public health data at the local level, as well as training or retraining of up to 6,000 village health volunteers to promote community health participation. Efforts will also be made to increase private medical officer's participation in national immunization, nutrition, ORT and vector-borne disease activities through a series of workshops and by mass media approaches. Operational research in recovering recurrent costs of health services will be initiated and evaluated over the LOP in selected areas (townships).

By the end of the project it is expected that areas of the country where IMR and MMR are the highest will be employing additional and increased health measures to reduce these rates.

Relationship of A.I.D. Country Strategy

This project is in accord with stated A.I.D. assistance goals to meet basic health deficiencies (especially infant and child mortality). The BMCH project directly relates to the Agency's approved health policy and stated objectives for health assistance and operational research.

AID/Burma's country strategy includes assistance for the development of the national primary health care infrastructure, emphasis on preventive rather than curative programs and effective delivery of needed health services to all areas of Burma. The BMCH project is specifically focused on assisting the SRUB to develop its health infrastructure to provide services to those segments of the population most in need - infants, children under five and pregnant women- and to those areas of the country in which basic health services are most needed through the public as well as the private sectors.

Host Country and Other Donors

The SRUB Peoples Health Plan (PHP-III) for 1986-1990 directs that health service emphasis be given to MCH activities through immunization, nutrition, malaria control, increased use of ORT and provision of services to meet major health problems of women, infants and children. During its development this project will be carefully synchronized with PHP-IV objectives, goals and timeframe. The BMCH project will coordinate and integrate its activities not only with SRUB/DOH goals and objectives, but also with WHO and UNICEF health assistance by supporting needed local training, health services and operational research which are not being provided or being incompletely provided by the SRUB or the donor community at the present time.

Beneficiaries

The primary beneficiaries of the project are Burma's mothers, infants and 1 to 5 year old children and their families.

Project Costs

The major elements of the project consist of technical assistance, training, operational research, evaluation and commodities that support in-country training, research, technical transfer and institutional development. It is estimated that the life of project costs will be $7.5 million and that approximately $1.5 million will be required each project year to meet the minimum demands of this activity. Innovative operational research in community participation for health interventions is proposed for village women and child welfare societies. Long term technical assistance for project management will be provided by one DH Health Development Officer.

Project Development Schedule

A.	PID Team requested	- November 1988
B.	PID Team arrives	- January 1989
C.	PID Submitted	- March 1989
D.	PID Approved	- May 1989
E.	PP Team Arrives	- June 1989
F.	PP Completed/submitted	- December 1989
G.	PP Approved	- December 1989
H.	Grant Agreements prepared and approved	- January 1990

draft:LCowper:sbh:BMCHP:5/17/88

Burma Maternal and Child Health Project

A. AID/Burma's Parameters for Projects (91-95)

1. AID/Burma should think in terms of long range inputs into a few fields and not scatter efforts. Limit efforts- "do-able" activities.
2. Training should play a large part of any proposed project, both in-country and abroad. Short term for specific job training and long term for policy development.
3. We need to coordinate efforts with other donors (WHO,UNICEF).
4. Projects should work for decentralized approach to management.
5. Lower % of commodities in the proposed project - not 50/50.
6. Look for AID/W Central funding and support to project's efforts.
7. We should set-up and have indicators for judging success.
8. We are probably talking of $7.0 million - $7.5 million Mission funding level into FY 1991 and beyond.

B. Rational for Burma MCH Project (BMCH)

1. The project continues AID/Burma's health assistance and gives greater focus on a key national problem-infant and maternal health.
2. There will be large amounts of training assistance and upwards of 3,000 village AMW, 1,500 CHWs, and 1,000 other staff will be trained in MCH including Child Survival methodologies. Long term training is planned.
3. AID/Burma's effort are closely coordinated to SRUB PHP-III and expected PHP-IV objectives and link well with UNICEF and WHO programs.
4. The MCH program will aim at S/D and Township management improvements and less at central level.
5. Commodities are estimated at 30% of the project costs.
6. There are a number of Central Projects which can be drawn into BMCH project activities i.e. VBC, Healthcom, PRITECH, PRICOR.
7. There are indicators such as IMR, MMR, caseloads which can be used as indicators in the project.
8. At a projected cost of $1.5/year, this level of activity fits with with expected AID availabilities.

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

DECISION UNIT 482 BURMA

RANK	PROJECT	TITLE	NEW/ CONT	LOAN/ GRANT	PROGRAM FUNDING ($000) APPROP	INCR	CUM
1	0012	Burma Agriculture Research and Dev.	C	G	FN	500	500
2	0007	Burma Agriculture Production	C	G	FN	4465	4965
3	0013	Quality Care for Child Survival	C	G	HN	2035	7000
		TOTAL				7000	

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FY 1990 ANNUAL BUDGET SUBMISSION
Table VI: Expenditures of Local Currency Generations
(U.S. Dollar Equivalents and in Millions of Dollars)

Source/Purpose	1987 ACTUAL	1988 ESTIMATE	1989 PLANNED	1990 PROPOSED
I. ECONOMIC SUPPORT FUND				
A. Public Development Activities	-	-	-	-
B. Private Sector Programs	-	-	-	-
C. Public Sector Recurrent Budget	-	-	-	-
D. AID Operating Expenses (Trust Fund)	-	-	-	-
II. DEVELOPMENT ASSISTANCE				
A. Public Development Activities	-	-	-	-
B. Private Sector Programs	-	-	-	-
C. Public Sector Recurrent Budget	-	-	-	-
D. AID Operating Expenses (Trust Funds)	-	-	-	-
III. P.L. 480				
A. Public Development Activities 1982 Kyat Grant				
1. Maize and Oilseeds Project		-	-	-
2. Primary Health Care	1.093		-	-
B. Private Sector Programs	-	-	-	-
C. Public Sector Recurrent Budget	-	-	-	-
D. AID Operating Expenses (Trust Funds)	-	-	-	-
TOTALS	1.093		-	-

Doc:ABS90P#12

TABLE VII - LIST OF PLANNED EVALUATIONS
FY 1990 ANNUAL BUDGET SUBMISSION
COUNTRY/OFFICE AID/BURMA

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1989 Start (Qtr.)	FY 1989 To AID/W	FY 1990 Start	FY 1990 To AID/W	Reasons/Issues	Funding Source ($000)	USAID Person Days	Collateral Assistance
Agriculture, Rural Dev. and Nutrition									
Burma Agriculture Production Project (482-0007)	N/A	3	4			PACD: 9/30/91 This follow-on project is designed to increase production of food crops and crop intensity in 42 townships of rural Burma with positive effects on rural income and employment and on national food supply and nutrition. This evaluation will occur approximately 18 months after the arrival of the MUCIA project technical assistance team in Burma. It will be designed to assess progress at the goal, purpose and output level. The evaluation will also serve designers of a new Agriculture Project which will be developed during the 4th quarter of FY 1989 and 1st quarter of FY 1990.	Project (68)	30	IQC

Terry Barker, Program Officer
(5% of time)

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1989 Start (Qtr.)	FY 1989 To AID/W	FY 1990 Start	FY 1990 To AID/W	Reasons/Issues	Funding Source ($000)	USAID Person Days	Collateral Assistance
Edible Oil Processing and Distribution (482-0006)	6/88			3	4	PACD: 9/30/90 The EOPD Project is designed to upgrade and expand oil mills in Burma and to increase the capability of indigenous organizations to plan, implement, and evaluate programs to improve edible oil processing and distribution. This final evaluation will measure project achievement at all levels. No follow-on is now anticipated.	Project (75)	30	IQC
Agriculture Research and Development (482-0012)	9/88			3	4	PACD: 9/30/91 The BARD Project is strengthening the capacity of Burma's Agricultural Research Institute to plan, organize and implement production oriented agricultural research and is confirming the appropriateness of research in relation to farming systems in each of four agro-ecological zones. This final evaluation will assess progress toward project objectives and inform AID and SRUB management of any need for changes or adjustments in design and/or implementation of the proposed follow-on research activity.	Project (68)	30	IQC

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1989 Start (Qtr.)	FY 1989 To AID/W	FY 1990 Start	FY 1990 To AID/W	Reasons/Issues	Funding Source ($000)	USAID Person Days	Collateral Assistance
Health									
Quality Care for Child Survival (482-0013)	N/A	3	4			PACD: 12/31/90 The Project is designed to increase the effective use of vaccinations, ORT, and anti-malarials, and to improve birthing, weaning, and feeding practices. This initial evaluation will assess progress at the goal, purpose and output levels and provide basis for a decision regarding extension of the program into its planned second phase and/or design of a new project for which a project paper would be designed and submitted to Washington in the 1st quarter of FY 1990.	Funds provided from Project (50)	30	Outside contractor

Project List (Project No. & Title)	Last Eval Completed (Mo./Yr.)	FY 1989 Start (Qtr.)	FY 1989 To AID/W	FY 1990 Start	FY 1990 To AID/W	Reasons/Issues	Funding Source ($000)	USAID Person Days	Collateral Assistance
Education									
Burma Development Training	7/87			1	2	Non-Project The Burma Development Training Project is designed to strengthen the planning, management and technical capabilities of Burmese public and private sector employees involved in key development activities. This proposed mid-term formative evaluation will assess the degree to which the in-country training and special studies elements, and U.S. participant training programs have (a) promoted and disseminated technologies essential to a future, more liberalized Burmese economy; and (b) promoted a greater Burmese involvement in international trade and investment.	PD & S (59)	45	AID/W TDY: ANE/TR and IQC (up to 30 days ea)

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Organization AID/Burma
Budget Plan Code COEA87-27482-U000
CDNA87-27482-U000

TABLE VIII - FY 1987 ACTUAL
($000)

Expense Category	Func. Code	Dollars	Trust Funds	Total	Local Currency Estimate	Units
U.S. Direct Hire	U100	188.4		188.4	3.2	
Other Mission Funded Code 11	U105					
* Education Allowances	U106	6.6		6.6		4.0
Cost of Living Allowances	U108	-		-		-
Other Mission Funded Code 12	U110	21.1		21.1		
* Post Assignment Travel	U111	20.1		20.1		4.0
* Post Assignment Freight	U112	79.2		79.2	2.2	4.0
* Home Leave Travel	U113	25.6		25.6		4.0
* Home Leave Freight	U114	19.1		19.1	1.0	4.0
* Education Travel	U115	3.1		3.1		1.0
* R & R Travel	U116	1.3		1.3		1.0
* Other Code 215 Travel	U117	12.3		12.3		5.0
Foreign National Direct Hire	U200	4.8		4.8	4.8	
* F.N. Basic Pay	U201	3.8		3.8	3.8	1.0
* Overtime/Holiday Pay	U202	0.2		0.2	0.2	0.1
All Other Code 11 - F.N.	U203	0.3		0.3	0.3	
All Other Code 12 - F.N.	U204	0.5		0.5	0.5	
Benefits - Former F.N. Pers.	U205					
Contract Personnel	U300	79.9		79.9	79.9	
* PASA Technicians	U301					
* U.S. PSC Salaries/Benefits	U302					
All Other U.S. PSC Costs	U303					
* F.N. PSC Salaries/Benefits	U304	77.0		77.0	77.0	29.1
All Other F.N. PSC Costs	U305					
* Manpower Contracts	U306	2.9		2.9	2.9	4.2
Housing	U400	151.3		151.3	150.8	
* Residential Rent	U401	102.6		102.6	102.6	8.0
Residential Utilities	U402	15.3		15.3	15.3	
Maintenance & Renovation	U403	11.4		11.4	11.4	
* Quarters Allowances	U404					
Residential Furniture/Equip	U405	21.5		21.5	21.5	
Trans/Freight - Code 311	U406					
* Security Guard Services	U407					
Official Residence Allowance	U408					
Representation Allowance	U409	0.5		0.5		

* Unit data must be provided.

Organization AID/Burma
Budget Plan Code COEA87-27482-U000
CDNA87-27482-U000

TABLE VIII - FY 1987 ACTUAL
Continued
($000)

Expense Category	Func. Code	Dollars	Trust Funds	Total	Local Currency Estimate	Units
Office Operations	U500	135.6		135.6	78.8	
Office Rent	U501	14.5		14.5	14.5	
Office Utilities	U502	0.3		0.3	0.3	
Building Maint/Renovation	U503	8.3		8.3	8.3	
Office Furniture/Equipment	U504	1.8		1.8	0.5	
Vehicles	U505					
Other Equipment	U506	0.3		0.3		
Transportation/Freight	U507					
Furn/Equip/Veh Repair/Maint	U508	6.8		6.8	6.8	
Communications	U509	24.8		24.8	24.8	
* Security Guard Services	U510					
Printing	U511	0.7		0.7	0.7	
* Site Visits - Mission	U513	37.4		37.4	12.3	73.0
* Site Visits - AID/W	U514	7.0		7.0		
* Information Meetings	U515					
* Training Attendance	U516	9.9		9.9		3.0
* Conference Attendance	U517	0.9		0.9		1.0
* Other Operational Travel	U518					
Supplies & Materials	U519	13.8		13.8	5.0	
* Contract Consulting Services	U521					
* Contract Mgt/Prof. Services	U522					
* Special Studies/Analyses	U523					
* All Other Code 25	U524	9.1		9.1	5.6	
TOTAL OPERATING EXPENSE BUDGET		560.0		560.0	316.30	
636(c) Requirements	U601					
TOTAL ALLOWANCE REQUIREMENTS	U000	560.0			316.30	

OTHER INFORMATION

Exchange Rate Used in Calculations		6.6
Estimated Inflation Rate		8%
U.S. Direct Hire workforce levels:	Positions	7
	Workyears	7

* Unit data must be provided.

Organization AID/Burma
Budget Plan Code COEA88-27482-U000

TABLE VIII - FY 1988 ESTIMATE
($000)

Expense Category	Func. Code	Dollars	Trust Funds	Total	Local Currency Estimate	Units
U.S. Direct Hire	U100	62.7		62.7	0.7	
Other Mission Funded Code 11	U105					
* Education Allowances	U106	11.6		11.6		3.0
Cost of Living Allowances	U108	4.0		4.0		
Other Mission Funded Code 12	U110	0.7		0.7		
* Post Assignment Travel	U111	0.9		0.9		1.0
* Post Assignment Freight	U112	1.9		1.9	0.5	1.0
* Home Leave Travel	U113	3.5		3.5		1.0
* Home Leave Freight	U114	7.0		7.0		1.0
* Education Travel	U115					
* R & R Travel	U116	24.1		24.1		17.0
* Other Code 215 Travel	U117	9.0		9.0		9.0
Foreign National Direct Hire	U200	5.2		5.2	5.2	
* F.N. Basic Pay	U201	4.1		4.1	4.1	1.0
* Overtime/Holiday Pay	U202	0.2		0.2	0.2	0.1
All Other Code 11 - F.N.	U203	0.4		0.4	0.4	
All Other Code 12 - F.N.	U204	0.5		0.5	0.5	
Benefits - Former F.N. Pers.	U205					
Contract Personnel	U300	82.1		82.1	77.2	
* PASA Technicians	U301					
* U.S. PSC Salaries/Benefits	U302	4.9		4.9		
All Other U.S. PSC Costs	U303					
* F.N. PSC Salaries/Benefits	U304	77.2		77.2	77.2	32.0
All Other F.N. PSC Costs	U305					
* Manpower Contracts	U306					
Housing	U400	209.4		209.4	152.7	
* Residential Rent	U401	108.5		108.5	108.5	6.3
Residential Utilities	U402	14.2		14.2	14.2	6.3
Maintenance & Renovation	U403	10.0		10.0	10.0	
* Quarters Allowances	U404					
Residential Furniture/Equip	U405	76.0		76.0	20.0	
Trans/Freight - Code 311	U406					
* Security Guard Services	U407					
Official Residence Allowance	U408					
Representation Allowance	U409	0.7		0.7		

* Unit data must be provided.

Organization AID/Burma
Budget Plan Code COEA88-27482-U000

TABLE VIII - FY 1988 ESTIMATE
Continued
($000)

Expense Category	Func. Code	Dollars	Trust Funds	Total	Local Currency Estimate	Units
Office Operations	U500	190.6		190.6	105.0	
Office Rent	U501	17.3		17.3	17.3	
Office Utilities	U502	0.7		0.7	0.7	
Building Maint/Renovation	U503	3.0		3.0	3.0	
Office Furniture/Equipment	U504	8.9		8.9	8.9	
Vehicles	U505	14.3		14.3		
Other Equipment	U506					
Transportation/Freight	U507	2.5		2.5	2.5	
Furn/Equip/Veh Repair/Maint	U508	7.5		7.5	7.5	
Communications	U509	29.9		29.9	29.9	
* Security Guard Services	U510					
Printing	U511	0.6		0.6	0.6	
* Site Visits - Mission	U513	23.7		23.7	6.6	56.0
* Site Visits - AID/W	U514	11.6		11.6		4.0
* Information Meetings	U515	4.4		4.4		2.0
* Training Attendance	U516	14.1		14.1		6.0
* Conference Attendance	U517	17.1		17.1		5.0
* Other Operational Travel	U518					
Supplies & Materials	U519	20.0		20.0	15.0	
* Contract Consulting Services	U521					
* Contract Mgt/Prof. Services	U522					
* Special Studies/Analyses	U523					
* All Other Code 25	U524	15.0		15.0	13.0	
TOTAL OPERATING EXPENSE BUDGET		550.0		550.0	339.1	
636(c) Requirements	U601					
TOTAL ALLOWANCE REQUIREMENTS	U000	550.0			339.1	

OTHER INFORMATION

Exchange Rate Used in Calculations 6.0
Estimated Inflation Rate 8%

U.S. Direct Hire workforce levels: Positions 6.0
Workyears 6.7

* Unit data must be provided.

Organization AID/Burma
Budget Plan Code COEA 89-27482-U000

TABLE VIII - FY 1989 ESTIMATE
($000)

Expense Category	Func. Code	Dollars	Trust Funds	Total	Local Currency Estimate	Units
U.S. Direct Hire	U100	185.7		185.7	4.0	
Other Mission Funded Code 11	U105					
* Education Allowances	U106	13.8		13.8		9.0
Cost of Living Allowances	U108					
Other Mission Funded Code 12	U110	1.5		1.5		
* Post Assignment Travel	U111	27.2		27.2		17.0
* Post Assignment Freight	U112	96.0		96.0	4.0	17.0
* Home Leave Travel	U113	36.0		36.0		9.0
* Home Leave Freight	U114	9.2		9.2		9.0
* Education Travel	U115					
* R & R Travel	U116					
* Other Code 215 Travel	U117	6.0		6.0		3.0
Foreign National Direct Hire	U200	5.5		5.5	5.5	
* F.N. Basic Pay	U201	4.4		4.4	4.4	1.0
* Overtime/Holiday Pay	U202	0.2		0.2	0.2	0.1
All Other Code 11 - F.N.	U203	0.4		0.4	0.4	
All Other Code 12 - F.N.	U204	0.5		0.5	0.5	
Benefits - Former F.N. Pers.	U205					
Contract Personnel	U300	107.6		107.6	107.6	
* PASA Technicians	U301					
* U.S. PSC Salaries/Benefits	U302					
All Other U.S. PSC Costs	U303					
* F.N. PSC Salaries/Benefits	U304	107.6		107.6	107.6	33.0
All Other F.N. PSC Costs	U305					
* Manpower Contracts	U306					
Housing	U400	117.8		117.8	115.0	
* Residential Rent	U401	105.0		105.0	105.0	6.0
Residential Utilities	U402	9.0		9.0	9.0	
Maintenance & Renovation	U403	3.0		3.0	1.0	
* Quarters Allowances	U404					
Residential Furniture/Equip	U405					
Trans/Freight - Code 311	U406					
* Security Guard Services	U407					
Official Residence Allowance	U408					
Representation Allowance	U409	0.8		0.8		

* Unit data must be provided.

Organization AID/Burma
Budget Plan Code COFA89-27482-U000

TABLE VIII - FY 1989 ESTIMATE
Continued
($000)

Expense Category	Func. Code	Dollars	Trust Funds	Total	Local Currency Estimate	Units
Office Operations	U500	133.4		133.4	61.1	
Office Rent	U501	16.0		16.0	16.0	
Office Utilities	U502	0.7		0.7	0.7	
Building Maint/Renovation	U503	0.5		0.5	0.5	
Office Furniture/Equipment	U504					
Vehicles	U505					
Other Equipment	U506					
Transportation/Freight	U507					
Furn/Equip/Veh Repair/Maint	U508	7.0		7.0	2.0	
Communications	U509	21.2		21.2	21.2	
* Security Guard Services	U510					
Printing	U511	0.7		0.7	0.7	
* Site Visits - Mission	U513	22.5		22.5	6.0	56.0
* Site Visits - AID/W	U514	22.6		22.6		6.0
* Information Meetings	U515	3.0		3.0		1.0
* Training Attendance	U516	5.0		5.0		3.0
* Conference Attendance	U517	8.0		8.0		4.0
* Other Operational Travel	U518					
Supplies & Materials	U519	12.7		12.7	6.0	
* Contract Consulting Services	U521					
* Contract Mgt/Prof. Services	U522					
* Special Studies/Analyses	U523					
* All Other Code 25	U524	13.5		13.5	8.0	
TOTAL OPERATING EXPENSE BUDGET		550.0		550.0	291.0	
636(c) Requirements	U601					
TOTAL ALLOWANCE REQUIREMENTS	U000	550.0			291.0	

OTHER INFORMATION

Exchange Rate Used in Calculations		6.0
Estimated Inflation Rate		8%
U.S. Direct Hire workforce levels:	Positions	6.0
	Workyears	6.0

* Unit data must be provided.

Organization AID/Burma
Budget Plan Code COEA90-27482-U000

TABLE VIII - FY 1990 REQUEST
($000)

Expense Category	Func. Code	Dollars	Trust Funds	Total	Local Currency Estimate	Units
U.S. Direct Hire	U100	56.0		56.0		
Other Mission Funded Code 11	U105					
* Education Allowances	U106	12.0		12.0		7.0
Cost of Living Allowances	U108					
Other Mission Funded Code 12	U110	1.4		1.4		
* Post Assignment Travel	U111					
* Post Assignment Freight	U112					
* Home Leave Travel	U113					
* Home Leave Freight	U114					
* Education Travel	U115					
* R & R Travel	U116	32.6		32.6		21.0
* Other Code 215 Travel	U117	10.0		10.0		3.0
Foreign National Direct Hire	U200	6.0		6.0	6.0	
* F.N. Basic Pay	U201	4.7		4.7	4.7	1.0
* Overtime/Holiday Pay	U202	0.2		0.2	0.2	0.1
All Other Code 11 - F.N.	U203	0.5		0.5	0.5	
All Other Code 12 - F.N.	U204	0.6		0.6	0.6	
Benefits - Former F.N. Pers.	U205					
Contract Personnel	U300	119.3		119.3	119.3	
* PASA Technicians	U301					
* U.S. PSC Salaries/Benefits	U302					
All Other U.S. PSC Costs	U303					
* F.N. PSC Salaries/Benefits	U304	119.3		119.3	119.3	33.0
All Other F.N. PSC Costs	U305					
* Manpower Contracts	U306					
Housing	U400	148.0		148.0	147.2	
* Residential Rent	U401	124.0		124.0	124.0	6.0
Residential Utilities	U402	13.2		13.2	13.2	
Maintenance & Renovation	U403	10.0		10.0	10.0	
* Quarters Allowances	U404					
Residential Furniture/Equip	U405					
Trans/Freight - Code 311	U406					
* Security Guard Services	U407					
Official Residence Allowance	U408					
Representation Allowance	U409	0.8		0.8		

* Unit data must be provided.

Organization AID/Burma
Budget Plan Code COEA90-27482-U000

TABLE VIII - FY 1990 REQUEST
Continued
($000)

Expense Category	Func. Code	Dollars	Trust Funds	Total	Local Currency Estimate	Units
Office Operations	U500	220.7		220.7	78.8	
Office Rent	U501	16.0		16.0	16.0	
Office Utilities	U502	0.7		0.7	0.7	
Building Maint/Renovation	U503	1.5		1.5	1.5	
Office Furniture/Equipment	U504	10.4		10.4		
Vehicles	U505					
Other Equipment	U506	13.0		13.0		
Transportation/Freight	U507	4.5		4.5		
Furn/Equip/Veh Repair/Maint	U508	11.0		11.0	0.5	
Communications	U509	30.8		30.8	30.8	
* Security Guard Services	U510					
Printing	U511	0.8		0.8	0.8	
* Site Visits - Mission	U513	30.6		30.6	10.0	56.0
* Site Visits - AID/W	U514	23.0		23.0		16.0
* Information Meetings	U515	12.0		12.0		3.0
* Training Attendance	U516	10.0		10.0		4.0
* Conference Attendance	U517	10.9		10.9		4.0
* Other Operational Travel	U518					
Supplies & Materials	U519	22.8		22.8	10.0	
* Contract Consulting Services	U521					
* Contract Mgt/Prof. Services	U522					
* Special Studies/Analyses	U523					
* All Other Code 25	U524	22.7		22.7	10.0	
TOTAL OPERATING EXPENSE BUDGET		550.0		550.0	355.6	
636(c) Requirements	U601					
TOTAL ALLOWANCE REQUIREMENTS	U000	550.0			355.6	

OTHER INFORMATION

Exchange Rate Used in Calculations		6.0
Estimated Inflation Rate		8%
U.S. Direct Hire workforce levels:	Positions	6.0
	Workyears	6.0

* Unit data must be provided.

Organization AID/Burma

TABLE VIII(a)
Narrative

The table below shows a summary of the AID/Burma Operating Expense Budgets for FYs 1988, 1989 and 1990. The table indicates the percentage change in costs for each major functional category between these fiscal years.

Category	FY 1988	% Change	FY 1989	% Change	FY 1990
U-100 U.S. Direct Hire	62.7	196%	185.7	-70%	56.0
U-200 F.N. Direct Hire	5.2	6%	5.5	9%	6.0
U-300 Contract Personnel	82.1	31%	107.6	11%	119.3
U-400 Housing	209.4	44%	117.8	26%	148.0
U-500 Office Operations	190.6	30%	133.4	65%	220.7
Total	550.00	0%	550.00	0%	550.0

Between FY 1988 and 1989, projected cost increases exceed 2 percent in the categories U-100, U-200 and U-300. Between FY 1989 and 1990, cost increases exceed 2 percent in all categories except U-100. Explanation follows.

1. Reasons for Increase - FY 89 to FY 90

The FY 1989 increase in U-100 U.S. Direct Hire costs (+196%) is due to anticipated turnover in 4 of Burma's 7 U.S. Direct Hire staff positions and to the fact that AID/Burma will have to pay for movement of household effects and vehicles for both these personnel moving out and for their replacements moving in.

The costs for movement of household effects and vehicles will accrue to AID/Burma for 4 moves out since 3 of the people will retire and the fourth anticipates transfer to a Washington assignment. In addition, as the receiving mission for 3 new replacements, AID/Burma must budget for the movement of household effects and vehicles for these incoming staff members. These shipping costs alone account for about $105,000 of the $123,000 increase in the FY 1989 U-100 budget. A 70 percent drop in this category between FY 1989 and 1990 serves to highlight the dramatic fluctuation effect of transfers on the AID/Burma budget. Similar transfers in FY 1987 caused comparable disruption in the Burma OE budget. The annual OE budgets for Burma should be adjusted (rather than straight-lined) to counter this effect.

The FY 1989 and 1990 increases in U-200 F.N. Direct Hire costs (+6% and +9%, respectively) reflect increases in the local compensation plan. There is only one F.N. Direct Hire employee on the Burma staff, so the total increase is $300 in FY 1989 and $500 in FY 1990. The effect is somewhat more important for F.N. Contract costs.

Between FY 1989 and 1990, U-300 costs seem to rise. In fact these costs will remain about the same for the two years. They seem to rise because we were instructed in FY 1988 to fund FNPSC contracts only up to the end of the fiscal year (STATE 327367). This resulted in false savings in FY 1988, but since subsequent years will require full annual funding, levels seem to increase in FY 1989. If full year FNPSC costs had been charged in FY 1988, costs for FY 1989 would not have increased. Departing senior local staff have recently been replaced by F.N. contractors at lower salary grades, so AID/Burma will, in fact, hold FY 1989 U-300 Contract Personnel costs at about the actual FY 1988 level. Promotions and normal increases in compensation plan rates will push these costs up in FY 1990.

Large relative decreases and increases in costs of the U-400 budget between FY 1988 and FY 1990 are due to the following:

U-400 costs decrease between FY 1988 and FY 1989 because during FY 1988, AID/Burma incurred costs of $13,000 for locally built furniture and $48,000 for residential backup generators. These costs will not recur in FY 1989. In addition, reductions in U.S. Direct Hire staff have made it possible for AID/Burma to drop one residential lease in late FY 1988 and terminate another in November 1989. Termination of these two leases will result in a basic cost savings of about $22,500 in FY 1989.

U-400 costs increase between FY 1989 and FY 1990 because AID/Burma has scheduled procurement of one set of residential furniture and because there will be an increase in the cost of one of our residential leases.

2. Funding Shortages in FY 1988 and FY 1989

Dramatic annual fluctuations in the U-100 category, combined with static annual budgets, affect AID/Burma's ability to provide for non-expendible property needs, both in the office and residences. For example, dramatic changes in the U-500 Office Operations costs are an indirect effect of costs of U.S. Direct Hire transfers.

In order to maintain non-expendible equipment and supplies, AID/Burma defers procurement of major support items to the years when there are no major turnovers in staff. Thus U-500 costs go down in FY 1989 and up again in FY 1990. Following are examples:

-- A vehicle which should have been procured in FY 1988 will be overhauled and extended until U-500 funds allow new procurement, perhaps in FY 1990.

-- New and replacement computer equipment and upgrades planned for FY 1988 will be deferred to FY 1990 and purchased then only as actual operating budget savings allow. (See ADP Narrative.)

-- During FY 1989, when Burma is experiencing high turnovers, it is forced to limit TDY support from Washington. (AID/Burma will be developing at least 3 new projects in FY 1990 and, since the mission has no Project Development Officer on staff, additional funds are budgeted for TDY support during that year. Thus, while the U-500 category drops by 30 percent in FY 1989, it increases by 65 percent in FY 1990.

Nothing affects the AID/Burma budget so much as U.S. Direct Hire transfers, but there are other factors. Following are additional contributing factors.

Loss of Value of the Dollar. In May 1986 a dollar bought 7.6 Burmese Kyats; in May 1987 a dollar purchased only 6.5 Kyats, in 1988 the exchange rate is around 6.0 Kyats to the dollar. This change alone represents a 7.7% loss in dollar purchasing power.

Inflation in Burma. Declining economic conditions (declining value of exports and declining petroleum production) have resulted in rapid increases in costs of goods and services in Burma. The latest official Burmese government Consumer Price Index reports an increase of 14.7% (unofficial estimates are 30%). Thus, the combined effect of the loss of dollar value and inflation is at least a 22.4% drop in the value of AID's budget for local costs. This is reflected in increased projected costs for rents, utilities, normal maintenance and renovation, local spare parts, communications, and local travel costs.

3. Management Improvements

Following are measures being implemented by AID/Burma to increase efficiency and reduce operating costs for the period FY 1988 - 1990.

Function Code U-100--U.S. Direct Hire Personnel. A.I.D./Burma reduced its U.S. direct hire staff by one position in FY 1987. The position of the Project Development Officer (PDO) was eliminated in April 1987 at the end of the incumbent's tour. The mission combined the functions of the PDO and Program Officer and is taking advantage of increasingly experienced foreign national support and more experienced U.S. Direct Hire project managers to achieve efficiencies allowing absorption of PDO duties by others.

An AID officer who serves as an assistant GSO and reports to the Embassy GSO is retiring in October 1988. AID is eliminating this position at that time. After Burma incurs the cost of his shipments home, this reduction will result in significant additional future year savings to AID.

Function Code U-300--Foreign National Contract Personnel. AID/Burma continues to hire better qualified local staff and to upgrade the skills of its current staff in an effort to compensate for reductions in U.S. Direct Hire personnel. This is done by: (1) increasing in-country and overseas training opportunities for foreign national staff, and (2) moving increasingly more substantive work to the local staff (e.g., accounting, program functions, training, audit, and commodity management).

Non-Expendible Property. As noted above, AID/Burma is deferring procurements of new computer hardware and mission vehicles. By stretching the effective lives of this equipment, the mission will increase the period of amortization of these high cost items.

4. Trust Funds

Burma has been designated by the U.S. Treasury as an excess currency country. It is a matter of concern to the Government of Burma that the U.S. Government owns, and continues to receive from the sale of P.L. 480 commodities delivered during the mid-1950's, Kyats with which it is able to operate its facilities in Burma. The Government of Burma would not consider kindly an effort to reduce the drawdown on Kyats already owned by the U.S. Government.

There is neither a Commodity Import Program nor a Food for Peace Program currently operating in Burma. Current programs do not, therefore, provide local currency generations of the type normally used to finance trust funds.

AID/BURMA
TABLE VIII (b)
Information on FN PSC Costs

Job Title/ Description	FY 1987	FY 1988	FY 1989 10/01/88-9/30/89	FY 1990 10/01/89-9/30/90
Burma Accountant USAID/Thailand	8428 12/7/86-3/26/87	3078 3/27/88-9/30/88	10152	10864
Voucher Examiner USAID/Thailand	9101 4/26/87-9/30/89	0	9828	11463
Accountant AID/Burma	3415 4/01/87-3/31/88	3502 4/01/88-9/30/88	6696	7232
Program Accountant AID/Burma		1700 6/1/88-9/30/88	4700	5076
Commodity Specialist	4700 2/01/87-1/31/88	4558 2/01/88-9/30/88	6600	7128
Program Assistant	2570 5/06/87-5/21/88	1292 5/22/88-9/30/88	4752	4666
Commodity Clerk		2060 4/01/87-9/30/88	3672	3966
Management Asst.	3775 4/01/87-3/31/88	1800 6/02/88-9/30/88	5184	5599
Secretary Agriculture	4000 7/11/87-6/30/88	2920 7/1/88-9/30/88	0	0
Secretary HDO	3900 9/01/87-9/30/89	0	5832	6299
Secretary AIDREP		2050 1/26/88-9/30/88	4104	4432

Secretary Agriculture		1711 3/27/88-9/30/88	4752	5132
Participant Training Asst.	3316 5/11/87-5/10/88	2087 5/11/88-9/30/88	4752	5132
Telex Operator		1100 5/22/88-9/30/88	3672	3966
Admin. Clerk	2760 9/03/87-6/02/88	0	0	0
Chauffeur	2800 2/01/87-1/31/88	3355 2/01/88-9/30/88	4320	4899
Driver	2370 2/01/87-1/31/88	3295 2/01/88-9/30/88	3780	4549
Driver	3050 2/01/87-1/31/88	2924 2/01/88-9/30/88	4320	5482
Driver	2900 2/01/87-1/31/88	3368 2/01/88-9/30/88	4320	5482
Watchman 1	1300 5/10/87-5/09/88	2612 5/10/88-9/30/88	831	897
Watchman 2	1300 5/10/87-5/09/88	2573 5/10/88-9/30/88	831	897
Watchman 3	1300 5/10/87-5/09/88	2583 5/10/88-9/30/88	831	897
Watchman 4	1300 5/10/87-5/09/88	2729 5/10/88-9/30/88	831	897

Watchman 5	1700 5/10/87-5/09/88	2821 5/10/88-9/30/88	831	897
Watchman 6	1300 5/10/87-5/09/88	2802 5/10/88-9/30/88	831	897
Watchman 7	1300 5/10/87-5/09/88	2834 5/10/88-9/30/88	831	897
Watchman 8	1300 5/10/87-5/09/88	2217 5/10/88-9/30/88	831	897
Watchman 9	1300 5/10/87-5/09/88	2528 5/10/88-9/30/88	831	897
Watchman 10	1300 5/10/87-5/09/88	2517 5/10/88-9/30/88	831	897
Watchman 11	1300 5/10/87-5/09/88	2844 5/10/88-9/30/88	831	897
Watchman 12	1300 5/10/87-5/09/88	2774 5/10/88-9/30/88	831	897
Watchman 13	1300 5/10/87-5/09/88	1695 5/10/88-9/30/88	831	897
Guest House Manager	1200 9/01/87-8/31/88	1200 6/02/88-9/30/88	2700	3033
Gardener	1440 2/01/87-1/31/88	1868 2/01/88-9/30/88	2700	3266
Total	77025	82100	107636	119330

Organization AID/BURMA

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

Job Title/Description	FY 1987	OE$ FY 1988	FY 1989	FY 1990
Training Development Officer	-	4.9 (2/22/88 to 4/14/88)	-	-

This U.S. PSC was funded from FY 1988 Operating Expense from February 22, 1988 to April 14, 1988. This was an interim PS Contract used to employ the contractor for essential services until appointment to part-time Direct Hire position was confirmed.

Organization AID/Burma.

TABLE VIII(c)
Manpower Contract Detail

Description	OE$ FY 1987	FY 1988	FY 1989	FY 1990
U-306 Manpower Contract	2858 (4/21/87-5/9/87)			

AID/Burma has no cost incurred in FY 1988, FY 1989, and FY 1990 for U-306 Manpower Contract.

Organization AID/Burma

TABLE VIII(d)
All Other Code 25 Detail

Description	FY 1987	FY 1988	FY 1989	FY 1990
Miscellaneous	5.9	15.0	13.5	22.7

These costs represent miscellaneous contractual services such as RAMC services, daily labor, and miscellaneous GSO services.

Organization AID/Burma

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

ITEM AND EXPLANATION	FY 1987	FY 1988	FY 1989	FY 1990
1. Capital Investment:				
A. Purchase of Hardware				
Wang PC-280-3 Microcomputers			6.1	3.1
MON-1240-PC2 Monochrome Monitors			.3	.2
DM50/300cps Matrix Printers			1.6	.8
DSK-0360-PC2, 360KB, 5.25 Floppy Diskette Drives			.3	.2
Replacement PC-280-3 PCs				13.4
Replacement Matrix Printers				3.2
Replacement PC-PM018 Daisy Printers				4.5
ARM-0001-PC2 Monochrome Monitor Arms			.3	.6
FLT-0001-PC2 Monochrome Monitor Glare Filter			.2	.4
PC-PM040 Remote Communications			.7	
Racal Milgo 26LSI Modems with L7 Option			2.5	
Sanyo Denki Afe 15A Mini UPS			2.2	
B. Purchase of Software:				
WSP-IWP-PC2-9 WANG WP			.2	.4
WSPOSYSER-PC-2-9 System Services			.1	.2
Pt-Pt Transport			.1	
Basic Support Services			.1	
Norton Utilities			.1	
W-Links			.4	
C. Site Facility:				
Installation of Direct Power Line for UPS			5.0	
SUBTOTAL Section 1			20.2	27.0
2. Personnel:				
A. Compensation, Benefits and Travel	-	-	-	
B. Workyears	-	-	-	

Organization AID/Burma

TABLE VIII(e)
(Continued)

ITEM AND EXPLANATION	FY 1987	FY 1988	FY 1989	FY 1990
3. Equipment Rental, Space and Other Operating Costs:				
A. Lease of Equipment	-	-	-	
B. Space	-	-	-	
C. Supplies and Other Materials	-	-	1.0	1.5
D. Non-Commercial Training	-	-	-	
SUBTOTAL Section 3	-	-	1.0	1.5
4. Commercial Services:				
A. Computer Time	-	-	-	
B. Leased Telecommunications Services	-	-	-	
C. Operations and Maintenance (1) Operations:	-	-	-	
(2) Maintenance:		6.0	8.0	
Other than WANG -	-	-		
WANG (local funding) -	-	-		
WANG (A.I.D./W funding) -	-	-		
D. Systems Analysis and Programming	-	-	-	
E. System Design and Engineering	-	-	-	
F. Studies and Other	-	-	-	
SUBTOTAL Section 4	-	6.0	8.0	
5. TOTAL DOLLARS	-	-	-	
TOTAL WORKYEARS (From Item 2A)	-	-	-	
6. MISSION ALLOWANCE LEVELS:				
A. Existing systems	-	-	-	
B. New or expanded systems	-	-	-	

INFORMATION TECHNOLOGY NARRATIVE

Since AID/BURMA began its automation program in 1984 with two refurbished WP25 workstations and a printer attached to an Embassy system, the mission has consistently and steadily moved toward an automated office environment. In 1986 the mission added six standalone microcomputers to its automation program to accommodate the heavy workload and increased demand for additional workstations. In 1987 the mission had to terminate the use of its two WP25 workstations and printer due to increased maintenance problems and costs. As a result of the loss of these workstations, mission operations were severely strained and the demand on the microcomputers increased. The ratio in the mission currently stands at one microcomputer for every 3.66 users. Additionally, as a result of two RIG/A/Manila audits, the mission has hired two new foreign national staff members which will increase the user ratio to 4.0. The mission is also expected to provide automation support to TDY personnel who are working on mission activities.

In an effort to continue to improve and expand its automation capabilities, AID/BURMA requested M/SER/IRM to provide on site automation assistance to evaluate the mission's current and projected automation requirements. As a result of this site visit, IRM recommended that the mission procure at least two microcomputers to address current user demands for workstation access, and an uninterruptible power support unit (UPS) to back up these systems. Due to the heavy microcomputer useage, it was also recommended that replacement equipment be projected in future mission budget submissions. In order for the mission to have the functionality of an integrated system, it was suggested that the mission be considered as a test site for a microcomputer local area network (LAN). The LAN would allow the mission to have document sharing capabilities, as well as access to other mission equipment on the network.

As a further enhancement to mission operations, it was recommended that AID/BURMA procure the required hardware and software to establish a link with AID/W and other AID missions via the Agency's International Communications System (ICS). Through ICS, the mission will have the capability to transmit and receive program and project data from AID/W and missions on the system.

Since mission offices experience periods of very low electrical current, the installed UPS units do not receive sufficient voltage to keep the batteries charged. Consequently, when the power fails the UPS does not switch on to provide back up power for the automation equipment. A direct power line, dedicated to the UPS units only, needs to be installed. In this way, all of the mission's automation equipment will have full back up power support.

With the dramatic fluctuations and demands placed on AID/Burma's operating expense budget, procurement of the recommended automation equipment to run an effective and efficient automation program is extremely difficult. Therefore, the mission looks to the Agency for any extra support possible to obtain the recommended automation equipment.

ANNEX K

Privatization Strategy

TABLE OF CONTENTS

Summary and Comment

I. Progress made in implementing the "Privatization" actitivies now underway

II. Short-term and long-term targets of opportunity for FY 1990/FY 1991

III. AID/Burma's proposed strategy for addressing "Privatization"

IV. The projected timeframe and financial resources for achieving the goals of the "privatization" plan

Privatization Strategy

NOTE: The Socialist Republic of the Union of Burma will not undertake privatization efforts in the near future, and AID/Burma will not be able to contribute to AID's quantifiable worldwide "privatization" objectives. However, as noted last year, we are attempting to be responsive to AID's broader objectives in promoting the economics of free enterprise in Burma. Thus, for the purposes of this report, we interpret "privatization" in its broadest sense. Within this broader context, we perceive progress, albeit glacial progress. The major foreign donors in Burma share concerns about current economic conditions and policy. AID/Burma also works with these donors to influence, as possible, coordinated efforts to encourage improved economic policies in Burma. END NOTE.

I. Progress made in implementing the "Privatization" actitivies now underway

Agriculture. Small farmers comprise the largest component of the private sector in Burma. Unfortunately, state control and regulation of fundamental inputs to farm production deprives these farmers of the wherewithal to produce at maximum efficiency. Primary reasons for the state's failure to provide adequate inputs are a greatly overvalued currency and heavily subsidized domestic fertilizer prices.

A major AID/Burma achievement of FY 1987 was negotiation under the Burma Agriculture Production Project of Burmese agreement to undertake a study of adjustments necessary to assure fertilizer supplies adequate to meet long-term domestic requirements. The study, completed in February 1988, made a number of recommendations about pricing and marketing of both domestic and imported fertilizers. The study has been translated into Burmese and reportedly has received wide distribution within high levels of the Government of Burma.

> Progress. Recent conversations with Ministry of Agriculture officials indicate that the Government will soon implement the most important recommendation of the study by increasing the domestic price of fertilizer. The AID/Burma Agriculture Development Officer has been told that "the question is not whether to raise the price of fertilizer, but how much."
>
> The study also recommended that Burma increase the use of domestically-produced urea fertilizer on rice, and shift current allocations of Japanese-financed phosphate fertilizers from rice to oilseed crops. There are internal pressures on the Government to allocate domestically produced urea fertilizer to internal use rather than to export. Combined with AID's declared intention to cease import of fertilizer in the next 3 years, and with other factors, this pressure could influence Burma Government plans in line with the AID fertilizer study recommendations.

The most important progress made in the Burma economy during the past year was the freeing of internal trade in many agricultural commodities in

September 1987, the indication, in February 1988, that rice traders would be allowed to export rice, and the decision to raise procurement prices for crops purchased by the government. Though there are multiple obstacles to "privatization" of the rice trade, evidence of Government intention in this regard is an important indicator of some degree of economic change in Burma.

Energy. For several years, AID/Burma has financed training for Burmese energy officials under the AID Conventional Energy Training Program. This training touches the sector having more important potential effect on economic policy and development in Burma than any other. The training is expected to have intermediate and long-term effects on energy technology and policy planning in Burma.

Progress. Fifty-three energy officials, many in high-level positions in the Ministry of Energy, have now participated in AID-financed training in the United States. This training has: (a) made Energy officials aware of important new technologies and introduced them to U.S. companies which can deliver those technologies; (b) reinforced the Ministry's capabilities to use new technologies independently; and (c) alerted the Ministry leadership to Burmese technical limitations. The overall effect should be more efficient exploitation of energy resources by Burmese technicians and a better understanding of technologies available through outside cooperation.

In April 1988, the Ministry received an AID-financed 60-day natural gas consultant. His advice was well-received and his recommendations were acted upon promptly.

AID/Burma sponsored one in-country training program by a U.S. energy firm during 1987. Two internships are being prepared by UNOCAL for formal offer. The Government has indicated intention to accept this offer of training if it is provided under AID sponsorship.

Trade. For many years, Burma effectively cut itself off from meaningful trade in products other than its traditional exports of rice, timber, and gems. However, as foreign exchange earnings from traditional exports declined, Burma began to take interest in a more diversified export program. In 1986, in an effort to encourage increased Burmese trade in international free markets, AID/Burma financed a 2-week visit to Burma by U.S. trade and marketing consultants tasked to help Burmese trade officials identify Burmese products with promising potential for export. AID/Burma anticipates that a portion of the non-traditional exports eventually will be produced by the private sector and believes that Burma will gradually assimilate from its market contacts many of the fundamental lessons of free trade. Among the lessons obtained from increased interaction in world markets will be one relating to the importance of the private sector.

Progress. The 1986 consultancy resulted in Government of Burma requests for training in marketing. In June 1987, 10 ranking trade officials and product managers attended a 10-week marketing and export program in the U.S. In February 1988, AID/Burma financed a 3-week in-country marketing seminar attended by 43 Burmese officials from a wide range of organizations involved in trade, i.e., the Union of Burma Bank, the Directorate of Transport and Communications, Planning and Finance, the Customs Department, the Ministry of Trade, and representatives from ministries responsible for specific export products.

The functional objective of the trade and marketing program is, of course, to help the Government of Burma identify viable export products and to provide assistance in getting these products marketed. In this, there has been some progress. In mid-1987, when meetings were arranged in Boston and New York between Burmese officials and representatives of potential buyers of Burmese products, one meeting, with representatives of Reebock, resulted in an agreement for manufacture/assembly of Reebock tennis shoes in Burma.

The Ministry of Trade has recently approved a proposed visit by U.S. food marketing experts to provide technical assistance in the production, processing, packaging and marketing of Burmese food products intended for export.

Banking/Economics/Planning. In mid-1987, AID participated in the planning of U.S. visits by the Deputy Minister of Planning and Finance (in charge of the Burmese banking system) and the Deputy Chairman of the Union Bank of Burma (the Central Bank of Burma). These officials were introduced to U.S. training opportunities in economics, planning, banking and trade. We reported that if these introductions had effect, AID/Burma would begin soon to provide training in these areas which will be key to a future, more liberalized Burmese economy.

Progress. During 1987, AID/Burma sent one member of the Foreign Economic Relations Department of the Ministry of Planning and Finance to a 6-month program in International Economic Relations at Georgetown University. The course was so well received by the Burmese that another such program has already been offered and accepted. During the first half of 1988, the Government has nominated participants to banking courses in "World Banking and Finance" (Economics Institute, Boulder), "Banking and Monetary Policy Seminar, HIID, Cambridge), "U.S. Money and Capital Markets" (New York Institute of Finance), and "Trading for Non-Traders" (Bank of America, Hong Kong).

II. Short-term and Long-term Targets of Opportunity for FY 1990/FY 1991

Agriculture

There are within the context of Burmese liberalization moves noted in Section I above opportunities for AID and other donors to identify and encourage new measures for change (e.g., increased prices for fertilizer; increased incentives for private certified seed growers; adjustment of the exchange rate; and reduced obstacles to official exports).

The domestic price of rice was established this year by the laws of supply and demand, but the degree of "demand" placed on the domestic market by unofficial international trade is unclear. There is opportunity for discussion with the Burmese about phenomena affecting domestic price levels, but we suspect that the market is serving as an effective teacher. AID will continue efforts to confirm the message.

In planning with the Government the end of AID-financed fertilizer imports for Burma, there is opportunity for AID/Burma to continue discussions relating to economic issues of fertilizer. As the anticipated

liberalization of agricultural trade occurs, AID/Burma will identify opportunities to assist the liberalization process and help to assure its success. Though we do not believe that we can reach Burmese policymakers directly, we can and do communicate thoughts and ideas to counterparts for passive transmission upward.

Planning/Economics/Banking/Trade

Ongoing trade liberalization, apparent interest in some Government quarters in free trade zones, and continuing efforts at trade diversification in both industry and agriculture increase the possibilities for discussion of fundamental economic issues within the Government and Burma Socialist Programme Party. This also creates an atmosphere in which training in these areas seems appropriate and timely. The Government has already proven responsive to AID training and technical assistance in these areas, but as officials grapple with serious economic issues facing Burma, we anticipate an even better response to training programs offered in these key areas.

AID/Burma will continue to provide training to the Foreign Economic Relations Department of the Ministry of Planning and Finance in international economic relations.

AID will use the visit of food marketing experts mentioned above to identify a few Burmese food products having high potential for successful export and, if there is evidence that previous marketing programs have had effect, additional training and technical assistance will be targetted in this area.

A technical assistance and training program on free trade zones which was offered to Burmese trade officials in late 1987 was declined with a statement that "the time was not right". Shortly following that time, a senior Trade official presented a paper noting the possible advantages of a free trade zone in Burma. AID/Burma will pursue this effort again.

In February 1988, AID sponsored a visit to Burma by a low-cost housing expert from RHUDO/Asia. Given current Burmese economic policy, it is apparent that there is little AID can do with a housing guaranty program in Burma, but we learned of Burmese interest in initiating a domestic lending program for low-cost housing. If it proves appropriate and feasible, AID/Burma will offer training in this area.

As long as the Government remains responsive, AID will continue efforts to provide training to banking officials. In particular, we will pursue efforts to obtain internships for Burmese bank officials in U.S. banks.

Energy

AID will follow recommendations of the recent U.S. energy consultant in attempting to provide focussed and well-targetted training in the energy sector. AID will also sponsor, as appropriate, training programs offered by U.S. energy firms.

Administration of Ports, Customs, Taxes, etc.

If funds are available, AID/Burma will again consider financing management training in other areas essential to efficient private sector economies (e.g., port management, tax administration, customs).

III. The Mission's Proposed Strategy for Addressing Privatization

The AID/Burma "Privatization" Strategy remains valid and is unchanged from that presented in (87) RANGOON 3384.

Though there has been further decline in the Burmese official economy this year, there has been some policy improvement (i.e., internal rice trade). For updates on the economic situation we recommend, in addition to Embassy economic reports, the February 1988 report on Burma prepared for AID by Dr. David Steinberg, and the May 1988 trip report prepared by Ron Venezia.

Following are the primary elements of the AID/Burma "privatization" strategy:

1. Address SRUB policy directly with hope of change in the current time frame (Policy Dialogue).

   There is little opportunity for direct policy dialogue in Burma, but AID/Burma will take every opportunity to demonstrate to senior officials through such means as study tours to the United States and selected third world countries the effectiveness of free market solutions. The hope is that such individuals may be able to influence higher level decisions.

2. Address SRUB policy indirectly with hope of evolutionary change.

   a. Activities undertaken through project assistance.

   AID/Burma cannot, in the current economic and political environment, introduce privatization or other free market solutions directly into the Burmese economy through projects or other assistance involving important quid pro quo arrangements. AID hopes to slow further decline of private sector interests in areas of AID involvement, e.g., through support for private sector oilmills as negotiated into the Edible Oils project agreement, and through informal support provided to contract and other small farmers under the agriculture production projects.

   b. Activities undertaken through project and non-project training and technical assistance.

   AID/Burma will provide technical assistance and training which will: (1) demonstrate the appropriateness of free market solutions to Burma's economy; (2) influence opinions and decisions of future leaders; and (3) introduce economic efficiencies which will encourage change and serve when it comes.

   AID will use training abroad to help provide technical expertise and general understanding of free enterprise economics and democratic systems, as well as an international perspective necessary to allow Burmese to take the best advantage of change when the time comes.

c. Activities to increase Burmese exposure to and participation in free markets.

--Increase Exposure through Exports. AID can hasten economic policy change by encouraging Burmese exports to free markets, thus promoting increased Burmese exposure to and opportunity for assimilation of more efficient economic systems and behavior.

--Support to "free" enterprises. AID/Burma will investigate the possibility of providing technical assistance or training to support institutions which can assist the development of microenterprises and other private sector entities in Burma. (This already occurs to some extent under the Edible Oils Project, in support to cooperatives, private millers, and workshops, and in the agriculture projects, in support to independent farmers.)

3. Address SRUB policy across a broad front (coordinated action by the donor community).

The major foreign donors in Burma share concerns about current economic conditions and policy in Burma. AID/Burma will work with these donors to influence, as possible, coordinated development program efforts.

4. Prepare for an eventual transition to a more appropriate economic system.

AID/Burma will attempt where possible to encourage improvements in current economic policy. Failing that, AID's objective, in conjunction with other U.S. agency programs, is to produce trained mid-level Burmese managers and technicians who will be able to serve Burma in the more integrated economic world of the Pacific Basin nations in the 1990's.

If Burma is to make a safe and stable transition, its managers and technicians must be capable of understanding and operating effectively the basic infrastructure of an effective, free enterprise economic system; banking, finance, insurance, marketing, advertising, and a host of others.

IV. The Projected Timeframe and Financial Resources for Achieving the Goals of the Privatization Plan

The projected timeframe for accomplishment of activities described in Section II, above, is Fiscal Year 1989. The projected timeframe for the anticipated watershed in Burmese economic and political programs is the next decade.

The strategy described here can be implemented at the level of AID/Burma's current budget. It would be seriously jeopardized by any further reduction in our annual program levels.

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE TO ANNEX L
MICRO, SMALL, AND SMALL FARM ENTERPRISES

482 - Burma

Projected ESF and DA Direct Dollar Commitments for PVOs and NGOs

Source	FY 1990 Planned ($000)
A. ESF Dollar Commitments	
A. For U.S. PVOs	N/A
B. For Indigenous PVOs-NGOs	N/A
B. DA Dollar Commitments	
A. For U.S. PVOs	-
B. For Indigenous PVOs-NGOs	25

Projected Expenditures of Non-Project Assistance Local Currency Generations for Use by PVOs-NGOs

Source	FY 1990 Planned ($000)
I. From ESF Generations	
1. For Use by U.S. PVOs	N/A
2. For Use by Indigenous PVOs-NGOs	N/A
II. From DA Generations	
1. For Use by U.S. PVOs	-
2. For Use by Indigenous PVOs-NGOs	-
III. From PL 480 Generations	
1. For Use by U.S. PVOs	-
2. For Use by Indigenous PVOs-NGOs	-

During periods of disaster, AID/Burma has been able to provide Disaster Relief Funding to the Burmese Red Cross Society in response to fires or similar emergencies. AID/W has funded a proposal by the Salvation Army World Service Organization (SAWSO) for support of its activities in several countries in the Asia Region, including Burma. This activity will be established, without connection to AID/Burma, through the Burmese Ministry of Home and Religious Affairs. AID/Burma does not believe that the Government of the Socialist Republic of Burma would encourage PVO's to work as independent entities having distinct identities and development assistance objectives in Burma, or sign agreements with them.

Projected ESF and DA Dollar Commitments for Micro and Small Enterprise Programs

	FY 1990 Planned ($000)
I. ESF Dollar Commitments	N/A
II. DA Dollar Commitments	
A. For Micro Enterprise	
1. For Credit	-
2. For TA/Training	-
B. For Small Enterprise	
1. For Credit	-
2. For TA/Training	100
C. For Small Farmers	
1. For Credit	-
2. For TA/Training	100

NOTE: Though U.S. economic assistance to Burma does not support activities which could be characterized as "small or micro enterprise promotion" in the sense that such programs promote new small enterprises, under the Burma Agricultural Production (482-0007), Burma Agriculture Development (482-0012) and Edible Oil Processing and Distribution (482-0006) Projects, AID/Burma is assisting small farmers and small private oilseed mills to maintain viability in a difficult economic environment.

Projected Expenditure of Non-Project Assistance Local Currency Generations for Micro and Small Enterprise Programs

	FY 1990 Planned ($000)
I. From ESF Generations	N/A
A. For Micro Enterprises	
1. For Credit	-
2. For TA/Training	-
B. For Small Enterprises	
1. For Credit	-
2. For TA/Training	-
C. For Small Farmers	
1. For Credit	-
2. For TA/Training	-

II. From DA Generations
- A. For Micro Enterprises
  - 1. For Credit -
  - 2. For TA/Training -
- B. For Small Enterprises
  - 1. For Credit -
  - 2. For TA/Training -
- C. For Small Farmers
  - 1. For Credit -
  - 2. For TA/Training -

III. From P.L. 480 Generations
- A. For Micro Enterprises
  - 1. For Credit -
  - 2. For TA/Training -
- B. For Small Enterprises
  - 1. For Credit -
  - 2. For TA/Training -
- C. For Small Farmers
  - 1. For Credit -
  - 2. For TA/Training -

Note: Though AID/Burma has no current programs to support micro enterprises, it believes that this might be an area in which the Government of Burma might conceivably permit some form of assistance to the Private Sector. We are investigating possible avenues which might link micro enterprise to our current efforts to promote non-traditional exports. There may also be opportunity to provide assistance through pawn shops, the traditional source of micro enterprise loans in Burma.

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