

UNCLASSIFIED

**Annual Budget
Submission**

FY 1990

YEMEN

July 1988



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

BEST AVAILABLE

UNCLASSIFIED

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

	FY 1990 ANNUAL BUDGET SUBMISSION					
	FY 1987 ACTUAL	FY 1988 ESTIMATE	FY 1989 ESTIMATE	FY 1990 WAF	PLANNING PERIOD	
					1993 1994	
279 - YEMEN ARAB REPUBLIC						
AGRICULTURE, RURAL DEV. AND NUTRITION						
TOTAL	10,100	11,040	9,745	9,883	10,634	11,000
GRANTS	10,100	11,040	9,745	9,883	10,634	11,000
LOANS	0	0	0	0	0	0
EDUCATION AND HUMAN RESOURCES						
TOTAL	9,100	8,325	9,265	9,158	10,116	10,250
GRANTS	9,100	8,325	9,265	9,158	10,116	10,250
LOANS	0	0	0	0	0	0
HEALTH						
TOTAL	2,100	1,210	2,740	2,259	2,050	2,150
GRANTS	2,100	1,210	2,740	2,259	2,050	2,150
LOANS	0	0	0	0	0	0
SELECTED DEVELOPMENT ACTIVITIES						
TOTAL	0	150	250	200	200	250
GRANTS	0	150	250	200	200	250
LOANS	0	0	0	0	0	0
SUBTOTAL FUNCTIONAL ACCOUNTS						
TOTAL	21,500	20,725	22,000	21,500	23,000	24,000
GRANTS	21,500	20,725	22,000	21,500	23,000	24,000
LOANS	0	0	0	0	0	0
TOTAL DA ACCOUNT						
TOTAL	21,500	20,725	22,000	21,500	23,000	24,000
GRANTS	21,500	20,725	22,000	21,500	23,000	24,000
LOANS	0	0	0	0	0	0
P.1.480	15,000	10,000	5,000	10,000	5,000	5,000

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

YEMEN ARAB REPUBLIC												BUREAU FOR ASIA AND NEAR EAST									
PROJECT NO.	OBLIG AND TITLE		TOTAL COST		OBLIG THRU	FY 1987	FY 1988	FY 1989	FY 90	SUBCAT /	SERIAL										
L	INIT	FIN	AUTH	PLAN	FY 1987	LINE	OBLIGATIONS	EXPENDITURES	AAFL	% FVO	CODE										
AGRICULTURE, RURAL DEV. AND NUTRITION																					
279-0052 AGRICULTURAL DEVELOPMENT SUPPORT																					
6	79	95	135,235	124,383	78,898	12,892	10,790	11,000	34,695	8,095	7,533	FACD: FNIL/O	04/30/96 WA/FE/WID								
279-0052.1 LORE																					
6	80	92	59,804	58,015	35,495	3,598	6,100	4,700	16,420	4,000	4,500	FACD: FNPA/O	04/30/96 WA/FE								
279-0052.2 ISAI - IBB SECONDARY AGRICULTURAL INSTITUTE																					
6	79	88	25,660	17,470	15,160	1,668	1,400	1,400	910	910	0	FACD: FNTE/O	04/30/96 -								
279-0052.3 PETS - POULTRY EXTENSION AND TRAINING																					
6	82	84	6,185	5,313	6,185	1,473	(650)	200	(223)	(223)	0	FACD: FNLK/O	04/30/96 PE/WID								
279-0052.4 HITS - HORTICULTURE IMPROVEMENT AND TRAINING																					
6	83	88	14,385	14,385	11,752	1,714	1,725	1,600	908	908	0	FACD: FNDS/O	04/30/96 FE								
279-0052.5 FUA - FACULTY OF AGRICULTURE																					
6	85	95	29,200	29,200	10,305	4,339	2,215	3,100	16,680	2,500	3,033	FACD: FNTE/O	04/30/96 FC/WID								
279-0083 TECHNICAL SERVICES AND FEASIBILITY STUDIES																					
6	88	94	2,000	2,000	0	0	250	50	1,750	50	150	FACD: FNPA/O	09/30/94 PE								
279-0084 FFP - FARMING PRACTICES FOR PRODUCTIVITY																					
6	88	93	0	12,000	0	0	0	0	12,000	1,600	2,200	FACD: FNAI/O	- WA/FE								
APPROPRIATION TOTAL												137,235	138,383	78,898	12,892	11,040	11,050	48,445	9,745	11,150	9,863

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

279 - YEMEN ARAB REPUBLIC		BUREAU FOR ASIA AND NEAR EAST											
PROJECT NO.	AND TITLE	OBLIG DATE	TOTAL COST AUTH	FY 1987 LINE	FY 1987 OBLIG THRU FY 1987	FY 1987 EXPEND- ITURES	FY 1988 EXPEND- ITURES	FY 1988 OBLIG- ATIONS	FY 1989 EXPEND- ITURES	FY 90 AFPL	SUBCAT/ % FVO	SERIAL CODE	
													INTL
HEALTH													
279-0044	SMALL RURAL WATER SYSTEMS	88	21,500	21,497	20,287	1,419	1,210	2,414	0	0	204	0	09/30/89 WA/WID/FE
279-0065	TIHARA PRIMARY HEALTH CARE	87	11,500	10,943	10,943	1,955	0	880	0	0	1,085	0	06/30/89 WID
279-0082	ACCELERATED COOPERATION FOR CHILD SURVIVAL	92	12,708	12,708	3,359	3,284	0	940	9,349	2,640	2,525	2,109	09/30/92 WID/WA/CS
279-0083	TECHNICAL SERVICES AND FEASIBILITY STUDIES	87	500	500	100	100	0	100	400	100	80	150	09/30/94 WID/WA/CS
APPROPRIATION TOTAL			46,208	45,648	34,689	6,768	1,210	4,334	9,749	2,740	3,894	2,259	

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

PROJECT NO. AND TITLE		BUREAU FOR ASIA AND NEAR EAST													
G L	INIT FIN	DATE	TOTAL COST AUTH	OBLIG THRU FY 1987	FY 1987 PIPE- LINE	FY 1987 OBLIG THRU FY 1987	FY 1988 OBLIG- ATIONS	FY 1988 EXPEND- ITURES	MORTGAGE	FY 1989 OBLIG- ATIONS	FY 1989 EXPEND- ITURES	FY 90 AAFL	SUBCAT/ % FVO	SERIAL CODE	
															84
SELECTED DEVELOPMENT ACTIVITIES															
2790054 SMALL PROJECT ASSISTANCE PROGRAM															
G	84	89	(1100)	(2800)	(1200)	(630)	(400)	(400)	(1200)	(400)	(400)	(400)	(400)	SDSH/0	08/31/88
G	87	94	1,500	1,500	0	0	150	100	1,350	250	200	200	200	FC/WA/EY/WIU	09/30/94
APPROPRIATION TOTAL			1,500	1,500	0	0	150	100	1,350	250	200	200		SUFF/0	FE
COUNTRY TOTAL GRAND			284,710	509,444	177,837	40,711	20,725	23,893	110,882	24,000	29,143	21,500			

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 1
FORESTRY

APPROPRIATION ACCOUNT	LIFE	FY 88	FY 89	FY 90
PROJECT NO. TITLE	OF	ESTIMATE	ESTIMATE	AAFL
	PROJECT			

FORESTRY (Not included within Mission OYB)

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

APPROPRIATION ACCOUNT	LIFE	FY 88	FY 89	FY 90
PROJECT NO. TITLE	OF	ESTIMATE	ESTIMATE	APPL.
	PROJECT			

INTERGATED RESOURCE MANAGEMENT (Not included within Mission OYB)

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 3
BIOLOGICAL DIVERSITY

APPROPRIATION ACCOUNT	LIFE	FY 88	FY 89	FY 90
PROJECT NO. TITLE	OF	ESTIMATE	ESTIMATE	AAFL
	PROJECT			

BIOLOGICAL DIVERSITY (Not included within Mission OYB)

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 4
CHILD SURVIVAL

<u>PROJ NO & TITLE</u>	<u>APPN</u>	<u>LOP FUND.</u> (000)	<u>ORT</u> %	<u>IMM</u> %	<u>NUT</u> %	<u>HRB</u> %	<u>OTH/CS</u> %	<u>TOTAL CS</u> %	<u>NON-CS</u> %
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CS

HE

(Africa only) ADF

FN

(No new activities in FY 88, 89 or 90)

ESF

(Add continuation sheets as necessary)

Definitions - See attachment b

ORT - Oral Rehydration Therapy HRB - High Risk Birth
IMM - Immunization NUT - Nutrition
OTH/CS - Other Child Survival

Instructions - Notes

- (1) List only new projects which appear on Table IV for either FY 88, FY 89, or FY 90.
- (2) List total planned LOP funding as shown on Table IV, by functional account, even if only part of project pertains to child survival.
- (3) Percentages under Child Survival categories are percentages of total LOP funding, i.e., percentages would total 100% only if project pertains entirely to those child survival interventions. In the case of the Child Survival Fund, all funding attributions must total 100% distributed among the child survival interventions.
- (4) All new activities in FY's 88, 89, and 90 which include funding for Child Survival activities should appear on the table.
- (5) A project with funding in two functional accounts would be listed under each functional account. LOP funding would be that for the specific functional account.

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 5
BASIC EDUCATION

APPROPRIATION ACCOUNT PROJECT NO. TITLE	LIFE OF PROJECT	FY 88 ESTIMATE	FY 89 ESTIMATE	FY 90 AAPL
<u>EHR</u>				
279-0080 Development Training III	1995	985	1,115	1,000
279-0074 Education Development Support	1997	975	500	500

FY 1990 ANNUAL BUDGET SUBMISSION
TABLE IV ATTACHMENT 6
AIDS

APPROPRIATION/ACCOUNT	LIFE	FY 88	FY 89	FY 90
PROJECT NO. TITLE	PROJ	EST	EST	AAPL

AIDS (Not included within Mission OYB)

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

DECISION UNIT 279 -- YEMEN ARAB REPUBLIC

RANK	PROJECT	TITLE	NEW/ ON- GOING	PROGRAM FUNDING (\$000)			
				LOAN/ GRANT	APPROP	INC	CUM
1.	0052.1	AGRICULTURE DEVELOPMENT SUPPORT -- CORE	0	G	ARDN	4,500	4,500
2.	0052.5	AGRICULTURE DEVELOPMENT SUPPORT -- FOA	0	G	ARDN	3,033	7,533
3.	0084	FARMING PRACTICES FOR PRODUCTIVITY -- FFP	N	G	ARDN	2,200	9,733
4.	0080	DEVELOPMENT TRAINING III	0	G	EHR	8,158	17,891
5.	PL 480	TITLE I -- YEMEN	0	L	PI	(10,000)	(10,000)
6.	0083	TECHNICAL SERVICES AND FEASIBILITY STUDIES	0	G	ARDN	150	18,041
7.	0083	TECHNICAL SERVICES AND FEASIBILITY STUDIES	0	G	SDA	200	18,241
8.	0083	TECHNICAL SERVICES AND FEASIBILITY STUDIES	0	G	HE	150	18,391
9.	0074	EDUCATION DEVELOPMENT SUPPORT	0	G	EHR	1,000	19,391
10.	0082	ACCELERATED COOPERATION FOR CHILD SURVIVAL	0	G	HE	2,109	21,500
11.	0054	SMALL PROJECT ASSISTANCE PROGRAM II	0	G	SDA	(40)	(40)
	TOTAL						21,500

FY 1990 Annual Budget Submission
 Table VI: Expenditures of Local Currency Generations
 (All in the U.S. Dollar Equivalents, in Thousands)

<u>Source/Purposes</u>	<u>1987</u> <u>Actual</u>	<u>1988</u> <u>Est.</u>	<u>1989</u> <u>Planned</u>	<u>1990</u> <u>Prop.</u>
II. P.L. 480				
A. Public Development Activities				
1. Self-Help Assistance for Reconstruction of Earthquake Damage (SHARED) (279-0077)	1,645	1,025	0	0
2. Sana'a University				
-Building 15	338	0	0	0
-Agromechanical Building	0	312	312	0
-Wadi Dahr Road Relocation	0	923	923	0
-Main Sewerage Connection	0	308	307	0
3. Ministry of Agriculture and Fisheries Projects				
-Wadi al-Jawf Rural Development	0	855	855	854
-Agricultural Research Authority Dhamar Station Improvements	0	487	487	0
4. Water Use				
-Construction of 3 Small Catchment Dams	324	746	746	746
-Eastern Provinces Rural Development Project	0	0	5,000	0
-Construction of Connecting Canal to Marib Dam	0	0	0	5,000
-Strengthening Local Councils Through Simple Water Systems/ Proposal	0	0	13	0
5. Economic Growth				
-Migration, Remittances, Labor Markets, Savings and Investment Survey	0	60	0	0
6. Agricultural Growth				
-Agricultural Prices and Incentives Study	0	15	0	0
-Agricultural Credit Survey	0	15	16	0
-Feasibility Study of Land Use Research Institute	0	21	21	0

<u>Source/Purposes</u>	<u>1987 Actual</u>	<u>1988 Est.</u>	<u>1989 Planned</u>	<u>1990 Prop.</u>
7. Human Resources				
-Health Care Usage and Practices Survey	0	21	21	0
B. Private Sector Programs	0	0	0	0
C. Public Sector Recurrent Budget	0	0	0	0
D. Trust Funds (if any) for P.L. 480 Monitoring and Implementation*	0	0	0	0

SUBTOTAL OF P.L. 480 EXPENDITURES	2,307	4,789	8,681	6,600
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(UNEXPENDED P.L. 480 LC BALANCE
AT END OF EACH YEAR: I.E., PIPELINE)**

GRAND TOTAL ALL LC EXPENDITURES	2,307	4,789	8,681	6,600
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(GRAND TOTAL ALL UNEXPENDED LC BALANCES
(I.E., THE PIPELINE)**

* A trust fund agreement is now being negotiated with the Central Planning Organization for the equivalent of \$ 1 million in P.L. 480 Title I local currency for contribution to the Technical Services and Feasibility Studies Project (279-0083).

** Mission has omitted these sections, as this "pipeline" category seems of little benefit given the time lag in actual expenditure compared with agreement on local currency uses in the agreement and memorandum of understanding. Estimated and planned expenditures refer to past years' local currency uses and do not correspond with FY 1987 above; e.g., SHARED is funded from FY 1984 and FY 1985 sales proceeds. No uses of local currency have been discussed for FY 1989 and FY 1990, although they will most likely be linked to self-help measures articulated in the FY 1987 Agreement and Memorandum of Understanding which are related to water resources allocation, human resource development and agricultural production and productivity.

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1990 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: YEMEN

Project List (Project No. & Title)	Last Eval. FY 1989		FY 1990		Reasons/Issues	Funding Source (\$000)	US\$10 Person Days	Collateral Assistance
	Completed	Start	Start	To				
	(No./Yr.)	(Mtr)	(Mtr)	(Mtr)				
1. Agriculture Development Support - COME 279-0052.1	1/84		3	3	4 PACB: 4/96. Perform mid-term evaluation to assess implementation status and progress towards project objectives.	Project	60	30 (a) Three persons (IUC/BA Fira) for one month.
2. Agriculture Development Support - Ibb Secondary Agriculture Institute 279-0052.2	1/88		1	1	2 Administrative PACB: 9/90. Final project evaluation to assess attainment of goals and objectives.	Project	60	30 (a) Three persons (IUC/BA Fira) for one month.
3. Agriculture Development Support - Horticulture Improvement and Training Subproject - (HIS) 279-0052.4	2/87		1	1	2 Administrative PACB: 12/89. Final project evaluation to assess attainment of goals and objectives.	Project	60	30 (a) Three persons (IUC/BA Fira) for one month.
4. Agriculture Development Support - Faculty of Agriculture (UOI) 279-0052.3	None		2	2	3 PACB: 4/96. Mid-term evaluation to assess project implementation and progress.	Project	60	30 (a) Three persons (IUC/BA Fira) for one month.

Mansour Shamir, Assistant Program Officer and Evaluation Officer 201

TABLE VII - LIST OF PLANNED EVALUATIONS
 FY 1990 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE: YEMEN

Project List (Project No. & title)	Last Eval FY 1989		FY 1990		Reasons/Issues	Funding Source (\$000)	USAID Person Days	Collateral Assistance
	Completed Start (Mo./Yr.) (Utr)	To Mid/Yr	Start (Utr)	To Mid/Yr				
5. Basic Education Development 279-0053	2/84	4 1/90			IPACD: 8/89. Final project evaluation to assess attainment of goals and objectives.	Project : 30	25	Two persons (IOC/BA Firm) for three weeks.
6. Educational Development Support 279-0074	None		2		3 IPACD: 9/97. Assess implementation and progress of project; determine future direction of project.	Project : 60	40	Three persons (IOC/BA Firm) for one month.
7. Development Training Support - III 279-0080	None		3		4 IPACD: 6/1994. Mid-term evaluation to assess implementation of project components; determine future direction of project.	Project : 90	45	Four persons (IOC/BA Firm) for one month.

** 1. COEA - 87-27279-U000 \$2,767.1
 2. CDHA - 87-27279-U000 \$ 727.9
 3. CDNA - 87-27279-U000 \$ 420.0
 Total \$3,915.0

Organization USAID/YEMEN
 Budget Plan Code **

TABLE VIII - FY 1987 ACTUAL
 (\$000)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>LOCAL CURRENCY ESTIMATE</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	<u>U100</u>	381.3		381.3	111.0	
<u>OTHER MISSION FUNDED CODE 11</u>	<u>U105</u>					
* Education Allowance	U106	50.6		50.6		8.0
Cost of Living Allowance	U108	30.9		30.9	27.0	
Other Mission Code 12	U110	4.9		4.9		
* Post Assignment Travel	U111	34.5		34.5		9.0
* Post Assignment Freight	U112	152.7		152.7		9.0
* Home Leave Travel	U113	22.9		22.9	20.0	7.0
* Home Leave Freight	U114	42.7		42.7	35.0	7.0
* Education Travel	U115	8.8		8.8	4.0	3.0
* R & R Travel	U116	20.8		20.8	15.0	11.0
* Other Code 215 Travel	U117	12.5		12.5	10.0	10.0
<u>Foreign National Direct Hire</u>	<u>U200</u>	342.8		342.8	342.8	
* F.N. Basic Pay	U201	284.0		284.0	284.0	18.1
* Overtime/Holiday Pay	U202	30.5		30.5	30.5	1.5
All Other Code 11 - F.N.	U203	23.2		23.2	23.2	
All Other Code 12 - F.N.	U204	5.1		5.1	5.1	
Benefits - Former F.N. Pers.	U205					
<u>Contract Personnel</u>	<u>U300</u>	1,202.0		1,202.0	679.1	
* PASA Technicians	U301					
* U.S. PSC Salaries/Benefits	U302	357.1		357.1		10.4
All Other U.S. PSC Costs	U303	70.9		70.9	50.0	
* F.N. PSC Salaries/Benefits	U304	714.1		714.1	614.1	70.9
All Other F.N. PSC Costs	U305	59.9		59.9	15.0	
* Manpower Contracts	U306					
<u>Housing</u>	<u>U400</u>	537.0		537.0	276.4	
* Residential Rent	U401	280.8		280.8	212.8	21.0
Residential Utilities	U402	63.6		63.6	63.6	
Maintenance & Renovation	U403					
* Quarters Allowances	U404					
Residential Furniture/Equip	U405	124.8		124.8		
Trans/Freight - Code 311	U406	62.8		62.8		
* Security Guard Services	U407					
Official Residence Allowance	U408	3.0		3.0		
Representation Allowance	U409	2.0		2.0		

* Unit data must be provided.

Organization USAID/YEMEN
 Budget Plan Code COEA-87-27279-U000

TABLE VIII - FY 1987 ACTUAL
 Continued
 (\$000)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>LOCAL CURRENCY ESTIMATE</u>	<u>UNITS</u>
<u>Office Operations</u>	U500	1,451.9		1,451.9	1,002.1	
Office Rent	U501					
Office Utilities	U502	30.8		30.8	30.8	
Building Maint/Renovation	U503	3.6		3.6	3.6	
Office Furniture/Equipment	U504	71.2		71.2		
Vehicles	U505					
Other Equipment	U506	65.8		65.8		
Transportation/Freight	U507	75.9		75.9		
Furn/Equip/Veh Repair/Maint	U508	36.1		36.1		
Communications	U509	54.3		54.3	54.3	
* Security Guard Services	U510	33.7		33.7	33.7	
Printing	U511	9.7		9.7	9.7	
* Site Visits - Mission	U513	43.4		43.4	25.4	151.0
* Site Visits - AID/W	U514	31.5		31.5	17.0	11.0
* Information Meetings	U515					
* Training Attendance	U516	24.1		24.1		9.0
* Conference Attendance	U517	11.0		11.0		6.0
* Other Operational Travel	U518	35.7		35.7	20.6	29.0
Supplies & Materials	U519	506.9		506.9	483.0	
* Contract Consulting Services	U521					
* Contract Mgt/Prof Services	U522					
* Special Studies/Analyses	U523					
* All Other Code 25	U524	418.2		418.2	324.0	see table (d)
TOTAL OPERATING EXPENSE BUDGET		3,915.0		3,915.0	2,421.4	
636 (c) Requirements	U601					
TOTAL ALLOWANCE REQUIREMENTS	U000	3,915.0		3,915.0	2,421.4	

OTHER INFORMATION

Exchange Rate Used in Calculation
 Estimated Inflation Rate

YR 11.02
 7-10%

(7 to 10% rate used for preparation of the budget in order not to exceed the given allowance. The actual rate of inflation in Yemen is around 20%).

U. S. Direct Hire workforce levels:

Positions 19.0
 Workyears 19.0

*Unit data must be provided

Organization USAID/YEMEN
 Budget Plan Code COEA-88-27279-U000

TABLE VIII - FY 1988 ESTIMATE
 (\$000)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>LOCAL CURRENCY ESTIMATE</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	<u>U100</u>	388.4		388.4	170.1	
OTHER MISSION FUNDED CODE 11	<u>U105</u>					
* Education Allowance	U106	40.0		40.0		6.0
Cost of Living Allowance	U108	46.0		46.0	30.0	
Other Mission Code 12	U110	7.4		7.4		
* Post Assignment Travel	U111	25.1		25.1		6.0
* Post Assignment Freight	U112	96.0		96.0		6.0
* Home Leave Travel	U113	30.6		30.6	25.0	8.0
* Home Leave Freight	U114	45.6		45.6	40.0	8.0
* Education Travel	U115	13.2		13.2	10.0	4.0
* R & R Travel	U116	38.4		38.4	22.0	32.0
* Other Code 215 Travel	U117	46.1		46.1	43.1	15.0
<u>Foreign National Direct Hire</u>	<u>U200</u>	440.3		440.3	440.3	
* F.N. Basic Pay	U201	351.7		351.7	351.7	19.0
* Overtime/Holiday Pay	U202	40.0		40.0	40.0	2.0
All Other Code 11 - F.N.	U203	35.7		35.7	35.7	
All Other Code 12 - F.N.	U204	7.9		7.9	7.9	
Benefits - Former F.N. Pers.	U205	5.0		5.0	5.0	
<u>Contract Personnel</u>	<u>U300</u>	1,582.0		1,582.0	1,006.4	
* PASA Technicians	U301					
* U.S. PSC Salaries/Benefits	U302	279.1		279.1		8.5
All Other U.S. PSC Costs	U303	43.0		43.0	10.0	
* F.N. PSC Salaries/Benefits	U304	1,170.6		1,170.6	961.4	98.3
All Other F.N. PSC Costs	U305	89.3		89.3	35.0	
* Manpower Contracts	U306					
<u>Housing</u>	<u>U400</u>	542.7		542.7	391.9	
* Residential Rent	U401	354.4		354.4	304.0	26.5
Residential Utilities	U402	71.8		71.8	71.8	
Maintenance & Renovation	U403					
* Quarters Allowances	U404					
Residential Furniture/Equip	U405	66.8		66.8		
Trans/Freight - Code 311	U406	28.6		28.6		
* Security Guard Services	U407	16.1		16.1	16.1	2.3
Official Residence Allowance	U408	3.0		3.0		
Representation Allowance	U409	2.0		2.0		

* Unit data must be provided.

TABLE VIII - FY 1988 ESTIMATE
Continued
 (\$000)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>LOCAL CURRENCY ESTIMATE</u>	<u>UNITS</u>
<u>Office Operations</u>	<u>U500</u>	796.6		796.6	538.8	
Office Rent	U501					
Office Utilities	U502	41.6		41.6	41.6	
Building Maint/Renovation	U503	1.5		1.5	1.5	
Office Furniture/Equipment	U504	47.4		47.4		
Vehicles	U505					
Other Equipment	U506	53.2		53.2		
Transportation/Freight	U507	29.3		29.3		
Furn/Equip/Veh Repair/Maint	U508	21.7		21.7	21.7	
Communications	U509	61.0		61.0	61.0	
* Security Guard Services	U510					
Printing	U511	9.0		9.0	9.0	
* Site Visits - Mission	U513	45.0		45.0	27.0	153.0
* Site Visits - AID/W	U514	35.0		35.0	18.0	12.0
* Information Meetings	U515					
* Training Attendance	U516	25.0		25.0		10.0
* Conference Attendance	U517	15.0		15.0		8.0
* Other Operational Travel	U518	30.2		30.2	18.0	25.0
Supplies & Materials	U519	191.7		191.7	150.0	
* Contract Consulting Services	U521					
* Contract Mgt/Prof Services	U522					
* Special Studies/Analyses	U523					
* All Other Code 25	U524	190.0		190.0	180.0	see table 5'
TOTAL OPERATING EXPENSE BUDGET		3,750.0		3,750.0	2,547.5	
636 (c) Requirements	U601					
TOTAL ALLOWANCE REQUIREMENTS	U000	3,750.0		3,750.0	2,547.5	

OTHER INFORMATION

Exchange Rate Used in Calculation
 Estimated Inflation Rate

YR 9.75 = \$ 1.00
 7-10%

(7 to 10% rate used for preparation of the budget in order not to exceed the given allowance. The actual rate of inflation in Yemen is around 20%).

D. 5. Direct Hire workforce levels:

Positions 19.0
 Workyears 19.0

*Unit data must be provided

Organization USAID/YEMEN
 Budget Plan Code COEA-89-27279-U000

TABLE VIII - FY 1989 ESTIMATE
 (\$000)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>LOCAL CURRENCY ESTIMATE</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	U100	412.7		412.7	141.0	
OTHER MISSION FUNDED CODE 11	U105					
* Education Allowance	U106	57.1		57.1		9.0
Cost of Living Allowance	U108	50.0		50.0	32.0	
Other Mission Code 12	U110	6.4		6.4		
* Post Assignment Travel	U111	32.4		32.4		9.0
* Post Assignment Freight	U112	132.0		132.0		9.0
* Home Leave Travel	U113	22.5		22.5	20.0	8.0
* Home Leave Freight	U114	23.0		23.0	18.0	8.0
* Education Travel	U115	12.5		12.5	10.0	5.0
* R & R Travel	U116	40.8		40.8	29.0	39.0
* Other Code 215 Travel	U117	36.0		36.0	32.0	13.0
<u>Foreign National Direct Hire</u>	U200	467.7		467.7	467.7	
* F.N. Basic Pay	U201	381.7		381.7	381.7	19.0
* Overtime/Holiday Pay	U202	30.0		30.0	30.0	1.9
All Other Code 11 - F.N.	U203	36.0		36.0	36.0	
All Other Code 12 - F.N.	U204	8.0		8.0	8.0	
Benefits - Former F.N. Pers.	U205	12.0		12.0	12.0	
<u>Contract Personnel</u>	U300	1,597.6		1,597.6	1,146.0	
* PASA Technicians	U301					
* U.S. PSC Salaries/Benefits	U302	224.5		224.5		7.0
All Other U.S. PSC Costs	U303	34.3		34.3	8.0	
* F.N. PSC Salaries/Benefits	U304	1,257.7		1,257.7	1,098.0	92.5
All Other F.N. PSC Costs	U305	81.1		81.1	40.0	
* Manpower Contracts	U306					
<u>Housing</u>	U400	513.2		513.2	376.6	
* Residential Rent	U401	329.8		329.8	279.0	24.3
Residential Utilities	U402	78.0		78.0	78.0	
Maintenance & Renovation	U403	2.0		2.0		
* Quarters Allowances	U404					
Residential Furniture/Equip	U405	53.9		53.9		
Trans/Freight - Code 311	U406	24.7		24.7		
* Security Guard Services	U407	19.6		19.6	19.6	4.0
Official Residence Allowance	U408	3.0		3.0		
Representation Allowance	U409	2.2		2.2		

* Unit data must be provided.

Organization USAID/YEMEN
 Budget Plan Code COEA-89-27279-U000

TABLE VIII - FY 1989 ESTIMATE
Continued
 (\$000)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>LOCAL CURRENCY ESTIMATE</u>	<u>UNITS</u>
<u>Office Operations</u>	<u>U500</u>	858.8		858.8	498.7	
Office Rent	U501					
Office Utilities	U502	42.0		42.0	42.0	
Building Maint/Renovation	U503	2.5		2.5	2.5	
Office Furniture/Equipment	U504	24.4		24.4		
Vehicles	U505	92.2		92.2		
Other Equipment	U506	59.6		59.6		
Transportation/Freight	U507	30.9		30.9		
Furn/Equip/Veh Repair/Maint	U508					
Communications	U509	60.0		60.0	60.0	
* Security Guard Services	U510	58.2		58.2	58.2	9.0
Printing	U511	9.0		9.0	9.0	
* Site Visits - Mission	U513	50.0		50.0	28.0	155.0
* Site Visits - AID/W	U514	40.0		40.0	22.0	12.0
* Information Meetings	U515					
* Training Attendance	U516	26.8		26.8		8.0
* Conference Attendance	U517	18.0		18.0		8.0
* Other Operational Travel	U518	30.0		30.0	18.0	12.0
Supplies & Materials	U519	200.1		200.1	170.0	
* Contract Consulting Services	U521					
* Contract Mgt/Prof Services	U522					
* Special Studies/Analyses	U523					
* All Other Code 25	U524	115.1		115.1	90.0	see table (d)
TOTAL OPERATING EXPENSE BUDGET		3,850.0		3,850.0	2,630.0	
636 (c) Requirements	U601					
TOTAL ALLOWANCE REQUIREMENTS	U000	3,850.0		3,850.0	2,630.0	

OTHER INFORMATION

Exchange Rate Used in Calculation
 Estimated Inflation Rate

YR 9.75 = \$ 1.00
 7-10%

(7 to 10% rate used for preparation of the budget in order not to exceed the given allowance. The actual rate of inflation in Yemen is around 20%).

U. S. Direct Hire workforce levels:

Positions 19.0
 Workyears 19.0

*Unit data must be provided

Organization USAID/YEMEN
 Budget Plan Code COEA-90-27279-U000

TABLE VIII - FY 1990 REQUEST
 (\$000)

<u>EXPENSE CATEGORY</u>	<u>FUNG. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>LOCAL CURRENCY ESTIMATE</u>	<u>UNITS</u>
<u>U.S. DIRECT HIRE</u>	<u>U100</u>	429.0		429.0	148.5	
OTHER MISSION FUNDED CODE 11	U105					
* Education Allowance	U106	89.8		89.8		13.0
Cost of Living Allowance	U108	55.0		55.0	33.5	
Other Mission Code 12	U110	9.0		9.0		
* Post Assignment Travel	U111	30.0		30.0		7.0
* Post Assignment Freight	U112	102.0		102.0		7.0
* Home Leave Travel	U113	24.5		24.5	21.0	11.0
* Home Leave Freight	U114	32.0		32.0	26.0	11.0
* Education Travel	U115	7.5		7.5	5.0	3.0
* R & R Travel	U116	43.2		43.2	31.0	36.0
* Other Code 215 Travel	U117	36.0		36.0	32.0	13.0
<u>Foreign National Direct Hire</u>	<u>U200</u>	494.6		494.6	494.6	
* F.N. Basic Pay	U201	400.8		400.8	400.8	19.0
* Overtime/Holiday Pay	U202	33.0		33.0	33.0	1.9
All Other Code 11 - F.N.	U203	39.6		39.6	39.6	
All Other Code 12 - F.N.	U204	8.0		8.0	8.0	
Benefits - Former F.N. Pers.	U205	13.2		13.2	13.2	
<u>Contract Personnel</u>	<u>U300</u>	1,613.5		1,613.5	1,186.9	
* PASA Technicians	U301					
* U.S. PSC Salaries/Benefits	U302	233.7		233.7		7.0
All Other U.S. PSC Costs	U303	38.3		38.3	10.0	
* F.N. PSC Salaries/Benefits	U304	1,294.8		1,294.8	1,157.9	92.0
All Other F.N. PSC Costs	U305	46.7		46.7	19.0	
* Manpower Contracts	U306					
<u>Housing</u>	<u>U400</u>	532.2		532.2	381.6	
* Residential Rent	U401	325.5		325.5	275.0	24.0
Residential Utilities	U402	85.0		85.0	85.0	
Maintenance & Renovation	U403	2.0		2.0		
* Quarters Allowances	U404					
Residential Furniture/Equip	U405	63.3		63.3		
Trans/Freight - Code 311	U406	29.6		29.6		
* Security Guard Services	U407	21.6		21.6	21.6	4.0
Official Residence Allowance	U408	3.0		3.0		
Representation Allowance	U409	2.2		2.2		

* Unit data must be provided.

TABLE VIII - FY 1990 REQUEST
Continued
 (\$000)

<u>EXPENSE CATEGORY</u>	<u>FUNC. CODE</u>	<u>DOLLARS</u>	<u>TRUST FUNDS</u>	<u>TOTAL</u>	<u>LOCAL CURRENCY ESTIMATE</u>	<u>UNITS</u>
<u>Office Operations</u>	<u>U500</u>	780.7		780.7	519.6	
Office Rent	U501					
Office Utilities	U502	42.0		42.0	42.0	
Building Maint/Renovation	U503	2.5		2.5	2.5	
Office Furniture/Equipment	U504	18.9		18.9		
Vehicles	U505					
Other Equipment	U506	58.9		58.9		
Transportation/Freight	U507	18.9		18.9		
Furn/Equip/Veh Repair/Maint	U508	25.0		25.0	25.0	
Communications	U509	60.0		60.0	60.0	
* Security Guard Services	U510	64.1		64.1	64.1	9.0
Printing	U511	9.0		9.0	9.0	
* Site Visits - Mission	U513	55.0		55.0	30.0	160.0
* Site Visits - AID/W	U514	35.0		35.0	19.0	20.0
* Information Meetings	U515					
* Training Attendance	U516	27.0		27.0		9.0
* Conference Attendance	U517	20.0		20.0		9.0
* Other Operational Travel	U518	30.0		30.0	18.0	12.0
Supplies & Materials	U519	214.4		214.4	170.0	
* Contract Consulting Services	U521					
* Contract Mgt/Prof Services	U522					
* Special Studies/Analyses	U523					
* All Other Code 25	U524	100.0		100.0	90.0	see table (d)
TOTAL OPERATING EXPENSE BUDGET		3,850.0		3,850.0	2,731.2	
636 (c) Requirements	U601					
TOTAL ALLOWANCE REQUIREMENTS	U000	3,850.0		3,850.0	2,731.2	

OTHER INFORMATION

Exchange Rate Used in Calculation
 Estimated Inflation Rate

YR 9.75 = \$ 1.00
 7-10%

(7 to 10% rate used for preparation of the budget in order not to exceed the given allowance. The actual rate of inflation in Yemen is around 20%).

U. S. Direct Hire workforce levels:

Positions 19.0
 Workyears 19.0

*Unit data must be provided

TABLE VIII (a)
Narrative

1. Reasons for Increase - FY-89 to FY-90

Function Code U-100: There is a total increase of \$16,300 or 3.9% in this functional code which is due to an increased number of education allowances budgeted in FY-1990 (13 Units) from FY-1989 (9 Units.)

Function Code U-200: The total increase of \$26,900 or 5.8% in this code is due to the projection of a 5% pay raise in FY-1990 for the foreign national employees.

Function Code U-300: The increase is less than 2%.

Function Code U-400: The increase of \$19,000 (3.7%) represents changes related to inflation from FY-1989 to FY-1990.

Function Code U-500: No increase is involved.

Function Code U-000: No increase is involved since the approved funding levels for both years are the same (\$3,850,000).

2. Funding Shortage in FY-1988 and/or FY-1989:

A. FY-1988. AID/W initially established FY-1988 OE funding level for USAID/Y per State-401911 at \$3,850,000 in response to USAID's submitted request of \$4,000,000.

Accordingly, USAID revised its OE budget to conform to the approved funding level. That level, however, was again reduced by \$100,000 per State-109814 to a new level of \$3,750,000. USAID again revised its budget by reducing (1) function code U-524 from \$250,000 to \$190,000 and (2) function code U-304 from \$1,210,600 to \$1,170,600. USAID expects to restore those reductions if and when the Bureau obtains fall-out funds.

B. FY-1989 and FY-1990. USAID's budget requests were \$4,015,500 in FY-1989 and \$4,125,200 in FY-1990. As dictated per State-142688, however, both those budgets have been reduced to the funding level of \$3,850,000, resulting in shortages of \$165,500 and \$275,200 respectively. In response to AID/W's advice to reduce operating costs, we plan to take such action in the following areas:

(1) Personal Services Contract (PSC)

USAID plans to delete one US-PSC GSO position as of October 1988 and one TCN-PSC Computer Specialist position as of September 1989.

(2) Vehicle Procurement (F. C. U-505)

- a. USAID'S FY-1989 requirement is \$182,500 for replacement of 8 vehicles (1 Sedan, 4 Land Cruisers, 1 bus and 2 pick-ups). To conform to the funding level, USAID has been able to allocate only \$104,700 to this functional code.
- b. USAID's FY-1990 requirement is \$155,000 for replacement of 6 vehicles (5 Land Cruisers and 1 truck). To conform to the funding level, however, USAID has not been able to allocate funding to this functional code.
- c. If increased funding is not available during FY-1989 and FY-1990, USAID intends to defer the remaining procurement of vehicles to the subsequent fiscal year.

3. Management Improvements:

Significant progress has been made this past year in multiple areas of administration. This progress has resulted in substantial financial savings, as well as more efficient Mission operations.

The general upgrading of the USAID buildings and compound is now more than 75% complete. Buildings have been changed from dingy, rather dirty, poorly lit facilities, to a clean, comfortable, relatively spacious work environment. Walls were moved to provide all personnel with usable work areas. Modern lighting was installed. Back-up generators were made operational, eliminating the long periods without power. Pictures hung on the walls and inexpensive carpeting did much to reduce ambient noise and improve morale and efficiency. Landscaping the exterior areas helped improve the appearance of the USAID compound from a dusty desert to an attractive place to work.

All of these improvements were accomplished by the Mission's building and maintenance personnel. This resulted in savings of more than \$250,000 over what would have been the cost of contracting the same work to a local contractor.

Still to be completed is the annex that will house the Controller's office. Plans are completed, a building contractor has been identified for this more complex, new construction effort, and all of the materials required from off-shore have been purchased. The completion of this final phase of construction will provide adequate facilities for USAID's operation for the foreseeable future. This is the first time since the Mission was opened in Sana'a 15 years ago that space has been planned from a long-range perspective.

The most significant savings during the year were realized as a result of the systematizing of USAID-operated customs clearance procedures and the establishment of a Mission-operated packing section. Previously the Mission contracted with a local company for clearing items from the airport and seaport. Cost analyses revealed that clearing charges were astronomical. For example, the clearing of a \$35.00 computer part cost \$817.00 in clearing fees. One middle-grade FSN employee was added to the GSO section dealing with customs. At present all arriving and departing shipments are processed by USAID employees. The savings this year are estimated at \$164,000 in clearing costs and fees.

A similar situation occurred in the delivery and pack-out of household effects (HHE). A typical pack-out performed by a local contractor cost approximately \$6,000.00. By using one of the Mission's employees with packing and moving experience, and utilizing laborers from the warehouse, we have reduced the pack-out costs to approximately \$1,500.00 per family. More significantly, all employees who have packed-out "in-house", have received their HHE without breakage or damage. Several employees have subsequently written, commending the GSO pack-out crew.

The Contractor Support Service (CSS) system has now been in operation for 10 months. It is clear that significant savings and improved management operations have resulted from USAID providing certain support functions to participating contractors, charged to project contractor costs. Although the precise cost savings have yet to be determined, the consultant hired to determine the feasibility of contractor support, estimated that the savings to both the contractors and to the Mission's O.E. budget would amount to approximately \$500,000 per year. Just as significant is the more effective use of manpower and the up-grading of all services received by the contractors. Contractor vehicles are now serviced regularly and appropriate records are kept. Housing for contractor personnel is maintained properly, eliminating large expenditures for poorly maintained, inoperative equipment. Contractors now purchase very little on the expensive local market because they can draw on the common-use supply warehouse. The Mission is considering broadening the CSS concept to include additional contractors, as well as providing additional services.

4. Trust Funds:

Recently, USAID/Yemen has been able to convince the concerned Officials of the YARG that the Yemeni Government should absorb a portion of financial contribution to Development projects and their operational costs. As a result of a USAID proposal to the YARG, negotiations for a Project Trust Fund Account Agreement are now underway. In this account, the YARG would, initially, deposit funds for the costs of goods and services, payable in Yemeni Rials, associated with the Technical Services and Feasibility Studies Project (279-0083).

USAID/Y considers this step a significant achievement when the YARG has been running through budgetary constraints. If negotiations are successful, our next goal will be to press YARG for funding a portion of the USAID's operating costs. We do not consider this option viable at the present time and would like to wait for the projected increases in oil revenues after FY-1989. However, USAID/Y will continue to look for opportunities to discuss/negotiate with YARG relating to OE trust fund contributions, as circumstances change.

Organization USAID/YEMEN

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

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
General Services Officer (EXO)	67.2 (2/13/87- 2/14/88)	31.5 (2/15/88- 9/30/88)	-0-	-0-
Asst. General Services Officer (EXO)	42.0 (2/15/87- 2/14/88)	42.3 (2/15/88- 2/14/89)	45.0 (2/15/89- 2/14/90)	46.5 (2/15/90- 2/14/91)
Asst. General Services Officer (EXO)	99.9 (3/01/87- 3/31/88)	97.2 (4/01/88- 2/28/89)	93.3 (2/28/89- 2/28/90)	99.4 (3/01/90- 2/28/91)
Secretary (ACO)	2.8 (2/21 - 4/25/87)	-0-	-0-	-0-
Secretary (AGR)	20.2 (2/26/87- 2/27/88)	30.3 (2/28/88- 2/27/89)	22.0 (2/28/89- 2/27/90)	23.5 (2/28/90- 2/27/91)
Secretary (EXO)	11.1 (9/26/87- 2/25/88)	4.4 (2/26/88- 9/30/88)	-0-	-0-
Secretary (CONT)	25.8 (12/01/86- 11/30/87)	26.6 (12/1/87- 11/30/88)	27.5 (12/1/88- 11/30/89)	28.5 (12/1/89- 11/30/90)
Secretary (PROG)	21.9 (1/4/87- 1/3/88)	15.3 (1/4/88- 1/3/89)	16.5 (1/4/89- 1/3/90)	17.3 (1/4/90- 1/3/91)
Secretary (EXO)	20.8 (2/15/87- 2/14/88)	20.2 (1/23/88- 1/11/89)	21.5 (1/12/89- 1/11/90)	22.3 (1/12/90 1/11/91)
Personnel Asst. (EXO)	9.6 (9/01/87- 2/27/88)	-0-	-0-	-0-
Asst. Prog. Off. (PROG.)	40.0 (12/1/86- 11/30/87)	42.3 (12/1/87- 11/30/88)	-0-	-0-

Asst. Proj. Off. (GDO)	53.9 (1/1/87- 1/31/88)	-0-	-0-	-0-
Summer Employments	12.8 (60-90 days)	12.0 (60-90 days)	8.0 (60-90 days)	8.0 (60-90 day
Secretary (EHR)	-0-	-0-	25.0 (10/1/88- 9/30/89)	26.5 (10/1/89- 9/30/90)
Totals	<u>428.0</u>	<u>322.1</u>	<u>258.8</u>	<u>272.0</u>

Organization USAID/YEMEN

TABLE VIII (b)
Information on F.N. PSC Costs

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
1. Secretary (ACO)	6.4 (8/16/87- 2/13/88)	12.1 (2/14/88- 2/13/89)	13.3 (2/14/89- 2/13/90)	14.0 (2/14/90- 2/13/91)
2. Mailroom Clerk (DIR)	4.7 (8/16/87- 2/13/88)	8.6 (2/14/88- 2/13/89)	9.5 (2/14/89- 2/13/90)	10.4 (2/14/90- 2/13/91)
3. Secretary (EXO)	5.4 (2/14/87- 2/13/88)	13.4 (2/14/88- 2/13/89)	15.8 (2/14/89- 2/13/90)	16.3 (2/14/90- 2/13/91)
4. Receptionist/ Switchboard Operator (EXO)	6.3 (2/1/87- 2/13/88)	8.2 (2/14/88- 2/13/89)	9.1 (2/14/89- 2/13/90)	9.5 (2/14/90- 2/13/91)
5. Translator/ Interpreter (EXO)	14.3 (8/16/87- 2/13/88)	29.3 (2/14/88- 2/13/89)	30.9 (2/14/89- 2/13/90)	31.7 (2/14/90- 2/13/91)
6. Secretary (EXO) Arabic/English	4.3 (8/16/87- 2/13/88)	10.4 (2/14/88- 2/13/89)	11.4 (2/14/89- 2/13/90)	12.0 (2/14/90- 2/13/91)
7. Secretary (EXO) Arabic/English	5.9 (2/14/87- 2/13/88)	8.2 (2/14/88- 2/13/89)	9.0 (2/14/89- 2/13/90)	9.5 (2/14/90- 2/13/91)
8. Personnel Asst. (EXO)	9.1 (8/16/87- 2/13/88)	10.9 (2/14/88- 2/13/89)	12.0 (2/14/89- 2/13/90)	13.0 (2/14/90- 2/13/91)
9. Travel Assistant (EXO)	13.0 (1/18/87- 2/13/88)	15.0 (2/14/88- 2/13/89)	17.5 (2/14/89- 2/13/90)	18.2 (2/14/90- 2/13/91)

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
10. Secretary(EXO)	6.3 (2/1/87- 2/13/88)	7.6 (2/14/88- 2/13/89)	8.3 (2/14/89- 2/13/90)	9.3 (2/14/90- 2/13/91)
11. Asst. GSO(EXO)	77.7 (5/27/87- 5/26/88)	67.2 (5/27/88- 2/28/89)	90.9 (3/1/89- 2/28/90)	86.2 (3/1/90- 2/28/91)
12. Secretary (EXO)	9.6 (2/1/87- 2/13/88)	10.5 (2/14/88- 2/13/89)	11.6 (2/14/89- 2/13/90)	12.5 (2/14/90- 2/13/91)
13. Asst. Customs/ Shipping Exp. (EXO)	9.7 (4/12/87- 2/13/88)	15.7 (2/14/88- 2/13/89)	16.9 (2/14/89- 2/13/90)	17.3 (2/14/90- 2/13/91)
14. Record Clerk (EXO)	6.2 (8/16/87- 2/13/88)	11.7 (2/14/88- 2/13/89)	12.9 (2/14/89- 2/13/90)	13.2 (2/14/90- 2/13/91)
15. Supply Clerk (EXO)	6.0 (2/15/87- 2/13/88)	7.5 (2/14/88- 2/13/89)	8.2 (2/14/89- 2/13/90)	8.7 (2/14/90- 2/13/91)
16. Warehouse Labourer (EXO)	2.2 (6/21/87- 12/19/87)	5.1 (12/20/87- 2/13/89)	4.3 (2/14/89- 2/13/90)	4.7 (2/14/90- 2/13/91)
17. Warehouse Labourer (EXO)	2.2 (6/21/87- 12/19/87)	5.1 (12/20/87- 2/13/89)	4.3 (2/14/89- 2/13/90)	4.7 (2/14/90- 2/13/91)
18. Warehouse Labourer (EXO)	4.2 (2/15/87- 2/13/88)	5.0 (2/14/88- 2/13/89)	5.5 (2/14/89- 2/13/90)	6.0 (2/14/90- 2/13/91)
19. Warehouse Labourer (EXO)	2.1 (7/21/87- 2/13/88)	4.6 (2/14/88- 2/13/89)	5.0 (2/14/89- 2/13/90)	5.6 (2/14/90- 2/13/91)
20. Driver (Customs/Shipping	4.9 (2/15/87- 2/13/88)	6.9 (2/14/88- 2/13/89)	7.7 (2/14/89- 2/13/90)	8.4 (2/14/90- 2/13/91)
21. Guard Supervisor (EXO)	7.0 (2/01/87- 2/13/88)	9.7 (2/14/88- 9/30/88)	Effective Oct. 1, 1988, Embassy will manage the Local guard program	

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
22. Asst. Guard Sup. (EXO)	5.7 (2/1/87- 2/13/88)	6.8 (2/14/88- 9/30/88)	"	"
23. Guard (EXO)	3.7 (2/1/87- 2/13/88)	4.4 (2/14/88- 9/30/88)	"	"
24. Guard (EXO)	3.7 (2/1/87- 2/13/88)	4.4 (2/14/88- 9/30/88)	"	"
25. Guard (EXO)	3.7 (")	4.4 (")	"	"
26. Guard (EXO)	3.7 (")	4.4 (")	"	"
27. Guard (EXO)	3.7 (")	4.4 (")	"	"
28. Guard (EXO)	3.7 (")	4.4 (")	"	"
29. Guard (EXO)	3.9 (4/12/87- 2/13/88)	4.7 2/14/88- 9/30/88)	"	"
30. House Guard (EXO)	-0-	2.9 (3/01/88- 9/30/88)	"	"
31. House Guard (EXO)	-0-	2.9 (")	"	"
32. House Guard (EXO)	-0-	2.9 (")	"	"
33. House Guard (EXO)	-0-	2.9 (")	"	"
34. Procurement Spl. (EXO)	20.4 (2/14/87- 2/13/88)	23.7 (2/14/88- 2/13/89)	25.1 2/14/89- 2/13/90)	26.3 (2/14/90- 2/13/91)
35. Secretary (EXO)	9.0 (5/24/87- 2/13/88)	13.0 (2/14/88- 2/13/89)	14.4 (2/14/88- 2/13/90)	15.0 (2/14/90- 2/13/91)

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
36. Asst. Maintenance Sup. (EXO)	14.6 (2/15/87- 2/13/88)	17.6 (2/14/88- 2/13/89)	19.1 (2/14/89- 2/13/90)	20.3 (2/14/90- 2/13/91)
37. Work Control Clerk (EXO)	-0-	7.8 (10/25/87- 2/13/89)	8.6 (2/14/89- 2/13/90)	9.0 (2/14/90- 2/13/91)
38. Electrician (EXO)	9.1 (11/16/87- 2/13/88)	17.0 (2/14/88- 2/13/89)	17.7 (2/14/89- 2/13/90)	18.2 (2/14/90- 2/13/91)
39. Electrician (EXO)	7.1 (8/16/87- 2/13/88)	9.6 (2/14/88- 2/13/89)	10.6 (2/14/89- 2/13/90)	11.0 (2/14/90- 2/13/91)
40. Carpenter (EXO)	8.4 (8/16/87- 2/13/88)	15.0 (2/14/88- 2/13/89)	16.5 (2/14/89- 2/13/90)	17.2 (2/14/90- 2/13/91)
41. Carpenter (EXO)	8.0 (4/12/87- 2/13/88)	10.6 (2/14/88- 2/13/89)	11.7 (2/14/89- 2/13/90)	12.3 (2/14/90- 2/13/91)
42. Carpenter (EXO)	4.9 (6/21/87- 2/13/88)	8.3 (2/14/88- 2/13/89)	9.1 (2/14/89- 2/13/90)	10.0 (2/14/90- 2/13/91)
43. Mason (EXO)	7.8 (2/15/87- 2/13/88)	8.7 (2/14/88- 2/13/89)	9.6 (2/14/89- 2/13/90)	10.0 (2/14/90- 2/13/91)
44. Mason (EXO)	6.0 (6/21/87- 2/13/88)	8.2 (2/14/88- 2/13/89)	9.0 (2/14/89- 2/13/90)	9.5 (2/14/90- 2/13/91)
45. Mason (EXO)	6.0 (-)	8.2 (-)	9.0 (-)	9.5 (-)
46. Mason (EXO)	6.0 (-)	8.2 (-)	9.0 (-)	9.5 (-)
47. Plumber (EXO)	6.2 (-)	9.0 (-)	9.9 (-)	10.5 (-)
48. Asst. Plumber (EXO)	4.6 (2/15/87- 2/13/88)	6.9 (2/14/88- 2/13/89)	7.6 (2/14/89- 2/13/90)	8.0 (2/14/90- 2/13/91)

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
49. Maintenance Man	-0-	4.4 (11/8/87- 2/13/89)	3.9 (2/14/89- 2/13/90)	4.3 (2/14/90- 2/13/91)
50. Maintenance Man	7.2 (6/7/87- 2/13/88)	9.8 (2/14/88- 2/13/89)	10.8 (2/14/89- 2/13/90)	11.3 (2/14/90- 2/13/91)
51. Painter (EXO)	6.1 (8/16/87- 2/13/88)	9.6 (2/14/88- 2/13/89)	10.9 (2/14/89- 2/13/90)	11.1 (2/14/90- 2/13/91)
52. Gardener	2.1 (6/21/87- 2/13/88)	4.9 (2/14/88- 2/13/89)	5.4 (2/14/89- 2/13/90)	5.8 (2/14/90- 2/13/91)
53. Gardener	9.6 (2/15/87- 2/13/88)	9.0 (2/14/88- 2/13/89)	9.9 (2/14/89- 2/13/90)	10.4 (2/14/90- 2/13/91)
54. Maintenance Labourer (EXO)	6.0 (")	8.3 (")	9.1 (")	9.5 (")
55. Janitor (EXO)	4.2 (")	6.3 (")	6.9 (")	7.6 (")
56. Janitor (EXO)	3.9 (")	4.5 (")	5.0 (")	5.4 (")
57. Janitor (EXO)	3.9 (")	4.5 (")	5.0 (")	5.4 (")
58. Janitor (EXO)	-0-	3.5 (")	3.8 (")	4.2 (")
59. Janitor (EXO)	1.9 (11/16/87- 2/13/88)	3.5 (")	3.8 (")	4.2 (")
60. Labourer (EXO)	4.2 (6/21/87- 2/13/88)	5.2 (2/14/88- 2/13/89)	5.8 (2/14/89- 2/13/90)	6.2 (2/14/90- 2/13/91)
61. Labourer (EXO)	4.2 (")	5.2 (")	5.8 (")	6.2 (")
62. Labourer (EXO)	4.2 (")	5.2 (")	5.8 (")	6.2 (")
63. Labourer (EXO)	4.2 (")	5.2 (")	5.8 (")	6.2 (")

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
64. Labourer (EXO)	-0-	5.2 (-)	5.8 (-)	6.2 (-)
65. Chief Mechanic (EXO)	15.0 (2/15/87- 2/13/88)	19.0 (2/14/88- 2/13/89)	20.5 (2/14/89- 2/13/90)	21.2 (2/14/90- 2/13/91)
66. Mechanic (EXO)	10.2 (2/15/87- 2/13/88)	10.3 (2/14/88- 2/13/89)	11.3 (2/14/89- 2/13/90)	11.0 (2/14/90- 2/13/91)
67. Gasoline Clerk (EXO)	9.5 (2/15/87- 2/13/88)	9.3 (2/14/88- 2/13/89)	10.2 (2/14/89- 2/13/90)	10.7 (2/14/90- 2/13/91)
68. Driver (EXO)	8.6 (2/15/87- 2/13/88)	9.3 (2/14/88- 2/13/89)	10.2 (2/14/89- 2/13/90)	11.0 (2/14/90- 2/13/91)
69. Driver (EXO)	8.6 (-)	9.3 (-)	10.2 (-)	11.0 (-)
70. Driver (EXO)	8.6 (-)	9.3 (-)	10.2 (-)	11.0 (-)
71. Driver (EXO)	8.6 (-)	9.3 (-)	10.2 (-)	11.0 (-)
72. Driver (EXO)	7.3 (-)	8.5 (-)	9.3 (-)	10.0 (-)
73. Driver (EXO)	7.3 (-)	8.5 (-)	9.3 (-)	10.0 (-)
74. Driver (EXO)	4.9 (-)	5.9 (-)	6.5 (-)	7.1 (-)
75. Driver (EXO)	4.9 (-)	5.9 (-)	6.5 (-)	7.1 (-)
76. Driver (EXO)	4.9 (-)	5.9 (-)	6.5 (-)	7.1 (-)
77. Driver (EXO)	4.9 (-)	5.9 (-)	6.5 (-)	7.1 (-)
78. Driver (EXO)	4.9 (-)	5.9 (-)	6.5 (-)	7.1 (-)
79. Driver (EXO)	4.9 (-)	5.9 (-)	6.5 (-)	7.1 (-)

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
80. Driver (EXO)	4.9 (")	5.9 (")	6.5 (")	7.1 (")
81. Driver (EXO)	4.9 (")	5.9 (")	6.5 (")	7.1 (")
82. Driver (EXO)	-0-	5.9 (")	6.5 (")	7.1 (")
83. Financial Analyst (CONT)	-0-	50.5 (9/30/88- 2/28/89)	78.5 3/01/89- 2/28/90)	77.1 3/01/90- 2/28/91)
84. Computer Specialist (CONT)	29.6 (8/15/87- 10/10/87)	80.1 (10/11/87- 2/28/89)	49.4 (3/01/89- 8/31/89)	-0-
85. Asst. Computer Specialist (CONT)	13.1 (8/16/87- 2/13/88)	26.7 (2/14/88- 2/13/89)	28.1 (2/14/89- 2/13/90)	29.5 (2/14/90- 2/13/91)
86. Accounting Technician (CONT)	12.5 (8/16/87- 2/19/88)	24.6 (2/14/88- 2/13/89)	26.1 (2/14/89- 2/13/90)	27.2 (2/14/90- 2/13/91)
87. Voucher Examiner (CONT)	12.7 (2/15/87- 2/13/88)	12.5 (2/14/88- 2/13/89)	13.7 2/14/89- 2/13/90)	14.1 (2/14/90- 2/13/91)
88. Voucher Clerk (CONT)	15.0 (2/1/87- 1/30/88)	15.3 (1/31/88- 1/30/89)	15.9 (1/31/89- 1/30/90)	16.5 (1/31/90- 1/30/91)
89. Program Assistant (PROG)	15.0 (8/16/87- 2/13/88)	28.9 (2/14/88- 2/13/89)	33.8 (2/14/89- 2/13/90)	34.5 (2/14/90- 2/13/91)
90. Program Assistant (PROG)	20.0 (2/1/87- 2/13/88)	22.3 (2/14/88- 2/13/89)	25.6 (2/14/89- 2/13/90)	26.5 (2/14/90- 2/13/91)
91. Program Assistant (PROG)	10.0 (8/16/87- 2/13/88)	20.0 (2/14/88- 2/13/89)	22.0 (2/14/89- 2/13/90)	23.0 (2/14/90- 2/13/91)
92. Secretary (PROG)	5.6 (8/16/87- 2/13/88)	12.8 (2/14/88- 2/13/89)	13.1 (2/14/89- 2/13/90)	14.1 (2/14/90- 2/13/91)

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
93. Agricultural Specialist (AGR)	-0-	20.3 (2/19/88- 2/13/89)	21.3 (2/14/89- 2/13/90)	22.0 (2/14/90- 2/13/91)
94. Secretary (AGR)	18.0 (2/1/87- 2/13/88)	20.5 (2/14/88- 2/13/89)	21.6 (2/14/89- 2/13/90)	22.6 (2/14/90- 2/13/91)
95. Secretary (AGR)	26.8 (4/27/87- 4/12/88)	11.0 (6/01/88- 2/13/89)	12.6 (2/14/89- 2/13/90)	13.3 (2/14/90- 2/13/91)
96. Training Asst. (EHR)	10.0 (8/16/87- 2/13/88)	20.0 (2/14/88- 2/13/89)	21.0 (2/14/89- 2/13/90)	22.0 (2/14/90- 2/13/91)
97. Administrative Asst. (EHR)	11.1 (8/16/87- 2/19/88)	22.8 (2/14/88- 2/13/89)	24.4 (2/14/89- 2/13/90)	25.4 (2/14/90- 2/13/91)
98. Secretary (EHR)	11.8 (8/6/87- 2/27/88)	19.1 (3/1/88- 2/28/89)	20.2 (3/1/89- 2/28/90)	21.0 (3/1/90- 2/28/91)
99. Secretary (EHR)	-0-	11.0 (6/1/88- 2/13/89)	12.1 (2/14/89- 2/13/90)	13.3 (2/14/90- 2/13/91)
100. Program Asst. (GDO)	-0-	27.2 (1/9/88- 2/13/89)	32.0 (2/14/89- 2/13/90)	33.0 (2/14/90- 2/13/91)
101. Program Asst.	-0-	23.3 (11/7/87- 2/13/89)	22.3 (2/1/89- 2/13/90)	23.3 (2/14/90- 2/13/91)
102. Secretary (GDO)	20.8 (5/10/87- 5/09/88)	22.5 (5/10/88- 5/09/89)	23.5 (5/10/89- 5/09/90)	24.0 (5/10/90- 5/09/91)
103. Secretary (GDO)	-0-	8.3 (10/1/87- 9/30/88)	13.0 (10/1/88- 2/13/90)	13.5 (2/14/90- 2/13/91)
104. Secretary (HEALTH)	-0-	10.0 (6/1/88- 2/13/89)	12.5 (2/14/89- 2/13/90)	13.0 (2/14/90- 2/13/91)

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
105. Program Asst. (HEALTH)	-0-	16.0 (6/1/88- 2/13/89)	19.7 (2/14/89- 2/13/90)	20.5 (2/14/90- 2/13/91)
106. Computer Asst. (CONT)	-0-	-0-	22.0 (10/1/88- 2/13/90)	24.2 (2/14/90- 2/13/91)
TOTAL	<u>774.0</u> =====	<u>1,259.9</u> =====	<u>1,338.8</u> =====	<u>1,341.5</u> =====

Organization USAID/YEMEN

TABLE VIII (c)
Manpower Contract Detail

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
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Currently, USAID/Yemen has no manpower contract for secretarial, clerical, charforce and driver services. However, such type of services are obtained under a personal service contract with each individual.

Organization USAID/YEMEN

TABLE VIII (d)
All Other Code 25 Detail

<u>Job Title/Description</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>FY 1989</u>	<u>FY 1990</u>
(1) Casual Laborers <u>1/</u>	171.5	90.0	115.1	100.0
(2) Experience Inc. <u>2/</u> (1/25-3/16/87)	33.5	-0-	-0-	
(3) Mission Retreat Program <u>3/</u> (Two weeks)	31.2	-0-	-0-	
(4) USAID Building Extension <u>4/</u>	182.0	100.0	-0-	-0-
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	<u>418.2</u>	<u>190.0</u>	<u>115.1</u>	<u>100.0</u>

1/ Includes costs for daily casual laborers, Arabic/English translation, temporary secretarial assistance under purchase orders and other miscellaneous expenses.

2/ Includes contract cost for development of "Cost Accounting System" for USAID Administrative/Logistic support to AID-funded contract teams in Yemen.

3/ Includes contract cost of \$31,200 (including local costs) for conducting the Mission Retreat Program. The objective of this program is to examine USAID/Yemen internal management objective, methods and procedures in order to recommend improved Mission organization and management.

4/ Construction of additional wing of office space to the existing USAID office building. The completion date is 180 days after receiving notice.

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

Item and Explanation	Fiscal Years (\$000)			
	1987	1988	1989	1990
1. <u>Capital Investment:</u>				
A. Purchase of Hardware		26.8	29.4	32.4
B. Purchase of Software	2.1	8.9	3.1	17.2
C. Site and Facility			10.0	
SUBTOTAL Section 1	<u>2.1</u>	<u>35.7</u>	<u>42.5</u>	<u>49.6</u>
2. <u>Personnel:</u>				
FSN/TCN <u>1/</u>				
A. Compensation, Benefits and Travel	93.5	114.8	131.9	53.9
B. Workyears	2.0	2.0	2.5	2.0
3. <u>Equipment Rental Space and Other Operating Costs</u>				
A. Lease of Equipment				
B. Space				
C. Supplies and Other (incl. freight)	5.6	6.5	10.0	10.0
D. Non-Commercial Training	<u> </u>	<u> </u>	<u> </u>	<u> </u>
SUBTOTAL Section 3	5.6	6.5	10.0	10.0
4. <u>Commercial Services</u>				
A. Computer Time				
B. Lease Telecommunications Services				
C. Operations and Maintenance				
(1) Operations				
(2) Maintenance				
Other than Wang			1.0	1.0
WANG (Local Funding)	37.0		2.0	2.0
Wang (A.I.D. w/ funding)		45.0	45.0	45.0
D. Systems and Analysis & Programming				
E. System Design and Engineering				
F. Studies and Other	<u>1.3</u>	<u>4.5</u>	<u> </u>	<u> </u>
SUBTOTAL Section 4	38.3	49.5	48.0	48.0
5. Total Dollars	139.5	206.5	232.4	161.5
Total Work Years (from Item 2A)	2.0	2.0	2.5	2.0
6. <u>Mission Allowance Level:</u>				
A. Existing Systems	93.5	114.8	131.9	53.9
B. New/Expanded Systems	46.0	46.7	55.5	62.6

1/ USAID/Yemen has neither USDH nor FSN/DH employees for ADP operations. However, one TCN and one FSN are employed under Personal Services Contract (PSC). In 1989, another FSN/PSC will be hired and by 1990 TCN/PSC position will be abolished.

Attachment to Item No. 1 - Capital Investment of
TABLE VIII (e)

<u>Vendor</u>	<u>Name and Model</u>	<u>Unit Cost</u>	<u>Qty.</u>	<u>Total Cost</u>
<u>FY-87</u>				
A. <u>Hardware</u>				
B. <u>Software</u>				
SPSS Inc.	SPSS II	1.3	1	1.3
Ashton Tate	DBase III Plus	0.3	1	0.3
Breakthrough Software Corp	Time Line	0.5	1	0.5
SUBTOTAL - - - - -				2.1

FY-88

A. Hardware

Wang	32 Port Serial IOP Contrl	3.0	1	3.0
Wang	Install Kit for Mounting EAPA to CPU	0.2	1	0.2
Wang	Active Port Assembly	0.2	2	0.4
Wang	PC Portable Laptop w/ Exp Card, 720K Disk Drive, and Local Com Option	6.0	3	18.0
Wang	PCPM016 Matrix Printer	0.7	1	0.7
Wang	1/4" Streaming Cartridge	2.0	1	2.0
Data Control	Telex Interface, ASYNC Telexbox 3	2.5	1	<u>2.5</u>
SUBTOTAL - - - - -				26.8

B. Software

Wang	Lotus 123 2.01 (Upgrade)	1.0	1	1.0
Info Invst	Proplan System Software	1.0	1	1.0
GTSI	W-Links	0.4	1	0.4
Wang Europe	Interactive Telex Automation System (ITAS)	5.1	1	5.1
Wang	Wang Systems Networking on the Lap Top	0.4	2	0.8
Wang	IWP Discount Package	0.2	2	0.4
Wang	WLTC RH Thesaurus	0.1	2	<u>0.2</u>
SUBTOTAL - - - - -				8.9

FY-89

A. Hardware

Wang	VS65 Internal Disk Upgrade 76 MB Disk to 147 MB (Fixed)	8.0	1	8.0
Wang	Active Port Assembly	0.2	1	0.2
Wang	PC Portable Laptop w/ Exp Card, 720K Disk Drive, and Local Com Option	6.0	2	12.0
Wang	PCPM016 Matrix Printer	0.7	1	.7
Wang	VS Workstation 4230A	2.5	1	2.5
IBM	IBM PC, Color Monitor Printer, Plotter (Graphic)	4.0	1	4.0
Wang/Other Vendor	PC Printer Pool, Black Box, Printing Sharing Device	0.5	4	<u>2.0</u>
SUBTOTAL - - - - -				29.4

B. Software

Wang	VS-Multistation	2.5	1	2.5
Wang	VS/PC Data Exchange	0.3	1	0.3
Wang	PC Multistation	0.3	1	<u>0.3</u>
SUBTOTAL - - - - -				3.1

C. Site & Facility

5 KVA UPS	5.0	1	5.0	
Installation of Sensitive Circuit Breaker and site modification	5.0		<u>5.0</u>	
SUBTOTAL - - - - -				10.0

FY-90

A. Hardware

Wang	PC Portable Laptop w/ Exp Card, 720K Disk Drive, and Local Com Option	6.0	3	18.0
Wang	PCPM016 Matrix Printer	0.7	1	.7
Wang	VS Workstation 4230A PC, 30 MB Hard Disk	2.5	1	2.5
		5.6	2	<u>11.2</u>
SUBTOTAL - - - - -				32.4

B. Software

Wang	PACE Relational Data Base	13.6	1	13.6
Wang	20/20 Spreadsheet	3.6	1	<u>3.6</u>
SUBTOTAL - - - - -				17.2

Country/Office: Yemen/USAIDFY 1990 ANNUAL BUDGET SUBMISSIONTABLE XIP.L. 480 TITLE I/III REQUIREMENTS

(U.S. Dollars in Millions, Tonnage in Thousands)

	ACTUAL		ESTIMATED		PROJECTED	
	FY 1988		FY 1989		FY 1990	
	\$	MT	\$	MT	\$	MT
<u>COMMODITIES</u>						
<u>Title I</u>	5	42	10	84	10	84
<u>Total</u>	<u>5</u>	<u>42</u>	<u>10</u>	<u>84</u>	<u>10</u>	<u>84</u>
of which						
Title III	0		0		0	
<u>Total</u>	<u>5*</u>	<u>42</u>	<u>10**</u>	<u>84</u>	<u>10**</u>	<u>84</u>

COMMENT:

* Additional allocations of \$5 to \$10 million in supplementary P.L. 480 Title I have been requested for FY 1988.

** Per State 160269, increased levels, above those of the AAPL notification, are requested based on Yemen's continuing foreign exchange scarcity despite its emergence as an oil producer and policy dialogue achievements associated with the P.L. 480 Title I program during FY 1987 and FY 1988. With the current decline and uncertainty regarding world oil prices, analyses suggest that oil earnings will barely cover the continuing losses in remittances and foreign assistance to Yemen. Further, using P.L. 480 Title I, the Mission has successfully initiated a research agenda for mutual strategic interests on which policy dialogue is based. Based on the availability of P.L. 480 Title I loan funds, the Mission is the sole donor engaged in policy dialogue in Yemen.

FY 1990 ANNUAL BUDGET SUBMISSION

LOCAL CURRENCY USE PLAN NARRATIVE

Available local currency is generated solely from P.L. 480 Title I loans. Since 1984, A.I.D. has provided P.L. 480 Title I commodity support to the Yemen Arab Republic for a total of \$45 million.

Thus far, local currencies equivalent to approximately \$13 million have been disbursed for three activities: the Self-Help Assistance for Reconstruction of Earthquake Damage Project, which is building over 900 homes for earthquake victims; construction of Building 15, a dairy laboratory at Sana'a University Faculty of Agriculture; and initial advances for three small catchment dams under the auspices of the Ministry of Agriculture and Fisheries. Table VI lists all activities for which disbursements have been approved by the Prime Minister; these are presently at differing stages of planning and implementation. Proposals and feasibility studies for additional activities, excluded from Table VI, are being refined by various ministries for submission to the Prime Minister's office, and approvals are expected for many of them.

Fiscal Year 1987 marked a turning point in the Mission's use of the P.L. 480 Title I program. The self-help measures in the Sales Agreement and Memorandum of Understanding signed by the YARG articulated general but substantive commitments on the YARG's part to policy initiatives in agricultural and economic growth, effective water resources allocation, and improved public health and human resources development, thus reflecting our respective governments' mutual strategic development interests. In conjunction with the Technical Services and Feasibility Studies Project (279-0083), considerable progress has been made in establishing a research agenda which underlies the Mission's policy dialogue with the YARG. Among the research items scheduled for FY 1988 and FY 1989 are studies and surveys of the following: agricultural credit; agricultural prices and incentives; migration, remittances, labor markets, savings/investment; existing health care usage and practices; small rural water systems management under the Local Councils for Cooperative Development; and the feasibility of establishing a land-use research institute and a multi-purpose agricultural demonstration farm in the Marib/al-Jawf area.

At the beginning of FY 1988, a loan for \$5 million in wheat was provided; an additional \$5 to \$10 million has been requested from Washington. Local currency generated from these sales will be used in the construction of an irrigation demonstration farm and training center in the World Bank Eastern Provinces Rural Development Project and for construction of a connecting canal linking the new Marib Dam with secondary canals; all these activities are highly consistent with the Mission's continuing focus on water resource management despite the absence of development assistance monies for a water sector project.

Per State 160269, Para. 6, the Mission formally requests an additional \$5 million for both FY 1989 and 1990 above the AAPL notification of \$5

million. The Mission believes that levels of \$10 million for both FY 1989 and FY 1990 are justifiable, based on two criteria. As described above, P.L.480 Title I local currency generations have taken on new importance for programming in light of decreasing development assistance funding and the YARG's recent readiness to broach particular research agenda items associated with policy dialogue issues. This proves increasingly valuable both at the policy dialogue table and in the overall attainment of grant project objectives. Thus, these relatively small P.L. 480 Title I loan monies requested can provide the Mission with sizeable contributions in furtherance of its larger program goals. Further, given present oil prices and forecasts, Yemen's emergence as an oil producer has disadvantaged the nation as foreign assistance levels have been slashed deeply; there is real concern among senior economists that in the short run, the government will not be able to cover its growing grain import bill and, at the same time, pursue planned productivity initiatives in the private sector. The provision of merely \$10 million in P.L. 480 Title I commodities will go far toward assisting the YARG as it continues to struggle with its foreign exchange crisis.

FY 1990 Annual Budget Submission
Table to Annex H
Micro, Small, and Small Farm Enterprises

ESP and DA
Dollar Commitments for Micro
And Small Enterprise Programs
(U.S. Dollars Thousands)

	FY 88 Est.	FY 89 Proposed	FY 90 AAPL
I. ESP Dollar Commitments	0	0	0
A. For Micro Enterprise			
1. For Credit			
2. For TA/Training			
B. For Small Enterprise			
1. For Credit			
2. For TA/Training			
C. For Small Farmer			
1. For Credit			
2. For TA/Training			
II. DA Dollar Commitments			
A. For Micro Enterprise			
1. For Credit	0	0	0
2. For TA/Training	0	0	0
B. For Small Enterprise			
1. For Credit	0	0	0
2. For TA/Training	0	100	100
C. For Small Farmer			
1. For Credit	0	0	0
2. For TA/Training	0	100	100

The Expenditure of Non-Project Assistance
Local Currency Generations for Micro and Small Enterprise
Programs
(In Thousands of U.S. Dollars Equivalents)

	FY 88 Est.	FY 89 Proposed	FY 90 AAPL
1. From ESP Generations			
A. For Micro Enterprises	0	0	0
1. For Credit			
2. For TA/Training			
B. For Small Enterprise	0	0	0
1. For Credit			
2. For TA/Training			
C. For Small Farmer			
1. For Credit			
2. For TA/Training			
II. From DA Generations (If Any)			
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 Farmer			
1. For Credit			
2. For TA/Training			
III. From P.L. 480 Generations			
A. For Micro Enterprise			
1. For Credit	0	0	0
2. For TA/Training	0	500	500
B. For Small Enterprises			
1. For Credit	0	0	0
2. For TA/Training	0	500	500
C. For Small Farmer			
1. For Credit	0	0	0
2. For TA/Training	0	500	500

ANNEX K
PRIVATIZATION PLAN

1. Overview:

The Yemen Arab Republic has 28 public and mixed ownership corporations. AT the time of the overthrow of the Imamate (1962) it had none. Most of these were established since the end of the civil war in 1972, for a number of reasons, not all of them economic:

- lack of private investment in important sectors;
- government perceptions that private investment was inappropriate in certain areas of economic activity for reasons of security and nation-building;
- as a counterweight to monopolies and oligopolies of the "old guard" private sector; and
- for considerations of employment and political patronage.

Most public sector corporations are run on a commercial basis and are profitable, as subsidies constitute only ten percent of current expenditures. In terms of institutional history, which must be considered carefully, some are so closely bound to the Revolution, that it is highly unlikely that they will be privatized in the near future.

2. Strategy:

The Mission's approach to privatization is to discuss with the YARG the macro-economic and policy-related fundamentals of free and open markets, based on research and analysis conducted as part of a mutually agreed upon (and jointly financed through DA and PL 480 sales proceeds) analytical agenda. USAID's work to date has highlighted the primacy of a number of important macro-economic and political economy issues, which has given the Mission a better understanding of the enormity, as well as the dynamics, of the tasks ahead.

Although YARG officials are sensitive to the issues of privatization and a more pronounced role of the private sector in the economy, they do not always fully understand their implications and have yet to find a way to package and sell such concepts in the country's political context. This situation is further complicated by a dire shortage of trained economists in the public sector, and as a result economic policy formulation and management often fall onto the shoulders of non-economists. Cogent arguments about the benefits of privatization are therefore sometimes misunderstood, while non-economic criteria more often than not govern decisions in such matters. Yet, YARG officials have repeatedly emphasized to the Mission: "Give us good ideas based on solid analysis

and we will implement them without conditionality." The burden then falls on the Mission to understand the Yemeni context and to be an effective analyst. This is no easy task, given the opaque nature of Yemeni politics to Western eyes.

The public versus private sector equation in Yemen is part and parcel of the political economy dimension to policy dialogue. Sustained private sector growth cannot be effected without movement on key policy issues. Lacking clearer public and private sector role definitions, and absent policy initiatives facilitating financial markets development and broadening Yemen's foreign exchange earnings base, the Yemeni private sector -- including yet-to-be privatized public corporations -- can only develop so far, and will be unable to make the leap to serving as the engine for further growth. Hence the Mission's approach to privatization by way of policy dialogue on economic fundamentals; because, if the private sector becomes stymied, this would only fuel efforts by those YARG officials inclined to promote greater rather than lesser government participation in the economy.

In addition, USAID staff are seizing every opportunity to raise Yemeni awareness of and receptivity to privatization initiatives. This approach not only involves provision of privatization success stories to individuals having an impact on Yemeni decision-making, but also the encouragement of actual privatization moves in specific instances related to our program portfolio. Possible ways to strengthen "role model" representative private sector institutions are also being designed and implemented.

Work scheduled over the next two years will be based on the findings and conclusions of current analytical agenda items and the YARG's receptivity to recommendations flowing from these. The YARG's expressed need -- in the face of its own limited capabilities -- for solid analytical work by USAID, should provide an opportunity to buy the Mission analytical credibility in the short term and thus advance our longer term policy dialogue, now that we are obtaining a seat at the dialogue table. Privatization will continue to be an important element in our evolving dialogue agenda.

3. Progress to Date:

Although Yemen has traditionally been blessed with a vibrant private sector, its structure, modes of operation and perceptions of priorities have tended to exert conflicting pressures on government. As traditional Yemeni traders used their profits to branch out into light manufacturing, service industries and agribusiness, the evolving modern private sector became confused regarding which policies are beneficial to

trading activities, and which are supportive of productive activities. Thus investors with mixed portfolios may favor different policies for different purposes at different times.

With no economic consensus emerging in a nation forged in the tribal tradition of consensus - building, with a conservative Islamic element sharing in decision-making, with a government new at and insecure about economic management, and with a growing and increasingly sophisticated population demanding more goods and services, the YARG economic policy makers find themselves buffeted from all directions, incapable of pursuing an economic path that accomodates all interest groups, and afraid to place the blame for tough economic decisions on external pressures.

In this seemingly inhospitable policy environment, the Mission has succeeded in making considerable progress during 1987/88 in generating increased awareness on the part of the YARG on the interaction between economic and regulatory policies and their effects and impact on private sector growth and development, and in pushing for a greater private sector role in economic management. A USAID-funded agribusiness study carried out by Robert Nathan Associates in early 1988 found that the unfavorable regulatory environment is the major inhibiting factor to the development of the private sector and increased privatization.

A. Progress in Macro-economics and Policy Analysis:

The Mission scored a major achievement during 1987/88 by obtaining YARG approval for and participation in a jointly-funded (DA and PL 480 sales proceeds) analytical research agenda, focussing on a number of important policy issues. Prior to the conclusion of this agreement, however, the Mission had already initiated two important policy studies, funded from PD&S, PRE buy-ins and grant funds, which have been recently completed:

(1) A study of Yemen's financial markets was undertaken by Arthur Young, Inc., which identified a number of structural and policy constraints to deepening these markets, expanding commercial bank and investor participation, and restructuring the role of Yemen's largest, public sector, bank. The recommendations contained in this study are currently being discussed with Central Bank management.

(2) A policy framework analysis was conducted by a team of distinguished U.S. economists, aimed at identifying macro-economic and financial policy constraints to overall economic growth. The study included the development of a country-specific computerized model of the Yemeni economy,

which the Mission will use in helping sensitize YARG policy-makers/administrators to key economic variables and linkages, including the limitations to government management of and participation in the economy.

B. Progress in the Agriculture Sector:

Recognizing that continued Ministry of Agriculture involvement in productive and commercial activities stifles private sector potential, the Mission undertook a number of privatization efforts:

(1) The first effort focussed on encouraging the Ministry of Agriculture to sell or lease its USAID-supported poultry facilities. This effort has been partially successful, as these facilities are now leased by a mixed-ownership poultry firm which operates for profit. Most importantly, the Ministry is no longer in the business of managing or operating poultry production.

(2) In a second privatization activity, this in the horticulture sector, USAID persuaded the Ministry of Agriculture to more than double the price of seedlings, laying the foundation for private sector entry into this expanding market.

(3) In a third privatization effort, a USAID-funded study of 22 nurseries owned and managed by the Ministry of Agriculture, identified those which merit upgrading with PL 480 resources for eventual sale to the private sector, with remaining government-owned nurseries to be closed down.

(4) Finally, the Ministry of Agriculture and USAID formally agreed to transfer the operations of the USAID-supported al-Jarouba Horticultural Research Station from the Ministry to the Tihama Development Authority* by 1989.

The most important accomplishment in the horticulture subsector, however, has been the total change in the Ministry of Agriculture's attitude toward private sector nursery production. Whereas before the Ministry was committed to carrying out its own production operations, it is now committed to encouraging private sector growth.

Mission thinking on agricultural sector tactics is beginning to crystallize around easing constraints to

* Local Development Authorities (LDAs) are multifunctional organizations, legally autonomous from government.

production, with an emphasis on input requirements provided by the private sector. Key in this process are three recently completed studies:

(1) A fertilizer study was undertaken to determine why, as a result of government policies, a) fertilizer utilization in Yemen is so low; b) how much and what types of fertilizer should be imported to meet Third Plan agricultural production targets; and c) identify other constraints to private sector fertilizer importation, distribution and utilization.

(2) A study of private sector manufacturers and suppliers of irrigation equipment was undertaken to determine if adequate supplies and types of irrigation equipment are available to support increased agricultural production and increased efficiency of water use.

(3) Finally, in the agriculture sector, the Mission funded a study by Robert Nathan Associates on the status of and prospects for private sector agribusiness development in Yemen, which included recommendations on improving government supportive policy and administrative functions rather than direct participation in this vital sector.

C. Progress in the Industrial Sector:

In order to demonstrate to government the greater operational efficiency and profitability of private sector industries and thereby encourage increased privatization of parastatals, the Mission developed a number of interventions to strengthen representative private sector institutions and firms:

(1) USAID is cooperating with the Federation of Yemeni Chambers of Commerce and Industry and its individual chambers to prepare a proposal to the United States Chamber of Commerce's Center for International Private Enterprise (CIPE) for provision of technical assistance to the Yemeni Chambers, focusing on organizational development, policy dialogue with Government, and membership services;

(2) USAID and the Embassy Economic/Commercial Section are cooperating in promoting a series of trade and investment missions between the U.S. and Yemen, with a focus on private sector agribusiness;

(3) Individual private sector enterprises will be strengthened through: a short-term private sector training program, a Technology Transfer Institute based at the University of Sana'a, continuation of the IESC volunteer program, and interventions identified by the agribusiness study;

(4) A Project SUSTAIN team was invited by the Mission to Yemen for a reconnaissance visit to assess the level of sophistication of the local food processing industry, the problems faced by private sector Yemeni food processors (technical, economic, regulatory), the nature of technical assistance, technology transfer, and training U.S. food companies might be called upon to provide, and to provide USAID and Yemeni companies with a better understanding of the services which Project SUSTAIN might be able to provide.

(5) The Mission is sponsoring the attendance of Yemeni public and private sector leaders at a privatization conference to be held in Egypt later this year.

(6) USAID is discussing with Sana'a University's Faculty of Economics and Commerce a series of University-sponsored, USAID-funded seminars on economic policy issues, e.g., trade liberalization, privatization, and the regulatory environment.

D. Progress in the Water Sector:

While in the past, USAID worked extensively with the National Water and Sewerage Authority (NWSA), we no longer have a direct relationship with NWSA and do not consider privatization politically feasible. Instead, the Mission:

(1) Worked closely with the New Transcentury Foundation, a private voluntary organization, implementing the Mission's Small Rural Water Systems project under a cooperative agreement, to develop the Ministry of Public Works' capability to build rural water systems. Contracting for water system construction to private sector contractors is a privatization technique successfully employed under this project;

(2) Is designing a project to strengthen village development processes and the Local Councils for Cooperative Development, through the development and implementation of simple water systems and related health education programs for poorer villages, as an alternative to NWASA and the Ministry of Public Works approaches to rural water provision;

(3) Is designing a project to introduce modern, private sector-supplied methods of irrigation, enabling Yemeni farmers to achieve productivity increases using smaller amounts of scarce water.

E. Progress in the Health Sector:

(1) The Mission designed a study, to be carried out later this year, on the structure and usage of the private health care market, how to build on its strengths, how to price services and how to remedy deficiencies, in order to illustrate private sector health care alternatives to government's provision of public health services.

(2) Based on the findings and recommendations of this study, the Mission proposes to develop a number of "fees-for-services" options for governorate-based public health facilities, that are popularly acceptable and within the users' capabilities to pay.

In summary, the Mission's privatization efforts are addressing the issue at four different levels: policy, institutions, producers of goods and services, and their customers/users. Over the next two years, this approach is expected to lead to the formulation of an opportunities-and-constraints matrix, that will in turn be the basis for our evolving private sector/privatization strategy.

4. Privatization Plan:

The Mission's privatization plan is based on four "target" criteria:

- A. Activities that are within sectors with which the Mission is familiar and where USAID can reasonably be expected to have influence and leverage;
- B. Activities that can be accomplished with currently programmed personnel and budgetary resources;
- C. Activities that can result in greater operating efficiency, profitability and/or reducing recurrent costs of the government budget; and
- D. Activities that are within political realities.

The Mission's long-term privatization plan is contained in 36 Sana'a 4470 and needs not be repeated here, as it remains largely unchanged.

The Mission's short-term privatization plan will be pursued by way of policy dialogue on the economic fundamentals of free and open markets, encouraging direct competition from the private sector with the parastatals and government activities, and through policy reform, rather than by targetting specific state enterprises for either complete or partial privatization.

Policy reform efforts will focus on sensitizing the YARG to market-based pricing, low and commonly applied tariffs, prompt and fair enforcement of contracts, equal application of controls and regulations where elimination is not politically feasible, equal access to credit, import licenses and foreign exchange, elimination of protective tariffs, market-based interest rates, and the elimination of other policies that inhibit the emergence of lower-cost and more efficient competitors to parastatals. In the pursuit of its short-term privatization plan, the Mission remains mindful of the fact that the process of privatization in the YAR will be essentially political, although economic and fiscal realities may prompt it. The Mission is still in the process (by means of its analytical agenda) of sharpening its understanding of the local political situation, the power bases, and the various sources of influence on policy-making and implementation. With these caveats, the following plan is submitted:

A. In macro-economics:

(1) Continue discussions with the Central Bank, the Ministry of Finance and the Central Planning Organization of the findings and recommendations contained in the Financial Markets Study (Arthur Young) regarding structural and policy changes aimed at deepening and broadening Yemen's financial markets. Mission is prepared to fund selected follow-up activities to be mutually identified by YARG and USAID through the mechanisms of the jointly-funded Technical Services and Feasibility Studies (TSFS) project (279-0083), PD and S, and selected PRE and S&T centrally funded buy-ins (\$200,000). Time frame: 1988-1991.

(2) Initiate discussions with selected YARG officials of the findings and recommendations contained in the Policy Framework Analysis. Use the computerized macro-economic model of the Yemeni economy and its agriculture sector submodel, to illustrate to and provide hands-on model application experience to selected YARG officials closely involved in policy making and implementation, of the macro-economic linkages of variables and the impact of selected existing policies on the performance of productive sectors of the economy, with a view to policy change. Funding: TSFS (\$50,000). Time frame: 1989-1990.

(3) Carry out the proposed Migration, Remittances, Labor Markets, Savings and Investment Survey, aimed at determining sources and uses of income with the objective of promoting more efficient domestic resource mobilization and private sector investment. Discuss findings and recommendations with YARG officials and mutually determine USAID and/or

other donor-funded follow-up activities promoting policy change. Funding: TSFS, PD&S, selected PRE and S&T buy-ins (\$100,000). Time frame: 1988-1990.

(4) Provide Mission funding for short-term Diploma courses in economics and development management at the Economics Institute, Boulder, Colorado, for selected Yemenis, to sharpen policy analysis skills through academic programs aimed at broadening content of prior undergraduate academic training and provide more advanced training in one or more related areas of economic specialization. Funding: TSFS (\$100,000). Time frame: 1989-1991.

(5) Initiate an Economics Fellowship program at the master's level for advanced degree training in economics and business administration for YARG officials in key policy-sensitive and regulatory ministries and agencies. This program aims at creating within a short time span a critical mass of U.S.-trained economists in the public sector in order to promote an increasingly supportive role by government for private sector development and privatization efforts. Funding: Development Training III, 279-0080 (\$3,700,000). Time frame: 1989-1994.

3. In Agriculture:

(1) Initiate discussions with the Ministry of Agriculture, the Ministry of Economics, Supply and Trade and with the Central Planning Organization, on the findings and recommendations contained in the recently completed fertilizer study. Identify mechanisms through which increased private sector fertilizer imports and distribution can contribute to increased agricultural production. Funding: PL 480 sales proceeds (\$5,000,000). Time frame: 1989-1991.

(2) Design and implement an irrigation module under the proposed new Farming Practices for Productivity project (279-0084), aimed at the increased and improved supply of modern, low-cost, low-water-use irrigation technology by private sector sales and service firms to the farming sector, for increased agricultural production, using effective and efficient water conservation techniques. Funding: 279-0084 (\$6,000,000). Time frame: 1989-1994.

(3) Initiate discussions with selected YARG ministries and agencies as well as with private sector institutions and firms, on the findings and recommendations of the recently completed Robert Nathan Associates study on prospects for private sector agribusiness development, with specific

reference to the finding that the current unfavorable regulatory environment is the single most important constraint to agribusiness growth and development in Yemen. Determine mutually agreeable follow-up activities funded from TSFS, PD&S, PRE/S&T buy-ins, ADSP/Core (279-0052.1) or by other donors, aimed at regulatory reform (\$200,000). Time frame: 1989-1992.

(4) Carry out the proposed Agricultural Prices and Incentives Study, aimed at examining Yemen's comparative advantage in agricultural production; determining the nature of current government market interventions in Yemeni agriculture (price controls/supports, taxation, subsidies, regulation of foreign trade, foreign exchange rationing, etc.); measuring the incentives and disincentives government interventions create in the agricultural sector; and assessing the impacts of intervention policies on agricultural production, food consumption, public revenues and the balance of payments. Discuss with YARG officials the various findings and recommendations with a view to policy reform. Funding: TSFS (\$75,000). Time frame: 1989-1990.

(5) Carry out the proposed Agricultural Credit Survey. Aimed at determining the nature of current credit markets; measuring the credit need of the agricultural sector; assessing the effectiveness of public sector lending institutions in meeting these needs; assessing the impact of credit policies on agricultural production; evaluating the efficiency of current policies in light of their original objectives; and assessing the major trade offs in achieving government's agricultural production goals. Discuss findings and recommendations with YARG officials with a view to adjustments and reforms to be introduced in the present credit system. Funding: TSFS (\$40,000). Time frame: 1989-1990.

C. In the Industrial Sector:

(1) Decelerate support for expanding the size and role of the public sector. Such expanded support was recently recommended by the United Nations Industrial Development Organization (its 1986 report and proposed follow-on call for assistance to the public sector edible oil mill, a publicly owned frozen shrimp plant, the Chinese-supported parastatal Yemeni Textile Corporation, the government-owned Cement Corporation, the parastatal Yemen Drug Company, etc.) and by the World Bank (in its abortive proposal for a public sector liquified gas plant), through: (a) constructive dialogue with the Central Bank and appropriate

ministries regarding Government's favorable discussions on privatization with the IMF, (b) discussions with these same groups regarding the role that privatization has in the development of capital markets, and (c) assistance to Yemeni private sector associations in promoting investments and in conducting their own dialogue on the negative financial implications of existing as well as proposed new public sector productive enterprises. Funding: Project 0080, TSFS, PD&S, PRE (\$100,000). Time frame: 1988-1991.

(2) A representative of the Ministry of Economy, Supply and Trade made a tentative request for a study of why public sector cement factories are doing so poorly. USAID will encourage the Ministry to expand this enquiry to include broader trade, comparative advantage, capital markets, and privatization issues. Funding: PRE (\$100,000). Time frame: 1989-1991.

(3) Fund a joint government-university workshop on trade liberalization and implications of Yemen's comparative advantages for private as compared with public sector firms, and the industries in which they function. Funding: PD&S (\$25,000). Time frame: 1988-1989.

D. In the Water Sector:

(1) USAID is cooperating with the Local Councils for Cooperative Development in the design of a proposed new PL 480 modest-size appropriate-technology water project that will provide expanded roles for the private sector in sinking boreholes, implementing water systems and providing O&M. Funding: TSFS, 0044, and PL 480 sales proceeds (\$250,000). Time frame: 1988-1991.

(2) USAID is completing two studies that touch on the economics of rural water systems and the technologies used to date for these systems. Additional design research will also analyze the relative costs of private and public sector participation in different phases of the design, implementation, and O&M process. This will help identify areas and opportunities to help strengthen the private sector. Funding: PD&S, TSFS (\$150,000). Time frame: 1988-1991.

E. In the Health Sector:

(1) Although health service facilities operated by the Ministry of Health are prohibited from charging fees for services, facilities operated by the Local Councils for Cooperative Development and by the Yemen Family Care Association (YFCA) do make charges. The proposed health financing and usership survey will address the local councils' financing systems. Several new population activities will help strengthen the YFCA as an aggressive alternative to the MOH's insipid family-planning services. Training in new family-planning technologies will also be extended to private sector physicians. Funding: ANE Regional Population Project (\$150,000). Time frame: 1988-1991.