

TABLE OF CONTENTS

REGIONAL OVERVIEW	1
ANNEX A	
-- ANE Core Concerns and U.S. Foreign Policy Challenges	9
ANNEX B	
-- ANE Budget Trends	11
ANNEX C	
-- New Initiatives	13
Trends in ANE Population Programs	16
ANNEX D	
-- Application of Country Performance Indicators to Performance Budgeting	17
ANNEX E	
-- Program Performance Monitoring	20
USAID/INDONESIA - Summary of Program Objectives	24
USAID/INDONESIA - Summary of Indicators and 1990 Targets	25
ANNEX F	
-- Portfolio Management	26
ANE FY 1992 Proposed Budget	29
ANNEX G	
-- New Projects Annual Budget Submission	30
ANNEX H	
-- Operations Management	34
ANNEX I	
-- P. L. 480 Programs	36
FY 1992 Title I Food Assistance Plan - ANE Bureau	42
FY 1992 Title II Food Assistance Plan - ANE Bureau	43
Potential Effects of Leahy-Lugar Title I Grant Criteria	44
Table I - Long Range Plan by Country	45
Table II - Long Range Plan by Appropriation Account	49
Table V - Proposed Program Ranking	51

1

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

July 10, 1990

MEMORANDUM FOR: AA/PPC, Reginald J. Brown

FROM: A-AA/ANE, Barbara Turner *B Turner*

SUBJECT: FY 1992 ANE Budget

ANE welcomes the approach PPC is proposing for development of the Agency's FY 1992 budget. Following a year of historic international political change, this is A.I.D.'s first opportunity to develop a comprehensive new foreign assistance agenda along the lines envisioned by Secretary Baker.

The ANE budget strategy for FY 1992 is fully consistent with PPC's approach. The Open Markets/Open Societies theme which the Bureau has vigorously introduced over the past eighteen months clearly and directly supports the Secretary's vision. At the same time, our base budget levels have been held to moderate increases to permit funding for new initiatives by the Administrator.

While the FY 1992 budget presents an opportunity for A.I.D., we also foresee many real challenges confronting the Agency.

1. We must decide on the substance of new Agency initiatives, and convince the rest of the Administration they have merit.
2. We must begin developing a position on a revised Foreign Assistance Act for the 1990's and beyond, and position ourselves to work with Congress to ensure it is enacted.
3. Not least, we must develop a new strategy for managing our programs and convince OMB and the Congress to provide the Operating Expenses necessary to permit us to manage as effectively and efficiently as possible.

ANE is eager to pull together with the rest of the Agency to work on these issues. Our proposed FY 1992 budget is designed to contribute to this process.

Open Markets/Open Societies

The ANE Bureau's basic programming theme of Open Markets/Open Societies correlates closely with Secretary Baker's five objectives for the U.S. foreign assistance program. The Bureau has made excellent progress in implementing a program framework organized around six core concerns:

- democratic pluralism
- economic freedom,
- equity of public policies,
- international investment and trade,
- social service reform, and
- energy, environment and natural resources.

These concerns are directly supportive of the Secretary's five objectives:

- promoting democratic values,
- fostering market forces,
- promoting peace (many of ANE's ESF programs contribute to the resolution of regional conflicts),
- protecting the world community against transnational dangers (ANE has the Agency's largest environmental program, is pursuing narcotics issues appropriate to our region, and is concerned particularly with international economic issues which threaten free markets such as need for protection of intellectual property rights.) and
- strengthening our alliances and other international ties in a time of far-reaching change. (ANE programs support U.S. alliances such as NATO and ASEAN and contribute to a range of other multilateral efforts from Middle East Cooperation to cooperation on Eastern Waters in South Asia.)

The ANE Bureau has reshaped its programs to conform to the Open Markets/Open Societies theme and hence to the Secretary's five objectives. New projects in 1989 and 1990 have been reviewed for consistency with the ANE program framework. The 1989, 1990 and 1992 budgets were developed to support this framework. And the Bureau's entire ongoing portfolio has been reviewed to assess the "fit" with this framework. All programs have been affected and several such as Thailand, South Pacific and India have undergone major restructuring.

In summary, the ANE Bureau program has already undergone a major overhaul which is consistent with the Secretary's vision, and as a result the Bureau is in excellent position to focus on new initiatives for the 1990's. (See Annex A for a more detailed description of the relationship between the ANE

program framework and Secretary Baker's foreign aid objectives. Also included is a categorization of FY 1992 projects according to the Secretary's five objectives.)

New Initiatives

The ANE budget strategy for 1992 proposes modest expansion of the Bureau's base program in expectation that additional resources will be added for one or more initiatives of the Administrator. The base grows in 1992 by less than five percent overall from the level projected for FY 1991, primarily for Eastern Europe and development assistance. This compares to an increase between FY 1990 and the projected FY 1991 level of six percent. Considering likely Congressional action and the Administration's acceptance of increases for DA and Eastern Europe, the ANE proposed FY 1992 budget is conservative, especially at the beginning of the budget cycle. (See Annex B for budget summary information.)

ANE also agrees that it will be difficult to argue for large increases in the A.I.D. budget to fund new initiatives given continuing need to reduce the deficit. While it appears the time is opportune for some expansion of economic assistance, it also appears likely that the Agency will need to rely on activities in its base program to package with modest additional resources as part of any new initiative. The ANE Bureau has already begun to push forward in several new areas which will be critical to development in the 1990's and could expand these efforts. (See Annex C for details on the following programs included in the ANE base budget for 1992.)

1. Democratic Pluralism. The Bureau has approved a new program strategy this fiscal year and provided "seed" money to several missions. An Administration initiative in this area would not require substantial additional resources, perhaps no more than \$50 million for an ESF reserve to assist emerging democracies.

2. Energy, Environment and Natural Resources. The Bureau also has a new program strategy in this area and continues to expand the Agency's largest program in this field. We are in position to increase support to private power initiatives which are important for energy efficiency and also to economic policy initiatives on a range of environment and natural resource issues. An initiative in this area would allow the Agency to seize the high ground, at the same time establishing an economically sound program focus. This initiative would likely require significant additional resources--at least \$100 million--to have the desired impact.

3. U.S. Economic Interests. It appears that economic competition will become a relatively more important strategic concern for the U.S. in the 1990's. There is already support in the Congress and within the Administration for this idea. Foreign assistance could play an important role. Additional resources for mixed credits and capital projects, a policy which emphasizes U.S. procurement, closer collaboration with Ex-Im, TDP and Commerce, possible introduction of a new guarantee mechanism to leverage private resources and technical assistance to support responsible participation by developing countries in the international economy are all possibilities. This would likely also require substantial resources, say \$100 million to have a credible impact. However, the guarantee proposal PRE is putting forward could have a significant impact with comparatively few resources required.

4. Family Planning and Women's Economic Opportunities. It appears that increasing economic opportunities for women can have a profound impact on developing societies, not only in terms of economic and social change but also by reducing population growth. In effect, such an initiative might become the second generation of population activities. The ANE Bureau has begun to review program options in this area. A credible initial funding level of \$25 million would permit research and technical assistance to lay the groundwork for future programs.

In sum, ANE believes all four of these activities would constitute a balanced package of new initiatives. They would require no more than the illustrative \$275 million noted above. When combined with funding in Bureau base budgets, this would constitute a significant package of resources with substantial potential impact.

Performance Budgeting

The ANE Bureau has been an enthusiastic proponent of the concept of performance budgeting and has now completed installation of the basic structure necessary to assess both country and program performance. The ANE Bureau fully agrees with the basic premises which led OMB and Administrator Woods to push for such a system:

- there should be no entitlement to U.S. assistance, and
- U.S. resources will be used most efficiently and effectively in those countries willing to make the necessary policy decisions which will permit sustained economic growth.

We see both Administrator Roskens' interest in vigorous program evaluation and Congressional calls for accountability for aid results as further support for performance budgeting, particularly on the program side.

Country Performance: The ANE Bureau system of country performance assessment has identified indicators in six areas which relate directly to Open Markets and Open Societies. These indicators were selected as ones subject to significant change as a result of decisions by policy makers and as ones subject also to the influence of A.I.D. programs. The ANE indicators also reflect the importance of economic deregulation which is critical to sustained growth.

For FY 1992, ANE is proposing a \$75 million performance fund. Eligibility for this fund will be based on acceptable or better country performance against the Open Markets/Open Societies criteria. Final allocations among eligible countries will be based on the quality of specific proposals from field missions which will be designed to catalyze positive change in the Open Markets/Open Societies program areas. (See Annex D for a description of the ANE country performance system.)

Program Performance. ANE also believes budget decisions should be influenced by whether or not programs are making acceptable progress toward their objectives. Those programs which are performing best should be fully supported. This means resources should be made available for new projects, assuming the project design is acceptable. Those programs which are performing poorly should not receive substantial additional resources until problems are sorted out. In the extreme, poorly performing programs may need to be completely restructured--as ANE has done in Philippines and India.

Clearly managers have always given full support to those programs which they thought were performing best. What has been lacking in the past has been the transparency which results from a set of clearly stated program objectives and an agreed set of indicators of progress toward those objectives. (See Annex E for a description of the process used to assess program performance in ANE and for sample objectives/indicators.)

Portfolio Management

The ANE Bureau is moving its field missions toward a portfolio management system which better balances pipelines and mortgages. In past years, many country programs such as Morocco, Nepal and Bangladesh were so heavily mortgaged that it was difficult to begin new projects. Hence, these countries were unable to

participate in new Agency and Bureau initiatives. The Bureau's goal is to have between 25% and 40% of new resources available to fund new projects, decreasing the share which must go to pay the ongoing mortgage.

In order to reach this goal, the Bureau has employed two devices:

- rigorous review of existing projects, followed by deobligation of those which are not performing or are no longer relevant to Bureau policy. Between 1985 and 1989, the Bureau deobligated and reobligated \$458 million.

- new guidance on pipeline and mortgages, which urges missions to have between two and three years of annual funding for both pipeline and mortgage. (See Annex F for a discussion of portfolio management in ANE.)

As a result of this effort, the ANE Bureau Minimum Carrying Cost for DA totals \$60 million. Together with the Performance Fund, this means nearly 30% of DA can go for new activities. We believe this funds an appropriate amount for the ongoing portfolio, neither building excessive pipeline nor creating an overhang of future mortgage.

Clearly this is not an exact science, since projects and country portfolios differ. Moreover, portfolio management is necessarily an ongoing process, since priorities change and projects go bad over time. Therefore, the judgment of field managers is critical in establishing MCC levels, with Washington oversight applied most effectively during PIR reviews. Certainly this approach could be changed or funding guidelines revised. However, pending completion of the current GAO study on pipeline and mortgage, ANE believes current practice should be followed.

As a result of implementation of this process so far, the ANE Bureau has created the flexibility to finance fifty new projects in FY 1991 and FY 1992, not including activities funded from the policy fund. These projects support approved strategies in the countries themselves and are also focused in new initiative areas such as agribusiness and the environment. (See Annex G for a listing of new ANE projects in FY 1991 and FY 1992.)

Operations Management

The ANE Bureau continues to be extremely concerned about staff and Operating Expenses resources available to manage the program. Over the past several years, the level of direct hire

staff in field missions has decreased; and the level of discretionary resources available for mission Operating Expenses has dropped sharply--radically in real terms. At the same time, program levels have increased, concerns for accountability for funds management and program results have both increased, and the flexibility of line managers has remained tightly constrained. The Eastern Europe program, one of the Agency's highest priorities, has been absorbed with no additional staff and only those additional Operating Expenses which come from the SEED Act. These trends can only result in major problems sometime in the future.

Unfortunately, the Agency has not confronted this issue. A.I.D continues to view Operating Expenses shortfalls as a short term problem, limping from year to year as the hobble of reduced management resources grows tighter and tighter. We began FY 1990 viewing it as a very tight budget year following several difficult years, but hoping 1991 would solve our problems. It now appears 1991 will be extremely tight, but the ABS guidance suggests we hope to solve our problems in 1992. ANE firmly believes we are approaching a crisis in our management in which not only accountability is jeopardized but the welfare of our employees as well.

The Agency needs to take several steps in establishing the FY 1992 budget in order to work our way out of this crisis.

1. Accept reality on future levels of Operating Expenses. OMB and Congress are simply not prepared to provide the increases in Operating Expenses necessary to sustain the current mode of Agency operations. The budget deficit and lack of sympathy for Operating Expenses levels in excess of half a billion dollars mean we will never return to adequate financing of our present mode.
2. Decide on a new mode of Operations which can be adequately funded at O.E. levels we can reasonably expect. ANE's strong preference is that staff reductions necessary to bring the Agency into line with realistic funding levels come from Washington. Our view is that support functions are unnecessarily staff intensive and there is unnecessary redundancy at the center of the Agency. Priority must be given to effective management of line operations -- A.I.D.'s field missions.
3. Reach agreement with OMB and the Hill on the basic outlines of this mode of operation. Until the Agency reaches a compact with those that control staffing levels and the Operating Expenses budget, it will be impossible to plan future operations.

4. Develop long term staffing and Operating Expenses budgets for major management units--the Bureaus and field missions. ANE recognizes a relationship must exist among program levels, staff and Operating Expenses. However, this relationship cannot be determined in an annual budget exercise. The staff that will manage the 1992 program is already on board, or their assignments have been approved. Marginal changes in the program budget won't affect these levels, and foreign service staff and their families should be protected from arbitrary short term decisions. The way to plan is to decide on the multi-year program and how it will be implemented for each country and then to decide staffing levels and Operating Expense costs accordingly.

5. Allow responsible officers to manage within fixed budget levels. Bureau AA's and Mission Directors should be given as much flexibility as possible to "manage-to-budget." They know requirements and can assure resources are used as efficiently as possible.

Until this approach is accepted by the Agency, it will be impossible to implement a system which effectively relates program, workforce and Operating Expenses levels. In the interim, ANE is making several adjustments to allow us as best as possible to manage increasing responsibilities with decreased resources.

Workforce levels in most major missions have been shaved back over the past several years. Staff in Egypt and Thailand will be reduced in response to changing modes of program operations. However, the Bureau needs to allocate additional staff for Eastern Europe. The net effect is Bureau staffing levels are very tight relative to overseas management responsibilities. (See attachment H for trends in ANE Workforce.)

Operating Expenses has become a critical problem and relief must be found in FY 1991. To some extent, shortfalls in discretionary Operating Expenses have been offset by Trust Fund increases. However, we risk becoming too dependent on this source. Overall, dollar funded Operating Expenses dropped nearly 10% between 1987 and 1990 and in real terms dollar funded O.E. dropped by 25% during this period. (See attachment H for trends in ANE Bureau Operating Expenses.)

P.L. 480

P.L. 480 remains an important resource for the ANE Bureau. Since the new legislation remains uncertain, we have prepared a budget based on current law with a brief narrative on how the Bureau might respond to likely changes. (See attachment I for the ANE Bureau P.L. 480 budget.)

ANNEX A

ANE CORE CONCERNS AND
U.S. FOREIGN POLICY CHALLENGES

The ANE agenda is based on the premise that open markets and open societies offer the best hope of eliminating the root causes of poverty which lie in the inequitable structure of government policies and the inefficiencies of non-market allocations of public and private resources. Open societies encourage public participation in setting policies which helps to ensure greater equity. Open markets enable individuals to pursue their interests and reap the rewards of their efforts within a framework established by the deliberations of an open society.

ANE is committed to six core program concerns related to increasing reliance on market forces and eliminating inequities in public policy in recipient countries. These areas are:

1. Democratic Pluralism including expanded participation in government through free and fair elections, civic organizations and responsive elected bodies.
2. Economic Freedom to remove artificial barriers to the growth of and individual participation in markets at all levels including micro and small businesses.
3. Equity of Public Policies to create transparent public policy-making procedures and neutral policy environments thereby releasing individual initiative.
4. Social Services Reform to ensure that scarce public resources are focused on the provision of quality services to the poor.
5. International Trade and Investment including the promotion of U.S. and ANE country trade and investment in support of domestic economic growth, local and American private sectors and the stability of the world trading system.
6. Energy, Environment and Natural Resources including efforts to reduce inefficiencies and waste in the use of natural resources and address problems related to the growing threat of pollution and environmental degradation.

ANE core concern activities will contribute directly and indirectly to meeting the five foreign policy challenges identified by Secretary Baker. Those which address democratic pluralism, equity of public policies and social service reform will promote democratic values particularly freedom and fairness. Those which seek to increase economic freedom and international trade and investment will foster market forces worldwide. Those concerned with energy, environment and natural resources as well as with AIDS and illicit narcotics will help protect against transnational dangers. And ANE's management of ESF will contribute to strengthening alliances and international ties and regional peace. Such linkages among the core concerns of ANE programming, economic growth, social progress and the reduction of poverty in the developing countries and U.S. foreign policy challenges can be summarized by the Secretary's observation:

Democracies are more likely to open their economies to the world and legitimate democratic governments are more likely to focus on the livelihood of their peoples than on foreign conquests or aggression.

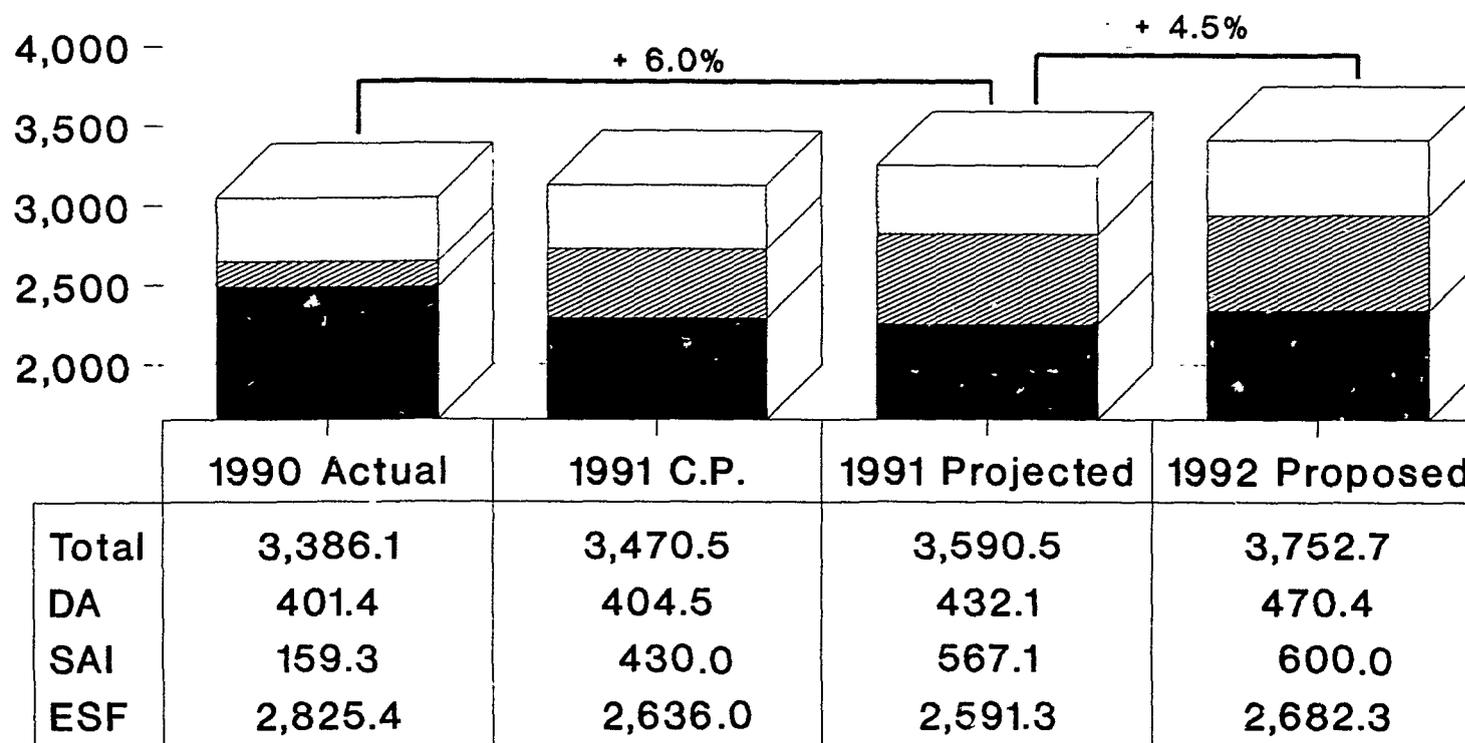
ANE estimates that its FY 1991 and FY 1992 resources will contribute to meeting the Administration's foreign policy challenges in the following manner. Although individual ANE activities may contribute to more than one challenge, the following chart counts each activity against a single challenge.

<u>Challenge</u>	FY 1991	FY 1992
	<u>(\$millions)</u>	
Promoting Democratic Values	354.2	346.2
Fostering Market Forces	913.1	1037.0
Confronting Transnational Dangers	348.0	341.2
Strengthening Alliances and International Ties	1555.4	1535.4
Promoting Peace	19.8	18.0
TOTAL*	3190.5	3277.8

*Total excludes DPRP and European funding

In summary, ANE's FY 1991 and FY 1992 requests will be used primarily to promote democratic values, foster market forces, confront transnational dangers particularly environmental threats and illicit narcotics and strengthen U.S. alliances and other international ties.

ANE Budget Trends (\$ Millions)



ESF
 SAI
 DA

DA - Development Assistance
 ESF - Economic Support Fund
 SAI - Special Assistance Initiative

ANNEX B

	FY 1991 DA REQUEST	FY 1992 DA BUR.REC	FY 1991 ESF REQUEST	FY 1992 ESF BUR.REC
ASIA/NEAR EAST				
Afghanistan	35,000	35,000	35,000	35,000
Bangladesh	56,100	65,000	---	---
Cambodian Resistance	---	---	7,000	7,000
Cyprus	---	---	3,000	3,000
Egypt	---	---	815,000	815,000
Fiji	---	---	300	300
India	22,000	23,000	---	---
Indonesia	38,500	45,000	5,000	5,000
Israel	---	---	1,200,000	1,200,000
Jordan	---	---	35,000	35,000
Lebanon	---	---	1,000	2,000
Morocco	12,500	13,000	12,000	15,000
Nepal	13,000	15,000	---	---
Oman	---	---	15,000	15,000
Pakistan	46,000	50,000	210,000	250,000
Philippines	55,000	55,000	160,000	160,000
Poland	---	---	---	---
Portugal	---	---	45,000	45,000
Sri Lanka	11,250	20,000	---	---
Thailand	10,000	14,500	5,000	5,000
Tunisia	---	---	10,900	15,000
Turkey	---	---	50,000	50,000
West Bank/Gaza	---	---	11,800	10,000
Yemen	20,500	24,000	---	---
Asia/Near East Regional	25,630	24,000	5,000	5,000
ASEAN	3,000	3,928	---	---
South Pacific	6,000	8,000	10,000	10,000
DPRP	50,000	75,000	---	---
Env/Global Climate Change Resv [4,000]	---	---	---	---
TOTAL	404,480	470,428	2,636,000	2,682,300
Special Assistance Initiatives				
MAI	200,000	200,000		
Eastern Europe	300,000	400,000		

New Initiatives1. Democratic Pluralism

Within the ANE Bureau's "Open Markets - Open Societies" strategy the new Democratic Pluralism Initiative (DPI) supports and fosters mission programs designed to promote Open Societies. The initiative is premised on the conviction that there is a reinforcing relationship between market oriented economic development and democracy. The three major program interventions for DPI are: Voice -- the promotion of civic participation, association and advocacy; Choice -- the promotion of free and fair elections; and Governance -- the strengthening of the legislative, executive, and judicial branches of government, particularly at the local level.

Due to the sensitive nature of the program, AID/W staff work closely with ANE field missions on the design and implementation of DPI activities. The Bureau Regional project, which began in 1990, provides seed money for missions and host countries, with missions expected to incorporate DPI objectives into their programs as quickly as possible. Under a competitive process in 1990 the Regional project provided nearly \$3 million to the following missions: Afghanistan, Bangladesh, Indonesia, Jordan, Sri Lanka, Nepal, Thailand, Tunisia and Yemen. For FY 1992, the Bureau is proposing \$3.5 million for Regional DPI funding. Also in FY 1992, the Pakistan Mission is proposing to begin a \$24 million project to strengthen democratic institutions.

For a new initiative of the Administrator, the ANE Bureau would support creation of a contingency fund which could be used to support emerging democracies. Within ANE, there are several prospects, including Cambodia, Burma, Yemen and Eastern Europe. We do not believe it makes budgetary sense to create a large reserve to provide balance of payments funding or other resource transfers. A small contingency reserve, say \$25 to \$50 million, would be sufficient to provide technical assistance and immediate support to new democracies.

2. Energy, the Environment and Natural Resources

The ANE Bureau continues to emphasize Energy, Environment and Natural Resource programs as critical to self sustained economic growth. Funding for projects with a major environmental focus (primarily forestry and pollution control but excluding Egypt water and sanitation projects) will expand from \$73 million in FY 1990 to \$134 million in FY 1991 and \$144 million in FY 1992. Major Energy projects, including power sector projects in Egypt, will expand from \$172 million in FY 1990 to \$194 million in FY 1991 and \$208 million in FY 1992.

For a new initiative of the Administrator, the ANE Bureau would support a technical assistance, policy reform and demonstration program focused on the "key countries" which could affect global climate change. It is clear that efficient, environmentally sound production of energy is a critical development problem in these countries. Such an initiative might be funded at approximately \$100 million in FY 1992 and would be in addition to resources otherwise available for these programs. The key countries in the ANE region would be Poland, Indonesia, Pakistan, India and the Philippines.

3. U.S. Economic Interests

The ANE Bureau has for several years seen U.S. economic interests emerging as an important justification for U.S. foreign assistance. Particularly in Asia, with its large economies, comparatively sound economic management, and strong growth performance, ANE has felt that introduction of programs which serve the mutual interests of the U.S. and the recipient country is appropriate. The ADC strategy recently approved for Thailand is an example of this approach, and the bureau is currently reassessing our approach to India on the same grounds.

ANE has also been aggressive in reviewing A.I.D. program policies which can have an impact on U.S. economic interests, and has supported appropriate revision of these policies. The Bureau has supported use of developmentally sound mixed credits in the "spoiled" markets of Asia. We currently have a team designing a major new project in the Philippines and continue to reserve funds for the AT&T bid in Indonesia. ANE has also taken the lead in development of data on source/origin procurement with A.I.D. funds.

As an initiative of the Administrator, ANE would support a new program which would focus on three new facilities which would directly support U.S. economic interests:

A. A special fund--neither DA nor ESF--which could be used for developmentally sound mixed credits in "spoiled" markets. The difficulty with the current policy is that as a practical matter the countries we can work in are limited to those with substantial ESF programs. Never-the-less, there are important opportunities in other countries as well. By providing this facility--which might be funded at approximately \$50 million per year--additional access to EX-IM's War Chest could be financed.

B. A guarantee fund, as proposed by PRE, which would use existing budgets to create a loss reserve. ANE is now soliciting expressions of interest from our field missions. If the reserve fund were set at 10:1, missions would be able to leverage private resources in support of projects by the same factor. This could greatly expand U.S. influence and access in these countries, particularly with private financial markets. An initial contribution of \$25 million would facilitate creation of this reserve fund.

C. A technical assistance fund which would support an open global economic system. This would finance assistance to countries on topics such as intellectual property rights. It could be programmed in collaboration with USTR and FCS, Agencies which do not have direct access to program resources. It might be funded initially at an annual level of \$2.5 million

4. Family Planning and Women's Economic Opportunities

ANE continues to invest substantial funding in population activities. (See attached table). Major new projects are being introduced in Bangladesh, Yemen, Pakistan, and India. At the same time, the Bureau has successfully completed programs in countries such as Thailand, where we no longer provide assistance, and will phase out of Indonesia by 1995.

In order to prepare for a "second generation" of population activities, ANE would support an initiative focused on women's economic opportunities. This initiative would be premised on the idea that women choose smaller families as their incomes and economic opportunities increase. Funds could be used to promote economic equality, enhanced educational opportunities and establishment of women's property rights. Since this idea may require additional research, initial funding could be proposed at \$25 million, primarily for program development and assessment.

TRENDS IN ANE POPULATION PROGRAMS
(\$000)

	FY 1985 Actual	FY 1988 Actual	FY 1989 Actual	FY 1990 OYB	FY 1991 Estimate	FY 1992 Proposed
Population Programs						
Bangladesh	32,000	29,000	27,479	24,800	22,000	24,000
Egypt - ESF	6,400	15,000	10,000	12,000	16,000	5,500
India	20,900	3,800	1,824	-0-	-0-	2,400
Indonesia	1,500	-0-	3,099	3,325	2,000	2,077
Jordan - ESF	-0-	500	500	450	450	600
Morocco	3,850	3,500	2,300	3,750	4,000	4,000
Nepal	2,600	1,281	2,000	1,500	1,500	1,530
Pakistan - DA	12,200	6,500	9,700	7,150	7,000	7,000
- ESF	8,000	-0-	2,500	9,050	-0-	15,500
Philippines	-0-	4,200	10,000	15,737	8,000	8,000
South Pacific	-0-	250	270	400	600	600
Thailand	1,500	-0-	-0-	-0-	-0-	-0-
Tunisia - DA	2,500	-0-	-0-	-0-	-0-	-0-
- ESF	5,000	-0-	500	-0-	-0-	-0-
Yemen	-0-	-0-	-0-	-0-	3,100	2,000
Regional	<u>2,661</u>	<u>2,335</u>	<u>2,354</u>	<u>1,289</u>	<u>1,800</u>	<u>1,800</u>
TOTAL	99,111	66,366	72,526	79,451	66,350	75,007
(POP)	79,711	50,866	59,026	57,951	49,900	53,407
(ESF)	19,400	15,500	13,500	21,500	16,450	21,600

* DPRP proposal of \$18.0 million over ten year life of the project.

Application of Country Performance Indicators to Performance Budgeting

The ANE Bureau's country performance indicators derive from our two main themes, Open Markets and Open Societies, which in turn are broken down into six Core Concerns: (1) Civil Liberties and Political Pluralism; (2) Economic Freedom/Local Investment Climate; (3) International Trade Openness; (4) Equity of Policy Framework; (5) Regulatory and Policy Climate for Foreign Investment; and (6) Legal and Institutional Means for Resolving International Economic Disputes. These Core Concerns are critical prerequisites to sustainable economic growth and unlike many macroeconomic indicators, such as GDP, are more likely to be subject to direct influence by AID programs.

We are interested in identifying significant improvement in at least several of these indicators over time. Our focus is therefore on change, but change has both long-term and short-term dimensions. Consequently, we look both at a country's present status, which reflects the cumulative impact of ongoing reforms and adaptation, and at changes over the previous year or two. By looking at the country's present status, we are able to get a sense of the commitment of national leadership to sound policies and of the effectiveness of the country's institutions in translating policies into results. By assessing recent change we seek to identify significant short-run shifts that might portend further improvement (or deterioration) in the future.

The FY 1992 Submission: In 1990, the Bureau took the first steps to implement a monitoring program that can be used to monitor progress, or lack of progress, in the major Core Concern categories. As a first step, a contractor was hired to research the literature on measurement relevant to the Core Concerns, to identify readily available data sources and to suggest a list of potential indicators that might be adequate to track country performance in the areas of concern. From an extensive preliminary list, fourteen indicators were ultimately identified which seem to generally satisfy ANE's initial monitoring requirements. They range from global indicators of political and economic performance, such as Freedom House rankings of political climate to specific measures of average tariff and lending rates. The contractor reported the most recent scores on each indicator as presented in their respective primary sources. Because an unambiguous indicator of its (infrequent) change could not be readily identified, the

sixth Core Concern, Resolving International Disputes, was not rated. In all, the Bureau had: 4 measures of political pluralism; 4 of local investment climate; 4 of international trade openness; and 1 global measure each for equity of policy framework and foreign investment climate.

In this first effort, there were several gaps in the data, and as expected the quality of data varied considerably from country to country. Because the data would therefore not bear the burden of very refined statistical manipulation, it was employed in this instance merely as a broad guide to judgment as to overall country performance. First, the Bureau ranked each country by its raw score on each of the 14 indicators. This was done twice; first for the level of performance, and second for change during the most recent reported year. A country could rank high (upper third), medium (middle third) or low (bottom third) on each of the resulting 28 measures.

ANE then based its judgments on the frequency with which a country scored high, medium or low. Basically, countries which rather frequently (i.e., in about half of the 28 potential instances) scored in the upper third, or in some combination of the upper and middle third, were deemed to be "good performers." Some subjective Bureau adjustments were then incorporated into the final ratings. For example, the recent pro-democratic change in government in Nepal occurred too late to register on the indicators, as did the inauguration of Parliamentary elections in Jordan's Monarchical government.

This process generated the final list of countries that in the Bureau's view had recently exhibited generally good performance in moving toward more open markets and more open societies: Bangladesh, Indonesia, Morocco, Thailand, Sri Lanka, India, Tunisia, Nepal and Jordan.

Future Refinements: The lessons learned during the past months will be used to refine the country performance indicator system for the FY 93 submission and beyond.

Availability of sufficiently current published data was a serious shortcoming in fully applying the indicator system during the present budget cycle. The Bureau will need to use a combination of field inquiries, TDY's and contract personnel to ensure that gaps in published data are filled before the exercise is repeated. Further attention must be given to the cost implications of the alternative means of obtaining the needed information.

The number of indicators needs to be further refined. There is some unnecessary duplication, and final choices need to be made soon regarding which measure or data source to retain in these instances. While it is possible that some new measures will need to be introduced, it is more likely that the number can be

reduced from the present 14 to a more manageable set without seriously compromising the information content of the system. Further analysis of the implicit tradeoffs is necessary before determining the final balance between global and specific indicators, for example between overall investment climate rankings and individual tariff measures.

Not all indicators change annually. The Bureau must therefore determine, on a rough benefit/cost basis, which indicators it will monitor annually, and which merit only biannual or triannual updates.

For the first application each indicator was de facto given equal weight. As the system is further refined, the Bureau will examine different weighting schemes in order to develop a system that adequately reflects programming priorities.

The activities in Annex G have been proposed for further development for FY 1991. The number of eligible candidates will be reduced by the end of the summer, following review of individual activities. Final selection from the FY 1991 activities listed below will be made when the FY 1991 OYB is established.

ANNEX E

PROGRAM PERFORMANCE MONITORING

The ANE bureau has instituted a program performance monitoring system throughout the region, that will allow an annual accounting of progress Missions are making toward achieving overall program goals. This program level information is intended to assist senior management in ANE missions and AID/W to assess the progress of our programs and the program's development impact as stated in its CDSS objectives. Once the system is fully functioning, its main benefit should be as a Mission management tool, improving our ability to focus quickly on overall purpose-level objectives, rather than on implementation issues and outputs. The exercise of restating program objectives more clearly and seeking to identify measurable impact will ultimately also assist Missions to clarify their programs and bring resources to bear on a few selected problems in a more concentrated effort.

In addition, monitoring program performance will improve our accountability by enabling us to measure and report on our impact. Finally, by linking budgeting decisions to good performance, we expect to improve program efficiency. At the 1989 ANE team meeting the decision was made to tie program performance to budgeting decisions, so that good performance can be rewarded with higher program funding while programs not meeting overall goals can be encouraged to rethink and restructure their portfolios.

The ANE effort to identify measurable indicators of regular progress toward goals began in 1987. It was quickly adopted by some Missions, that are understandably now farther advanced in well-articulated indicators and in more focused programs. With one exception (Oman), all Missions now have a set of not more than five overall program objectives, with two or three indicators for each amenable to annual reporting.

All Missions were asked to report baseline data at the time of the 1990 ABS submission, and have also identified short or long-term targets for each indicator. Each set of Program Performance Objectives and Indicators was reviewed within the Bureau by a team headed by ANE/DP and all are scheduled to be approved by the Assistant Administrator. Approval constitutes an agreement between the Bureau and the field of the standard for good performance by which the Mission will be assessed at the time of the next ABS. Each ANE mission identifies a set of indicators that best measures its program objectives at a level commensurate with the scale and focus of its assistance within a sector. This method provides for the considerable disparity between Missions as it allows each Mission to be judged on the basis of its own conditions rather than being compared with other missions with differing funding levels and socio-economic systems.

Examples of this year's submissions from Egypt and Indonesia are attached.

ANNEX E

USAID/EGYPT PROPOSED PROGRAM PERFORMANCE CONTRACT

OBJECTIVES AND INDICATORS

TARGETS

1. DECONTROL AND DEREGULATE THE ECONOMIC ENVIRONMENT TO PROMOTE RATIONAL DECISIONS BY PRODUCERS, CONSUMERS AND INVESTORS

a. Reduction of subsidies and controls on key agricultural, energy and industrial prices

- cotton price attains 66% of world price by 1992
- compulsory delivery of rice crop eliminated by 1992
- subsidies on fertilizer and livestock feed abolished by 1992
- subsidy bill to energy sector reduced by 100% by 1995
- (a target will be developed on reduction of subsidies to public sector manufactures)

b. Increased contribution to domestic production and investment by private sector

- (a target on reduction of constraints to private investment will be submitted at a later date)
- area allocated to cotton and cotton yield per acre each increased by 20% by 1993
- agricultural yield per hectare of following crops increases by following percentages by 1995: corn, 25%; wheat, 15%; tomatoes, 30%; soybeans, 20%

2. TRANSFER FUNCTIONS AND ENTERPRISES FROM THE PUBLIC SECTOR TO THE PRIVATE SECTOR TO PROMOTE ECONOMIC GROWTH AND PRODUCTIVITY

a. Value of assets or functions transferred to private sector

- LE 300 million in productive assets through divestitures and privatizations by 1995

b. Number of public sector institutions/ enterprises transformed to improve economic efficiency and chances for privatization

- most of PBDAC's current marketing of fertilizer, animal feed and seed shifted to private sector by 1995

ANNEX E

OBJECTIVES AND INDICATORS

TARGETS

3. INCREASE DELIVERY OF SUSTAINABLE SERVICES

a. Expanded access to sustainable services

- total contraceptive users increase from 3 million to 4.6 million through partially self-sustaining public and private sector agencies by 1993

b. Increased private sector provision of services

- two major private sector family planning organizations become fully self-sustaining by 1995 and the remaining private sector entities by 1998

c. Percent coverage of recurrent costs through user fees or other means

- urban water utilities, providing potable water to 17 million people, cover 100% of operations, maintenance and service costs by 1995

- 40,000 loans at market rates provided to small/micro rural and urban entrepreneurs by 1995

- Urban wastewater utilities, providing sewerage facilities to 13 million people, cover 100% of operations, maintenance, and debt service costs by 1998.

- AID-assisted rehabilitated irrigation systems begin charging fees covering 100% of irrigation operations and maintenance costs by 1992

- Number of farmers receiving unsubsidized loans increases from 12 million to 1.3 million by 1995

- 1200 new private medical practices operating profitably by 1996

- 40 GOE hospitals and 10 polyclinics achieve operating self-sufficiency through cost recovery by 1996

4. INCREASE POPULAR PARTICIPATION IN DEVELOPMENT DECISION-MAKING, IMPLEMENTATION AND FUNDING

a. Local governments mobilize sufficient revenues to implement (construct and maintain) locally chosen projects

- number of farmers groups and/or water users associations with enhanced autonomy for managing local resources increases from 88 to 4000 by 1995

ANNEX E

OBJECTIVES AND INDICATORS

TARGETS

b. Decentralized planning and administration of development projects

- number of PVO projects implemented and maintained through user fees or contributions increases from 4800 to 6000 by 1995

- local government units successfully implementing 5800 water/wastewater projects collecting sufficient revenues for recovery of 75% of O&M recurrent costs and 25% of capital costs by 1992

c. Increased access to basic education

- new schools constructed by AID permit increase in primary school enrollment of 1.65 million by 1995 (disaggregated by gender)

- drop-out rates for elementary schools decrease to 30% (representing one-half million children) by 1995 as a result of new curricula.

USAID/INDONESIA PROGRAM PERFORMANCE CONTRACT

Summary of Program Objectives

1. FREEING UP THE PRIVATE SECTOR

Developing a more open and market driven system of trade and investment. Freer markets will stimulate increased investment and thus increased numbers of and increased output from private sector firms.

2. MOBILIZING FINANCIAL RESOURCES

Increasing the scale of financial resources available for public sector and private sector investment as reflected in (a) the combined values of bank deposits and shares on the stock markets and (b) increased assumption of infrastructure costs at the local level.

3. REDEFINING THE ROLE OF GOVERNMENT

Redefining the role of government under a more open markets/private sector economy. This will be reflected in a transfer of GOI responsibility for provision of services to the private sector and a reduction of direct public ownership.

4. STRENGTHENING DEMOCRATIC INSTITUTIONS

Strengthening the basic democratic institutions which make possible more open, just, and pluralistic participation in government decision making.

5. SUSTAINING THE NATURAL RESOURCE BASE

Improving policies and management practices to halt environmental and natural resource degradation and to ensure that natural resources are managed to sustain economic growth.

USAID/INDONESIA PROGRAM PERFORMANCE CONTRACT

Summary of Indicators and 1990 Targets

1. FREEING UP THE PRIVATE SECTOR

Indicators

- a. Level of Government of Indonesia (GOI) subsidies in the fertilizer market and the administered prices of fertilizer.
- b. High annual poultry export growth once flock size regulations are relaxed.

1990 Targets

10% reduction in total GOI fertilizer subsidy (GOI savings = \$60 million) and a 10% increase in farm-level prices of fertilizer.

Relaxation of regulations limited flock size in poultry raising operations for export.

2. MOBILIZING FINANCIAL RESOURCES

Indicators

- a. Total savings and total lending in the 3660 rural banking units which have USAID support.
- b. (i) The average volume of debt and equity issues traded daily on the Jakarta Stock Exchange; (ii) The number of new debt and equity issues available for public trading.

1990 Targets

42% increase in savings level (1990 value = \$226 million) and 37% increase in lending level (1990 value = \$183 million).

(i) 30% volume increase in 1990; (ii) 15 new bond issues (1989 base = 22) and 50 new share listings (1989 base = 62).

3. REDEFINING THE ROLE OF GOVERNMENT

Indicators

- a. Total amount of capital investment for urban infrastructure/services projects attributable to the private sector.
- b. Number of contraceptive users served by the private sector.

1990 Targets

20% increase over a very low base in 1989.

25% increase over the current estimate of 636,000 users.

4. STRENGTHENING DEMOCRATIC INSTITUTIONS

Indicators

- a. Utilization of a parliamentary service to supply background and position papers for legislators.
- b. Evidence of ability of assisted organizations to articulate the interests of their constituents (or the public at large) and to channel represented viewpoints effectively and responsibly to influence government decisions and/or public opinion.

1990 Targets

Creation of a capacity to produce high quality background briefs and position summaries on topics of immediate concern to legislators.

Strong evidence (in the form of organizational output/activity) of such increased ability in at least five of the roughly 20 non-government organizations supported by USAID.

5. SUSTAINING THE NATURAL RESOURCE BASE

Indicators

- a. National institutions providing leadership in environmental and natural resources policy and management.
- b. National forest lands managed on an economically and ecologically sustainable basis.

1990 Targets

Establish an Inter-Ministerial Natural Resources Policy Working Group and completion of a National Action Plan to provide policy guidelines and to coordinate donor assistance in this area.

Agreement on a policy reform agenda as part of the Tropical Forest Action Plan.

Annex F

Portfolio Management

Once ANE adopted a program vision, Open Markets and Open Societies, it became especially important to secure funding for new projects. However, several Bureau programs were so heavily mortgaged that it was impossible to develop new activities to implement the vision.

Prior to the merger of the old Asia and Near East Bureaus, two different forward funding policies were followed. The old Asia Bureau provided more forward funding in its projects, resulting in substantial pipelines relative to new program funds. Hence countries such as India, Indonesia, Thailand, and Sri Lanka have had comparatively large pipelines. (The apparent magnitude of these pipelines has been exaggerated by the large decline in program levels for these countries over the past several years.) The old Near East Bureau provided less forward funding in its projects, resulting in substantial mortgages. Hence countries such as Morocco and Yemen have had comparatively large mortgages.

In sorting out guidance for field missions in the combined ANE Bureau, it became apparent that mortgage was a greater problem than pipeline. It was more difficult for countries with heavily mortgaged programs such as Morocco and Yemen to free resources to begin new projects than for countries with large pipelines such as Indonesia. Partly as a result of the flexibility provided by its pipeline, Indonesia has been one of the Bureau's most aggressive implementers of the Open Markets/Open Societies vision.

The Bureau's current guidance relies on missions to manage their portfolios in accordance with the needs of their projects. However, the Bureau expects field managers to balance pipeline and mortgage so that ample funding will be available each year to finance new activities. The current guidelines suggest both mortgage and pipeline should run somewhere between two and three times the annual level of program funding. This balance is, of course, affected by many factors including the type of program (program versus project assistance) and the stage of portfolio development relative to the approved country strategy (more funding is needed for new projects in the early stages of a strategy).

The following table provides trends in selected ANE pipelines.

Selected ANE Pipeline Trends
(\$ mil.)

	1984	1986	1988	1990	1992 Program
Bangladesh	140.6	140.6	199.5	159.4	65.0
Egypt	2413.6	2258.7	2243.8	2118.1	815.0
India	324.3	341.3	265.9	163.5	23.0
Indonesia	253.2	273.7	239.0	166.2	45.0
Morocco	33.3	55.6	67.8	67.6	25.0
Nepal	24.0	26.8	22.9	21.1	13.0
Pakistan	378.0	514.2	688.7	489.0	300.0
Phillipines	218.0	176.4	262.3	391.4	415.0
Sri Lanka	122.6	83.3	97.1	75.4	20.0
Thailand	87.9	90.8	89.9	67.6	14.5
Tunisia	27.5	41.0	26.2	9.4	15.0
Yemen	41.0	42.6	46.6	43.5	24.0

In general, the countries of the old Asia Bureau are making acceptable progress in bringing down their pipelines. Morocco is doing an acceptable job of building up its pipeline.

Another alternative which can free resources for new programs is to restructure an existing portfolio using deob/reob authority. The Bureau is currently pursuing this approach in both Thailand and India. For example, the India Mission has reduced a mortgage of \$153 million at the beginning of 1989 to \$82 million at the end of FY 1990. This \$71 million reduction involved a series of actions, including:

- cancellation of three proposed FY 1989 starts, which were seen as marginal to a likely new strategy;
- deobligation of \$22 million from the pipeline and reobligation of these funds to draw down mortgage levels, and;
- "deauthorization" or reduction of life of project levels totalling \$25.2 million from the mortgages of three ongoing projects.

As a result of all these efforts, the ANE Bureau has created substantial resources for new activities. As the following table indicates, the Bureau will have the following amounts to fund new activities in excess of the amount required for

ongoing projects. (Some of these resources may be used for additional funding for ongoing projects in heavily mortgaged countries such as Nepal.)

ANE Discretionary Resources
(\$ millions)

	<u>Amount</u>	<u>% of Total</u>
Development Assistance (1)	134.8	28.7%
ESF (2)	485.8	35.0%
SAI:		
Phillipines (3)	30.0	15.0%
Eastern Europe (4)	150.0	37.5%

(1) Includes \$75 m performance fund.

(2) Excludes cash transfers for Israel, Turkey, and Portugal.

(3) Mixed credit.

(4) Estimate.

4041L

ANE
FY 1992 PROPOSED BUDGET

	Development Assistance			ESF		
	MCC	Additional Request	Total	MCC	Additional Request	Total
Afghanistan	35,000		35,000	35,000		35,000
Bangladesh	39,459	25,541	65,000			
Cambodian Resistance				7,000		7,000
Cyprus				3,000		3,000
Egypt				430,500	384,500	815,000
Fiji				300		300
India	20,000	3,000	23,000			
Indonesia	40,000	5,000	45,000	5,000		5,000
Israel				1,200,000		1,200,000
Jordan				29,750	5,250	35,000
Lebanon				2,000		2,000
Morocco	13,000		13,000	6,000	9,000	15,000
Nepal	12,900	2,100	15,000			
Oman				14,000	1,000	15,000
Pakistan	42,000	8,000	50,000	191,500	58,500	250,000
Philippines	48,000	7,000	55,000	135,000	25,000	160,000
Portugal				45,000		45,000
South Pacific	8,000		8,000	10,000		10,000
Sri Lanka	14,400	5,600	20,000			
Thailand	12,459	2,041	14,500	5,000		5,000
Tunisia				12,500	2,500	15,000
Turkey				50,000		50,000
West Bank/Gaza				10,000		10,000
Yemen	23,000	1,000	24,000			
ASEAN	3,428	500	3,928			
TOTAL	311,646	59,782	371,428	2,191,550	485,750	2,677,300

Annex G

NEW PROJECTS
ANNUAL BUDGET SUBMISSION

FY 1991

	FY91	LOP
<u>BANGLADESH</u>		
Women's Enterprise	\$ 600	\$ 3,000
Resource Management for Growth	\$ 1,000	\$ 1,000
<u>EGYPT</u>		
C.I.P	\$ 50,000	\$ 50,000
Cash Transfer	\$115,000	\$115,000
Sector Grant	\$105,000	N/A
<u>INDIA</u>		
Ag. Commercialization and Enterprise	\$ 2,000	\$ 15,000
Democratic Approaches to Res. Eff.	\$ 3,000	\$ 15,000
<u>INDONESIA</u>		
Strengthening Institutional Pluralism	\$ 3,150	\$ 15,000
Open Trade and Investment	\$ 2,500	\$ 20,000
Training for Open Markets	\$ 1,000	\$ 15,000
Agribusiness Development	\$ 2,806	\$ 20,000
<u>JORDAN</u>		
Environmental Services Development	\$ 1,000	\$ 5,000
<u>MOROCCO</u>		
Development Studies & Tech. Support	\$ 2,000	6,000
<u>OMAN</u>		
Marine Resources Technology	\$ 2,000	\$ 10,000
Human Resources Development	\$ 3,000	\$ 22,000

- 2 -

PAKISTAN

Project Design & Implementation II	\$ 3,000	\$ 15,000
Strengthening Democratic Institutions	\$ 3,000	\$ 24,000

PHILIPPINES

Agribusiness Sector Program	\$ 9,700	\$100,000
Local Government Infrastructure Devel.	\$ 28,878	\$100,000
Private Ent. Policy Support II (MAI)	\$ 50,000	\$ 50,000
Urban and Industrial Pol. Mngmt (MAI)	\$ 5,000	\$ 20,000

SOUTH PACIFIC

Pacific Environmental Protection	\$ 500	\$ 3,000
Commercial Agricultural Development	\$ 650	\$ 10,000

SRI LANKA

Technology Initiatives for the Prvt Sec.	\$ 3,260	\$ 17,000
--	----------	-----------

THAILAND

Thai Growth and Investment Fund	\$ 2,500	\$ 20,000
---------------------------------	----------	-----------

TUNISIA

Productive Skills Training	\$ 1,000	\$ 18,500
Private Enterprise Promotion	\$ 3,200	\$ 15,300

FY 1992ASEAN

ASEAN Environmental Improvement	\$ 500	\$ 12,000
---------------------------------	--------	-----------

BANGLADESH

Family Planning and Health Services II	\$ 18,140	\$167,000
Private Sector Agricultural Inputs	\$ 4,000	\$ 45,000
Integrated Food for Development	\$ 3,401	\$ 15,000

EGYPT

Power Sector Program Support	\$100,000	\$300,000
C.I.P.	\$ 25,000	\$ 25,000
Cash Transfer	\$115,000	\$115,000
Sector Grants	\$ 89,500	N/A

INDIA

Private Invmt in Health & Family Plng.	\$ 3,000	\$ 15,000
--	----------	-----------

- 3 -

INDONESIA

Privatization of Ed. Support Services	\$ 3,000	\$ 12,000
Biotechnology for Agriculture	\$ 2,000	\$ 8,000

JORDAN

Horticultural Exports Promotion	\$ 1,000	\$ 5,000
Enterprise Resources & Self Help	\$ 1,500	\$ 12,000

MOROCCO

Water Resources Management	\$ 6,000	\$ 25,000
----------------------------	----------	-----------

PAKISTAN

Agribusiness Development & Promotion	\$ 8,000	\$ 50,000
Family Planning Service Expansion -- ESF	\$ 13,500	\$ 42,000
Family Planning Service Expansion -- DA	\$ 3,000	\$ 3,000

PHILIPPINES

Enterprise in Community Development	\$ 5,000	\$ 12,000
Private Enterprise Institutional Support	\$ 2,000	\$ 15,000
Provincial Roads/Bridges Maint.	\$ 25,000	\$ 25,000
Privatization II (MAI)	\$ 25,000	\$ 25,000

SRI LANKA

High Income Commercial Ag. Technology	\$ 2,600	\$ 15,000
Irrigation Sector Privatization	\$ 3,000	\$ 30,000

YEMEN

Ag. Marketing, Policy Plng & Statistics	\$ 1,000	\$ 16,000
---	----------	-----------

DPRP PROJECTS

	<u>ACCOUNT</u>	<u>AMOUNT</u>
<u>ASEAN</u>		
ASEAN Coop Trade Development	SDA	\$ 5,000
<u>INDIA</u>		
Private Sector Urban Services Delivery	SD	\$10,000

INDONESIA

Strengthening Com. Law and Fair Contractor	FN	\$ 5,000
	EH	\$ 5,000
	SDA	<u>\$ 5,000</u>
		\$15,000
Privatizing Urban Services	EH	\$ 6,000
	HE	\$ 7,000
	SDA	<u>\$ 7,000</u>
		\$20,000
Open Trade & Investment	EH	\$ 6,000
	FN	\$ 6,000
	SDA	<u>\$ 8,000</u>
		\$20,000

JORDAN

Graduate School of Business		\$ 4,000
-----------------------------	--	----------

MOROCCO

Agribusinsss Promotion		\$10,000
------------------------	--	----------

NEPAL

Economic Liberalization	SDA	\$ 7,500
-------------------------	-----	----------

SRI LANKA

Voice of the Informal Sector		\$ 5,000
Financial Markets Policy Reform		\$10,000

TUNISIA

Agribusiness Promotion		\$10,000
------------------------	--	----------

YEMEN

Economic Devlmt. and the Demo. Transition	PN	\$18,000
---	----	----------

Operations Management

Since 1987 the ANE Bureau has accepted a broad range of additional management responsibilities. The Afghanistan program has more than tripled in size. The Philippines program has also grown rapidly with the change to a democratically elected government, negotiation of an interim base rights agreement and establishment of the MAI. Most significant, the new program for Eastern Europe has emerged as a critical new Bureau priority. Each of these has required intense management oversight, given the need for ongoing foreign policy coordination within the Administration and continuing Congressional interest, and each has posed myriad program management challenges.

The only offset the Bureau has had during this period is the termination of the Burma program.

Never-the-less, the Bureau has been forced to absorb these programs with declining workforce and discretionary Operating Expense levels.

	<u>FY 1987</u> <u>Actual</u>	<u>FY 1989</u> <u>Actual</u>	<u>FY 1991</u> <u>Projected</u>
Program (\$mil) <u>1/</u>	2,608	2,658	2,881
Workforce - USDH <u>2/</u>	667	665	623
FSN	<u>547</u>	<u>543</u>	<u>481</u>
TOTAL	1,214	1,208	1,104
Operating Expenses (\$mil) <u>3/</u>			
Dollar O.E.	40	36	37
Trust Funds	<u>14</u>	<u>20</u>	<u>25</u>
TOTAL	54	56	62

1/ Excludes cash transfers for Israel, Turkey and Portugal.

2/ Includes part time and IDI's

3/ Overseas Costs Excluding USDH Salaries and Benefits, FAAS costs and Post Assignment costs.

While trust funds have been extremely helpful in covering local costs, they cannot substitute for all mission expenses. Moreover, most of ANE's field missions do not have trust funds and, as a result, have born the brunt of reductions. Hence, the Bureau is particularly concerned about the decline in dollar funded Operating Expenses.

For FY 1991, ANE estimates that our requirement for dollar funded O.E. is \$2.1 million more than PPC's preliminary allocation and our FY 1992 minimum cost estimate is \$1.7 million above PPC's allocation. Since these levels follow a series of extremely tight budget years, there is no flexibility to absorb reductions of this magnitude. Furthermore, PPC's levels seem almost certain to be cut further as the budget process proceeds.

The ANE Bureau agrees the Agency must better articulate the relationship among program, workforce and Operating Expenses. We believe the proper approach is to decide on the program the Agency wants to implement, decide appropriate staffing levels, and then provide Operating Expenses accordingly. In short, the relationship must be viewed over an extended period. The ANE Bureau has utilized this approach in Thailand and Egypt, and anticipates future staff reductions as a result. For Eastern Europe, we expect additional staff will be required. Unfortunately, it is extremely difficult to manage such a system when the Agency as a whole is fundamentally out of balance in the way it relates program, workforce and Operating Expenses.

ANE believes the Agency must move quickly to restore this balance. We continue to be willing to provide any assistance necessary.

ANNEX I

P.L. 480 PROGRAMS

A. Overview

Food assistance represents a significant element of the U.S. Government's developmental and humanitarian portfolio of the Asia, Near East and Europe Bureau, with more than \$900 million allocated in FY 1990. In planning for FY 1992, it is assumed that the nutritional and economic justifications for the ANE country programs will remain valid.

Planning for FY 1992 presents additional challenges, some unique to the food assistance program. Principal among these is the anticipated reauthorization of the P.L. 480 legislation, which may create a significantly different legal and administrative framework for food programming. Although there can be no certainty regarding the final form and content of the new legislation, effective planning requires that we begin to assess the possible opportunities and constraints presented by potential scenarios. To this end, this paper presents a baseline budget using current program assumptions, and also attempts to interpret the impact of changes foreseen under the Leahy-Lugar version of the new P.L. 480.

The initiation of large-scale economic assistance to Central and Eastern Europe in FY 1990, including significant levels of food aid to Poland and Romania, underscores the diversity of development needs and food assistance programs in the ANE Bureau. In order to analyze and review this budget request on a more manageable scale, the programs are presented in geographic groupings, in addition to an ANE Bureau listing.

One trend which has been evolving over the past several years, and which this paper attempts to treat in a more structured way than in the past, is the growing importance of Section 416 surplus commodities to ANE country programs. These programs, which provided \$178 million of assistance in FY 1990, show creative use of available resources and, in many cases, demonstrate the growing importance in the region of intensive meat production using imported feedgrains. Although Section 416 programs are not usually included in future year budget planning, due to their non-150 account status and dependence on actual surplus positions in the year of implementation, an analysis of programmatic direction and discussion of a potential regional strategy are appropriate.

A more structured approach to Section 416 programming is consistent with an increasing emphasis on grant-funded food assistance to qualifying countries. This objective will also be pursued by expanding upon the Food for Progress (FFPr)

-2-

initiative planned to begin in FY 1991. Tentative plans for FY 1992 call for FFPr programs in the two ANE pilot countries (Sri Lanka and Morocco, assuming implementation of the proposed FY 1991 starts), expansion of the FFPr component to replace all Title I loan assistance to those countries, and the extension of FFPr programming to include new ANE country programs. Potential candidates include Indonesia, Yemen and Tunisia. However, it must be noted that the authorization for Food for Progress expires on September 30, 1990 and its future is extremely uncertain. New opportunities may be presented by the grant programs discussed in versions of the new P.L. 480 legislation.

The humanitarian uses of food assistance, in both developmental and emergency feeding programs, will continue in FY 1992. The economic and nutritional requirements in ANE countries, where the sheer numbers of malnourished people often overwhelm local resources, are likely to continue and be exacerbated by population growth. The use of Title II food assistance, particularly in structured child survival and food-for-work programs that address the economic and health conditions which underlie the nutrition problem, are very relevant to the developmental situation of many ANE countries (e.g., India, Bangladesh, West Bank/Gaza). Monetization of Title II commodities by PVO cooperating sponsors will be actively supported, for complementary project expenses, for the costs involved in effective delivery of assistance to the beneficiaries, and for competent administration and monitoring of the food program. Finally, emergency feeding requirements caused by natural or man-made catastrophes will be addressed in keeping with the tradition of U.S. Government response to disasters such as those currently being confronted in Afghanistan and Lebanon.

B. Regional Programs and Country Issues

Central and Eastern Europe

The FY 1992 food assistance program in Central and Eastern Europe will focus on private sector humanitarian activities. It is assumed that the large-scale commodity transfers which characterized the FY 1990 program will no longer be necessary, but that the PVO activities funded by local currency generations will still be required to support the decommunization process. In the case of Poland, FY 1992 will be the last year covered under the 1988 American Aid to Poland Act, which committed at least 8,000 tons of Section 416 commodities annually for private humanitarian and developmental programs. For Romania, it is proposed that the Section 416 local currency generations be used to support the continued work of private humanitarian groups, focussed on but not restricted to assistance to disadvantaged and abandoned children. The ANE Bureau will propose a \$20 million indicative level for each country, subject to the availability of suitable commodities. Leahy-Lugar is not expected to affect Section 416 programming.

Middle East and North Africa

The MENA region contains both the largest Title I program in ANE (Egypt) and some of the smallest (Yemen and Tunisia). In each case, however, the food aid program provides important balance of payment and nutritional assistance to the recipient country. The ANE proposal for FY 1992 reflects continuation of the Title I programs at planned FY 1991 levels for all countries, with the exception of Egypt. The Title I level for Egypt has been progressively reduced in \$10 million increments over the past several years by interagency agreement, and will reach \$140 million under this scenario in FY 1992. Due to the current foreign exchange difficulties being faced by Egypt, and their impact on repayment of official loan obligations, the ANE Bureau will not propose that the phase-down be accelerated for FY 1992. We continue to believe, however, that it is not in Egypt's economic interest to finance current consumption using long term loans, even with the concessionality offered by P.L. 480 Title I programs.

The MENA country programs are the focus of the Section 416 feedgrain initiative mentioned earlier. Tunisia and Jordan have current feed-supply programs, using Section 416 surplus coarse grains; Yemen is proposing a Title II Section 206 program for coarse grains which may be more suitably funded under a Section 416 grant program; Morocco has included small amounts of feedgrains in its Title I program; and, although there is neither an A.I.D. program nor any U.S. Government food assistance at this time, the Embassy in Algeria has periodically sought information about Section 416 feedgrains

and a Section 416 program was included as an eligible activity in the proposed A.I.D. assistance strategy for Algeria. The ANE Bureau will continue to support the development of feed sector programs, which are appropriate to the economic and nutritional requirements of the target countries and provide excellent opportunities for establishing commercial relationships between American feedgrain producers and private meat producers.

Title II feeding programs are expected to continue to play a key role in the humanitarian assistance strategy in the MENA region. Small-scale development and relief activities in the West Bank and Gaza, using food assistance as one element of the aid package, are visible manifestations of the U.S. Government's interest in the well-being of the indigenous populations. In Lebanon, the intractability of the communal conflicts, the human impact of the warfare, the lack of other donor support, and the long-term U.S. commitment to provide humanitarian assistance lead to the expectation that emergency food assistance will continue into FY 1992. The ANE Bureau, in collaboration with concerned A.I.D. offices and other agencies, will continually review the status of emergency needs in Lebanon and, in keeping with U.S. policy and resource availabilities, will assess possible requirements for increased assistance. Monetization of Title II commodities will also be considered as one means of defraying the operational costs of the PVO cooperating sponsor which are related to the emergency feeding activities. Finally, in the event of a peace settlement, P.L. 480 and Section 416 resources may be considered as significant components of possible U.S. Government reconstruction and rehabilitation assistance to Lebanon.

The MENA region is one area where the anticipated provisions of Leahy-Lugar could have direct programmatic impact if the proposal becomes law. The most relevant elements of the proposed bill concern the division of policy and implementation responsibilities between the Administrator of A.I.D. and the Secretary of Agriculture and the eligibility requirements for receiving grant food assistance under the newly defined Title I program. The Administrator would be delegated direct authority for Title I grant government-to-government programs, as well as Title II PVO feeding and all emergency programs, with the Secretary of Agriculture authorized to implement a new Title I loan program focussed on U.S. market development objectives. The criteria proposed for grant eligibility in Leahy-Lugar include a first level of eligibility based on GNP per capita. Using this test, and the mandated GNP limit, Egypt, Jordan, Morocco, Tunisia and the former Yemen Arab Republic would not qualify for A.I.D.-managed grant Title I programs (note that the status of the newly reunited Yemen is still uncertain). In addition, the most probable candidate for a USDA-managed market development program in MENA is Egypt. Therefore, the other MENA countries would need to either qualify for a grant program

under the other Leahy-Lugar criteria (food import requirement, per capita caloric consumption and infant mortality rate) or compete with Egypt, Pakistan and other countries for a USDA market development program. Further uncertainty is caused by the lack of a decision on relative funding levels between A.I.D. grant and USDA loan programs. On a positive note, Leahy-Lugar also includes a new authorization for P.L. 480 debt forgiveness, which could be very appropriate for MENA countries. It is not yet clear, however, what eligibility criteria will be applied to the debt forgiveness provision, if it becomes law.

Pakistan, Afghanistan, Cambodia and Philippines

This grouping of countries contains an array of food assistance programs, from substantial emergency and refugee feeding activities, particularly in Afghanistan and Pakistan, to large government-to-government Title I and Section 416 programs in Pakistan and the Philippines.

A major issue in this area concerns the food aid component of the bilateral aid package for the Philippines, which was increased to \$31 million in Title I funds and approximately \$12 million in Section 416 surplus commodities in FY 1990. (Note that the GOP has objected to including approximately \$20 million in PVO Title II feeding projects in the "bilateral" aid calculation.) While the FY 1991 CP calls for a \$20 million Title I program, the recent history of program negotiations with the GOP, particularly as they have become related to the base rights issues, indicates the likelihood that this may eventually be raised. Recognizing this process, an increase to \$30 million as the initial level would allow the Mission to spend more time developing the programmatic aspects of the proposal and maximize the developmental content of the program.

The emergency food program for war-affected Afghans, including cross-border deliveries and refugee feeding in Pakistan, has been a high priority humanitarian program. For FY 1991, the CP shows a total of \$27.5 million in commodities allocated for the continuation of this assistance, through all channels. Planning for FY 1992 must recognize the possible need for ongoing relief programs, while stressing the expectation that direct emergency feeding may not be required in FY 1992. We expect that cross-border activities will concentrate on food-for-work and commercialization, with reduced needs for direct distribution of food inside Afghanistan. Similarly, we would anticipate that refugee feeding requirements may be reduced as repatriation follows improvements in the political situation. Given the uncertainties in this scenario, however, we propose to maintain the FY 1992 planning figure at \$27.5 million until such time as anticipated political developments obviate the need for emergency food aid.

Similarly, the modest levels of assistance to Cambodian refugees in Thailand are projected to continue into FY 1992. These requirements will be reevaluated and reduced if and when the political and military situation stabilizes to the degree that the refugees can be safely repatriated. Conversely, the situation at this time is sufficiently uncertain that continued or even expanded assistance to war-affected Cambodians cannot be ruled out.

The Title I program in Pakistan is the one food assistance activity in this area which would be likely to be affected if the Leahy-Lugar draft became law. Under the proposed terms of a newly defined Title I program, Pakistan could qualify for grant food aid managed by A.I.D. On the other hand, the Pakistan vegetable oil program is a likely candidate for the USDA market development strategy. Careful coordination of A.I.D. and USDA programmatic objectives and activities may become necessary if the overall U.S. Government assistance program is to maintain its coherence and relevance to the needs of Pakistan and U.S. policy interests.

South and East Asia

The South Asia region contains a rich variety of food assisted programs, ranging from the largest Title II PVO program in the world in India, to an appropriate blend of supply stabilization and food-for-work developmental programs in Bangladesh, to an innovative Food for Progress program and food sector strategy proposed for Sri Lanka. It is certain that the developmental and humanitarian rationales for these programs will continue into FY 1992. ANE proposes maintaining support at current levels and, where justified, increasing the U.S. Government's contribution to worthwhile activities.

The Title II PVO feeding programs in India will be a high ANE priority in FY 1992, with an emphasis on continuing the improvements in program management and accountability which are now underway. One avenue to be explored in FY 1991 and 1992 is the monetization of Title II commodities, where necessary, to help support efficient distribution systems and effective program management. Strengthened management is a precondition to the continuation of these valuable developmental and humanitarian programs, particularly as they expand their involvement with disadvantaged castes and tribes in areas which lack adequate logistical and administrative infrastructure.

Changes in the P.L. 480 legislation will likely affect two important food-assisted development programs in South Asia, implemented under Title III in Bangladesh and planned for Food for Progress grant funding in Sri Lanka. The ANE Bureau will pursue all possible options for continuing these programs, including possible grant food aid and P.L. 480 debt forgiveness elements of the new Farm Bill.

-7-

FY 1992 TITLE I FOOD ASSISTANCE PLAN - ANE BUREAU
(\$ MILLIONS)

<u>COUNTRY</u>	<u>FY 90 ACTUAL</u>	<u>FY 91 CP</u>	<u>FY 92 ABS</u>	<u>ANE PROPOSAL</u>	<u>COMMENTS</u>
Bangladesh	60	60	60	60	Title III
Egypt	153	150	140	140	
Indonesia	(10)	5	5	5	Poss. FFPr
Morocco	33	35	35	35	FFPr
Pakistan	80	80	80	80	
Philippines	31	20	30	30	
Poland	45			-0-	
Romania	20			-0-	
Sri Lanka	26	20	35	35	FFPr
Tunisia	15	15	15	15	Poss. FFPr
Yemen	25	10	10	10	Poss. FFPr
TOTALS	<u>498</u>	<u>395</u>	<u>410</u>	<u>410</u>	

FY 1992 SECTION 416 PROGRAM PROPOSAL - ANE BUREAU
(\$ MILLIONS)

<u>COUNTRY</u>	<u>FY 90 ACTUAL</u>	<u>FY 91 CP</u>	<u>FY 92 ABS</u>	<u>ANE PROPOSAL</u>	<u>COMMENTS</u>
Jordan	42		27	10	MENA feed initiative.
Philippines	12			-0-	
Poland	53			20	PVO
Romania	51			20	PVO
Tunisia	20			10	MENA feed initiative.
Yemen				10	MENA feed initiative.
TOTALS	<u>178</u>	<u>-0-</u>	<u>27</u>	<u>70</u>	

-8-

FY 1992 TITLE II FOOD ASSISTANCE PLAN - ANE BUREAU
(\$ MILLIONS)

<u>COUNTRY</u>	<u>FY 90 ACTUAL</u>	<u>FY 91 CP</u>	<u>FY 92 ABS</u>	<u>ANE PROPOSAL</u>	<u>COMMENTS</u>
Afghanistan	11.3	27.5		27.5	
Bangladesh	14.2	16.5	19.5	16.5	
Gaza	0.9	0.9		0.9	
India	94.5	71.6		75.2	CP plus 5% monetization
Indonesia	5.4	5.8	5.8	5.8	
Lebanon	10.5	10.6	10.6	10.6	Subject to review.
Morocco	14.2	3.5	1.8	1.8	Phasing out.
Nepal	2.2	-0-		-0-	
Philippines	12.1	12.1	12.9	12.9	Pricing?
Sri Lanka	1.1	-0-	3.0	3.0	PVO monetization
Thai Border	2.5	-0-		2.5	
West Bank	2.4	1.3		1.3	
TOTALS	<u>171.3</u>	<u>149.8</u>	<u>N.A.</u>	<u>158.0</u>	

POTENTIAL EFFECTS OF LEAHY-LUGAR TITLE I GRANT CRITERIA
(\$ MILLIONS PER FY 91 CP)

<u>A.I.D.-MANAGED ECONOMIC DEVELOPMENT</u>		<u>UNDETERMINED</u>		<u>USDA-MANAGED MARKET DEVELOPMENT</u>	
Afghanistan	N.A.	Jordan	N.A.	Egypt	150
Bangladesh	60	Morocco	35	Pakistan	80
India	N.A.	Philippines	20		
Indonesia	5	Poland	N.A.		
(Pakistan)	N.A.	Romania	N.A.		
Sri Lanka	20	Tunisia	15		
	—	Yemen	<u>10</u>		—
TOTALS	85		80		230

NOTES:

- (1) FY 91 CP levels are used as FY 92 control levels in the absence of AAPLs.
- (2) Projected budget levels refer only to a new Title I grant program proposed in Leahy-Lugar draft legislation. Countries listed as "N.A." do not currently have a Title I FY 92 planning level, but could still be recipients of Title I reserve allocations, Section 416 surplus commodities or Title II PVO and emergency feeding programs.
- (3) Pakistan would be eligible for a Title I grant program under Leahy-Lugar criteria, but may become a USDA market development program for vegetable oil.
- (4) Cambodia, Viet Nam, Bhutan, Nepal, Laos, Myanmar (Burma), China, and the Maldives would all qualify for a Title I grant under the Leahy-Lugar per capita income criteria, but were not included in the chart.

AID PROGRAM IN FY 1992
TABLE 1 - LONG RANGE PLAN BY COUNTRY OR MAJOR PROGRAM AREA

ASIA, NEAR EAST AND EUROPE

DECISION UNIT	FY 1989 ACTUAL	FY 1990 ESTIMATE	FY 1991		FY 1992 PROPOSED	PLANNING PERIOD				
			CP	ESTIMATE		1993	1994	1995	1996	
AFGHANISTAN										
TOTALS:	70,500	69,479	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
BAHRAIN										
TOTALS:	---	---	---	---	---	---	---	---	---	---
BANGLADESH										
TOTALS:	72,330	64,617	56,100	56,100	65,000	66,000	67,000	68,000	69,000	69,000
BURMA										
TOTALS:	---	---	---	---	---	---	---	---	---	---
USSR (ARMENIAN EARTHQUAKE)										
TOTALS:	---	9,929	---	---	---	---	---	---	---	---
CAMBODIAN RESISTANCE										
TOTALS:	5,500	5,578	7,000	7,500	7,500	15,500	15,500	16,600	20,600	20,600
CYPRUS										
TOTALS:	20,000	14,936	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
EGYPT										
TOTALS:	815,000	930,295	815,000	815,000	815,000	815,000	815,000	815,000	815,000	815,000
FIJI										
TOTALS:	34	---	300	300	300	300	300	300	300	300
INDIA										
TOTALS:	44,424	20,396	22,000	22,000	33,000	23,000	23,000	23,000	23,000	23,000
INDONESIA										
TOTALS:	47,798	44,991	43,500	43,500	50,200	45,000	45,000	45,000	45,000	45,000
INTERNATIONAL FUND-NO. IRELAND & IRELAND										
TOTALS:	---	29,769	---	---	---	---	---	---	---	---

45

AID PROGRAM IN FY 1992
TABLE 1 - LONG RANGE PLAN BY COUNTRY OR MAJOR PROGRAM AREA

ASIA, NEAR EAST AND EUROPE

DECISION UNIT	FY 1989	FY 1990	FY 1991		FY 1992	PLANNING PERIOD				
	ACTUAL	ESTIMATE	CP	ESTIMATE	PROPOSED	1993	1994	1995	1996	
ISRAEL										
TOTALS:	1,200,000	1,194,840	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
ITALY										
TOTALS:	---	---	---	---	---	---	---	---	---	---
JORDAN										
TOTALS:	15,000	34,850	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
KOREA										
TOTALS:	---	---	---	---	---	---	---	---	---	---
LEBANON										
TOTALS:	2,796	7,444	1,000	1,000	2,000	2,000	2,000	2,000	2,000	2,000
MOROCCO										
TOTALS:	33,550	31,414	24,500	24,500	28,000	28,000	28,000	28,000	28,000	28,000
NEPAL										
TOTALS:	15,339	12,043	13,000	13,000	15,000	16,500	18,150	19,965	21,962	21,962
OMAN										
TOTALS:	15,000	12,546	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
PAKISTAN										
TOTALS:	265,020	275,011	256,000	260,000	300,000	300,000	300,000	300,000	300,000	300,000
PHILIPPINES										
TOTALS:	345,475	335,872	415,000	415,000	415,000	415,000	415,000	215,000	215,000	215,000
POLAND										
TOTALS:	---	199,140	---	---	---	---	---	---	---	---
PORTUGAL										
TOTALS:	50,000	40,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000

7
M/A

AID PROGRAM IN FY 1992
TABLE 1 - LONG RANGE PLAN BY COUNTRY OR MAJOR PROGRAM AREA

ASIA, NEAR EAST AND EUROPE

DECISION UNIT	FY 1989	FY 1990	FY 1991		FY 1992	PLANNING PERIOD			
	ACTUAL	ESTIMATE	CP	ESTIMATE	PROPOSED	1993	1994	1995	1996
SPAIN									
TOTALS:	---	---	---	---	---	---	---	---	---
SRI LANKA									
TOTALS:	28,505	18,000	11,250	11,250	20,000	20,000	20,000	20,000	20,000
SYRIA									
TOTALS:	---	---	---	---	---	---	---	---	---
THAILAND									
TOTALS:	20,072	11,139	15,000	15,000	19,500	18,500	15,000	14,200	7,500
TUNISIA									
TOTALS:	11,412	12,446	10,900	10,900	15,000	15,000	15,000	15,000	15,000
TURKEY									
TOTALS:	60,000	14,264	50,000	50,000	50,000	50,000	50,000	50,000	50,000
WEST BANK/GAZA									
TOTALS:	20,903	13,065	11,800	11,800	10,000	10,000	10,000	10,000	10,000
YEMEN									
TOTALS:	23,300	21,000	20,500	20,500	24,000	24,500	25,000	25,500	26,000
SO PACIFIC REGIONAL									
TOTALS:	16,875	16,000	16,000	16,000	18,000	18,000	18,000	18,000	18,000
EASTERN EUROPEAN REGIONAL									
TOTALS:	3,000	82,247	300,000	300,000	400,000	400,000	400,000	400,000	400,000
ASEAN									
TOTALS:	1,800	1,000	3,000	3,000	3,928	4,000	4,000	4,000	4,000
DEVELOPMENT POLICY REFORM PROGRAM									
TOTALS:	---	---	50,000	50,000	75,000	75,000	75,000	75,000	75,000

41

AID PROGRAM IN FY 1992
 TABLE 1 - LONG RANGE PLAN BY COUNTRY OR MAJOR PROGRAM AREA

ASIA, NEAR EAST AND EUROPE

DECISION UNIT	FY 1989 ACTUAL	FY 1990 ESTIMATE	---- FY 1991 ---- CP ESTIMATE	FY 1992 PROPOSED	-----PLANNING PERIOD-----				
					1993	1994	1995	1996	
<hr/>									
ASIA, NEAR EAST & EUROPE REGIONAL									
TOTALS:	34,273	36,260	30,630	26,630	29,000	29,000	29,000	29,000	29,000
ASIA REGIONAL									
TOTALS:	---	---	---	---	---	---	---	---	---
NEAR EAST REGIONAL									
TOTALS:	---	---	---	---	---	---	---	---	---
BUREAU TOTAL									
TOTALS:	3,237,906	3,558,573	3,540,480	3,540,980	3,763,228	3,758,300	3,757,950	3,561,565	3,562,362

AGENCY FOR INTERNATIONAL DEVELOPMENT
 FY 1992 ANNUAL BUDGET SUBMISSION
 TABLE 2 - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

ASIA, NEAR EAST AND EUROPE

	FY 1989 ACTUAL	FY 1990 ESTIMATE	--- FY 1991 ---		FY 1992 PROPOSED	-----PLANNING PERIOD-----			
			CP	ESTIMATE		1993	1994	1995	1996
AGRICULTURE, RURAL DEV. AND NUTRITION TOTALS:	225,704	205,370	178,417	190,698	---	---	---	---	---
POPULATION PLANNING TOTALS:	59,026	63,039	63,250	53,300	---	---	---	---	---
HEALTH TOTALS:	48,741	45,613	51,553	48,158	---	---	---	---	---
CHILD SURVIVAL FUND TOTALS:	14,444	12,728	16,100	17,100	---	---	---	---	---
AIDS TOTALS:	---	1,012	300	300	---	---	---	---	---
EDUCATION AND HUMAN RESOURCES TOTALS:	41,275	50,001	48,934	48,436	---	---	---	---	---
SELECTED DEVELOPMENT ACTIVITIES TOTALS:	27,266	40,463	45,926	46,488	---	---	---	---	---
SUBTOTAL FUNCTIONAL ACCOUNTS TOTALS:	416,456	418,226	404,480	404,480	---	---	---	---	---
INTERNATIONAL DISASTER ASSISTANCE TOTALS:	5,092	4,950	---	---	---	---	---	---	---
SPECIAL ASSISTANCE INITIATIVES TOTALS:	---	159,312	500,000	500,000	600,000	600,000	600,000	400,000	400,000
DEVELOPMENT PROGRAMS TOTALS:	---	1,000	---	500	753,450	473,000	472,650	475,265	472,062
TOTAL DA ACCOUNTS TOTALS:	421,548	583,488	904,480	904,980	1,353,450	1,073,000	1,072,650	875,265	872,062
ECONOMIC SUPPORT FUND TOTALS:	2,816,358	2,975,085	2,636,000	2,636,000	2,409,778	2,685,300	2,685,300	2,686,300	2,690,300
TOTAL DA AND ESF ACCOUNTS TOTALS:	3,237,906	3,558,573	3,540,480	3,540,980	3,763,228	3,758,300	3,757,950	3,561,565	3,562,362

44

AGENCY FOR INTERNATIONAL DEVELOPMENT
 FY 1992 ANNUAL BUDGET SUBMISSION
 TABLE 2 - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

ASIA, NEAR EAST AND EUROPE

	FY 1989 ACTUAL	FY 1990 ESTIMATE	FY 1991		FY 1992 PROPOSED	PLANNING PERIOD				
			CP	ESTIMATE		1993	1994	1995	1996	
(NONADD S)										
PL 400 TITLE I	---	383,000	315,000	20,000	350,000	5,000	5,000	5,000	5,000	
PL 400 TITLE III	---	60,000	60,000	---	60,000	60,000	61,000	62,000	63,000	
PL 400 TITLE II	---	168,900	148,500	3,000	156,700	43,630	43,827	44,026	44,204	

A.I.D. PROGRAM IN FY 1992
ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKING

PAGE 196
07/16/92

DECISION UNIT 263 EGYPT

RANK	PROJECT	TITLE	DPRP	PROGRAM	FUNDING
				APPROP	(\$000) INCR
MCC LEVEL					
	263XX92	COMMODITY INPUT PROGRAM FY 92	NO	ES	25,000
	2630125	DEVELOPMENT TRAINING	NO	ES	5,000
	2630132	IRRIGATION MANAGEMENT SYSTEMS	NO	ES	22,000
	2630140	SCIENCE AND TECHNOLOGY FOR DEVELOPMENT	NO	ES	14,000
	2630144	POPULATION PROJECT/FAMILY PLANNING II	NO	FS	5,500
	2630152	NATIONAL AG RESEARCH PROGRAM	NO	ES	30,000
	2630170	COST RECOVERY HEALTH	NO	FS	10,000
	2630173	CAIRO SEWERAGE II	NO	FS	20,000
	2630174	CANAL CITIES WATER & WASTEWATER PHASE II	NO	FS	70,000
	2630176	WATER/WASTEWATER INSTITUTIONAL DEV	NO	ES	5,000
	2630182	LOCAL DEVELOPMENT II	NO	ES	10,000
	2630187	BASIC EDUCATION II	NO	FS	10,000
	2630194	ALEXANDRIA ELECTRIC	NO	ES	5,000
	2630201	PRIVATE ENTERPRISE CREDIT (CIP)	NO	ES	175,000
	2630203	CHILD SURVIVAL	NO	ES	8,000
	2630209	PUBLIC FINANCE ADMINISTRATION	NO	ES	6,000
	2630211	UNIVERSITY LINKAGES II	NO	ES	5,000
	2630220	PVC DEVELOPMENT PROGRAM	NO	ES	5,000
		TOTAL REQUEST			432,500
REQUEST LEVEL					
	263K691	CASH TRANSFER FY 92	NO	ES	115,000
	263XXXX	PRIVATE SECTOR CIP	NO	ES	89,500
	2630202	AGRICULTURAL PRODUCTION CREDIT	NO	FS	55,000
	2630213	ENTERPRISE LIBERALIZATION PROG.	NO	ES	25,000
	2630224	POWER SECTOR SUPPORT PROGRAM	NO	ES	100,000
		TOTAL REQUEST			384,500

51

ANNUAL BUDGET SUBMISSION, FY 1992 :

PD-ABG-228

ASIA, NEAR EAST AND EUROPE

1 OF 1 (24X)

ASIA/NEAR EAST REGIONAL

1990

ANNUAL BUDGET SUBMISSION (ABS)