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MISSION DIRECTOR'S NARRATIVE

"INTRODUCTION"

Development progress in Morocco, exemplified by success in an ambitious structural adjustment program and politically by constitutional reforms and apparent commitment to democratic progress, suggest that phase-out of US aid would be appropriate around the turn of the century when the thrust of the current program winds down. During the last 35 years, USAID has played an important role in supporting Morocco's development. Our approach over the next several years should be to consolidate progress stimulated by our programs (especially in the areas of current strategic objectives) and nurture the relationships between the US and Morocco spawned or furthered by USAID programs for sustainability of US development investments and the mutual benefit of Morocco and the U.S. The following elements among others are key to the success of this approach:

-- USAID should facilitate linkages between Moroccan and U.S. institutions.

-- USAID should support GOM reform efforts inter alia to encourage perseverance, transparency and equity in the reform process.

Further investments are necessary to support this strategy, involving program resources at the optimal level for up to a few years. USAID must also have adequate OE resources. Assuming the optimal program level, USAID would be fully able to carry out its responsibilities at the OE proposed level, arriving at the OE target level at the end of two years. Attrition through normal staff departures and the start-up of major programs would permit reductions in staff on a schedule to meet the OE target level by FY 1996. Therefore an OE level requiring a slight increase over the FY 1993 level would be necessary. To assist in generating the resources to support this level, USAID will attempt to negotiate an OE trust fund, using local currency generated by the Privatization Program Grant. While this is by no means an assured result, such funds would permit a Washington allocation of appropriated dollars to USAID/Morocco at the target level in FY 1994 and '95. In any case some transitional OE funding above the target level will be necessary if we are effectively to meet our program and management responsibilities.

"PROGRAM OBJECTIVES"

USAID's proposed assistance to Morocco is intended to support broad-based and sustainable economic growth aimed at increased employment and income and improved quality of life. To meet these broad goals, the USAID/Morocco program supports four strategic objectives: 1) increased competitiveness of Moroccan firms, especially in selected export markets; 2) expanded base

of stakeholders in the Economy; 3) improved health of children under five and women of child bearing age; and 4) increased availability of affordable housing and services for low-income urban families. These strategic objectives are buttressed by three cross-cutting themes concerned with improving the lives of women, democratic pluralism, and the environment.

#### "PROGRAM SUCCESS TO DATE"

In addressing the health needs of children under five and women of child bearing age, the recent demographic health survey underscores the success that USAID and the GOM have had in increasing contraceptive prevalence from 35% in 1987 to 41.5% in 1992 and reducing infant mortality from 69 per 1000 births in 1987 to 57 in 1992.. Given the recent introduction of socially marketed pills along with the reinforcement of long-term methods (Norplant, IUD, Surgical Contraception) contraception measures, and the recent public support of the royal family, the attainment of USAID objectives in this area are extremely promising.

USAID-sponsored housing and urban development programs in Morocco have contributed significantly to increasing the supply of housing for low-income families and to the efficiency of urban infrastructure and services delivery. Under the Tetouan Urban Development program, 90,000 people living in informal settlements and 100,000 others have been provided with access to water and sewer connections, paved streets, and electricity -- i.e. clean and liveable neighborhoods. With USAID support, ANHI (the Moroccan National Shelter Upgrading Agency) has developed 50,000 plots for housing benefitting families below medium income, and contributed to the reduction in the percentage of all urban households living in shantytowns from 13% to 6.8%.

USAID assistance to both private and public agricultural entities has already yielded substantial results in enhancing this country's capacity to be competitive within this region. For example, the GOM is now pursuing policies to reduce agricultural subsidies and bring about food security (rather than self-sufficiency) through more reliance on international trade. Two important education cum research centers are undertaking state of the art research in a range of agricultural and veterinary discipline. U.S. agriculture itself has also benefited from some of this research. Support to Moroccan firms has focussed on more efficient use of energy and equipment, in one case realizing up to 30% cost savings in operations and in another proving to be the catalyst for the formation of a dynamic Moroccan Energy Managers Association.

The GOM recognizes the importance of the private sector and the need to increase Moroccan participation in the economy as the engine of sustainable growth. With USAID assistance some dozen privatizations are already on the point of being finalized under

Morocco's first major privatization effort comprising 112 state owned enterprises. Part of this process provides for sales of shares to the general public through the Moroccan stock exchange, which is targeted for further regulatory reform and expansion in order to better capture potential investors. USAID assistance has been especially helpful in encouraging price liberalization, reducing barriers to production and trade in many key sub-sectors.

**"IMPACT OF ABS ON THE PROGRAM"**

USAID's (93-97) Action Plan assumed annual funding levels approximating the 3 year (91-93) average of \$40 million. The current ABS exercise, even at the optimal \$26.3 million level in FYs 94 and 95, represents a drastic reduction. Any reduction will impact primarily on USAID's ability to undertake planned activities in support of its strategic objective #2 to expand the base of stakeholders in the economy. Programs already initiated in support of SOs 1, 3, and 4 will be largely unaffected by the proposed reduction in levels over the next 4 years.

Under the optimal ABS level (\$26.3) Private Sector Health, anticipated to start in FY 96 with an estimated \$20 million LOP will not be undertaken. This activity was expected to complement the Population Planning and Child Survival Phase V project, encouraging opportunities for privatization of key areas within the public health sector. Plans for new separate starts in Microenterprise \$10 million LOP, and an amendment to the New Enterprise Development project (\$9 million) will also be cancelled. Financial Markets (originally estimated at \$15 million LOP) will proceed as a new \$19 million start in FY 94. The FMD activity calls for a holistic approach to savings mobilization and the allocation of financial resources in Morocco. It recognizes the diversity of private sector activities, the particularly important contribution that can be made at the micro level and the need to generate a revised regulatory framework to support capital formation at the large medium and microenterprise levels. In essence this activity intends to capture the momentum of the USAID supported GOM privatization program, expanding the reform and capital formation process to an even greater number of Moroccan citizens.

A less than optimal funding level (\$19.7) in FYs 94 and 95 would require that USAID confine itself to a more modest (\$5.8 million) Financial Markets project. Such an initiative would focus almost exclusively on developing formal and informal lending institutions to support Microenterprise activities and would of necessity rely on access to centrally managed Microenterprise Funds.

The base level (\$13) in FY 95 would preclude any new initiatives. At risk would be USAID's ability to sustain GOM efforts to move

forward in privatization through development of transparent and equitable methods, i.e. an adequate array of financial instruments, for broadening of share ownership.

The optimal and less than optimal program levels of \$26.3 million and \$19.7 million can be sustained only at the accompanying proposed FY 94 O.E. level of \$3.43 million. USDH staff reductions as imposed by a target O.E. level represent too rapid a reduction to be undertaken in FY 94. Invoking the target level in 95, as opposed to 94, allows for a rational phase down permitting attrition at the time of regular USDH movements and in many cases replacement by program funding of FSN and/or US PSC managers in those projects having a significant pipeline or mortgage, e.g. Population V, Morocco Agribusiness Project, Tadla, and Financial Markets. Projects already performing well using this approach are Training for Development, New Enterprise Development, Tetouan and Population Planning Phase IV.

Even a base program level of \$13 million in FY 95 and outyears would require, as a minimum, the target OE level in order to minimize disruptions and financial vulnerability as USDH gradually phase out and are replaced by a combination of US and Moroccan PSCs who have the appropriate skill mix to manage a still sizeable ongoing mortgage and pipeline:

In \$ millions by office Assuming Optimum Program	Mortgage / as of 9/30/95	Pipeline
Priv. Sec. Office:	0	25
Agr Office:	10	10
RHUDO*:	3	3
POP:	28	30
TRG:	10	10
PRG:	5	3
<b>TOTAL</b>	<b>56</b>	<b>81</b>

\* Does not include 100 million HG Guarantee.

#### "OE/STAFF IMPACT"

The OE base level (75%) is untenable. Such sizeable financial reductions induce wholesale staff changes which are management intensive and so debilitating as to put at serious risk this Mission's internal control capability.

Were the OE base level invoked, the program level would of necessity have to be reduced to \$13 million or less to compensate for the need to manage this dramatic work force change and implicit program vulnerability. This work force change would

necessitate an entirely reconfigured Mission to manage the \$56 million mortgage and \$81 million pipeline to be carried through to FY 2000.

Implicit in such a scenario is 1) the need to have an OE budget well in excess of the base level in order to permit the requisite transfers and replacements essential to staff reconfiguration for the outyears; 2) the need to have a planned transition leading to such a reconfiguration which should occur no sooner than FY 96.

**"IMPACT ON PROGRAM GOAL/STRATEGIC OBJECTIVES"**

Impact of project cancellations referred to above cannot yet be quantified. For example, cancellation of the Private Sector Health activity falls largely outside the scope of our Action Plan. But, the absence of such an activity can possibly effect the long-term sustainability of the GOM's ability to maintain the level of health care it is providing. PRISM program outcomes/results for Microenterprise and SME activities, have not yet been updated to measure for these planned initiatives. Nevertheless, any reduction below the \$26.3 level would send a strong signal to the GOM that USAID cannot continue to be a major participant in a GOM structural adjustment and privatization process that has to date been described as one of the most successful models in the region.

It is important to note that the U.S. Government has invested millions of dollars in developing important Moroccan institutions: the agricultural University Hassan II, the dryland agricultural research institute at Settat, and ANHI, a housing and land development institution filling a key niche in the GOM's effort to address the consequences of rapid rural-urban migration. Many of these Moroccan institutions have matured to the point where they have much to offer. For that reason it is critical to avoid an abrupt reduction which could jeopardize our ability to build the appropriate institutional linkages to assure sustainability of our past assistance and to maximize the potential of these institutions in the long-run.

*Handwritten notes:*  
~~Approved~~  
~~2002~~  
2002  
with funding

**"IMPACT ON POLICY AREAS"**

The current portfolio focusses principally on economic growth. Even at the optimum program and proposed O.E. levels it will be impossible for USAID to develop any significant democratization program, nor, build upon initial efforts in energy conservation and environment. For example, a regional "Clean Technology" activity will not be continued beyond its present phase.

PROJECT NUMBER	FUND NPA SRC IND	OBLIG DATE INIT/FINAL	---TOTAL COST---		OBLIG THRU FY 1992	---FY 1993 PLANNED---			---FY 1994 PROP---		FY 1995 OBLIG PROP	
			AUTH	PLAN		OBLIG ATIONS	EXPEND ITURES	YR END MORTGAGEATIONS	OBLIG EXPEND ITURES			
608-0136			DRYLAND AGRICULTURE APPLIED RESEARCH									
	FN G	78 94	44,364	44,364	43,068	1,276 *	3,000				5,000	
	ES G	78 94	5,636	5,636	5,636							
			PROJECT TOTAL:	50,000	48,724	1,276	3,000	0	0	5,000	0	
608-0160			AGRONOMIC INSTITUTE									
	FN G	80 91	28,508	28,508	28,508	0	1,022	0	0	777	0	
608-0171			FAMILY PLANNING SUPPORT III									
	PN G	84 88	21,700	21,189	21,189		300					
	CS G	84 88	5,500	5,000	5,000		132					
			PROJECT TOTAL:	27,200	26,189	0	432	0	0	0	0	0
608-0178			SECTOR SUPPORT TRAINING									
	EH G	83 90	9,750	9,750	9,750		63					
	ES G	83 90	13,441	13,433	13,433		2,433					
			PROJECT TOTAL:	23,200	23,192	0	2,496	0	0	0	0	0
608-0180			ENERGY PLANNING ASSISTANCE									
	SD G	84 87	3,887	3,887	3,887	0	0	0	0	0	0	0
608-0181			PEACE CORPS SMALL PROJECT FUND									
	SD G	84 90	210	210	210	0	34	0	0	0	0	0
608-0182			AGRICULTURAL PLANNING & STATISTICS									
	FN G	83 92	12,567	13,167	13,167	0	700	0	0	680	0	
608-0184			DROUGHT RECOVERY									
	ES G	85 85	1,466	1,466	1,466	0	0	0	0	0	0	0
608-0189			PRIVATE SECTOR EXPORT PROMOTION									
	ES G	86 90	16,900	16,900	16,900	0	782	0	0	156	0	
608-0191			ECONOMIC POLICY ANALYSIS SUPPORT									
	SD G	85 94	2,680	3,280	2,680	600 *	324			400		
	ES G	85 94	5,920	5,920	5,920		1,676			1,519		
			PROJECT TOTAL:	8,600	8,600	600	2,000	0	0	1,919	0	
608-0193			ENERGY DEMAND MANAGEMENT									
	SD G	88 95		1,600				1,600	1,600			
	ES G	88 95	8,600	7,000	7,000		1,858			1,779		
			PROJECT TOTAL:	8,600	8,000	0	1,858	1,900	1,600	1,779	0	

## TABLE IV : PROJECT BUDGET DATA (U.S. \$000)

PROJECT NUMBER	FUND NPA SRC IND	OBLIG DATE INIT/FINAL	---TOTAL COST---		OBLIG THRU FY 1992	---FY 1993 PLANNED---			---FY 1994 PROP---		FY 1995 OBLIG PROP	
			AUTH	PLAN		OBLIG ATIONS	EXPEND ITURES	YR END MORTGAGEATIONS	OBLIG EXPEND ITURES	EXPEND ITURES		
608-0194			TETOUAN URBAN DEVELOPMENT									
	SD G	86 94		500	500							
	ES G	86 94		4,464	4,464	3,364	1,100	1,814			1,570	
	PROJECT TOTAL:			4,964	4,964	3,664	1,100	1,814	0	0	1,570	C
608-0196			MOROCCO LOCUST CONTROL									
	ES G	86 89		7,103	7,103	7,103	0	552	0	0	0	0
608-0197			SUPPLEMENTAL IRRIGATION									
	ES G	86 86		700	700	700	0	350	0	0	201	0
608-0198			POPULATION & CHILD SURVIVAL IV									
	PN G	89 96		15,405	12,000	8,191		1,250			2,000	
	HE G	89 96		6,595	4,900	6,595		615			800	
	CS G	89 96		8,000	6,240	4,465		750			2,000	
	DG G	89 96		1,000	900	50						
	PROJECT TOTAL:			31,000	24,000 +	19,301 +	0	2,615	0	0	4,800	0
608-0200			ANHI LOW INCOME HOUSING									
	ES G	89 90		1,300	1,300	1,300	0	722	0	0	276	0
608-0204			NEW ENTERPRISE DEVELOPMENT									
	ES G	91 97		16,000	16,000	14,000		2,000	2,000	2,000	5,900	0
608-0208			DEVELOPMENT TRAINING									
	EH G	91 99			19,920		3,000		16,920	3,000		3,000
	ES G	91 99		28,000	8,080	8,080		1,000			3,500	
	PROJECT TOTAL:			28,000	28,000	8,080	3,000	1,000	16,920	3,000	3,500	3,000
608-0210			AGRIBUSINESS PROMOTION									
	FN G	91 98		11,700	11,700	10,000		1,000	1,700		2,350	
	ES G	91 98		3,300	8,300	8,300		1,000			1,000	
	PROJECT TOTAL:			20,000	20,000	18,300	0	2,000	1,700	0	3,350	0
608-0213			TADLA RESOURCES MANAGEMENT									
	FN G	92 97		18,750	18,750	8,801	1,824	50	8,125	0	3,939	0
608-0214			DEVELOPMENT STUDIES & TECHNICAL SUPPORT									
	ES G	91 98		8,600	10,000	3,000	0	900	5,600	300	600	300
	FN G			1,400			1,400 *				400	
	PROJECT TOTAL			10,000	10,000	3,000	1,400	900	5,600	300	1,000	300

+ Difference due to OYB transfers

\* Planned Reobs

PROJECT NUMBER	FUND NPA SRC IND	OBLIG DATE INIT/FINAL	---TOTAL COST---		OBLIG THRU FY 1992	---FY 1993 PLANNED---			---FY 1994 PROP.---		FY 1995 OBLIG PROP	
			AUTH	PLAN		OBLIG ACTIONS	EXPEND ITURES	YR END MORTGAGATIONS	OBLIG	EXPEND ITURES		
608-0215			PRIVATIZATION SUPPORT									
	ES G	92 98	24,000	25,000	6,907	16,000	4,800	2,003	1,000	8,000	0	
	FN G		1,000			1,000 *						
	PROJECT TOTAL		25,000	25,000	6,907	17,000	4,800	2,003	1,000	8,000	0	
608-0217			FINANCIAL MARKETS									
	ES G	94 99	19,000	19,000					8,000	0	11,000	
608-0219			ACCESSING INTERNATIONAL MARKETS									
	SD G	92 97	5,000	8,400	2,112	4,388	1,000	1,900		1,000	1,900	
	ES G	92 97	5,400	2,000	2,000		934			534		
	PROJECT TOTAL:		10,400	10,400	4,112	4,388	1,934	1,900	0	1,534	1,900	
608-0221			URBAN INFRASTRUCTURE									
	SD G NP	93 99		7,100				7,100	2,400		1,500	
	ES G NP	93 99		2,900		2,900				2,000		
	PROJECT TOTAL:		0	10,000	0	2,900	0	7,100	2,400	2,000	1,500	
608-0223			FAMILY PLAN, & MATERNAL CHILD HEALTH V									
	PN G	93 00		36,000		4,012		31,988	8,000	4,300	4,300	
	HE G	93 00										
	CS G	93 00		18,000		4,000		12,000	2,000	2,863	4,300	
	PROJECT TOTAL		0	52,000	0	8,012	0	43,988	8,000	7,163	8,600	
REPORT TOTAL:			373,355	428,536	273,401	41,500	31,061	90,936	26,300	53,544	26,300	

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PROJECT NUMBER	FUND SRC	NPA IND	OBLIG DATE INIT/FINAL	---TOTAL COST---		OBLIG THRU FY 1992	---FY 1993 PLANNED---			---FY 1994 PROP.---		FY 1995 OBLIG PROP
				AUTH	PLAN		OBLIG ATIONS	EXPEND ITURES	YR END MORTGAGE ATIONS	OBLIG ATIONS	EXPEND ITURES	

APPROPRIATIONS SUMMARY

FN						5,500	5,772	9,825	0	13,146	0
PN						4,012	1,550	31,988	6,000	6,300	4,300
HE						0	615	0	0	800	0
CS						4,000	882	12,000	2,000	4,863	4,300
DG						0	0	0	0	0	0
EH						3,000	63	16,920	3,000	0	3,000
SD						4,988	1,358	10,600	4,000	1,400	3,400
CP						0	0	0	0	0	0
ES						20,000	20,821	9,603	11,300	27,035	11,300
REPORT TOTAL:						41,500	31,061	90,936	26,300	53,544	26,300

**ATTACHMENT 1**  
**FY 1994 PROGRAM BY STRATEGIC OBJECTIVES (\$000)**

STRATEGIC OBJECTIVE	POLICY AREA	FY 1994 Congressional Presentation Level	
		100%	75%
<b>1. SO.1: Increased competitiveness of Moroccan Firms, especially in selected export markets</b>			
	GROWTH	800	800
	ENVR	1,600	1,600
<b>2. SO.2: Expanded base of stakeholders in the economy</b>			
	GROWTH	10,000	6,400
	ENVR		
	<del>DEM</del>	3,300	300
<b>3. SO.3: Improved Health of Children Under Five and Women of Child Bearing Age</b>			
	POP/HEALTH	8,000	8,000
	" "	100	100
<b>4. SO.4: Increased Availability of Affordable Housing and Services for low Income Urban Families</b>			
	DEM	800	800
	POP	800	800
	GROWTH	100	100
	ENVR	800	800
<b>TOTAL</b>		<b>26,300</b>	<b>19,700</b>

**ATTACHMENT 2**  
**FY 1995 PROGRAM BY STRATEGIC OBJECTIVE (\$000)**

STRATEGIC OBJECTIVE	POLICY AREA	BASE: 100% FY 1994 CP Level					
		50% of Base		75% of Base		100% of Base	
		Ongoing	New	Ongoing	New	Ongoing	New
<b>1. SO.1: Increased competitiveness of Moroccan Firms, especially in selected export markets</b>							
	GROWTH	1,900		2,700		2,700	
<b>2. SO.2: Expanded base of stakeholders in the economy</b>							
	GROWTH	3,100		6,400		10,000	
	DEM			300		3,300	
<b>3. SO.3: Improved Health of Children Under Five and Women of Child Bearing Age</b>							
	POP	6,600		8,700		8,700	
<b>4. SO.4: Increased Availability of Affordable Housing and Services for low Income Urban Families</b>							
	DEM	500		500		500	
	GROWTH	500		500		500	
	POP	500		500		500	
	ENVR			100		100	
<b>TOTAL</b>		<b>13,100</b>		<b>19,700</b>		<b>26,300</b>	

FY 1994 CONCEPT PAPER

FINANCIAL MARKETS DEVELOPMENT (FMD)

FY 94-98, EST \$19 MILLION LOP

The purpose of the Financial Markets Development project is to increase and diversify the sources of finance needed by Moroccan private enterprises at all levels of the economy, i.e., large, medium, small and micro enterprises.

The Moroccan financial sector is poised for significant reform which will, if successfully carried out, have highly positive long-term impact on economic growth and the broadening of the number of stakeholders in the Moroccan economy. On the one hand, the political will to change is reflected in the passage in the first half of 1993 of basic reforms of the banking industry and the financial/capital markets. The banking reforms aim at more stringent prudential regulation to protect depositors and increase competition among banks. The financial market reforms include the reorganization of the Casablanca Stock Exchange as a private entity (it is presently government-administered), the establishment of the equivalent of a Securities Exchange Commission for Morocco, and rules governing the setting up of mutual funds and related brokerage functions. On the other hand, USAID/Morocco is well positioned to be the principal donor providing assistance both to the GOM and to the concerned private sector entities (banks, new stock exchange, etc.), as a result of previous and ongoing work through the existing Economic Policy Analysis Project (608-0191, PACD 1994). In conjunction with the World Bank, with whom USAID has been closely cooperating on assistance requirements for Morocco's financial reform agenda, USAID plans via the FMD project to be directly involved in the reform process through the balance of the 1990s.

The FMD project is key to achieving Strategic Objective No. 2 of the USAID/Morocco Action Plan, which is "to expand the base of stakeholders in the economy." The opening of the financial system through the development of new markets in bonds, stocks, and other sources of funds should greatly expand the volume of savings and investment and diminish the current reliance on bank credit as virtually the sole source of finance. Increased diversity and availability of funds should translate into greater competition among banks, more efficient intermediation, lower costs of finance, and more funds available for the private sector; and the primary beneficiaries of a more open financial market will be small and medium enterprises (SMEs), which should receive a significantly larger percentage of available bank credit. The project will also include support for selected financing instruments aimed at small enterprises as well as a micro-credit facility (USAID's first initiative in microenterprise development in Morocco).

The expected outputs for the FMD project are directly related to Strategic Objective No. 2, as outlined in the Mission's PRISM documents. The principal desired result is Program Outcome No. 2.2,

"improved access to business financing." Performance will be measured by (a) the increase in financial resources to the private sector from non-bank sources and (b) the increase in the number and value of loans to small and micro enterprises.

The FMD project is aimed at the Agency policy objectives of economic growth and democratization. Broadening and deepening the financial and capital markets holds the key to Morocco's future economic growth. In addition, democratization will be supported through achievement of another baseline measurement of Strategic Objective No. 2, which is an "increased number of shareholders of publicly traded stocks." This will occur through the development of the stock exchange, including stock issues of newly privatized companies supported by USAID/Morocco's ongoing Privatization Sector Assistance Program (608-0215, PACD 1996). Democratization may also be promoted by the fostering of a new micro-credit foundation.

At the optimal funding level, FMD will consist of interventions at both the financial policy and institutional level -- critical for long-term growth -- and the small and micro enterprise level. At the less optimal level (\$5.8 million), it will not be possible to work on both fronts. Especially at the lower level, we would look to possible access to the proposed Microenterprise Development Fund to provide the resources needed for the micro-credit facility.

MOROCCO  
 FY 1995 ANNUAL BUDGET SUBMISSION  
 TABLE V - PROPOSED PROGRAM RANKING - FY 1994

RANK	PROJECT	TITLE	PROGRAM FUNDING (\$000)
	608-0223	POP. & CHILD SURVIVAL (CS)	2,000
		POP. & CHILD SURVIVAL (PN)	6,000
	608-0221	URBAN INFRASTRUCTURE (DP)	2,400
	608-0215	PRIVATIZATION SUPPORT (ES)	1,000
	608-0204	NEW ENTERPRISE DEVELOPMENT (ES)	2,000
	608-0193	ENERGY DEMAND MANAGEMENT (DP)	1,600
	608-0208	DEVELOPMENT TRAINING (PN)	3,000
	608-0214	DEV. STUDIES & TECH SUP. (ES)	300
	608-0217	FINANCIAL MARKETS (ES)	1,400
		SUBTOTAL	19,700
1	608-0217	FINANCIAL MARKETS (DP)	3,300
2	"	FINANCIAL MARKETS (ES)	3,300
		SUBTOTAL	6,600
		TOTAL	26,300

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MOROCCO (608)  
 FY 1994 ANNUAL BUDGET SUBMISSION

PAGE 1

AC/SI SUMMARY REPORT  
 (J.S. Dollars Thousands)

	% FY92	% FY93	% FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
PROJECT NUMBER: 608-0136      TITLE: DRYLAND AGRICULTURE APPLIED RESEARCH							
AGAB AGRIBUSINESS							
SI CODE: PBL	70 %	70 %	70 %	171	44		
SI CODE: PRT	30 %	30 %	30 %	73	19		
TOTAL AC CODE:	5 %	5 %	0 %	245	63		
AGCP CROP PRODUCTION							
SI CODE: RUR	90 %	90 %	0 %	1,764	459		
SI CODE: TWN	10 %	10 %	0 %	196	51		
TOTAL AC CODE:	40 %	40 %	0 %	1,960	510		
AGIF AGRICULTURAL INFRASTRUCTURE							
SI CODE: IMS	10 %	10 %	10 %	98	25		
TOTAL AC CODE:	20 %	20 %	0 %	980	255		
AGLP LIVESTOCK PRODUCTION							
SI CODE: AGF	5 %	5 %	5 %	12	3		
TOTAL AC CODE:	5 %	5 %	0 %	245	63		
AGPM PEST MANAGEMENT							
TOTAL AC CODE:	10 %	10 %	0 %	490	127		
AGPP AGRICULTURAL POLICIES & PLANNING							
SI CODE: APP	100 %	100 %	0 %	490	127		
TOTAL AC CODE:	10 %	10 %	0 %	490	127		
AGRM RESOURCE MGMT FOR AGRIC. PRODUCTION & PRODUCTIVITY							
SI CODE: IAS	50 %	50 %	50 %	122	31		
SI CODE: INS	50 %	50 %	50 %	122	31		
TOTAL AC CODE:	5 %	5 %	0 %	245	63		
AGTD AGRICULTURAL TRAINING AND EXTENSION							
SI CODE: INS	10 %	10 %	10 %	24	6		
SI CODE: TPU	30 %	30 %	0 %	73	19		
TOTAL AC CODE:	5 %	5 %	0 %	245	63		
<b>PROJECT TOTAL</b>	<b>100 %</b>	<b>100 %</b>	<b>0 %</b>	<b>4,900</b>	<b>1,276</b>	<b>0</b>	<b>0</b>

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MOROCCO (608)  
FY 1994 ANNUAL BUDGET SUBMISSION

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AC/SI SUMMARY REPORT  
(U.S. Dollars Thousands)

	% FY92	% FY93	% FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
PROJECT NUMBER: 608-0182 TITLE: AGRICULTURAL PLANNING & STATISTICS							
AGPP AGRICULTURAL POLICIES & PLANNING							
SI CODE: EPR		25 %		150			
SI CODE: FSE		50 %		300			
SI CODE: INS		100 %		600			
SI CODE: PBL		80 %		480			
SI CODE: RAG		50 %		300			
SI CODE: SPR		25 %		150			
SI CODE: TIC		10 %		60			
SI CODE: TUS		10 %		60			
SI CODE: UNV		0 %					
TOTAL AC CODE:		100 %		600			
PROJECT TOTAL		100 %		600	0	0	0
PROJECT NUMBER: 608-0191 TITLE: ECONOMIC POLICY ANALYSIS SUPPORT							
PEBD BUSINESS DEVELOPMENT PROMOTION							
SI CODE: PSD		100 %		602			
SI CODE: UNV		100 %		602			
TOTAL AC CODE:		35 %		602			
PEFM FINANCIAL MARKETS							
SI CODE: EPR		50 %		129			
SI CODE: INS		50 %		129			
SI CODE: PSD		25 %		64			
SI CODE: UNV		100 %		258			
TOTAL AC CODE:		15 %		258			
PRNS POLICY REFORM, NONSECTORAL N.E.C							
SI CODE: EPR		50 %		430			
SI CODE: PSD		50 %		430			
SI CODE: UNV		100 %		860			
TOTAL AC CODE:		50 %		860			
PROJECT TOTAL		100 %		1,720	0	0	0

\* FY 92 budget not included  
because link shows final  
only as of FY 92. Should be  
revised to FY 94.

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MOROCCO (608)  
FY 1994 ANNUAL BUDGET SUBMISSION

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AC/SI SUMMARY REPORT  
(U.S. Dollars Thousands)

	% FY92	% FY93	% FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
PROJECT NUMBER: 608-0193      TITLE: ENERGY DEMAND MANAGEMENT							
EYMP ENERGY MANAGEMENT, PLANNING AND POLICY							
SI CODE: CIT	100 %	0 %	100 %	2,000		1,600	
SI CODE: EEF	100 %	0 %	100 %	2,000		1,600	
SI CODE: PRT	100 %	0 %	100 %	2,000		1,600	
SI CODE: PSD	100 %	0 %	100 %	2,000		1,600	
TOTAL AC CODE:	100 %	0 %	100 %	2,000		1,600	
PROJECT TOTAL	100 %	0 %	100 %	2,000	0	1,600	0
PROJECT NUMBER: 608-0194      TITLE: TETOUAN URBAN DEVELOPMENT							
EVUP URBAN AND INDUSTRIAL POLLUTION							
TOTAL AC CODE:	20 %	20 %	20 %	120	220		
INOC CONSTRUCTION (EXCLUDING CONSTR. ACTIVITIES E.C.)							
SI CODE: CIT	100 %	100 %	100 %	300	550		
SI CODE: CPS	100 %	100 %	100 %	300	550		
TOTAL AC CODE:	50 %	50 %	50 %	300	550		
PSMG PUBLIC SECTOR ADMINISTRATION AND MANAGEMENT							
SI CODE: DEC	40 %	40 %	40 %	72	132		
TOTAL AC CODE:	30 %	30 %	30 %	180	330		
PROJECT TOTAL	100 %	100 %	100 %	600	1,100	0	0
PROJECT NUMBER: 608-0198      TITLE: POPULATION AND CHILD SURVIVAL IV							
HECS CHILD SPACING/HIGH RISK BIRTHS							
SI CODE: CHS	100 %	100 %	100 %	874			
TOTAL AC CODE:	15 %	10 %	10 %	874			
HEDD DIARRHEAL DISEASE CONTROL/ORAL REHYDRATION THERAPY							
SI CODE: CHS	100 %	100 %	100 %	291			
TOTAL AC CODE:	5 %	5 %	5 %	291			
HEHA HIV/AIDS							

AC/SI SUMMARY REPORT  
 (U.S. Dollars Thousands)

	% FY92	% FY93	% FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
SI CODE: SFI	100 %	100 %	100 %	291			
TOTAL AC CODE:	5 %	5 %	5 %	291			
HEIM IMMUNIZATION							
SI CODE: CHS	100 %	100 %	100 %	291			
TOTAL AC CODE:	5 %	5 %	5 %	291			
HEWH WOMEN'S HEALTH							
SI CODE: WDP	100 %	100 %	100 %	291			
TOTAL AC CODE:	5 %	5 %	5 %	291			
HESD HEALTH SYSTEMS DEVELOPMENT							
SI CODE: PSD	100 %	100 %	100 %	1,457			
TOTAL AC CODE:	25 %	15 %	15 %	1,457			
PNCH FAMILY PLANNING CONTRACEPTIVES							
SI CODE: WDP	100 %	100 %	100 %				
TOTAL AC CODE:	0 %	30 %	30 %				
PVPO FAMILY PLANNING PROGRAM DEVELOPMENT							
SI CODE: IVS	20 %	20 %	20 %	116			
SI CODE: PSD	50 %	50 %	50 %	291			
SI CODE: RSS	30 %	30 %	30 %	174			
TOTAL AC CODE:	10 %	5 %	5 %	582			
PNSD FAMILY PLANNING SERVICE DELIVERY							
SI CODE: PRT	30 %	30 %	30 %	524			
SI CODE: PSD	50 %	50 %	50 %	874			
SI CODE: SFI	20 %	20 %	20 %	349			
TOTAL AC CODE:	30 %	20 %	20 %	1,748			
<b>PROJECT TOTAL</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>5,828</b>	<b>0</b>	<b>0</b>	<b>0</b>

PROJECT NUMBER: 608-0204 TITLE: NEW ENTERPRISE DEVELOPMENT

PEBD BUSINESS DEVELOPMENT PROMOTION  
 SI CODE: CIT 100 % 0 % 100 % 1,000

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MOROCCO (608)  
FY 1994 ANNUAL BUDGET SUBMISSION

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AC/SI SUMMARY REPORT  
(U.S. Dollars Thousands)

	% FY92	% FY93	% FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
SI CODE: PSD	100 %	0 %	100 %			1,000	
TOTAL AC CODE:	50 %	0 %	50 %			1,000	
PEFM FINANCIAL MARKETS							
SI CODE: CIT	100 %	0 %	100 %			1,000	
SI CODE: PSD	100 %	0 %	100 %			1,000	
TOTAL AC CODE:	50 %	0 %	50 %			1,000	
PROJECT TOTAL	100 %	0 %	100 %	0	0	2,000	0
PROJECT NUMBER: 608-0208 TITLE: DEVELOPMENT TRAINING							
EDID HUMAN RESOURCE DEVELOPMENT FOR INDIVIDUALS							
SI CODE: TPV	100 %	100 %	100 %	3,048	1,800	1,800	1,800
TOTAL AC CODE:	60 %	60 %	60 %	3,048	1,800	1,800	1,800
PSMG PUBLIC SECTOR ADMINISTRATION AND MANAGEMENT							
SI CODE: TPU	100 %	100 %	100 %	2,032	1,200	1,200	1,200
TOTAL AC CODE:	40 %	40 %	40 %	2,032	1,200	1,200	1,200
PROJECT TOTAL	100 %	100 %	100 %	5,080	3,000	3,000	3,000
PROJECT NUMBER: 608-0213 TITLE: TACLA RESOURCES MANAGEMENT							
AGAB AGRIBUSINESS							
SI CODE: PBL	25 %	25 %	25 %	330	68		
SI CODE: PRT	75 %	75 %	75 %	990	205		
SI CODE: PSD	75 %	75 %	75 %	990	205		
SI CODE: WDI	10 %	10 %	10 %	132	27		
TOTAL AC CODE:	15 %	15 %	15 %	1,320	273		
AGRM RESOURCE MGMT FOR AGRIC. PRODUCTION & PRODUCTIVITY							
SI CODE: APP	10 %	10 %	10 %	220	45		
SI CODE: ARC	10 %	10 %	10 %	220	45		
SI CODE: CIT	10 %	10 %	10 %	220	45		
SI CODE: ESA	40 %	40 %	40 %	880	182		
SI CODE: IAS	25 %	25 %	25 %	550	114		
SI CODE: IRR	100 %	100 %	100 %	2,200	456		
SI CODE: RAG	10 %	10 %	10 %	220	45		

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MOROCCO (608)  
FY 1994 ANNUAL BUDGET SUBMISSION

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AC/SI SUMMARY REPORT  
(U.S. Dollars Thousands)

	% FY92	% FY93	% FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
SI CODE: RUR	60 %	60 %	60 %	1,320	273		
SI CODE: TWN	30 %	30 %	30 %	660	136		
SI CODE: XII	25 %	25 %	25 %	550	114		
TOTAL AC CODE:	25 %	25 %	25 %	2,200	456		
DIME FREE FLOW OF INFORMATION							
SI CODE: COP	50 %	50 %	50 %	220	45		
SI CODE: DEC	25 %	25 %	25 %	110	22		
SI CODE: PNP	50 %	50 %	50 %	220	45		
SI CODE: PVL	50 %	50 %	50 %	220	45		
TOTAL AC CODE:	5 %	5 %	5 %	440	91		
EVSC SOIL CONSERVATION							
SI CODE: ESA	40 %	40 %	40 %	352	72		
SI CODE: IAS	25 %	25 %	25 %	220	45		
SI CODE: IRR	65 %	65 %	65 %	572	118		
SI CODE: PST	10 %	10 %	10 %	88	18		
TOTAL AC CODE:	10 %	10 %	10 %	880	182		
EVWR WATER RESOURCES MANAGEMENT							
SI CODE: ESA	40 %	40 %	40 %	1,584	328		
SI CODE: IAS	25 %	25 %	25 %	990	205		
SI CODE: IRR	65 %	65 %	65 %	2,574	533		
SI CODE: PST	10 %	10 %	10 %	396	82		
TOTAL AC CODE:	45 %	45 %	45 %	3,960	820		
PROJECT TOTAL	100 %	100 %	100 %	8,801	1,824	0	0
PROJECT NUMBER: 608-0214 TITLE: DEVELOPMENT STUDIES & TECHNICAL SUPPORT							
PDAS PROGRAM DEVELOPMENT AND SUPPORT							
SI CODE: PBL	20 %	20 %	20 %		280	60	60
SI CODE: PSD	10 %	10 %	10 %		140	30	30
SI CODE: RDV	40 %	40 %	40 %		560	120	120
TOTAL AC CODE:	100 %	100 %	100 %		1,400	300	300
PROJECT TOTAL	100 %	100 %	100 %	0	1,400	300	300

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MOROCCO (608)  
 FY 1994 ANNUAL BUDGET SUBMISSION

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AC/SI SUMMARY REPORT  
 (U.S. Dollars Thousands)

	% FY92	% FY93	% FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
PROJECT NUMBER: 608-0215 TITLE: PRIVATIZATION SUPPORT							
PEBD BUSINESS DEVELOPMENT PROMOTION							
SI CODE: PSD	100 %	100 %	100 %	3,498	8,500	500	
TOTAL AC CODE:	50 %	50 %	50 %	3,498	8,500	500	
PEFM FINANCIAL MARKETS							
SI CODE: PSD	100 %	100 %	100 %	3,498	8,500	500	
TOTAL AC CODE:	50 %	50 %	50 %	3,498	8,500	500	
<u>PROJECT TOTAL</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>6,997</u>	<u>17,000</u>	<u>1,000</u>	<u>0</u>
PROJECT NUMBER: 608-0217 TITLE: FINANCIAL MARKETS							
PEFM FINANCIAL MARKETS							
SI CODE: INS			75 %		6,000	8,250	
SI CODE: PSD			75 %		6,000	8,250	
SI CODE: SPR			75 %		6,000	8,250	
SI CODE: TUS			10 %		800	1,100	
TOTAL AC CODE:			100 %		8,000	11,000	
<u>PROJECT TOTAL</u>			<u>100 %</u>	<u>0</u>	<u>0</u>	<u>8,000</u>	<u>11,000</u>
PROJECT NUMBER: 608-0219 TITLE: ACCESSING INTERNATIONAL MARKETS							
PEBD BUSINESS DEVELOPMENT PROMOTION							
SI CODE: CIT	100 %	100 %	100 %	3,084	3,291	1,425	
SI CODE: PSD	100 %	100 %	100 %	3,084	3,291	1,425	
SI CODE: PVU	100 %	100 %	100 %	3,084	3,291	1,425	
TOTAL AC CODE:	75 %	75 %	75 %	3,084	3,291	1,425	
PETI TRADE AND INVESTMENT PROMOTION							
SI CODE: CIT	100 %	100 %	100 %	1,028	1,097	475	
SI CODE: PSD	100 %	100 %	100 %	1,028	1,097	475	
TOTAL AC CODE:	25 %	25 %	25 %	1,028	1,097	475	
<u>PROJECT TOTAL</u>	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>	<u>4,112</u>	<u>4,388</u>	<u>0</u>	<u>1,900</u>

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MOROCCO (608)  
FY 1994 ANNUAL BUDGET SUBMISSION

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AC/SI SUMMARY REPORT  
(U.S. Dollars Thousands)

	% FY92	% FY93	% FY94/95	FY 1992 ESTIMATE	FY 1993 PLANNED	FY 1994 REQUEST	FY 1995 PROPOSED
PROJECT NUMBER: 608-0221      TITLE: URBAN INFRASTRUCTURE							
EYUP URBAN AND INDUSTRIAL POLLUTION							
TOTAL AC CODE:		20 %	20 %		580	480	300
INOC CONSTRUCTION (EXCLUDING CONSTR. ACTIVITIES E.C.)							
SI CODE: CIT		0 %	100 %			1,200	750
SI CODE: EPS		0 %	100 %			1,200	750
TOTAL AC CODE:		50 %	50 %		1,450	1,200	750
PSMG PUBLIC SECTOR ADMINISTRATION AND MANAGEMENT							
SI CODE: DEC		0 %	40 %			258	180
TOTAL AC CODE:		30 %	30 %		870	720	450
<b>PROJECT TOTAL</b>		<b>100 %</b>	<b>100 %</b>	<b>0</b>	<b>2,900</b>	<b>2,400</b>	<b>1,500</b>

PROJECT NUMBER: 608-0223      TITLE: FAMILY PLAN AND MATERNAL CHILD HEALTH V

HEDD DIARRHEAL DISEASE CONTROL/ORAL REHYDRATION THERAPY							
SI CODE: PBL		0 %	90 %		720	774	
SI CODE: PRT		0 %	10 %		80	86	
SI CODE: ROR		0 %	20 %		160	172	
SI CODE: TIC		0 %	20 %		160	172	
SI CODE: WDI		0 %	90 %		720	774	
TOTAL AC CODE:		0 %	10 %		800	860	
HEMH WOMEN'S HEALTH							
SI CODE: PBL		0 %	90 %		1,080	1,161	
SI CODE: PRT		0 %	10 %		120	129	
SI CODE: ROR		0 %	20 %		240	258	
SI CODE: TIC		0 %	20 %		240	258	
SI CODE: WDI		0 %	90 %		1,080	1,161	
TOTAL AC CODE:		0 %	15 %		1,200	1,290	
HESD HEALTH SYSTEMS DEVELOPMENT							
SI CODE: PBL		0 %	100 %		400	430	
SI CODE: ROR		0 %	10 %		40	43	
SI CODE: TIC		0 %	10 %		40	43	
TOTAL AC CODE:		0 %	5 %		400	430	

PROJECT NUMBER	FUND SRC	NPA IND	OBLIG DATE		--TOTAL COST--		OBLIG THRU FY 1992	--FY 1993 PLANNED--			--FY 1994 PROP.--		FY 1995 OBLIG PROP	
			INIT/FINAL	AUTH	PLAN	OBLIG ATIONS		EXPEND ITURES	YR END MORTGA	OBLIG ATIONS	EXPEND ITURES			
608-0136			DRYLAND AGRICULTURE APPLIED RESEARCH											
	FN	G	78	94	44,364	44,364	43,088	1,276 *	3,000				5,000	
	ES	G	78	94	5,636	5,636	5,636							
	PROJECT TOTAL:				50,000	50,000	48,724	1,276	3,000	0	0		5,000	0
608-0160			AGRONOMIC INSTITUTE											
	FN	G	80	91	28,508	28,508	28,508	0	1,022	0	0	0	777	0
608-0171			FAMILY PLANNING SUPPORT III											
	PN	G	84	88	21,700	21,189	21,189		300					
	CS	G	84	88	5,500	5,000	5,000		132					
	PROJECT TOTAL:				27,200	26,189	26,189	0	432	0	0	0	0	0
608-0178			SECTOR SUPPORT TRAINING											
	EH	G	83	90	9,759	9,759	9,759		63					
	ES	G	83	90	13,441	13,433	13,433		2,433					
	PROJECT TOTAL:				23,200	23,192	23,192	0	2,496	0	0	0	0	0
608-0180			ENERGY PLANNING ASSISTANCE											
	SD	G	84	87	3,887	3,887	3,887	0	0	0	0	0	0	0
608-0181			PEACE CORPS SMALL PROJECT FUND											
	SD	G	84	90	210	210	210	0	34	0	0	0	0	0
608-0182			AGRICULTURAL PLANNING & STATISTICS											
	FN	G	83	92	12,567	13,167	13,167	0	700	0	0	0	680	0
608-0184			DROUGHT RECOVERY											
	ES	G	85	85	1,466	1,466	1,466	0	0	0	0	0	0	0
608-0189			PRIVATE SECTOR EXPORT PROMOTION											
	ES	G	86	90	16,900	16,900	16,900	0	782	0	0	0	156	0
608-0191			ECONOMIC POLICY ANALYSIS SUPPORT											
	SD	G	85	94	2,680	3,280	2,680	600 *	324				400	
	ES	G	85	94	5,920	5,920	5,920		1,676				1,519	
	PROJECT TOTAL:				8,600	9,200	8,600	600	2,000	0	0	0	1,919	0
608-0193			ENERGY DEMAND MANAGEMENT											
	SD	G	88	95		1,600				1,600	1,600			
	ES	G	88	95	6,600	7,000	7,000		1,858				1,779	
	PROJECT TOTAL:				8,600	8,600	7,000	0	1,858	1,600	1,600		1,779	0

\* Planned Reobs

PROJECT NUMBER	FUND SRC	NPA IND	OBLIG DATE		--TOTAL COST--		OBLIG THRU FY 1992	--FY 1993 PLANNED--			--FY 1994 PROP.--		FY 1995 OBLIG PROP	
			INIT/FINAL	AUTH	PLAN	OBLIG ATIONS		EXPEND ITURES	YR END MORTGA	OBLIG ATIONS	EXPEND ITURES			
608-0194			TETOUAN URBAN DEVELOPMENT											
	SD	G	86	94	500	500	500							
	ES	G	86	94	4,464	4,464	3,364	1,100	1,814				1,570	
	PROJECT TOTAL:				4,964	4,964	3,864	1,100	1,814	0	0		1,570	0
608-0196			MOROCCO LOCUST CONTROL											
	ES	G	88	89	7,103	7,103	7,103	0	552	0	0	0	0	0
608-0197			SUPPLEMENTAL IRRIGATION											
	ES	G	88	88	700	700	700	0	350	0	0	0	201	0
608-0198			POPULATION & CHILD SURVIVAL IV											
	PN	G	89	96	15,405	12,000	8,191		1,250				2,000	
	HE	G	89	96	6,595	4,800	6,595		615				800	
	CS	G	89	96	8,000	6,240	4,465		750				2,000	
	DG	G	89	96	1,000	960	50							
	PROJECT TOTAL:				31,000	24,000 +	19,301 +	0	2,615	0	0		4,800	0
608-0200			ANHI LOW INCOME HOUSING											
	ES	G	89	90	1,300	1,300	1,300	0	722	0	0	0	276	0
608-0204			NEW ENTEPRISE DEVELOPMENT											
	ES	G	91	97	16,000	16,000	14,000		2,000	2,000	2,000	5,900	0	
608-0208			DEVELOPMENT TRAINING											
	EH	G	91	99		19,920		3,000		16,920	3,000		3,000	
	ES	G	91	99	28,000	8,080	8,080		1,000			3,500		
	PROJECT TOTAL:				28,000	28,000	8,080	3,000	1,000	16,920	3,000		3,500	3,000
608-0210			AGRIBUSINESS PROMOTION											
	FN	G	91	98	11,700	11,700	10,000		1,000	1,700		2,350		
	ES	G	91	98	8,300	8,300	8,300		1,000			1,000		
	PROJECT TOTAL:				20,000	20,000	18,300	0	2,000	1,700	0	3,350	0	
608-0213			TADLA RESOURCES MANAGEMENT											
	FN	G	92	97	18,750	18,750	8,801	1,824	50	8,125	0	3,939	0	
608-0214			DEVELOPMENT STUDIES & TECHNICAL SUPPORT											
	ES	G	91	98	8,600	10,000	3,000	0	900	5,600	300	600	300	
	FN	G			1,400			1,400 *				400		
	PROJECT TOTAL				10,000	10,000	3,000	1,400	900	5,600	300	1,000	300	

+ Difference due to OYB transfers

\* Planned Reobs

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PROJECT NUMBER	FUND NPA SRC IND	OBLIG DATE INIT/FINAL	--TOTAL COST--		OBLIG THRU FY 1992	--FY 1993 PLANNED--			--FY 1994 PROP.--		FY 1995 OBLIG PROP	
			AUTH	PLAN		OBLIG ATIONS	EXPEND ITURES	YR END MORTGA ATIONS	OBLIG ATIONS	EXPEND ITURES		
608-0215			PRIVATIZATION SUPPORT									
	ES G	92 96	24,000	25,000	6,997	16,000	4,800	2,003	1,000	8,000	0	
	FN G		1,000			1,000 *						
	PROJECT TOTAL		25,000	25,000	6,997	17,000	4,800	2,003	1,000	8,000	0	
608-0217			FINANCIAL MARKETS									
	ES G	94 99	19,000	19,000					8,000	0	11,000	
608-0219			ACCESSING INTERNATIONAL MARKETS									
	SD G	92 97	5,000	8,400	2,112	4,388	1,000	1,900		1,000	1,900	
	ES G	92 97	5,400	2,000	2,000		934			534		
	PROJECT TOTAL:		10,400	10,400	4,112	4,388	1,934	1,900	0	1,534	1,900	
608-0221			URBAN INFRASTRUCTURE									
	SD G NP	93 99		7,100				7,100	2,400		1,500	
	ES G NP	93 99		2,900		2,900				2,000		
	PROJECT TOTAL:		0	10,000	0	2,900	0	7,100	2,400	2,000	1,500	
608-0223			FAMILY PLAN. & MATERNAL CHILD HEALTH V									
	PN G	93 00		36,000		4,012		31,988	6,000	4,300	4,300	
	HE G	93 00										
	CS G	93 00		16,000		4,000		12,000	2,000	2,863	4,300	
	PROJECT TOTAL		0	52,000	0	8,012	0	43,988	8,000	7,163	8,600	
REPORT TOTAL:			373,355	428,536	273,401	41,500	31,061	90,936	26,300	53,544	26,300	

\* Planned Reobs - Total: 5,176

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PROJECT NUMBER	FUND SRC	NPA IND	OBLIG	--TOTAL COST--			OBLIG	--FY 1993 PLANNED--			--FY 1994 PROP.--		FY 1995
			DATE INIT/FINAL	AUTH	PLAN	THRU FY 1992	OBLIG ATIONS	EXPEND ITURES	YR END MORTGA	OBLIG ATIONS	EXPEND ITURES	OBLIG PROP	
APPROPRIATIONS SUMMARY													
			FN					5,500	5,772	9,825	0	13,146	0
			PN					4,012	1,550	31,988	6,000	6,300	4,300
			HE					0	615	0	0	800	0
			CS					4,000	882	12,000	2,000	4,863	4,300
			DG					0	0		0	0	0
			EH					3,000	63	16,920	3,000	0	3,000
			SD					4,988	1,358	10,600	4,000	1,400	3,400
			CP					0	0	0	0	0	0
			ES					20,000	20,821	9,603	11,300	27,035	11,300
			REPORT TOTAL:					41,500	31,061	90,936	26,300	53,544	26,300

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## **OPERATING EXPENSE NARRATIVE:**

In addition to the required FY 94 and 95 OE budget tables, we have provided a zero based budget proposal for FY94 which reflects our normal requirements at present staffing and program levels. This projected OE requirement of \$3.43 million (excluding FAAS charges) represents a modest 8% increase over our actual FY 93 OE allocation. The increase is primarily the result of FSN salary increases and inflation but the proposed budget includes reasonable spending reductions in discretionary spending categories. Procurement has been reduced by more than \$190,000 and Office Operations cost by more than \$80,000. USDH staff would be reduced by two positions, through attrition, by the end of FY 94. Over the past two years USAID/Morocco has reduced AID/W funded FAAS costs by more than \$250,000 by absorbing these functions into our OE budget. In spite of this we are projecting lower Housing costs (down \$112,000) even with higher USAID funded maintenance costs. Under ordinary circumstance, in a normal ABS, this supplemental table represents the level we would request for FY94, and is supported by the Mission Director's rationale for sustained program levels. It is the USAID/Morocco's position that the proposed OE level, above the FY 94 TARGET, is essential for a responsible, orderly transition to lower program levels by the end of FY 95. The following narrative describes the measures necessary to meet TARGET and BASE levels per the ABS guidance:

### **FY 94 TARGET (100% of FY93 actual):**

In order to meet the TARGET level, we have made radical cuts in our discretionary line items. Procurement was reduced to a subsistence level of 12% of last year's level. Travel in all categories was reduced to 70% of FY93. This funding level will severely limit our ability to fund AID/W consultations and travel necessary to properly monitor program activities. Other Office Operations costs have been cut by nearly 18%. These reductions still left us with a deficit of more than \$250M, taking into consideration a minimal inflation factor and the effect of FY93 FSN salary increases. At this point there is no reasonable area for reductions except personnel. The FY 94 OE need is complicated by unscheduled personnel movements resulting from Time In Class curtailments and necessary replacements (\$102,000). The TARGET level represents a USDH staff reduction assuming that we cancel one pending assignment action and delete a second position which is scheduled for replacement early in the fiscal year. In addition we will have to eliminate at least 4 FSN positions.

### **FY 95 TARGET (100% of FY 93):**

In order to meet the FY 95 Target levels we must delete several more USDH positions (probably 4) in addition to the two identified in the FY 94 TARGET summary (6 total). To effect the necessary OE reductions, these positions must be eliminated by the end of FY 94, or very early in FY 95. The

amount saved in a given year and the effect on the TARGET or BASE levels will depend on which positions are deleted and when. It will not be possible to realize all of the necessary position deletions by attrition or in the course of normal personnel movements. As a result there will be one time costs associated with staff reductions which will actually increase our costs during the FY 94 and FY 95 periods.

Further staff reductions will be necessary affecting an additional 5 FSNs (total of 9), and 3 USPSC/TCN positions. As a result it will be very difficult for the Mission to maintain reasonable levels of program and/or OE accountability for the current pipeline.

The OE TARGET level presented assumes subsistence level procurement (\$30M) and more than \$100M in Office Operation cost reductions (in FY 93 dollars). Restricted travel budgets at this level will preclude the maintenance of adequate staff training and project monitoring.

**FY 94 BASE (75% of FY 93):**

For the FY 94 Base budget we have made further reductions in procurement to zero and another \$125M in Office Operation costs below the FY 94 TARGET budget. At this level it will be necessary to eliminate an additional 14 FSN and 2 USPSC positions. At least 6 USDH staff reductions are unavoidable at this level. In order to realize sufficient saving these measures would have to be enacted immediately. The application of sound management principals and an orderly phase-down of operations would be impossible with the proposed FY 94 BASE budget. The chaos created by the almost instant downsizing of the Mission would consume nearly all of management's energy. Internal controls and accountability for OE and Program funds would necessarily suffer beyond tolerable levels.

**FY 95 BASE (75% of FY 94 BASE):**

After making all of the suggested cuts at the FY 94 Base level there is no room to make cuts in the Mission's fixed costs. Therefore it will be necessary to eliminate 3 additional USDH positions (total of 9), at the very least. In arriving at this point we have assumed the deletion of a total of 30 FSN positions (46% of our current staff), and 4 of our 5 USPSC/TCN positions. The FY 95 BASE represents about 60% of our FY 93 budget, excluding procurement. Even without new starts in the program, and assuming radical curtailment of existing programs, the Mission will be unable to maintain even marginal internal controls or Program and OE accountability.

USAID/MOROCCO					
Proposed FY 94 Operating Expense Budget					
	Func		FY93	FY94	
Expense Category	Code		Actual	Proposed	
U.S. Direct Hire:					
Education Allowance	U106		108.65	102.60	
Other Mission Funded Code 12	U110		1.75	4.20	
Post Assignment - Travel	U111		26.65	60.00	
Post Assignment - Freight	U112		65.26	240.00	
Home Leave - Travel	U113		30.43	20.00	
Home Leave - Freight	U114		12.70	7.88	
Educational Travel	U115		2.60	2.60	
R & R Travel	U116		27.57	45.25	
All Other Code 215 Travel	U117		7.41	10.00	
			283.02	492.53	
Foreign National Direct Hire:					
Basic Pay	U201		320.00	305.00	
Overtime, Holiday Pay	U202		1.20	2.16	

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All Other Code 11 - FN	U203		52.80	37.75	
All Other Code 12 - FN	U204		122.30	193.95	
			496.30	538.86	
Contract Personnel:					
U.S.P.S.C. - Salary/Benefits	U302		180.01	182.91	
F.N.P.S.C. - Salary/Benefits	U304		600.70	986.39	
			780.71	1,169.30	
Housing:					
Residential Rent	U401		265.00	256.87	
Residential Utilities	U402		129.70	89.04	
Maintenance and Renovation	U403		161.93	100.00	
Security Guard Service	U407		53.42	51.43	
Official Residence Allowance	U408		2.10	2.10	
Representation Allowance	U409		1.10	1.10	
			613.25	500.54	

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Office Operations:				
Office Rent	U501		101.30	104.29
Office Utilities	U502		63.00	70.00
Building Maint/Renovation	U503		12.86	19.02
Furn/Equip/Vehicle Rep & Maint	U508		59.94	50.00
Communications	U509		92.20	91.80
Security Guard Service	U510		24.90	23.43
Site Visit - Mission Personnel	U513		68.40	50.00
Site Visit - AID/W Personnel	U514		27.49	27.00
Information Meetings	U515		0.00	2.60
Training Attendance	U516		39.10	39.00
Conference Attendance	U517		24.40	16.00
Supplies & Material	U519		100.80	80.00
All Other Code 25	U599		141.50	90.00
			746.89	663.14

NXP Procurement:					
Vehicles	U601		72.00		
Residential Furniture	U602		5.99	6.00	
Residential Equipment	U603		29.02	10.00	
Office Furniture	U604		9.50	5.00	
Office Equipment	U605		17.23	10.00	
ADP Hardware	U607		95.26	20.00	
ADP Software	U608		11.42	10.00	
Trans/Freight All U600	U698		18.21	6.00	
			258.63	67.00	
FY 93 Budget Allowance Level			3,178.80		
Total Proposed FY 94 OE Budget				3,431.37	
			=====	=====	

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		FY : 1994 OPERATING EXPENSE				1		
		=====	=====	=====				
		FY : 1994 BASE (75%)			FY : 1994 TARGET (100%)			
		-----	-----	-----	-----	-----	-----	
EXPENSE CATEGORY	FUNCTION	DOLLARS	TRUST FUNDS	TOTAL	DOLLARS	TRUST FUNDS	TOTAL	
	CODE		FUNDS			FUNDS		
(MOROCCO)								
U.S. DIRECT HIRE	U100			0.00			0.00	
OTHER SALARIES	U105			0.00			0.00	
EDUCAT. ALLOW'S	U106	94.20		94.20	94.20		94.20	
COLA	U108			0.00			0.00	
OTHER BENEFITS	U110	2.10		2.10	3.50		3.50	
POST ASSIGN. TRV.	U111	45.53		45.53	54.38		54.38	
POST ASSIGN. FRT.	U112	200.00		200.00	220.00		220.00	
HOME LEAVE TRV.	U113	16.00		16.00	20.00		20.00	
HOME LEAVE FRT.	U114	6.31		6.31	7.88		7.88	
EDUCAT. TRV.	U115	2.60		2.60	2.60		2.60	

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R & R TRV.	U116	40.00		40.00		40.00		40.00		
OTHER TRV.	U117	10.00		10.00		10.00		10.00		
SUBTOTAL		416.74		416.74		452.56		452.56		
F.N. DIRECT HIRE	U200			0.00				0.00		
F.N. BASIC PAY	U201	200.00		200.00		305.00		305.00		
OVERTIME/HOLIDAY PAY	U202	2.16		2.16		2.16		2.16		
ALL OTHER CODE 11-F.N.	U203	29.31		29.31		37.75		37.75		
ALL OTHER CODE 12-F.N.	U204	150.58		150.58		193.95		193.95		
BENEFITS-FORMER F.N.	U205			0.00				0.00		
ACCRUED SEVERANCE	U206			0.00				0.00		
SUBTOTAL		382.05		382.05		538.86		538.86		
CONTRACT PERSONNEL	U300			0.00				0.00		



	CODE		FUNDS			FUNDS			
(MOROCCO)									
HOUSING									
RESID. RENT	U401	217.97		217.97		236.77		236.77	
RESID. UTILITIES	U402	89.04		89.04		89.04		89.04	
M & R	U403	80.00		80.00		90.00		90.00	
L . Q . A .	U404			0.00				0.00	
SECURITY GUARDS	U407	36.81		36.81		51.43		51.43	
O . R . E .	U408	2.10		2.10		2.10		2.10	
R . E . P .	U409	1.10		1.10		1.10		1.10	
SUBTOTAL		427.02		427.02		470.44		470.44	
OFFICE OPERATIONS	U500			0.00				0.00	
OFFICE RENT	U501	104.29		104.29		104.29		104.29	
OFFICE UTILITIES	U502	70.00		70.00		70.00		70.00	
BLDG. M & R	U503	19.02		19.02		19.02		19.02	
EQUIP. M & R	U508	50.00		50.00		50.00		50.00	
COMMUNICATIONS	U509	68.85		68.85		91.80		91.80	

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	CODE		FUNDS			FUNDS			
(MOROCCO)									
HOUSING									
RESID. RENT	U401	217.97		217.97		236.77		236.77	
RESID. UTILITIES	U402	89.04		89.04		89.04		89.04	
M & R	U403	80.00		80.00		90.00		90.00	
L . Q . A .	U404			0.00				0.00	
SECURITY GUARDS	U407	36.81		36.81		51.43		51.43	
O . R . E .	U408	2.10		2.10		2.10		2.10	
R . E . P .	U409	1.10		1.10		1.10		1.10	
SUBTOTAL		427.02		427.02		470.44		470.44	
OFFICE OPERATIONS	U500			0.00				0.00	
OFFICE RENT	U501	104.29		104.29		104.29		104.29	
OFFICE UTILITIES	U502	70.00		70.00		70.00		70.00	
BLDG. M & R	U503	19.02		19.02		19.02		19.02	
EQUIP. M & R	U508	50.00		50.00		50.00		50.00	
COMMUNICATIONS	U509	68.85		68.85		91.80		91.80	

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SECURITY GUARDS	U510	23.43		23.43		23.43		23.43		
PRINTING	U511			0.00				0.00		
SITE VISIT-MISSION	U513	25.00		25.00		50.00		50.00		
SITE VISIT-AID/W	U514	13.50		13.50		27.00		27.00		
INFO-MEETINGS	U515	1.30		1.30		2.60		2.60		
TRAINING	U516	10.00		10.00		20.00		20.00		
CONFERENCE ATTENDANCE	U517	8.00		8.00		16.00		16.00		
OTHER OPS TRAVEL	U518			0.00				0.00		
SUPPLIES	U519	60.00		60.00		80.00		80.00		
F . A . A . S .	U520	142.45		142.45		142.45		142.45		
CONT. CONSULT. SVCES.	U521			0.00				0.00		
CONT. MGT/PROF. SVCES	U522			0.00				0.00		
SPEC. STUDIES/ANALYSIS	U523			0.00				0.00		
ADP R/W LEASES/MAINT	U525			0.00				0.00		
ADP S/W LEASES/MAINT	U526			0.00				0.00		
TRANS/FREIGHT U500	U598			0.00				0.00		
ALL OTHER CONT. SVCES	U599	25.00		25.00		50.00		50.00		

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SUBTOTAL		620.84		620.84		746.59		746.59				
		FY : 1994 OPERATING EXPENSE							3			
		=====	=====	=====								
		FY : 1994 BASE (75%)				FY : 1994 TARGET (100%)						
		-----	-----	-----	-----	-----	-----	-----				
EXPENSE CATEGORY	FUNCTION	DOLLAR	TRUST	TOTAL		DOLLAR	TRUST	TOTAL				
	CODE	S	FUNDS			S	FUNDS					
(MOROCCO)												
N.X.P PROCUREMENT	U600			0.00				0.00				
VEHICLES	U601	0.00		0.00		0.00		0.00				
RES. FURNITURE	U602	0.00		0.00		2.70		2.70				
RES. EQUIPMENT	U603	0.00		0.00		4.50		4.50				
OFFICE FURNITURE	U604	0.00		0.00		2.25		2.25				
OFFICE EQUIPMENT	U605	0.00		0.00		4.50		4.50				

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OTHER EQUIPMENT	U606		0.00			0.00		
ADP H/W PURCHASES	U607	0.00	0.00		8.85	8.85		
ADP S/W PURCHASES	U608	0.00	0.00		4.50	4.50		
TRANS/FREIGHT U600	U698	0.00	0.00		2.70	2.70		
SUBTOTAL		0.00	0.00		30.00	30.00		
TOTAL OE EXPENSE BUDGET		2,526. 55	2,526. 55		3,321. 25	3,321. 25		
LESS F.A.A.S	U520	142.45	142.45		142.45	142.45		
TOTAL OE EXPENSE BUDGET		2,384. 10	2,384. 10		3,178. 80	3,178. 80		
636 (C )	U999							
GRAND TOTAL OE EXPENSE BUDGET		2,384. 10	2,384. 10		3,178. 80	3,178. 80		

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	CODE		FUNDS			FUNDS			
(MOROCCO)									
U.S. DIRECT HIRE	U100		0.00			0.00			
OTHER SALARIES	U105		0.00			0.00			
EDUCAT. ALLOW'S	U106	78.00	78.00		62.80	62.80			
COLA	U108		0.00			0.00			
OTHER BENEFITS	U110	0.70	0.70		1.40	1.40			
POST ASSIGN. TRV.	U111	31.65	31.65		37.28	37.28			
POST ASSIGN. FRT.	U112	120.00	120.00		140.00	140.00			
HOME LEAVE TRV.	U113	19.00	19.00		19.00	19.00			
HOME LEAVE FRT.	U114	7.18	7.18		7.18	7.18			
EDUCAT. TRV.	U115	2.60	2.60		2.60	2.60			
R & R TRV.	U116	27.38	27.38		38.63	38.63			
OTHER TRV.	U117	10.00	10.00		10.00	10.00			
SUBTOTAL		296.51	296.51		318.89	318.89			
F.N. DIRECT HIRE	U200		0.00			0.00			

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F.N. BASIC PAY	U201	140.00		140.00		329.40		329.40			
OVERTIME/HOLIDAY PAY	U202	2.33		2.33		2.33		2.33			
ALL OTHER CODE 11-F.N.	U203	32.33		32.33		40.77		40.77			
ALL OTHER CODE 12-F.N.	U204	166.11		166.11		209.47		209.47			
BENEFITS-FORMER F.N.	U205			0.00				0.00			
ACCRUED SEVERANCE	U206			0.00				0.00			
SUBTOTAL		340.77		340.77		581.97		581.97			
CONTRACT PERSONNEL	U300			0.00				0.00			
U.S. PSC SAL/BENEFITS	U302	29.59		29.59		140.22		140.22			
ALL OTHER US PSC COSTS	U303			0.00				0.00			
FN PSC SAL/BENEFITS	U304	352.31		352.31		1,011. 34		1,011. 34			
ALL OTHER FN PSC COSTS	U305			0.00				0.00			
MANPOWER CONTRACTS	U305			0.00				0.00			
ACCRUED SEVERANCE	U307			0.00				0.00			

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	SUBTOTAL	381.90		81.90		1,151.56		1,151.56				
		FY : 1995 OPERATING EXPENSE							5			
		=====	=====	=====								
		ASSUMES FY 1994 BASE				ASSUMES FY 1994 TARGET LEVEL						
		FY : 1995 BASE (75%)				FY : 1995 TARGET (100%)						
		-----	-----	-----	-----	-----	-----	-----				
EXPENSE CATEGORY	FUNCTI ON	DOLLAR S	TRUST	TOTAL		DOLLAR S	TRUST	TOTAL				
	CODE		FUNDS				FUNDS					
	(MOROCCO)											
HOUSING	U400			0.00				0.00				
RESID. RENT	U401	100.40		100.40		243.29		243.29				
RESID. UTILITIES	U402	94.86		94.86		94.86		94.86				
M & R	U403	80.00		80.00		95.89		95.89				

h/d

L . Q . A .	U404		0.00			0.00		
SECURITY GUARDS	U407	36.82	36.82	54.79	54.79			
O . R . E .	U408	2.24	2.24	2.24	2.24			
R . E . P .	U409	1.17	1.17	1.17	1.17			
SUBTOTAL		315.49	315.49	492.24	492.24			
OFFICE OPERATIONS	U500		0.00		0.00			
OFFICE RENT	U501	104.29	104.29	104.29	104.29			
OFFICE UTILITIES	U502	70.00	70.00	70.00	70.00			
BLDG. M & R	U503	19.02	19.02	19.02	19.02			
EQUIP. M & R	U508	50.00	50.00	50.00	50.00			
COMMUNICATIONS	U509	68.85	68.85	91.80	91.80			
SECURITY GUARDS	U510	23.43	23.43	23.43	23.43			
PRINTING	U511		0.00		0.00			
SITE VISIT-MISSION	U513	12.50	12.50	50.00	50.00			
SITE VISIT-AID/W	U514	6.75	6.75	27.00	27.00			
INFO-MEETINGS	U515	0.65	0.65	2.60	2.60			
TRAINING	U516	5.00	5.00	20.00	20.00			
CONFERENCE ATTENDANCE	U517	4.00	4.00	16.00	16.00			

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TOTAL OE EXPENSE BUDGET		1,930. 52		1,930. 52		3,321. 25		3,321. 25			
LESS F.A.A.S	U520	142.45		142.45		142.45		142.45			
TOTAL OE EXPENSE BUDGET		1,788. 07		1,788. 07		3,178. 80		3,178. 80			
636 (C )	U999										
GRAND TOTAL OE EXPENSE BUDGET		1,788. 07		1,788. 07		3,178. 80		3,178. 80			
USDH FTEs				13				15			
FNDH FTEs (U200)				8				14			
US PSC FTEs (U300)				1				2			
TCN PSC FTEs (U300)				0				0			
FN PSC FTEs (U300)				27				42			
OTHER CONTRACTS FTEs (U300)											

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MISSION DIRECTOR'S NARRATIVE [ : MOROCCO

PD-ABK-320

-- ANNUAL BUDGET SUBMISSION, FY 1994 -

1 OF 1 (24X)

MOROCCO

1993

ANNUAL BUDGET SUBMISSION (ABS)