

**Annual Budget
Submission**

FY-1993

EMERGING MARKETS

JULY 1991



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

EMERGING MARKETS

FY 1993 ABS

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OFFICE OF EMERGING MARKETS

FY 1993 ABS

PROGRAM OVERVIEW

The Office of Emerging Markets (EM) will continue its traditional program of developing and introducing new private enterprise initiatives within A.I.D. and of providing the widest possible range of services to Missions. Successful past initiatives include the first privatization and financial sector programs, which served to make both types of programs common within A.I.D. EM programs also provide access to expertise and resources from the U.S. private sector. For example, the Trade and Investment Service of IESC, developed in EM and now with PRE's International Business Staff, increases the links between U.S. and foreign entrepreneurs. Most recently, EM developed the Financial Services Volunteer Corps, bringing the once unreachable talent of Wall Street's bankers and lawyers to A.I.D. client countries around the globe. The Institutional Reform and the Informal Sector program, also developed in EM and now with PRE/SMIE, supports policy reform efforts, particularly related to the informal sector and microenterprise.

The tradition of service to overseas Missions, while a part of each project EM develops, is best exemplified by the Private Enterprise Development Support Project. Now replicated by some regional bureaus, it remains the only Agency source of the broadest possible range of services. Since development takes place in the field, all EM programs tie a centrally-funded core agenda to the service component to maximize the benefits, both substantive and procedural (particularly contracting), to our office and the Missions.

The office also manages A.I.D.'s core grant to the International Executive Service Corps (IESC), a key resource in bringing U.S. technical and managerial expertise to entrepreneurs in the developing world. Our efforts have moved IESC to an almost exclusively private sector client base, helped them increase funding from other sources, and aligned them more closely with Mission-specific strategies. We are currently working with them to revise their accounting and reporting systems, develop standard agreements with their thirty-plus Mission grants, and better allocate core resources to current A.I.D. problem areas.

This FY 1993 ABS requests funds to continue the traditions of innovation and service. With those two emphases, the program proposed continues to be highly concentrated in:

- shop-floor assistance (IESC)
- privatization (Privatization and Development, including a new sub-activity entitled Post-Privatization Assistance)
- financial sector reform (FSVC, Capital Finance)

- commercial policy reform (successor to PEDS)

Our FY 1993 request, at the AAPL level, allows us to continue operations at the current level.

Minimum Carrying Cost: APRE/EM's FY 1993 MCC is shown in Table V as \$7.8 million. However, that level is insufficient even to maintain current levels of activity. Because the FSDP project ends in FY 92, its follow-on activity is considered a new start in FY 1993, and falls into the Increment Level. We should accord those projects the same status as IESC, which also is a new FY 1993 start, but which for good reason is included in the MCC level. The "real" MCC should be \$8.8 million.

- Privatization and Development: This five-year project continues to be the only Agency-wide privatization effort as it builds upon the groundwork laid by the Center for Privatization. Major long-term relationships with missions in Indonesia, Philippines, Morocco, and Bolivia and with several Eastern European countries have been established since the project started up in January 1991. The project's first six months have brought over \$12 million in buy-ins, all long-term, from Missions needing to source high quality assistance quickly. The core funding allows us to provide the services and use those relationships to develop knowledge to be applied Agency-wide. Nearly every A.I.D. country has a privatization program and demand for information and services will only increase. This project is critical to our efforts to engage U.S. businesses as volunteers, TA providers and investors, as we focus on the privatization transaction process. The project requires core funding of \$1 million.
- Commercial Policy Reform: As privatization took hold in the mid-1980s, so will commercial policy reform in the 1990s. Increasingly, governments and donors are grappling with the problems of how to create an environment that is friendly to the entrepreneur and to capital. The project will build on the success of the PEDS project, but will be much more focussed on the reform process: what works, how to sequence reform, how reform initiatives relate to other factors. Its design will be based on the last year's work of the PEDS project, when we will look at the spectrum of reform efforts underway to select those areas promising the most leverage for change and to identify the new wave of initiatives to follow. This project requires \$1 million in FY 1993.
- Financial Services Volunteer Corps: The funds requested will be for the fourth and final year of our building this organization. Having a minimal amount of core money

available permits us to respond quickly to country requests. Our funds enabled the U.S. to get teams of bankers, lawyers and accountants, led by former Secretary of State Vance and former Deputy Secretary of State John Whitehead, into Eastern Europe before the Europe bureau was operational. FSVC is now moving to expand its program throughout the developing world and will continue to do so. The quality of people available through FSVC is unmatched in A.I.D. and we want to insure sufficient resources are available through the fourth year to allow time for FSVC to become financially stable. The project requires \$500,000 in FY 1993.

- International Executive Service Corps: At \$5 million per year, IESC takes the bulk of our financial resources. The demand for IESC volunteers climbs each year in recognition of the value of the volunteer executives. We are currently assisting IESC in a major restructuring of their programming and accounting systems. In the past, no core funds were used for home-office expenses, but rather subsidized direct costs to Missions. This resulted in core grant funds providing subsidies based solely on demand, but without regard to A.I.D. strategic needs. We are moving to have core funds support home office expenses and provide for quick response to new A.I.D. needs as well as support Missions that are without adequate resources or demand for a full country director-led program.
- Private Sector IQC: This activity will allow us to continue the tradition of broad-based, quick response to Mission needs as represented by the PEDS project. Services under PEDS are well-known to Missions and demand increases each year. To reduce our transaction costs, and in recognition of the Agency's increased sophistication in private enterprise issues, an IQC has been determined to be the appropriate mechanism. The project requires \$300,000 in Fy 1993.

AAPL Level: The APRE/EM AAPL level for FY 1993 is \$9.8 million or \$2 million above the MCC level. Included in the \$2 million figure is \$1 million for a project that is a continuation of a current program.

- Capital Finance: Beginning in FY 1993, this project will be the Agency's main resource for supporting financial sector reform and the growth of equity markets. The project is a key mechanism for linking the expertise and financial technologies of the U.S. financial community, both the business sector and U.S. agencies such as the Securities and Exchange Commission, with nascent capital markets in the developing countries. Because this project will replace and build on the successful Financial Services Project, and because it is the only such mechanism for long-term assistance in this field in the

Agency, we believe it should be included in the MCC for our office. The project will require \$1 million in FY 1993.

- Privatization and Development: This activity is the one new initiative within the EM program and the only one which we consider to be truly in the AAPL level. Since there is authorized funding available with the P&D project, we could develop this activity within the existing project through an amendment. The purpose of the activity is to consolidate the gains of privatization programs in A.I.D. countries by providing technical and business operations support to newly privatized companies to increase their probability of sustained operations as going concerns. Funding to initiate the activity is \$1 million in FY 1993.

AFRE EMERGING MARKETS (129940)

FY 1993 ANNUAL BUDGET SUBMISSION

TABLE 1 LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$000)

ACCOUNT	FY 1990 ACTUAL	FY 1991 ESTIMATE	FY 1992 C/P	FY 1992 PLANNED	FY 1993 PROPOSED	PLANNING PERIOD			
						1994	1995	1996	1997
AGR. RURAL DEV. & MUIR.	4,321	4,366	2,000	2,000	1,000				
Grants	4,321	4,366	2,000	2,000	1,000				
Loans									
POPULATION PLANNING									
Grants									
Loans									
HEALTH									
Grants									
Loans									
CHILD SURVIVAL FUND									
Grants									
Loans									
AIDS									
Grants									
Loans									
EDUCATION & HUMAN RES.									
Grants									
Loans									
PVT. SECT., ENERGY & ENV.	4,199	3,333	7,000	7,000	8,800				
Grants	4,199	3,333	7,000	7,000	8,800				
Loans									
TOTAL FUNCTIONAL ACCOUNTS	8,520	7,699	9,000	9,000	9,800				
Grants	8,520	7,699	9,000	9,000	9,800				
Loans									
DEV. FUND FOR AFRICA									
DEVELOPMENT PROGRAMS						11,000	11,800	12,000	12,200
INT'L DISASTER ASST.									
TOTAL DA	8,520	7,699	9,000	9,000	9,800	11,000	11,800	12,000	12,200
Grants	8,520	7,699	9,000	9,000	9,800	11,000	11,800	12,000	12,200
Loans									

APRE EMERGING MARKETS (129940)

FY 1993 ANNUAL BUDGET SUBMISSION

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

ACCOUNT	FY 1990 ACTUAL	FY 1991 ESTIMATE	FY 1992 CP	FY 1992 PLANNED	FY 1993 PROPOSED	1994	1995	1996	1997
TOTAL ECON. SUPPORT FUND									
Grants									
Loans									
SPECIAL ASST. INIT.									
CAPITAL PROJECTS									
Grants									
Loans									
TOTAL DA, ESF AND SAI	8,520	7,699	9,000	9,000	9,800	11,000	11,800	12,000	12,200
Grants	8,520	7,699	9,000	9,000	9,800	11,000	11,800	12,000	12,200
Loans									

TABLE IV PROJECT BUDGET DATA

FUNDING SOURCE	OBLIG DATE	INIT FINAL	--TOTAL COST-- AUTH PLAN	ESTIMATED U.S. DOLLAR COST (\$000)				OBLIG THRU FY 1990	FY 1991 OBLIG ACTIONS	FY 1991 EXPEND ITURES	FY 1992 EXPEND ITURES	FY 1993 PROPOSED
				YR END MORTGAGE	PROJ/IND	PROJ/IND	PROJ/IND					
PROJECT NUMBER: 9400008 TITLE: DIVESTITURE AND PRIVATIZATION												
FN G	85	90	4,035	4,035	428							
SD G	85	90	6,767	6,767	240							
PROJECT TOTAL:			10,802	10,802	668	0	0	0	0	0	0	0
PROJECT NUMBER: 9400012 TITLE: INTL EXECUTIVE SERVICE CORPS (IESC)												
FN G	89	92	9,730	9,730	5,563	2,167	2,500					
SD G	89	92	10,500	10,500	5,189	2,311	2,500					
PROJECT TOTAL:			20,230	20,230	10,752	4,478	5,000					
PROJECT NUMBER: 9400014 TITLE: FINANCIAL SECTOR DEVELOPMENT												
FN G	88	92	2,164	2,164	1,253	911	750					
SD G	88	92	2,059	1,541	1,127	339	300					
PROJECT TOTAL:			4,223	3,705	2,380	1,250	1,050					
PROJECT NUMBER: 9400016 TITLE: PRIVATIZATION AND DEVELOPMENT												
FN G	91	95	1,288	1,288	1,288	500						
SD G	91	95	8,712	14,712	283	100						
PROJECT TOTAL:			10,000	16,000	0	1,571	600					
PROJECT NUMBER: 9400017 TITLE: FINANCIAL SERVICES VOLUNTEER CORPS												
FN G	90	93	650	1,600	250	400	400					
PROJECT NUMBER: 9400018 TITLE: COMMERCIAL POLICY REFORM												
FN G	92	95	1,900	1,900								
SD G	92	95	3,000	3,000								
PROJECT TOTAL:			0	4,000	0	0	0					
PROJECT NUMBER: 9400209 TITLE: COOPERATIVE TO COOPERATIVE GRANTS												
FN G	82	87	1,506	1,499	1,499*							
PROJECT NUMBER: 9400331 TITLE: NATIONAL COOP BUSINESS ASSOC (NCBA)												
FN G	85	87	1,939	1,832	1,832*							
PROJECT NUMBER: 9402028 TITLE: PRIVATE ENTERPRISE DEV SUPPORT												
FN G	85	90	5,050	3,716	3,716	1,000						
SD G	85	90	7,000	4,472	4,472	1,000						
PROJECT TOTAL:			12,050	8,188	8,188	0	2,000					
PROJECT NUMBER: 9402029 TITLE: COMMERCIALIZATION OF TECHNOLOGY												
FN G	85	87	1,481	1,474	1,474*							
PROJECT NUMBER: 940xxx1 TITLE: IESC INTERNATIONAL TECHNOLOGY TRANSFER												
FN G	93	97		5,000								1,000
SD G	93	97		20,000								4,000

TABLE IV - PROJECT BUDGET DATA

FUNDING SOURCE	OBLIG DATE	OBLIG THRU FY 1990	ESTIMATED U.S. DOLLAR COST (\$000)		FY 1991		FY 1992		FY 1993 PROPOSED
			TOTAL COST PLAN	OBLIG THRU FY 1990	OBLIG THRU FY 1991	EXPENDITURES	EXPENDITURES	YR END MORTGAGE	
PROJECT TOTAL:		0	25,000	0	0	0	0	0	5,000
PROJECT NUMBER: 940xxx2			TITLE: CAPITAL FINANCE					PROJ/NON PROJ IND.: PA	1,000
SD G 93 96			5,000						
PROJECT NUMBER: 940xxx4			TITLE: PRIVATE SECTOR IQC					PROJ/NON PROJ IND.: PA	300
SD G 92 94			750						
REPORT TOTAL:		62,881	100,080	37,177	7,699	9,718	9,713	16,204	9,800

Obligations Thru FY 1990 marked with (*) include Deobligations of Prior Year Obligations

APPROPRIATION SUMMARY

FN	4,366	5,178	2,000	3,566	1,000
SD	3,333	4,540	7,000	6,147	8,800
REPORT TOTAL:	7,699	9,718	9,000	9,713	16,204

APRIL EMERGING MARKETS (12994D)

FY 1993 ANNUAL BUDGET SUBMISSION

AC/51 Aggregate Analysis
ACTIVITY CODES
(U.S. Dollars thousands)

ACTIVITY	FY 1991 ESTIMATE		FY 1992 PLANNED		FY 1993 PROPOSED	
	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM
AGAB AGRIBUSINESS	1,501	19.5 %	1,740	19.3 %	1,700	17.3 %
AGMP AGRICULTURAL MANAGEMENT, PLANNING AND POLICY			100	1.1 %	100	1.0 %
PDAS PROJECT DEVELOPMENT AND SUPPORT			19	0.2 %	75	0.8 %
PEBD BUSINESS DEVELOPMENT PROMOTION	3,292	42.8 %	4,166	46.3 %	3,705	37.8 %
PEFM FINANCIAL MARKETS	1,307	17.0 %	735	8.2 %	1,300	13.3 %
PETI TRADE AND INVESTMENT PROMOTION			430	4.8 %	1,020	10.4 %
PRNS POLICY REFORM, NONSECTORAL N.E.C	1,600	20.8 %	1,810	20.1 %	1,900	19.4 %
UNCODED ACTIVITIES	0	0.0 %				
PROGRAM TOTAL	7,699	100.0 %	9,000	100.0 %	9,800	100.0 %

APRE EMERGING MARKETS (129940)

FY 1993 ANNUAL BUDGET SUBMISSION

AC/SI AGGREGATE ANALYSIS
SPECIAL INTEREST CODES
(U.S. Dollars Thousands)

SPECIAL INTEREST	FY 1991 ESTIMATE		FY 1992 PLANNED		FY 1993 PROPOSED	
	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM	AMOUNT	PCT OF TOTAL PROGRAM
I. Substantive						
A. Spatial/Geographic						
B. Special Targets						
EXP EXPORT PRODUCTION	7,699	100.0 %	8,974	99.7 %	9,695	98.9 %
PSD PRIVATE SECTOR DEVELOPMENT	2,872	37.3 %	3,510	39.0 %	2,300	23.5 %
PVZ PRIVATIZATION	1,681	21.8 %	2,475	27.5 %	2,444	24.9 %
DRG DEREGULATION	683	8.9 %	564	6.3 %	147	1.5 %
INS INSTITUTION BUILDING			4	0.0 %	15	0.2 %
DED DEVELOPMENT EDUCATION	820	10.7 %	390	4.3 %	600	6.1 %
EPR ECONOMIC POLICY REFORM						
SPR SECTORAL POLICY REFORM	2,298	29.9 %	2,738	30.4 %	2,870	29.3 %
C. Food, Agriculture & Rural Development						
D. Energy/Environment						
II. Institutional Mechanisms						
A. Public/Private						
PBL PUBLIC ENTITY	222	2.9 %	83	0.9 %	300	3.1 %
PRT PRIVATE ENTITY	6,063	78.8 %	5,953	66.1 %	6,760	69.0 %
B. PVO/NGOs						
PVU PVO/NGOs, U.S.	4,878	63.4 %	5,450	60.6 %	5,500	56.1 %
C. International Agricultural Research Centers						
D. Universities						
E. Non-Profit Organizations						
III. Research Efforts						
A. Applied Research						
ROR OPERATIONAL RESEARCH	980	12.7 %	1,870	20.8 %	1,720	17.6 %
B. Basic Research						
C. Development Research						
IV. Training						
TTE TRAINING, TECHNICAL	1,124	14.6 %	1,242	13.8 %	1,849	18.9 %

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

FY 1991 ESTIMATE FY 1992 PLANNED FY 1993 REQUEST

PROJECT NUMBER: 940-0012 TITLE: INTL EXECUTIVE SERVICE CORPS (TESC)

AGAB AGRIBUSINESS			
SI CODE: INS	30 %	195	180
SI CODE: PRT	100 %	650	600
SI CODE: PSD	100 %	650	600
SI CODE: PVU	100 %	650	600
SI CODE: PVZ	20 %	130	120
SI CODE: TTE	20 %	130	120

TOTAL AC CODE: 30 % 650 600

PEBD BUSINESS DEVELOPMENT PROMOTION

SI CODE: PRT	100 %	1,516	1,400
SI CODE: PSD	100 %	1,516	1,400
SI CODE: PVU	100 %	1,516	1,400
SI CODE: PVZ	20 %	303	280
SI CODE: TTE	20 %	303	280

TOTAL AC CODE: 70 % 1,516 1,400

PROJECT TOTAL 100 % 2,167 2,000

PROJECT NUMBER: 940-0014 TITLE: FINANCIAL SECTOR DEVELOPMENT

PLIM FINANCIAL MARKETS

SI CODE: DRG	20 %	109	109
SI CODE: INS	20 %	109	109
SI CODE: PBL	10 %	54	54
SI CODE: PRT	90 %	491	491
SI CODE: PSD	100 %	546	546
SI CODE: PVZ	30 %	163	163
SI CODE: SPR	40 %	218	218

TOTAL AC CODE: 60 % 546 546

PRNS POLICY REFORM, NONSECTORAL N.E.C

SI CODE: DRG	20 %	72	72
SI CODE: EPR	100 %	364	364
SI CODE: INS	10 %	36	36
SI CODE: PBL	20 %	72	72
SI CODE: PRT	80 %	291	291
SI CODE: PSD	100 %	364	364

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

	FY 1991 ESTIMATE	FY 1992 PLANNED	FY 1993 REQUEST
SI CODE: PVZ	72		
SI CODE: ROR	72		
SI CODE: SPR	364		
SI CODE: TTE	36		
TOTAL AC CODE:	40 % 364		

PROJECT TOTAL 100 % 911 0 0

PROJECT NUMBER: 940-0016 TITLE: PRIVATIZATION AND DEVELOPMENT

AGAB AGRIBUSINESS

SI CODE: ORG	80 % 103
SI CODE: PSD	100 % 128
SI CODE: PVZ	100 % 128
SI CODE: SPR	80 % 103
SI CODE: TTE	5 % 6
TOTAL AC CODE:	10 % 128

PEBD BUSINESS DEVELOPMENT PROMOTION

SI CODE: DRG	80 % 103
SI CODE: PSD	100 % 128
SI CODE: PVZ	100 % 128
SI CODE: SPR	80 % 103
SI CODE: TTE	10 % 12
TOTAL AC CODE:	10 % 128

PEFM FINANCIAL MARKETS

SI CODE: PBL	30 % 38
SI CODE: PRT	70 % 90
SI CODE: PSD	100 % 128
SI CODE: PVZ	100 % 128
SI CODE: SPR	30 % 38
TOTAL AC CODE:	10 % 128

PRNS POLICY REFORM, NONSECTORAL N.E.C

SI CODE: DRG	100 % 901
SI CODE: PSD	100 % 901
SI CODE: PVZ	80 % 721
SI CODE: ROR	80 % 721
SI CODE: SPR	80 % 721

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

SI CODE: TTE	5 %	45	FY 1991 ESTIMATE	FY 1992 PLANNED	FY 1993 REQUEST
TOTAL AC CODE:	70 %	901			
PROJECT TOTAL	100 %	1,288	0	0	0

PROJECT NUMBER: 940-xxx1 TITLE: IESC INTERNATIONAL TECHNOLOGY TRANSFER

AGAB AGRIBUSINESS

SI CODE: PRT	100 %	300			
SI CODE: PSD	100 %	300			
SI CODE: PVU	100 %	300			
SI CODE: TTE	30 %	90			
TOTAL AC CODE:	30 %	300			

PEBO BUSINESS DEVELOPMENT PROMOTION

SI CODE: EXP	10 %	60			
SI CODE: PRT	100 %	600			
SI CODE: PSD	100 %	600			
SI CODE: PVU	100 %	600			
SI CODE: TTE	30 %	180			
TOTAL AC CODE:	60 %	600			

PETI TRADE AND INVESTMENT PROMOTION

SI CODE: EXP	10 %	10			
SI CODE: PRT	100 %	100			
SI CODE: PSD	100 %	100			
SI CODE: PVU	100 %	100			
SI CODE: TTE	10 %	10			
TOTAL AC CODE:	10 %	100			

PROJECT TOTAL	100 %	0	0	0	1,000
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PROJECT NUMBER: 940-0012 TITLE: INTL EXECUTIVE SERVICE CORPS (IESC)

AGAB AGRIBUSINESS

SI CODE: INS	30 %	207			270
SI CODE: PRT	100 %	693			900
SI CODE: PSD	100 %	693			900
SI CODE: PVU	100 %	693			900
SI CODE: PVZ	20 %	138			180

APRE EMERGING MARKETS (129940)
 FY 1993 ANNUAL BUDGET SUBMISSION

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

SI CODE: TTE	20 X	138	180	FY 1991 ESTIMATE	FY 1992 PLANNED	FY 1993 REQUEST
TOTAL AC CODE:	30 X	693	900			
PEBD BUSINESS DEVELOPMENT PROMOTION						
SI CODE: PRT	100 X	1,617	2,100			
SI CODE: PSD	100 X	1,617	2,100			
SI CODE: PVU	100 X	1,617	2,100			
SI CODE: PVZ	20 X	323	420			
SI CODE: TTE	20 X	323	420			
TOTAL AC CODE:	70 X	1,617	2,100			
PROJECT TOTAL	100 X	2,311	3,000			0

PROJECT NUMBER: 940-0014 TITLE: FINANCIAL SECTOR DEVELOPMENT

PEFM FINANCIAL MARKETS	20 X	40	9
SI CODE: DRG	20 X	40	9
SI CODE: INS	20 X	20	4
SI CODE: PBL	10 X	20	4
SI CODE: PRT	90 X	183	40
SI CODE: PSD	100 X	203	45
SI CODE: PVZ	30 X	61	13
SI CODE: SPR	40 X	81	18
TOTAL AC CODE:	60 X	203	45
PRNS POLICY REFORM, NONSECTORAL N.E.C			
SI CODE: DRG	20 X	27	6
SI CODE: EPR	100 X	135	30
SI CODE: INS	10 X	13	3
SI CODE: PBL	20 X	27	6
SI CODE: PRT	80 X	108	24
SI CODE: PSD	100 X	135	30
SI CODE: PVZ	20 X	27	6
SI CODE: ROR	20 X	27	6
SI CODE: SPR	100 X	135	30
SI CODE: TTE	10 X	13	3
TOTAL AC CODE:	40 X	135	30
PROJECT TOTAL	100 X	339	75

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

FY 1991 ESTIMATE FY 1992 PLANNED FY 1993 REQUEST

PROJECT NUMBER: 940-0016 TITLE: PRIVATIZATION AND DEVELOPMENT

AGAB AGRIBUSINESS				
SI CODE: DRG	80 X	22	192	160
SI CODE: PSD	100 X	28	240	200
SI CODE: PVZ	100 X	28	240	200
SI CODE: SPR	80 X	22	192	160
SI CODE: TIE	5 X	1	12	10
TOTAL AC CODE:	10 X	28	240	200
PEBD BUSINESS DEVELOPMENT PROMOTION				
SI CODE: DRG	80 X	22	192	160
SI CODE: PSD	100 X	28	240	200
SI CODE: PVZ	100 X	28	240	200
SI CODE: SPR	80 X	22	192	160
SI CODE: TIE	10 X	2	24	20
TOTAL AC CODE:	10 X	28	240	200
PEFM FINANCIAL MARKETS				
SI CODE: PBL	30 X	8	72	60
SI CODE: PRT	70 X	19	168	140
SI CODE: PSD	100 X	28	240	200
SI CODE: PVZ	100 X	28	240	200
SI CODE: SPR	30 X	8	72	60
TOTAL AC CODE:	10 X	28	240	200
PRNS POLICY REFORM, NONSECTORAL N.E.C				
SI CODE: DRG	100 X	198	1,680	1,400
SI CODE: PSD	100 X	198	1,680	1,400
SI CODE: PVZ	100 X	198	1,680	1,400
SI CODE: ROR	80 X	158	1,344	1,120
SI CODE: SPR	80 X	158	1,344	1,120
SI CODE: TIE	5 X	9	84	70
TOTAL AC CODE:	70 X	198	1,680	1,400

PROJECT TOTAL 100 X 283 2,400 2,000

FY 1991 ESTIMATE FY 1992 PLANNED FY 1993 REQUEST

PROJECT NUMBER: 940-0017 TITLE: FINANCIAL SERVICES VOLUNTEER CORPS

PEFM FINANCIAL MARKETS

SI CODE: DRG	20 X	80	90	100
SI CODE: EPR	80 X	320	360	400
SI CODE: IMS	20 X	80	90	100
SI CODE: PRT	100 X	400	450	500
SI CODE: PSD	100 X	400	450	500
SI CODE: PVU	100 X	400	450	500
SI CODE: PVZ	20 X	80	90	100
SI CODE: SPR	80 X	320	360	400
SI CODE: TTE	25 X	100	112	125
TOTAL AC CODE:	100 X	400	450	500
PROJECT TOTAL	100 X	400	450	500

PROJECT NUMBER: 940-0018 TITLE: COMMERCIAL POLICY REFORM

AGMP AGRICULTURAL MANAGEMENT, PLANNING AND POLICY

SI CODE: DRG	30 X	30	30	30
SI CODE: PSD	100 X	100	100	100
SI CODE: ROR	70 X	70	70	70
SI CODE: SPR	80 X	80	80	80
TOTAL AC CODE:	10 X	100	100	100

PEBD BUSINESS DEVELOPMENT PROMOTION

SI CODE: DRG	30 X	120	120	120
SI CODE: PRT	30 X	120	120	120
SI CODE: PSD	100 X	400	400	400
SI CODE: ROR	50 X	200	200	200
SI CODE: SPR	50 X	200	200	200
TOTAL AC CODE:	40 X	400	400	400

PETI TRADE AND INVESTMENT PROMOTION

SI CODE: DRG	30 X	120	120	120
SI CODE: PRT	30 X	120	120	120
SI CODE: PSD	100 X	400	400	400
SI CODE: ROR	50 X	200	200	200
SI CODE: SPR	50 X	200	200	200
TOTAL AC CODE:	40 X	400	400	400

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

	FY 1991 ESTIMATE	FY 1992 PLANNED	FY 1993 REQUEST
PRNS POLICY REFORM, NONSECTORAL N.E.C			
SI CODE: DRG	30 X	30	30
SI CODE: PSD	100 X	100	100
SI CODE: ROR	50 X	50	50
SI CODE: SPR	50 X	50	50
TOTAL AC CODE:	10 X	100	100
PROJECT TOTAL	100 X	1,000	1,000

PROJECT NUMBER: 940-xxx1 TITLE: ILSO INTERNATIONAL TECHNOLOGY TRANSFER

AGAB AGRIBUSINESS			
SI CODE: PRT	100 X		1,200
SI CODE: PSD	100 X		1,200
SI CODE: PVU	100 X		1,200
SI CODE: TTE	30 X		360
TOTAL AC CODE:	30 X		1,200

PEBD BUSINESS DEVELOPMENT PROMOTION			
SI CODE: EXP	10 X		240
SI CODE: PRT	100 X		2,400
SI CODE: PSD	100 X		2,400
SI CODE: PVU	100 X		2,400
SI CODE: TTE	30 X		720
TOTAL AC CODE:	60 X		2,400

PETI TRADE AND INVESTMENT PROMOTION			
SI CODE: EXP	10 X		40
SI CODE: PRT	100 X		400
SI CODE: PSD	100 X		400
SI CODE: PVU	100 X		400
SI CODE: TTE	10 X		40
TOTAL AC CODE:	10 X		400

PROJECT TOTAL	100 X	0	0	4,000
PROJECT NUMBER: 940-xxx2	TITLE: CAPITAL FINANCE			

PEFM FINANCIAL MARKETS

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

	FY 1991 ESTIMATE	FY 1992 PLANNED	FY 1993 REQUEST
SI CODE: DRG	30 %		180
SI CODE: PBL	20 %		120
SI CODE: PRT	80 %		480
SI CODE: PSD	100 %		600
SI CODE: PVZ	20 %		120
SI CODE: SPR	40 %		240
SI CODE: TTE	20 %		120

TOTAL AC CODE: 60 % 600

PRNS POLICY REFORM, NONSECTORAL N.E.C

SI CODE: DRG	30 %		120
SI CODE: EPR	50 %		200
SI CODE: PBL	30 %		120
SI CODE: PRT	70 %		280
SI CODE: PSD	100 %		400
SI CODE: PVZ	20 %		80
SI CODE: ROR	20 %		80
SI CODE: SPR	50 %		200
SI CODE: TTE	20 %		80

TOTAL AC CODE: 40 % 400

PROJECT TOTAL 100 % 0 0 1,000

PROJECT NUMBER: 940-xxx4 TITLE: PRIVATE SECTOR IQC

PDAS PROJECT DEVELOPMENT AND SUPPORT

SI CODE: DED	20 %	3	15
SI CODE: EXP	40 %	7	30
SI CODE: INS	30 %	5	22
SI CODE: PSD	100 %	18	75

TOTAL AC CODE: 25 % 75

PEBD BUSINESS DEVELOPMENT PROMOTION

TOTAL AC CODE: 35 % 26 105

PETI TRADE AND INVESTMENT PROMOTION

SI CODE: DRG	20 %	6	24
SI CODE: INS	20 %	6	24
SI CODE: PRT	100 %	30	120
SI CODE: PSD	100 %	30	120

APRE EMERGING MARKETS (129940)
 FY 1993 ANNUAL BUDGET SUBMISSION

PAGE 9

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

SI CODE: YTE	20 X	FY 1991 ESTIMATE	FY 1992 PLANNED	FY 1993 REQUEST
TOTAL AC CODE:	40 X		6	24
PROJECT TOTAL	100 X	0	30	120
REPORT TOTAL		7,699	9,000	9,800

AGGREGATION OF AC/SI CODES FOR SPECIAL ISSUES
(U.S. Dollars Thousands)

	FY 1991 ESTIMATE	FY 1992 PLANNED	FY 1993 REQUEST
--	---------------------	--------------------	--------------------

- (1) Child Survival Funding
- (2) Other Health
- (3) Environment
- (4) Energy
- (5) Forestry

Refer to ABS Guidance Attachment B for aggregation basis

The above summaries are aggregations of ACs and SIs. Other aggregations consist of ACs only and can be derived from AC section of the Aggregate Analysis Report

TABLE VII - LIST OF PLANNED EVALUATIONS FY 1993 ABS

<u>PROJECT LIST</u> (Project # and Title)	<u>Last Eval</u> <u>Completed</u> (Mo./Yr.)	<u>FY 1992</u> <u>Start To</u> (Qtrs.)	<u>FY 1993</u> <u>Start To</u> (Qtrs.)	<u>REASONS/ISSUES</u>	<u>FUNDING</u> <u>SOURCE</u> (\$000)	<u>USAID</u> <u>(PERSON</u> <u>DAYS)</u>	<u>COLLATERAL</u> <u>ASSISTANCE</u>
International Executive Service Corps (IESC) (940-0012)	12/90	1 2	- -	End-of-Project assessment & new project design	PD&S 50	20	
Financial Services Vol Corps (FSVC) (940-0017)	--	- 4	1 -	Mid-term assessment of progress toward project objectives	PD&S 50	20	
Financial Sector Dev (FSDP) (940-0014)	12/90	2 3	- -	End-of-Project assessment & new project design	PD&S 50	20	

BUDGET PLAN CODE _____

FILE NAME: 91_92MASH
 RANGE NAME: 91_92

TABLE VIII(c)
 FY 1993 ANNUAL BUDGET SUBMISSION
 (Dollars in Thousands)

EXPENSE CATEGORY	FUNC CODE	FY 1992 ESTIMATE					
		FY 1991 EST		LOW \$ LIMIT		HIGH \$ LIMIT	
		DOLLARS	UNITS	DOLLARS	UNITS	DOLLARS	UNITS
IFAs/Details-in	N200						
AID/W Travel	T500						
Site Visits - Proj/Prog	T510			25,900	7		
Site Visits - Admin. Support	T520						
Meetings/Conferences	T530						
Retreats	T540						
Expts/Consultant Travel	T550						
Invitational Travel	T560						
Orientation Travel	T570						
Disaster Related Travel	T581						
Evaluation Travel	T582						
All Other Travel	T590						
TOTAL TRAVEL	T500	23,810		25,900			
Miscellaneous Services	V900						
Data Entry/Retrieval Svcs	V911						
Clerical Services	V912						
Consultant Services	V913						
All Other Manpower Svcs	V919						
DCAA Audits	V921						
HHS Audits	V922						
All Federal Audits	V923						
Non Federal Audits	V924						
OPM Background Invest.	V925						
Cont Background Invest.	V926						
Other Investigations	V927						
Other Audits	V929						
A.I.D. Hosted Conf/Seminars	V931						
Meetings/Workshops	V932						
Other Seminars	V933						
Other Conferences	V939						
Internal Studies & Analysis	V951						
Congressional Studies	V952						
OMB Studies	V953						
All Other Studies/Analysis	V959						
Boards - Review	V961						
Recruiting/Advertising	V962						
Recruiting - All other	V963						
Grievances	V964						
Outplacement	V965						
FSW Activities	V966						
All Other Pers. Spt Act.	V969						
All Other Misc Services	V990						
SUBTOTAL MISC. SVCS.	V900						
TOTAL BUDGET		23,810		25,900			

BUDGET PLAN CODE _____

FILE NAME: 93 94WASH
 RANGE NAME: 93REQUEST

TABLE VIII(c)
 FY 1993 ANNUAL BUDGET SUBMISSION
 (Dollars in Thousands)

EXPENSE CATEGORY	FUNC CODE	FY 1993 REQUEST				TOTAL FY 93 REQUEST	UNITS
		EST. FY 92 EST	DECREASE & NON-RECUR.	WAGE & PRICE INC.	OTHER INC.		
IPAs/Details-in	N200	_____	_____	_____	_____	_____	
AID/W Travel							
Site Visits - Proj/Prog	T510					26,700	7
Site Visits - Admin. Support	T520						
Meetings/Conferences	T530						
Retreats	T540						
Exptrs/Consultant Travel	T550						
Invitational Travel	T560						
Orientation Travel	T570						
Disaster Related Travel	T581						
Evaluation Travel	T582						
All Other Travel	T590						
TOTAL TRAVEL	T500	_____	_____	_____	_____	26,700	
Miscellaneous Services	V900						
Data Entry/Retrieval Svcs	V911						
Clerical Services	V912						
Consultant Services	V913						
All Other Manpower Svcs	V919						
DCAA Audits	V921						
HHS Audits	V922						
All Federal Audits	V923						
Non Federal Audits	V924						
OPM Background Invest.	V925						
Cont Background Invest.	V926						
Other Investigations	V927						
Other Audits	V929						
A.I.D. Hosted Conf/Seminars	V931						
Meetings/Workshops	V932						
Other Seminars	V933						
Other Conferences	V939						
Internal Studies & Analysis	V951						
Congressional Studies	V952						
OMB Studies	V953						
All Other Studies/Analysis	V959						
Boards - Review	V961						
Recruiting/Advertising	V962						
Recruiting - All Other	V963						
Grievances	V964						
Outplacement	V965						
FSN Activities	V966						
Other Pers. Spt. Activities	V969						
All Other Misc Services	V990						
TOTAL MISC. SERVICES	V900	_____	_____	_____	_____	_____	
TOTAL REQUEST		_____	_____	_____	_____	_____	

**Enter all non-recurring/decreasing items as negative amounts.

BUDGET PLAN CODE _____

FILE NAME: 93_94WASH
 RANGE NAME: 94REQUEST

TABLE VIII(c)
 FY 1993 ANNUAL BUDGET SUBMISSION
 (Dollars in Thousands)

EXPENSE CATEGORY	FUNC CODE	FY 1994 REQUEST				TOTAL FY 94 REQUEST	UNITS
		EST. FY 93 EST	DECREASE & NON- RECUR.	WAGE & PRICE INC.	OTHER INC.		
IPAs/Details-in	N200						
AID/W Travel							
Site Visits - Proj/Prog	T510					27,500	7
Site Visits - Admin. Support	T520						
Meetings/Conferences	T530						
Retreats	T540						
Exprts/Consultant Travel	T550						
Invitational Travel	T560						
Orientation Travel	T570						
Disaster Related Travel	T581						
Evaluation Travel	T582						
All Other Travel	T590						
TOTAL TRAVEL	T500					27,500	
Miscellaneous Services	V900						
Data Entry/Retrieval Svcs	V911						
Clerical Services	V912						
Consultant Services	V913						
All Other Manpower Svcs	V919						
DCAA Audits	V921						
HHS Audits	V922						
All Federal Audits	V923						
Non Federal Audits	V924						
OPM Background Invest.	V925						
Cont Background Invest.	V926						
Other Investigations	V927						
Other Audits	V929						
A.I.D. Hosted Conf/Seminars	V931						
Meetings/Workshops	V932						
Other Seminars	V933						
Other Conferences	V939						
Internal Studies & Analysis	V951						
Congressional Studies	V952						
OMB Studies	V953						
All Other Studies/Analysis	V959						
Boards - Review	V961						
Recruiting/Advertising	V962						
Recruiting - All Other	V963						
Grievances	V964						
Outplacement	V965						
FSN Activities	V966						
Other Pers. Spt. Activities	V969						
All Other Misc Services	V990						
TOTAL MISC. SERVICES	V900						
TOTAL REQUEST							

**Enter all non-recurring/decreasing items as negative amounts.

A.I.D./WASHINGTON STAFFING IN WORKYEARS

Worksheet # 1

GENERAL MANAGEMENT

Bureau/Office Name: APRE/EM	Fiscal Year: 91 (9)
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FUNCTIONAL CATEGORY	USDR	Other U.S.G.		Other Int.		CONTRACTS	
	OE	OE	PR	OE	PR	OE	PR
Executive Direction	.5						
Policy Development	.2						
Planning & Budgeting	.2						
Program Assessment & Evaluation							
Project Design & Development	.5						
Project Review							
Field Liaison	.3						
Financial Management	.2						
Admin. Mgmt.: Personnel Mgmt.	.3						
Admin. Mgmt.: All Other	.3						
Program Support	.2						
Info. Systems Mgmt.: Development	.2						
Info. Systems Mgmt.: Maintenance							
Info. Systems Mgmt.: Data Entry	.2						
Leg. Liaison, Support, & Analysis							
General Legal Functions							
Liaison: Other U.S. Gov. Agencies	.2						
Liaison: Donors & Institutions							
Liaison: General Public & Media	.2						
Clerical/Secretarial Support	1.5						
Other (identify):							
SUB-TOTALS	5.0						

A.I.D./WASHINGTON STAFFING IN WORKYEARS

Worksheet # 2

PROGRAM/PROJECT MANAGEMENT (BY SECTOR)

Bureau/Office Name: APRE/EM	Fiscal Year: 91 (9)
-----------------------------	---------------------

FUNCTIONAL CATEGORY	USDH	Other U.S.G.		Other Inst.		CONTRACTS	
	OE	OE	PR	OE	PR	OE	PR
Agriculture/Rural Development	.5						
Natural Resources Mgmt./ Environment/Energy							
Health/Child Survival/ Nutrition/AIDS							
Population/Family Planning							
Education/Human Resource Development							
Private Sector Activities (not included above)	5.0						
SUB TOTALS	5.5						

A.I.D./WASHINGTON STAFFING IN WORKYEARS

Worksheet # 3

MISCELLANEOUS PROGRAM/PROJECT MANAGEMENT

Bureau/Office Name: APRE/EM	Fiscal Year: 91 (9)
-----------------------------	---------------------

FUNCTIONAL CATEGORY	USDH	Other U.S.G.		Other Inst.		CONTRACTS	
	OE	OE	PR	OE	PR	OE	PR
Housing Guarantees							
Urban Development							
Disaster Activities							
Democracy Intvs./Admin. of Justice							
Infrastructure/Capital Projects							
American Schools & Hospitals Abrd.							
Other (identify):							
Worksheets 1,2,+3 TOTALS	10.5*						

*Projected actual usage

A.I.D./WASHINGTON STAFFING IN WORKYEARS

Worksheet # 1

GENERAL MANAGEMENT

Bureau/Office Name: APRE/EM	Fiscal Year: 92 (11)
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FUNCTIONAL CATEGORY	USDH	Other U.S.G.		Other Inst.		CONTRACTS	
	OE	OE	PR	OE	PR	OE	PR
Executive Direction	.5						
Policy Development	.2						
Planning & Budgeting	.2						
Program Assessment & Evaluation							
Project Design & Development	1.0						
Project Review							
Field Liaison	.3						
Financial Management	.2						
Admin. Mgmt.: Personnel Mgmt.	.3						
Admin. Mgmt.: All Other	.3						
Program Support	.2						
Info. Systems Mgmt.: Development	.2						
Info. Systems Mgmt.: Maintenance							
Info. Systems Mgmt.: Data Entry	.2						
Leg. Liaison, Support, & Analysis							
General Legal Functions							
Liaison: Other U.S. Gov. Agencies	.2						
Liaison: Donors & Institutions							
Liaison: General Public & Media	.2						
Clerical/Secretarial Support	1.5						
Other (identify):							
SUBTOTALS	5.5						

A.I.D./WASHINGTON STAFFING IN WORKYEARS

Worksheet # 2

PROGRAM/PROJECT MANAGEMENT (BY SECTOR)

Bureau/Office Name: APRE/EM	Fiscal Year: 92 (11)
------------------------------------	-----------------------------

FUNCTIONAL CATEGORY	USDH	Other U.S.G.		Other Int.		CONTRACTS	
	OE	OE	PR	OE	PR	OE	PR
Agriculture/Rural Development	0.5						
Natural Resources Mgmt./ Environment/Energy							
Health/Child Survival/ Nutrition/AIDS							
Population/Family Planning							
Education/Human Resource Development							
Private Sector Activities (not included above)	5.0						
SUB TOTALS	5.5						

A.I.D./WASHINGTON STAFFING IN WORKYEARS

Worksheet # 3

MISCELLANEOUS PROGRAM/PROJECT MANAGEMENT

Bureau/Office Name: APRE/EM	Fiscal Year: 92 (11)
------------------------------------	-----------------------------

FUNCTIONAL CATEGORY	USDH		Other U.S.G.		Other Inst.		CONTRACTS	
	OE	PR	OE	PR	OE	PR	OE	PR
Housing Guarantees								
Urban Development								
Disaster Activities								
Democracy Intvs./Admin. of Justice								
Infrastructure/Capital Projects								
American Schools & Hospitals Abrid.								
Other (identify):								
Worksheets 1, 2, +3 TOTALS	11							

APRIL EMERGING MARKETS (129940)
 FY 1993 ANNUAL BUDGET SUBMISSION

TABLE X: MICROENTERPRISE PROGRAMS
 (U.S. Dollars thousands)

FUNCTION FUND & FUNCTION	FY1990 ACTUAL	FY1991 ESTIMATE	FY1992 PLANNED	FY1993 PROPOSED
9400012 INTL EXECUTIVE SERVICE CORPS (IESC)	500	500	500	500
DA Training and Technical Assistance	500	500	500	500
PROJECT TOTAL:				
9402028 PRIVATE ENTERPRISE DEV SUPPORT		25		
DA Institutional Development & Support	44	25		
DA Policy/Regulatory Reform	44	50		
PROJECT TOTAL:				
940xxx4 PRIVATE SECTOR IQC			2	10
DA Training and Technical Assistance			2	10
DA Institutional Development & Support			1	10
DA Policy/Regulatory Reform			5	30
PROJECT TOTAL:				
REPORT TOTAL:	544	550	505	530

New Project Narrative

Project Number:	940-xxx1
Project Title:	International Executive Service Corps International Technology Transfer (IESC-ITT)
Life of Project Funding:	\$25 million
Proposed FY 1993 Obligation:	\$5 million
Appropriation Account:	Agriculture, Rural Development & Nutrition Private Sector, Energy & Environment

Project Purpose:

To promote private enterprise, and to improve the capabilities of private businesses in developing countries through the provision of managerial and technical assistance of retired U.S. executives, on a volunteer basis, to train and advise on production technology, quality control, marketing, and management.

Background:

IESC plays a unique role in A.I.D.'s private business partnership; it provides an exclusively business-to-business channel for the transfer of tried and tested management and production technologies. For over 25 years, A.I.D. has supported IESC as its primary PVO intermediary in private enterprise development. IESC has built a network of over 12,000 registered volunteer men and women in the U.S. and representatives on 46 countries who administer approximately 700 projects worldwide each year. A.I.D.-funded assistance focuses on private enterprise; assistance to privatizing state-owned-industries is undertaken in special cases, as in countries adopting a market-based economy. Host country businesses, educational institutions, manufacturing, producers and trade associations work through IESC's worldwide network to access volunteer executive (VE) services.

Core grant VE services traditionally have focus on agribusiness and enterprises linked to the rural sector, as well as light industry. The project has also served as a crucible for evolving specialized services which assist LDC industries to participate in international markets. The Trade and Investment Service (TIS), the American Business Linkage Enterprise (ABLE) and the USVE program are now separate IESC projects funded by LDC clients and A.I.D.

Core grant funds, averaging \$5 million annually, have been used to support IESC's basic volunteer executive (VE) consultancies. About 26 missions now supplement core grant support with their own IESC projects totalling about \$18 million. APRE and USAID missions have found greater efficiency in IESC use of A.I.D. funds if IESC clients and USAID missions finance in-country costs, leaving core grant to support headquarters administrative costs, activities in countries without USAID supplementary agreements, and special

activities (e.g. projects in democratizing countries and new services).

1993 Project:

Over the decade of the 90s, as agricultural economies become more diversified and as towns develop in rapidly growing economies, demand will grow further for improved technology in food processing, wood products, natural textiles and other rural-linked industries. IESC-ITT will carry on the traditional core grant emphasis on agricultural and rural development.

At the same time, as more countries join the ranks of open, industrializing economies, demand will also grow for private provision of public services and up to date, environmentally sound technologies. The new project will play a major role in A.I.D.'s business and environment strategies. IESC will offer technical and management support packages which include training and VE consultancies designed to address the top-to-bottom needs of rapidly growing industries. To ensure consistency with USAID environmental and private sector strategies, IESC will coordinate its efforts with existing and planned agency initiatives, such as the World Environment Center.

International Technology Transfer will provide \$5 million annually over five years. Consistent with the FY 1991 revisions to the core grant and USAID grants summarized in paragraph three above, ITT will finance headquarters administrative costs, in-country costs of activities where USAID missions have no IESC agreement, and special activities. It is anticipated that special activities will carry forward the traditional core grant "crucible" function, developing and spinning off service packages for which there is great demand. In addition to the "top-to-bottom" technical & management support packages, IESC is expected to develop similar packages for private provision of public health and education services.

New Project Narrative

Project Number: 940-xxx4
Project Title: Private Sector IQC
Life of Project: 3 years
LOP Funding: \$750,000
Proposed FY 92 Funding: \$ 50,000
Proposed FY 93 Funding: \$300,000
Appropriation Account: PSEE

Objective and Major Problem to be Addressed

The Agency's private sector initiative, launched in the early 1980s, has become a "mature" Agency product line and has spawned more targeted Agency activity in fields such as privatization and financial market reform. Despite the maturity of the initiative, it lacks a generic IQC such as that available for comparable sectoral services in agriculture, education, energy and the like. Establishment of an IQC providing mission access to qualified consultants in the field of private sector development will fill this gap and enable PRE to keep its projects focused on the leading edge of the business-development partnership.

Preliminary Description

PRE will establish an IQC covering various types of private sector contracting services most frequently requested by A.I.D. missions. A high premium would be placed on firms' ability to harness non-traditional assistance, e.g. people with direct business experience, to service mission needs. PRE would also plan to provide some Bureau funding to the IQC to enable it to undertake special projects, such as private sector training, and to underwrite the costs of regular reporting by the contracting firms to PRE on tasks undertaken.

CAGrigsby:u\empub\docs\peds\iqc:6/6/91

New Project Narrative

Project Number: 940-0018
 Project Title: Commercial Policy Reform
 Life of Project: 4 years
 LOP Funding: \$4 million
 Proposed FY 92 Funding: \$1 million
 Proposed FY 93 Funding: \$1 million
 Appropriation Account: PSEE/ARDN

Major Problem to be Addressed:

Fostering investment in developing countries is becoming a major objective for A.I.D. The policy environment -- tax laws, investment policies, regulations and licensing requirements, customs procedures and the like -- is the single most important determinant for businesses considering such investment. Developing country decision makers, most of whom only recently have begun to appreciate the need to attract investment through improvements in their policies, are in need of information and guidance in their efforts to revise and implement commercial policies.

Objective

To promote the cross-fertilization of information about successful commercial policy reform efforts, assist missions and recipient countries with changes in relevant policies to attract investment, and encourage additional countries to undertake such reforms.

Preliminary Project Description

The cutting edge of A.I.D.'s work in developing countries in years to come is to engage business involvement in development. One of the key ways to accomplish this is to help A.I.D. recipient countries create an environment for business which will make companies choose to invest in their economies. This project would aim to establish a locus of expertise in A.I.D. on policy and regulatory reform geared specifically toward investment attraction. To this end, the project would underwrite research, disseminate information, and provide technical assistance focused on aspects of commercial policy reform.

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New Project Narrative

Project Number: 940-xxx2
Project Title: Capital Finance
Life-of-Project Funding:
 AID/W Core Funding: \$ 5,000
 Mission/Bureau buy-in: \$10,000
 Total \$15,000
Proposed FY 93 Obligation: \$ 1,000
Appropriation Account: PSEE

Objective: To promote and strengthen the institutional and policy framework of the financing institutions that support private sector development. To support the growth of equity markets, and the financial technologies that make these work. To ensure the involvement of the U.S. financial community in these programs.

Problems Addressed and Means of Dealing with Them: As A.I.D.-assisted countries undergo the transition from state-controlled activities to a market and private sector approach, increased availability of financing becomes a critical requirement to accelerate their massive economic restructuring.

These capital-poor regions will face a world of tighter credit in the 1990s. Facing outsized demand for capital, huge debt write-offs for unpaid LDC debt, and stricter enforcement on lending by international regulators, commercial banks have retrenched lending activities both to developing countries and in their home markets. Equity investment can fill this gap in financing.

However, before bankers or investors are willing to place funds in any market, comprehensive legal and accounting systems must be in place to inspire confidence in the financial system. When these systems fail, as they have in the example of the recent case of the U.S. savings and loan industry, then there is havoc in the market.

The U.S. financial community, both the business sector as well as U.S. agencies such as the Securities and Exchange Commission, has a great deal of expertise and financial technologies to offer as part of this initiative, and every effort should be made to link these groups with their counterparts in A.I.D.-assisted countries.

It is proposed that the new project provide assistance through three mechanisms: a competitively bid contract to provide services; a PASA/RSSA arrangement with the Securities and Exchange Commission; and a grant to a well-respected training institution in the field of finance to provide the training and possibly access to the U.S. financial community to assist in this program. Such an institution could be the New York Institute of Finance.

Target Groups: Business and financial sector groups in A.I.D.-assisted countries, as well as officials of central banks, ministries of finance, stock exchanges, and regulatory financial

agencies.

PID Approval Authority: AID/W

Research Activities: Analytical and feasibility studies will be undertaken, only as these support the technical assistance and training objectives of the project.

Participant Training: Funds will be allocated through the training component of the project.

OFFICE OF EMERGING MARKETS
WORKFORCE AND OPERATING EXPENSE LEVELS

The workforce worksheets (FYs 1991 and 1992) and Table VIII(c) (FYs 1992-94) comply with ABS instructions. In the case of workforce, the instructions provided target levels of 10.5 FTE projected actual usage in FY 1991 and 11 FTE in FY 1992. In the case of OE, ABS guidance recommended increase of 3%, assuming a base-line for OE travel of \$25,900.

In its functional staffing pattern submitted recently to APRE/EMS and Bureau management, EM outlined the personnel needs of the office. The FY 1992 level of 11 FTE is inadequate to manage the ongoing portfolio of maturing projects of over \$73 million, as well as develop new initiatives to carry on the EM program in FY 1992 (two new starts) and FY 1993 (two new starts and a new sub-activity).

The Agency reorganization will result in a stand-alone PRE Bureau. EM must replace the loss of certain functions now carried out by APRE's Development Resources and Financial Management offices. In order to handle the significant project development burden over the next two years, assist in project close-out, and oversee EM's vulnerability assessment, we request that, in the reorganization, a Project Development Officer be assigned to EM. Similarly, with the transfer to another office of EM's Program Operations Financial Specialist, as part of the reorganization in the summer and fall of 1990, the office effectively lost its financial reporting system, and now requires a new FTE to reinstitute that reporting system for an ever-growing portfolio.

In fact, both of these new positions are required immediately. We request these positions for FY 1992, but no later than FY 1993. Without a project development officer, development of the FY 1992 initiatives may not be completed in time for a smooth transition from the PEDS project, and a gap in service to field missions will occur. Similarly, without the financial specialist, the development and implementation of a comprehensive financial oversight system will be delayed indefinitely, increasing EM's vulnerability in the management of its 50-75 buy-ins and core activities each year. These two additions would increase the total FTE level for APRE/EM to 13.

The OE/travel estimates are woefully below levels required for effective program management. The current travel level allows for approximately three international trips per year, plus

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very limited U.S. travel -- for an office with seven project managers and two office managers who must travel both for marketing and Agency representation. This level was even inadequate for this current fiscal year in which the Gulf crisis and war restricted travel for about half the year. Travel restrictions, whether imposed by international crises or a limited travel budget, of necessity adversely affect project performance, as reflected in a greatly reduced volume of buy-ins during the first half of this fiscal year.

With the volume of world-wide activities increasing under all EM projects, managers will simply have to increase their travel dramatically in order to manage those projects successfully. Currently proposed levels are not even close to being adequate. Unless the travel budgets in Tables VIII(c) are increased to at least \$60,000 to \$65,000 during the planning period, the office will not adequately supervise and market its services.