

METHODOLOGY
FOR
SECTOR ASSISTANCE REPORTING
SYSTEM

KMA & ASSOCIATES

INTRODUCTION

KMA & Associates, Inc. has developed a methodology defining private sector development which ensures a sound, accurate and cost-effective approach to the world-wide classification and reporting of funds expended by the U.S. Agency for International Development. In designing this methodology, KMA drew from its past experience in classifying and reporting FY1985 expenditures, using as a foundation the approach set out by A.I.D. in State Cable 239021. The cable outlined five "private sector categories" (shown below) but did not provide instructions or criteria for the allocation of expenditures among these categories sufficient to make them mutually-exclusive:

- Category A -- Direct assistance to the private sector;
- Category B --- Indirect assistance to the private sector through a public sector entity whose goal is direct assistance to the private sector;
- Category C -- Assistance to private voluntary and non-profit organizations;
- Category D -- Assistance used to influence change in the host government policy environment for private sector development; and
- Category E -- Public sector expenditures to support traditional public sector activities.

KMA's initial report under this contract discussed the numerous deficiencies in the FY1985 approach, and suggested necessary improvements. Some of the deficiencies had led to legitimate confusion among respondents and, thereby, highly inconsistent and/or incompatible reports on private sector development from the field. To recapitulate briefly, these

deficiencies included:

- A failure to focus on the purpose and specific goals of the data collection effort.
- The questionable efficacy of the categories specified in attempting to determine A.I.D.'s contribution to host country private sector development.
- The inclusion of a category of expenditures (FY1985 Category E) that supported public sector activities which provided marginal, if any, benefit to the private sector.
- The lack of clear and mutually exclusive definitional distinctions between categories, resulting in different missions allocating similar projects to different categories.
- The lack of definitional compatibility between all FY1985 categories (i.e., Category A identified flows to private sector recipients; Category B identified the private sector purpose of the assistance; Category C focused on recipients who were neither private nor public sector entities and made only brief mention of the private sector role of the assistance; Category D was limited to expenditures promoting host government policy changes; and Category E, as noted, addressed public sector expenditures although it was included as a "private sector category").
- A failure to provide useful guidelines to ensure verifiable project allocations. Indeed, the pertinent instructions for allocation to Category E in the cable recommended that mission personnel "structure [their] response to this section as it best fits your program."
- The request for information on "project costs", "life of project" figures and "FY1985 expenditures" without explaining how to distinguish in the reporting and classification of these figures which contributed to inconsistent field reporting.
- A failure to provide a standardized reporting format for use by all missions.

The deficiencies in the 1985 cable's approach resulted in four fundamental failures in field reporting:

- Large amounts of missing information.

- Submission of erroneous data.
- Inconsistency in interpretation and overall approach among mission reports.
- Failure to distinguish between obligations and expenditures in making allocations among the five categories.

These deficiencies became most painfully apparent in attempting to aggregate data for the Agency as a whole and delineating the relative percentage figures for each category.

SARS DEVELOPMENT

Summary Conclusions

Given the experience with the FY1985 data collection, analysis and reporting effort, AID/W recognized that a modified approach would be necessary to successfully determine the amount of A.I.D. assistance that ultimately flowed to the private sector or contributed to private sector development purposes. In the second report provided by KMA to A.I.D. under the current contract, a proposed approach for overcoming the deficiencies in the 1985 reporting program was developed. We have designated this new program the Sector Assistance Reporting System (SARS).

The SARS approach has been created conceptually around several basic premises:

- The establishment of a structured analytical approach that could be systematically and consistently applied by all field personnel to distinguish projects that promote private sector development from those that serve to promote public welfare.

- The determination of AID/W data needs and the purposes for which the data would be used.
- An understanding of the way in which missions interpret their field activities and apply instructions from AID/W, as well as collect, maintain and report information, in order to maximize mission efficiency and minimize the administrative burden imposed by reporting duties.
- The development of guidance documents and reporting forms which would be understandable to field personnel and satisfy AID/W data needs.

Background Development of SARS

AID/W's informational needs were determined through a series of meetings with officials in Washington. Officials interviewed included Neal Zank and Tom Dailey of PPC/PDPR/SP, Douglas Sheldon of PPC/PB/RPA, Helene Kaufman (Indonesia Desk Officer), David Cahn, Dick Williams, V. Lani Eliot, Compton Chase-Lansdale, and Charles L. Gladson of PRE, Russell Anderson of PRE/PD, John Tennant of EA/PD/ANE, Hathon Munson of AFR/PRE, and Michael Farbman of S&T, Frank Young of ANE/PD/MNE, and Benjamin Hawley (Jordan Desk Officer). The result of these meetings was a consensus on the need to divide categories and expand their definitions so that A.I.D.'s efforts to promote private sector development could be most accurately reflected.

It was emphasized that these categories and any sub-categories must reflect commonality among terms and uniformity among definitions. In addition, officials interviewed felt that recipients and benefactors should be differentiated, and that all expenditures (including economic support funds (ESF), development assistance (DA), the Commodity Import Program (CIP)

and PL480 should be incorporated in the system reporting.

Discussions also involved the relative advantages of separately aggregating roads, bridges and other physical infrastructure which might contribute to private sector development; the need to define clearly "parastatals" and to include them under the public sector category; concerns over the necessity and appropriateness of a separate "policy dialogue" category; the need to include private commercial farmers under the rubric of the private sector and to exclude subsistence farmers from the definition of private enterprise activity.

Reporting of Figures: Expenditures vs. Obligations

A good deal of discussion revolved around the most appropriate figures to use as a basis for calculations and reporting. The consensus in Washington and the field has been to base SARS on annual expenditure figures, because these are solid figures which represent an historical reality rather than an estimate or projection and, as such, could best be defended on Capitol Hill and before the Administration.

Some AID/W officials have stressed, however, that annual expenditures only show a snapshot of a given project and that if they were combined with the classification of coming year "obligation" figures and anticipated expenditures remaining through the LDP (life of project), a more meaningful presentation of A.I.D.'s contribution to indigenous private sector development could be demonstrated. There is some merit to this argument, but there may be a price to pay in attempting to classify obligations and

combined with the classification of coming year "obligation" figures and anticipated expenditures remaining through the LOP (life of project), a more meaningful presentation of A.I.D.'s contribution to indigenous private sector development could be demonstrated. There is some merit to this argument, but there may be a substantial price in attempting to classify obligations and LOP in addition to expenditures — that is, it would increase the administrative burden on field personnel completing reports and Central Bureau and AID/W personnel who will aggregate the data reported, and the added complexity may diminish the quality of data collected and compiled on expenditures alone. While the Jordan field study led the team to recommend that SARS be limited to expenditure figures, reiteration by AID/W officials of the need for the broader information caused the team to include in its Indonesia field research an expanded reporting model. The data collected was inconclusive, however, necessitating an additional field test in Kenya.

A related issue concerning the most appropriate figures to use involves defining what is meant by "expenditures" (and "obligations" if those figures are also used in the final system). In the FY1985 reports, mission figures for expenditures often varying substantially from the figures that were maintained by AID/W covering the same projects. It seemed that field personnel frequently reported all disbursement of funds during the fiscal year as expenditures for the year, but some of these funds were prior year monies that had not been expended in the year obligated.

This presented a problem in establishing verifiable base figures for a given mission and made it difficult to come up with a base aggregate of expenditures for the Agency from which percentages by categories could be consistently calculated and compared on an annual basis. To an extent this problem was resolved in the FY1985 reports by relying on the Project Assistance Information System (PAIS) figures.

Some officials claim that PAIS figures are incomplete and inaccurate and that the best record of expenditures is maintained by each individual mission. The risk in relying on individual missions to specify their expenditures is that each individual participating in SARS will apply slightly different approaches with an aggregated result that widely diverges from A.I.D. total expenditure figures and that on a year-to-year basis will defy consistent comparison.

With this potential problem in mind (it was a very real problem in the FY1985 reports), we recommend that centralized expenditure figures such as those used by PAIS be used for each project. Similarly, for expenditures not listed in PAIS, such as PL480, some other central repository of financial figures be used. While these figures may have some deficiencies, it should be easier to identify the systemic problems with the given financial reporting system and adjust for it, whereas relying on mission figures could be subject to so many variables that it would be difficult to know how accurate aggregate figures are. If a mission

disagrees with such centrally-generated figures for a given project, they should have the option of explaining the discrepancies and substituting their own figures if they are indeed more accurate.

Development of Classification System

In redesigning A.I.D.'s reporting system for expenditures (or obligations and LOP if that ultimately be the case) that promote private sector development, it was decided that a simple, clear and consistent analytical approach was essential. The structured approach designed and tested in the course of SARS development is based on a two-tier analytical model with mutually-exclusive "categories" and parallel, clearly-defined "sub-categories" that would best satisfy A.I.D.'s needs.

First, appropriate parameters for sector categories were established based on "who" was the initial recipient of the A.I.D. funds. Next, project expenditures would be allocated among sub-categories that were based on the intended purpose and/or ultimate end-user of A.I.D. assistance. Simply outlined, a project's initial recipient would determine the Category in which its expenditures would be placed and the intended purpose and/or the end-user of A.I.D. assistance would determine the allocation of project expenditures among that Category's sub-categories.

This approach eliminates the confusion that would arise in trying to measure and classify funds that could pass through different

entities and have varying incidental impact on several different sectors. The complexity of attempting to analyze a project without such a model can be illustrated by the example of a project whereby A.I.D. disburses funds directly to a host government entity to finance a private voluntary organization's building of a health clinic facility where private doctors will maintain offices and which will be built by local private sector construction firms with construction materials provided by a parastatal. Under these conditions, which are not that abstract, one could argue for the allocation of expenditures in any number of ways that would appear to be reasonable.

Category Development

Initially, four mutually-exclusive categories, essentially as follows, were identified:

Category A -- Direct assistance to private sector entities in the host country;

Category B -- Direct assistance to PVOs;

Category C -- Direct assistance to host country or regional public sector entities;

Category D -- Direct assistance to recipients which do not fall into other categories.

In allocating projects to these categories during the Jordan field trip, the need to develop more comprehensive category definitions became apparent. Also, Category D, which had evolved primarily out of a

need to address A.I.D. expenditures that were made directly to foreign private sector firms, such as U.S. consulting firms, and to serve as a catchall for recipients which did not fit in other categories was eliminated as a separate category. These expenditures would be ultimately captured in sub-categories that relate to the promotion of the private sector, if that indeed was the purpose of a given project.

Since the basic objective of SARS was to identify and report the allocation of A.I.D. expenditures that promote indigenous private sector development in host countries, it was determined that expenditures to U.S. and other foreign private sector firms had to be addressed in such a way that they did not distort the figures reported under Category A, yet it did not seem appropriate to establish a separate category for such recipients. To do so would require the same parallel sub-categories as used for the other categories. The pilot study in Jordan demonstrated that a separate catchall category such as Category D, would unnecessarily complicate the analytical approach and would provide little useful information in and of itself.

In the course of extensive discussions in the field, it was determined that the SARS model should be based on only three mutually-exclusive sectors that exist in national economies, namely: the commercial private sector, the non-commercial (i.e., voluntary or non-profit) private sector, and the public (or mixed ownership) sector. By careful construction of definitions, it was felt that any "initial recipient" could be described by one of these three categories.

The team decided to eliminate Category D in an effort not only better to serve A.I.D.'s informational needs, but would also to simplify the Category reporting format by one-quarter. Moreover, it was felt that A.I.D. expenditures made directly to U.S. and foreign sector firms would be characterized more appropriately as Category C expenditures, because in a sense the private contractors stood in A.I.D.'s shoes and should be treated for the purposes of SARS as a public sector entity. This approach is consistent with World Bank methodology. Accordingly, the Category C definition was expanded to include non-host country private sector firms who are the initial recipients of A.I.D. funds as "public sector entities."

In the course of discussions during the Indonesia field trip, it became apparent that there is a developing policy at A.I.D. to promote U.S. exports and U.S. firms as an adjunct to the provision of foreign assistance. While measuring expenditures and the number of projects devoted to this end may indeed be valuable to A.I.D. managers, any attempt to include such data in SARS would have been beyond the scope of the current contract.

The major difficulties encountered in delineating the scope of Categories A, B and C involved trying to anticipate the full range of different types of entities that might exist in national economies and serve as potential recipients of A.I.D. assistance. The first change required was a rather simple modification to the Category A definition by adding the words "in the host country" to prevent confusion that might arise with

regard to foreign private sector contractors (which, as stated above, have been included by definition as public sector recipients applicable to Category C).

Next, it became necessary to refine and expand Category B to adequately represent the entire range of non-commercial private sector entities. Therefore, in addition to private voluntary organizations, the revised definition includes private sector oriented, non-profit businesses or organizations (such as a think-tank/research center, an engineers' association, or a chamber of commerce), non-governmental organizations (such as a national development council, an independent commission on the environment, a political party, or labor union), and both public and private host country universities (added to reflect their unique position in the national economy). While public universities arguably could have been defined as "public sector entities" and included in Category C, it was decided that there is an element of independence in academia that is sufficient to justify including state universities as a Category B entity.

It was felt that Category C also required an expanded definition in order to be inclusive of the full range of entities which could be treated as "public sector." Therefore, along with host country government, regional public sector entities, and foreign contractors to A.I.D. or the host government, Category C now comprises mixed public/private ownership entities (i.e., autonomous corporations with a private sector shareownership of less than 100 percent) and parastatals (i.e., autonomous corporations with 100 percent government ownership).

The final definitions devised for these three categories delineating initial recipients are as follows:

- A. Private sector entities in the host country.
- B. Private voluntary organizations, non-governmental organizations and universities.
- C. Host country government entities, regional public sector entities, parastatals, foreign contractors to the host government, and U.S. private sector firms under contract to A.I.D.

Sub-Category Development

The establishment of sub-categories was an almost entirely new process, as the FY1985 system included only minimal division of expenditures below the category level. It was determined that the most useful division of expenditures at the sub-category level would be according to the end-user beneficiary and/or the intended purpose of A.I.D.'s assistance.

Furthermore, it was decided that such sub-categories should be uniform across the three sectors. Our intent in devising these new sub-categories has been to distinguish between activities which promote private enterprise (directly or indirectly), and those which serve other purposes. The sub-categories developed are:

- 1. The intended purpose of assistance is to promote private enterprise AND the end-user of the funds is a private sector entity;

2. The intended purpose of assistance is to promote private enterprise AND the end-user of the funds is NOT a private sector entity;
3. The intended purpose of assistance is for infrastructure development or for the general enhancement of human resources which contribute indirectly to private sector development; and
4. The intended purpose of assistance is to influence change in host country policies through "policy dialogue," for the purpose of promoting private enterprise, or to fund studies bearing on private enterprise development.
5. The intended purpose of assistance is for traditional public service, non-private sector policy dialogue or studies, humanitarian and social welfare programs, including infrastructure and training related to these purposes.

The first and second sub-categories represent projects which directly promote private enterprise, the distinction between the two being only the end-user. By making this distinction, AID/W can separately measure the amount of assistance that ultimately is made available to indigenous private sector firms for the purpose of encouraging private enterprise. Thus, projects whose purpose is to promote private enterprise and is carried out by a host country private sector entity would be placed in sub-category 1 of Category A, B or C, depending on who is the initial recipient of the A.I.D. funds. The expenditures listed in sub-categories A1, B1 and C1 could be aggregated to provide a comprehensive measure of A.I.D. funds used by private sector entities.

A project whose purpose is to promote private enterprise, but which is carried out by a non-private sector entity as the end-user of the

A.I.D. funds would be placed in sub-category 2. Whether it is a sub-category A2, B2, or C2 would again depend on the initial recipient.

Sub-category 3 was developed to respond to A.I.D.'s interest in segregating infrastructural development and training and measuring the extent of assistance devoted to such efforts. Thus, sub-category 3 represents a subset of sub-categories 1 and 2 which is limited to physical infrastructure that promotes private development and the development of human resources that benefit the private sector. This sub-category presents a difficult theoretical problem in designing SARS, because conceivably, expenditures on infrastructure and human resource development which promote private enterprise could be allocated to sub-categories 1 and 2. Thus, a larger element of judgment would have to be used by project officers in deciding whether an expenditure should be attributed to a subcategory 3 or 1 or 2, as the end-user may dictate.

In the case of sub-category 1, we were concerned simply with the distinction between infrastructure (physical or human) and other forms of private sector development. In fact, some might argue that sub-categories 1 and 3 could be merged into one sub-category when the end-user is a private sector entity and subcategories 2 and 3 could be merged when a non-private sector entity is the end-user of A.I.D. funds devoted to the purpose of private enterprise promotion. While this may be possible, we would argue that disaggregating these expenditures from more general private sector development expenditures is valuable because: a) private sector development may be only one of many purposes inherent in expenditures on

infrastructure and human resources, and b) infrastructure, even when intended for the benefit of the private sector, has a broader value for the host country at large.

Relevant expenditures would be classified under A3, B3 or C3 depending on the initial recipient of the A.I.D. funds. By separating out infrastructure and training, A.I.D. managers can evaluate the extent of assistance devoted to these purpose distinct from other activities which may tend to be less capital intensive.

Sub-category 4 was created to reflect the distinction between the direct promotion of private enterprise, and promotion of private enterprise which emerges from contact between A.I.D. and the host government. Since policy dialogue "presumes some disagreement between donor and recipient on desirable economic policies," this contact refers to cases in which the "recipient comes to view the policy advice as genuinely in the interest of its own economic progress."¹

This, therefore, does not include the simple presence of an A.I.D. mission in a particular country, whereby all mission expenditures could conceivably be classified as "policy dialogue" oriented. As to the difference between sub-category 2 and sub-category 4, it was determined that the primary purpose of the former is the direct promotion of private enterprise, while the primary purpose of the latter is changes in government

¹"Approaches to the Policy Dialogue," A.I.D. Policy Paper (Washington, DC: USAID, December, 1982), pp. 2,7.

policies which create a climate supportive of private enterprise. The private sector may benefit from these changes although, in many cases, this is a secondary or sub-purpose of the assistance, or is one of many secondary or sub-purposes (e.g., a rationalization of tax policies, which may aid the private sector, but which may also benefit individual income-earners and the government itself (through increased observance of the tax regulations and, thereby, increased revenues and decreased policing costs)).

Again, all policy dialogue expenditures which promote private enterprise should be placed under sub-category (4) regardless of the initial recipient. Thus, the relevant sub-categories would be A4, B4 or C4 depending on the initial recipient of the A.I.D. funds.

Sub-category 5 was designed essentially to replace Category E from the FY1985 system of classification, but with a more precise and complete definition. Humanitarian and social welfare programs and infrastructure and training related to those purposes were added to "traditional public service." These expenditures are not intended to promote private sector development, either directly or indirectly, and would fall under A5, B5 or C5 depending on who is the initial recipient of the A.I.D. funds.

PL 480 Classification

The PL 480 Program may appear at first glance to present special problems in allocation. Therefore, a brief summary of each component element and the expected allocation is provided below.

Title I, Section 101 -- Long term credit at low interest to friendly countries to assist in the financing of specific commodity imports from the U.S. The Department of Agriculture makes a loan for the purchase of the commodities and pays the difference in shipping costs between U.S. and foreign vessels. Local currency generated by Title I sales can be used for general budget support or for specific projects.

(SARS Allocation) -- For general budget support, funds would be allocated to sub-category C5; for project support, funds would be allocated throughout Category C, with the sub-category dependent on the end-user or intent of the project.

Title I, Section 106 -- Use of proceeds from Title I sales in the recipient country for private sector development activities, through government loans to financial intermediaries for on-lending to private entities. Proceeds may be granted to defray startup costs for cooperatives or PVOs which attempt to become financial intermediaries.

(SARS Allocation) -- Since the intent of the funds are to promote private sector development, and because the end-users are private

entities, assistance under Section 106 would be allocated to sub-category C1.

Title I, Section 108 -- Sales of foreign currencies which are to be loaned through private intermediaries to private entities within the recipient countries for the purpose of financing productive private enterprise investment within those countries.

(SARS Allocation) -- Like Section 106, the end-users of the funds are private entities and the intent is to finance private investment. However, the recipients are also private sector entities. Therefore, assistance provided under this section would be allocated to sub-category A1.

Title II, Section 206 -- Programs which seek to alleviate the underlying causes of a country's food problems, to increase the availability of food and the effectiveness of food distribution to the country's neediest population groups, to support health programs and projects, and to generate local currency to support development activities.

(SARS Allocation) -- With the exception of local currency generation, Section 206 assistance is considered humanitarian and should be allocated to sub-category C5. Local currency project support could be allocated throughout Category C, depending on the intent and/or end-user.

Title III -- Programs intended to support a wide range of

development activities in agricultural and rural development, nutrition, health services, and population planning. The main focus of these activities is increased food production and increased food availability to poor consumers.

(SARS Allocation) -- Almost all Title III expenditures would be allocated to sub-category C5. However, in those instances where the intent is to encourage policy and management reforms that make public enterprises more responsive to market forces or reduce public sector activity in the economy, assistance would be allocated to sub-category C3.

Section 406 -- Provides funds to send U.S. farmers to selected developing countries to share technical information and forge personal contacts. The objective is to improve purchasing power and the quality of life in rural communities.

(SARS Allocation) -- Subcategory C5.

Section 416 -- Provides food to targeted recipients in countries engaged in economic structural adjustment programs. Food would be provided to groups vulnerable to structural economic changes. Also encourages government reforms.

(SARS Allocation) -- Subcategory C5, except encouragement of policy reforms, under subcategory C3.

Section 1110 -- Uses U.S. food resources in support of developing country agricultural sector policy reform in four basic areas:

price policy; marketing reform; input supply and distribution policy; and private sector involvement.

(SARS Allocation) -- Subcategory C3.

Section 1112 -- Supports immunizations to improve child health and survival in developing countries.

(SARS Allocation) -- Subcategory C5.

Conclusion

These categories (A, B, and C) and subcategories (1, 2, 3, 4, and 5) have been added to the private sector development reporting form, along with basic information about individual projects. By breaking down expenditures in this manner, one need only scan from left to right (A1 to C5) across the SARS Form to get an immediate idea of the project's development purpose. Sub-categories can be grouped by sector or purpose to create numerous interpretive tools. A.I.D. officials can accurately measure its total financial commitments to the private sector in a myriad of ways, always aware both of the initial recipient mix and of those who benefit from A.I.D.'s assistance.

MANUAL
FOR
SECTOR ASSISTANCE REPORTING
SYSTEM

KMA & ASSOCIATES

APPENDIX "A"

ADMINISTRATOR LETTER TO MISSION DIRECTORS

INTRODUCTION

The Agency for International Development (A.I.D.) is determined to measure the amount of assistance flowing to the public and private sectors of host countries. The Bureau for Program and Policy Coordination (PPC) has devised a reporting system designated as the Sector Assistance Reporting System (SARS). The purpose of this Manual is to explain the SARS and to provide A.I.D. personnel with clear and consistent instructions for completion of their reports.

Field, regional, and central bureau officials must distinguish all assistance activities intended to promote private sector development from other activities that serve the public good. A.I.D. requires more precise data on the flows of assistance to A) private sector entities; B) private voluntary organizations (PVOs), non-governmental organizations (NGOs), and universities; and C) public sector entities, and their related sub-categories. With this information in hand, A.I.D. officials will know the allocation of assistance among the various sectors which utilize A.I.D. funds in host countries. This will enable officials and public representatives to understand and interpret A.I.D. funding directions in a meaningful way.

AID/W recognizes that administrative duties place a burden on its personnel and that completing voluminous reports on their activities may seem to detract from the larger mission. However, it must be remembered that the civil service and political appointees alike are all accountable to the American public and must carry out the policies of their representatives--elected officials. One of the four Policy Pillars of AID

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is the promotion of the indigenous private sector in each country. It is essential for sound management that AID senior management know what efforts are being made to carry out that policy. Also, AID/W must report to Congress on its progress in this regard. It goes without saying that Congressional Budget decisions rest on the quality of information provided to Congress about its programs.

In setting out to design a reporting program to measure the allocation of expenditures among sectors, two primary objectives were kept in mind:

1. Provide Congress with information that is reliable, verifiable and defensible.
2. Minimize the burden on field personnel of collecting, compiling and reporting the necessary information.

Obviously, the first year of reporting the allocation of expenditures among sectors will be the most difficult. With the benefit of this experience and knowledge of the SARS reporting scheme, the burden in future years should be substantially diminished. More importantly, sensitivity to a structured way of thinking about how expenditures can be allocated to maximize the private sector growth potential will serve field managers as a useful tool for advance program planning and allocation of obligations for future years.

PROGRAM OFFICER INSTRUCTIONS

The SARS consists of two forms; the SARS Worksheets for individual projects and the SARS Form for compilation of these worksheets. This instruction manual defines the process through which these forms are to be completed.

The SARS Worksheets are intended to be completed by project officers and are discussed in the subsequent section ("Project Officer Instructions"). The SARS Worksheet is reproduced as Exhibit C. Program Officers are simply required to distribute one Worksheet per project to their Project Officers, and check them for accuracy upon completion.

The more elaborate SARS Forms are to be completed by the Program Officer, using the information from the SARS Worksheets. The Form and the Worksheets provide the same substantive information but they differ in their presentation to facilitate data processing. Both contain brief notes on the project (by title and number; the SARS Form adds a description). Both offer fifteen sub-categories to which project expenditures are allocated. The SARS Forms will be set up for each mission in Washington, where AID/W officials will provide information with respect to headings 1, 2, & 4 (see Exhibit A). This leaves only heading 3--"Category"--to be completed by Mission personnel. This is simply a matter of transferring the figures shown under "Component Amount" from the SARS Worksheet (shown in Exhibit C) to the appropriate column under this heading on the SARS Form (see Exhibit B).

Country, Region, Office

INDONESIA, ANE, EED

Exhibit A

Fiscal Year Reported

FY87
Page 1

(1) PROJECT TITLE (Number) & App. Code	(2) EXPNDTR	(3) CATEGORY Initial Recipient (A, B, C) and End-User/Purpose (1,2,3,4,5) Code: DIR = Direct, INDR = Indirect, DLG = Policy Dialogue, I&T = Infrastructure & Training, H/SW = Humanitarian & Social Welfare)															(4) PROJECT DESCRIPTION (Comments and/or Clarification)
		PRIVATE SECTOR					PVO/NGO/UNIV					PUBLIC SECTOR					
		1 DIR	2 INDR	3 I&T	4 DLG	5 H/SW	1 DIR	2 INDR	3 I&T	4 DLG	5 H/SW	1 DIR	2 INDR	3 I&T	4 DLG	5 H/SW	
Expanded Program in Immunization (EPI) (497-0253)	1.800																Accelerate the national immunization program. Immunize 50-60% of the infant population against LPT and TB; vaccinate up to 50% of pregnant women with TT; improve "cold chain" performance; strengthen epidemiological surveillance capacity. Implemented by Ministry of Health.

Expenditure (Column 2). This refers to the amount of funds A.I.D. expended on the project in the applicable fiscal year, according to the Project Accounting Information System (PAIS).

If the expenditure figure for a project according to the Mission Accounting Control System (MACS) differs from the figure shown in PAIS, the MACS figure should be added in brackets [] beneath the PAIS figure in Column 2 of the SARS Form and used for categorization purposes. This discrepancy should be explained in Column 4 under "comments." Also, the "Total Expenditures" figure on the last page of the SARS Form should be similarly changed to reflect the total expenditure figure based on MACS.

Project Title, Number and Appropriation Code (Column 1). This refers to the title and number of each active project during the applicable fiscal year (e.g., October 1, 1986 - September 30, 1987). The appropriation code is the funding source designation (e.g., ES for Economic Support Fund).

Project Description. (Comments and/or clarification) (Column 4). A description of each project reported appears in this section of the report form. Following the description is a space for "comments," which will allow officials in the field to make any additional statements regarding the projects. They should use this space to correct any gross or egregious errors in the project description or other elements in the SARS Form based on their intimate on-site knowledge. A.I.D. personnel completing the SARS Form should focus their attention on classifying expenditures according to categories which will be described below rather than fine-tuning the project description.

In making assignments of expenditures among categories they should also clarify and explain their reasoning for any project classifications that appear, on their face, to be inconsistent with these instructions (e.g., listing as "public sector" an expenditure which would appear from the project title and project description as a private sector expenditure. This situation may occur because the host government either passively controls the entity through a minority shareholding, the private entity is a monopoly, or the government through its regulatory policies proscribes the independence of the entity).

Exhibit B

(1) PROJECT TITLE (Number) & App. Code	(2) EXPNDTR	(3) CATEGORY Initial Recipient (A, B, C) and End User/Purpose (1,2,3,4,5) Code: DIR - Direct, INDR - Indirect, DLG - Policy Dialogue, I&T - Infrastructure & Training, H/SW - Humanitarian & Social Welfare)															(4) PROJECT DESCRIPTION (Comments and/or Clarification)				
		PRIVATE SECTOR					PVO/NGO/UNIV					PUBLIC SECTOR									
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5					
DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW							
Provincial Area Development Program I (PDI I) (497-0264)	2.136				.498					.109					1.147					.382	Assist the GOI in decentralizing authority and funding for development planning and implementation to the provincial and lower levels of government. The provinces of Aceh and Central Java receive funding and authority to identify and implement development programs to increase incomes of rural poor.

COMMENTS:

Category (Column 3). These figures are the core output of the SARS. They are generated by project officers on the SARS worksheets (Exhibit C) and transferred to this sheet. The amounts listed should total to the figure shown in Column 2. If a discrepancy exists, a comment to that effect should be provided at right.

SARS Worksheet

Exhibit C

(1)	(2)	(3)	(4)	(5)
Subcategory	Initial Recipient	End-User	Purpose	Component Amount (\$)
[] A1	Private	Private	Private Enterprise	
[] A2	Private	Non-private	Private Enterprise	
[] A3	Private	Private or Non-private	Infrastructure/Training	
[] A4	Private	Private or Non-private	Policy Dialogue	
[] A5	Private	Non-private	Humanitarian/Social Welfare	
[] B1	PVO/NGO/UNIV	Private	Private Enterprise	
[] B2	PVO/NGO/UNIV	Non-private	Private/Enterprise	
[] B3	PVO/NGO/UNIV	Private or Non-private	Infrastructure/Training	
[] B4	PVO/NGO/UNIV	Private or Non-private	Policy/Dialogue	
[] B5	PVO/NGO/UNIV	Non-private	Humanitarian/Social Welfare	
[] C1	Public	Private	Private Enterprise	
[] C2	Public	Non-private	Private Enterprise	
[] C3	Public	Private or Non-private	Infrastructure/Training	
[] C4	Public	Private or Non-private	Policy Dialogue	
[] C5	Public	Non-private	Humanitarian/Social Welfare	

Total

Project Title/Number:

Project Officer/Title:

Mission/Office:

Date:

SARS CLASSIFICATION SYSTEM: COMPLETING WORKSHEETS AND FORMS

The Category heading of the SARS form (Column 3) is two-tiered, showing both the initial recipient and the end-user or intended purpose of the funds. This information is compiled from SARS Worksheets (Exhibit C). Project Officers will classify and quantify the project expenditures according to the categories and sub-categories defined below.

The initial recipient heading on the SARS form is divided into three mutually exclusive categories:

- A. Private sector entities in the host country (hereafter collectively referred to as PRIVATE SECTOR).
- B. Private voluntary organizations, non-governmental organizations, and universities (hereafter collectively referred to as PVO/NGO/UNIV); and
- C. Host country government entities, regional public sector entities, mixed public/private ownership entities, parastatals, foreign contractors to the host government, and U.S. private sector firms under contract to A.I.D. (hereafter collectively referred to as PUBLIC SECTOR).

On the SARS Worksheet, Categories A, B, and C are summarized as PRIVATE, PVO/NGO/UNIV, and PUBLIC, respectively, in column 2.

Within categories A, B, and C, there are sub-categories to classify expenditures according to the ultimate end-user and/or the intended purpose for which they are to be used. These sub-categories are:

1. Intended purpose of assistance is to promote private enterprise AND the end-user of the funds is a private sector entity (DIR);

2. Intended purpose of assistance is to promote private enterprise AND the end-user of the funds is NOT a private sector entity (INDR);
3. Intended purpose of assistance is for infrastructure development or for the general enhancement of human resources which contribute indirectly to private sector development (I&T);
4. Intended purpose of assistance is to influence change in host country policies through "policy dialogue," for the purpose of promoting private enterprise, or to fund studies bearing on private enterprise development (DIG); and
5. Intended purpose is for traditional public service, non-private sector policy dialogue or studies, humanitarian and social welfare programs, including infrastructure and training related to these purposes (H/SW).

In deciding how to characterize A.I.D. expenditures, persons completing the SARS Form should keep in mind the following questions:

1. Who is the initial recipient of the A.I.D. expenditure?
2. Who is the end-user of the funds derived from the A.I.D. expenditure?
3. What is the purpose or intent of the A.I.D. expenditure?

The SARS Worksheet reflects these questions by providing shorthand answers from which the project offices can quickly choose (columns 2-4).

In essence, Category selection (i.e., A, B or C) is dependent on who initially receives the assistance from A.I.D. Next, if a project's intent is to serve commercial activity or otherwise promote private enterprise development, it should be allocated to sub-categories 1, 2, 3, and/or 4. Specific classification of expenditures among these sub-categories depend on "end-user" and "purpose of project."

Dear _____,

In order to better inform Congress about the progress of relevant AID policies, we are determined to measure the amount of assistance flowing to the indigenous private sectors of host countries. In this regard, the Bureau for Program and Policy Coordination has devised a reporting system designated as the Sector Assistance Reporting System (SARS).

To successfully make use of this system, field, regional, and central bureau officials must distinguish all assistance activities intended to promote private sector development from other activities that serve the public good. More precise data is required on the flows of assistance to A) private sector entities; B) private voluntary organizations (PVOs), non-governmental organizations (NGOs), and universities; and C) public sector entities, and their related sub-categories.

We recognize that administrative duties such as this completion of this system place a burden on our field personnel and that completing voluminous reports on your activities may seem to detract from the larger mission. However, it must be remembered that the civil service and political appointees alike are all accountable to the American public and must carry out the policies of their representatives. One of the four Policy Pillars of AID is the promotion of the indigenous private sector in each country. It is essential for sound management that AID senior management know what efforts are being made to carry out that policy. Also, as noted above, AID/W must report to Congress on its progress in this regard. It goes without saying that Congressional Budget decisions rest on the quality of information provided to Congress about its programs.

Obviously, the first year of reporting the allocation of expenditures among sectors will be the most difficult. With the benefit of this experience and knowledge of the SARS reporting scheme, the burden in future years should be substantially diminished. More importantly, sensitivity to a structured way of thinking about how expenditures can be allocated to maximize the private sector growth potential will serve field managers as a useful tool for advance program planning and allocation of obligations for future years.

Signed

SARS Worksheet

(1)	(2)	(3)	(4)	(5)
Subcategory	Initial Recipient	End-User	Purpose	Component Amount (\$)
[] A1	Private	Private	Private Enterprise	
[] A2	Private	Non-private	Private Enterprise	
[] A3	Private	Private or Non-private	Infrastructure/Training	
[] A4	Private	Private or Non-private	Policy Dialogue	
[] A5	Private	Non-private	Humanitarian/Social Welfare	
[] B1	PVO/NGO/UNIV	Private	Private Enterprise	
[] B2	PVO/NGO/UNIV	Non-private	Private/Enterprise	
[] B3	PVO/NGO/UNIV	Private or Non-private	Infrastructure/Training	
[] B4	PVO/NGO/UNIV	Private or Non-private	Policy/Dialogue	
[] B5	PVO/NGO/UNIV	Non-private	Humanitarian/Social Welfare	
[] C1	Public	Private	Private Enterprise	
[] C2	Public	Non-private	Private Enterprise	
[] C3	Public	Private or Non-private	Infrastructure/Training	
[] C4	Public	Private or Non-private	Policy Dialogue	
[] C5	Public	Non-private	Humanitarian/Social Welfare	

Total

Project Title/Number:

Project Officer/Title:

Mission/Office:

Date:

It should be noted that in calculating a figure for total expenditures devoted to encouraging private sector development, all subcategories 1, 2, 3 and 4 expenditures are added together by the program officer on the SARS Form. So while the Category heading of "initial recipient" can provide insights in how AID funds are managed, the sub-category classifications are most relevant. This two-tier classification scheme does however provide a structure for analysis that is designed to avoid the pitfalls observed when field personnel attempted to complete their FY1985 reports.

Arguably, most development projects will have some impact on the private sector and make some contribution to private sector growth. When the purpose of a project (or components thereof) is not private sector development, however, the project should be assigned to sub-category 5 even though, in the long-run, it may have an incidental impact on the private sector.

Merging categories and sub-categories allows the precise classification of assistance funds. Many projects will involve expenditures which fall entirely into a single sub-category (e.g., A1 -- direct assistance to a private sector end-user for private sector development purposes), in which case all expenditures during the applicable fiscal year can be listed in that sub-category. In other cases, expenditures will be distributed among various sub-categories, and field personnel completing the SARS Worksheets and Forms must make allocations of those expenditures among the appropriate sub-categories.

Sometimes, precise figures will be available for these allocated expenditures; otherwise, field staff will have to exercise judgment based on their intimate knowledge of the project as to how much of a total expenditure should be allocated to a given sub-category. These allocations of expenditures should be listed on the SARS Worksheet and transferred to the SARS Form in dollar terms rather than in percentage terms.

CATEGORY DEFINITIONS

Category A represents direct assistance to or through the private sector. Sub-categories and relevant examples of assistance activities that should be classified under Category A are:

- A1. Direct assistance to host country private sector entities for the purpose of promoting private enterprise.
 - Provision of equipment and supplies directly to farmers by A.I.D. to expand production for the purpose of selling at market (this would exclude subsistence farming which is categorized under A5).
 - General support by A.I.D. to entrepreneurs to establish new businesses, such as the Bureau for Private Enterprise (PRE) project in Kenya which provided grants and loans to build a modern leather tannery to allow Kenyan entrepreneurs to turn raw hides into finished goods for export.
 - Transfer of business capital, technology and the like directly from A.I.D. to commercial farmers and businesses.
 - An A.I.D. Grant to a private firm to support the use of contraceptives through commercial marketing and distribution systems.

- An A.I.D. loan to capitalize an existing industry, such as the PRE Pakistan project that provided capital to a private sector factory manufacturing farm machinery and implements.
 - Job-related training of private sector employees where A.I.D. disburses the funds directly to the employees of their firms (this includes programs where there is cost sharing between A.I.D. and a private sector firm, but the private sector firm's contribution would not be included in A.I.D.'s expenditure amounts).
 - Increasing the productivity and competitiveness of individual industrial firms by introducing and/or improving management systems and practices.
- A2. Assistance which flows through private sector entities to non-private sector end-users for the purpose of promoting private enterprise.
- A host country consulting firm receiving an A.I.D. grant acts as an intermediary for funds flowing to municipal agencies for a seminar on filing business organization forms.
 - A private host country business receives an A.I.D. grant to host a conference on corporate tax structure, and sub-contracts the economics department of a local university to conduct the basic research.
- A3. Assistance to the private sector to improve infrastructure and enhance human resources which contribute indirectly to private sector development.
- Roads built by private contractors to A.I.D., intended to enable more farm produce to reach domestic or international markets.
 - Construction of hospitals, wastewater plants and the like where funds are directly expended by A.I.D. to a private firm, and where the specific intent of the project is to increase the construction firm's competitiveness.

- Private sector construction of an irrigation project which is intended to expand arable land available to commercial farmers.
 - Private development and management of forestry resources to enhance lumber and paper industries.
 - Establishment of a business management institute by a private sector entity.
 - Director sponsorship by A.I.D. of students receiving university or postgraduate education in business and commercial disciplines (as opposed to job-related training, which is categorized under A1).
- A4. Assistance which flows through the private sector to encourage change, through policy dialogue, in government policy.
- A.I.D. provides assistance to a host country private firm for a study aimed at eliminating market distortions related to government macro- or micro-economic management through changes in government regulatory policy.
- A5. Assistance to private sector entities not representing encouragement of the private sector (this would include expenditures for traditional public service, non-private sector policy dialogue or studies, humanitarian and social welfare programs, including infrastructure and training related to these purposes). Note: This subcategory is included primarily for the sake of internal consistency amongst the three categories.
- Provision of equipment and supplies to farmers to supplement subsistence levels.
 - AID contracts a host country private entity to construct hospitals, wastewater plants and the like where the end-result and/or intended purpose is essentially humanitarian.
 - Private development and management of parkland resources to retain topsoil or beautify landscape.

Category B represents assistance to or through private voluntary organizations (PVOs), non-profit organizations, other non-governmental organizations, and business associations (e.g., chambers of commerce) (NGOs), and public or private universities. Subcategories and relevant examples of assistance activities that should be classified under Category B are:

- B1. Assistance which flows through a PVO, NGO, or university to a private sector end-user for the purpose of promoting private enterprise.
- Provision of equipment and supplies by a PVO, NGO, or University to expand production for the purpose of selling at market (excluding subsistence farmers).
 - University research programs assisting small farmers to develop cash crops.
 - Grants and loans to a PVO or NGO for on-lending to private farmers.
- B2. Assistance which flows through a PVO, NGO, or university to a non-private sector end-users for the purpose of promoting private enterprise.
- A host country non-profit think-tank conducts a study to establish a commodities exchange market.
 - A rural technology transfer system project providing assistance to a local agricultural producers association or cooperative.
 - Provision of assistance, both financial and technical, to a local banking association institute.
 - Grants to NGOs to improve credit infrastructure by strengthening credit associations and financial management systems.

B3. Assistance to a PVO, NGO, or university to improve infrastructure or to enhance human resources which contribute indirectly to private sector development.

- An A.I.D. grant to establish a farmer's credit union.
- Provision of assistance to a host country chamber of commerce for the purpose of establishing a professional training institute.
- Provision of assistance to a host country non-profit think-tank to establish a business administration institute which is intended to establish a private sector program aimed at increasing exports and increasing the international competitiveness of host country private entities.
- Grants providing support to PVOs to assist NGOs devise development approaches which are catalytic to private enterprise.

B4. Assistance to a PVO, NGO, or university to encourage change, through policy dialogue, in government policy.

- A university is given an A.I.D. grant to analyze the impact of import or export controls for the purpose of providing the host government with data to support the revision of regulations that discourage private enterprise.
- Funds for the collection of data and the establishment of analytical frameworks as a foundation for promoting change in government policies, such as a project that will assist the government in implementing policies conducive to private sector investment and development through modernization and improvements in the business climate.

B5. Assistance to a PVO, NGO, or university not representing encouragement of the private sector (this would include expenditures for traditional public service, non-private sector policy dialogue or studies, humanitarian and social welfare programs, including infrastructure and training related to these purposes).

- Grant funds to PVOs to assist public institutions improve range management and incomes of low-income livestock owners.

- Provision of funds to an NGO or FVO to provide low-cost health care.
- Grants providing support to FVOs to assist unregistered, displaced persons by offering a job program and food assistance.

Category C represents A.I.D. assistance to host country governments, quasi-governmental units, parastatals, mixed sector entities, regional public sector entities (such as regional development banks), and non-host country government contractors and U.S. private sector firms under contract to A.I.D. All of these entities are grouped herein, by definition, as "Public Sector."

"Initial Recipients" who are U.S. private sector firms working for A.I.D. countries are treated for the purpose of SARS as Category C public sector entities because assistance flowing to or through them is not equivalent to direct assistance to host country private sector firms in terms of its impact on indigenous private sector development. As noted previously, however, if the purpose of the project to which U.S. private sector firms are assigned is to promote indigenous private sector development, that contribution will be captured through the sub-category 1, 2, 3 or 4 classification. All expenditures emanating from local currency accounts funded by the Commodity Import Program (CIP) should also be allocated to the relevant sub-category or sub-categories in Category C.

Sub-categories and relevant examples of other assistance activities that should be classified under Category C are:

- C1. Assistance which flows through a public sector intermediary to a private sector entity for the purpose of promoting private enterprise.
- Engaging a U.S. engineering firm to provide technical assistance to a host country private sector engineering firm.
 - Provision of assistance to a national development leasing corporation to finance transfers of U.S. leasing technology.
 - Provision of grants and loans to a ministry of finance to on-lend to small businesses.
 - Provision of collateral export guarantees through a government ministry.
- C2. Assistance which flows through a public sector entity to non-private sector end-users for the purpose of promoting private enterprise.
- Provision of assistance to a quasi-governmental corporation for the purpose of creating a national business promotion unit.
 - Dissemination, by government ministries, of appropriate technology to private farms, businesses, etc.
- C3. Assistance to a public sector entity to improve infrastructure or enhance human resources which contribute indirectly to private sector development.
- An educational program offered by a host government entity and designed specifically to teach entrepreneurship and business skills (as opposed to more generalized educational skills, which is categorized under A5).
 - Assistance to a host government to support agricultural or technical schools which support graduates entering the private sector.

- Construction of demonstration industrial or agricultural facilities with extension services to promote private sector investment in surrounding areas.
 - Construction of agricultural research facilities which will expand farmers' productive capacity.
 - Construction of roads, bridges, telecommunications systems and other infrastructure by the host government that facilitate private sector production and marketing.
- C4. Assistance to a public sector entity to encourage change, through policy dialogue, in government policy.
- Assistance devoted to increasing the private sector's access to foreign exchange.
 - Assistance devoted to removing investment and export barriers.
 - Financing the divestiture of parastatals.
 - Financing policy analyses that examine the constraints on private sector growth.
 - Engaging a U.S. consulting firm to study the impact of tax rate changes in a host country (such an effort could affect the promotion of private sector development in a host country but, in this case, the funds would not reach the country in question).
- C5. Assistance to a public sector entity not representing encouragement of the private sector (this would include expenditures for traditional public service, non-private sector policy dialogue or studies, humanitarian and social welfare programs, including infrastructure and training related to these purposes).
- Construction of government office buildings, schools, health clinics, water and wastewater facilities, and facilities for food distribution.

- Construction of roads, bridges, telecommunications systems and other infrastructure that have little or no impact on private sector development.
- Training of government officials to enhance public sector institutional capacity for tax administration.
- Training to upgrade the managerial skills of host country government personnel.
- Establishment of a host country seismic remote sensing network.
- Financing a government study on urban development.
- Grants to increase productive employment opportunities for rural populations through national development banks or ministries of commerce.

APPENDIX "B"

BLANK SARS WORKSHEETS

SARS Worksheet

(1)	(2)	(3)	(4)	(5)
Subcategory	Initial Recipient	End-User	Purpose	Component Amount (\$)
[] A1	Private	Private	Private Enterprise	
[] A2	Private	Non-private	Private Enterprise	
[] A3	Private	Private or Non-private	Infrastructure/Training	
[] A4	Private	Private or Non-private	Policy Dialogue	
[] A5	Private	Non-private	Humanitarian/Social Welfare	
[] B1	PVO/NGO/UNIV	Private	Private Enterprise	
[] B2	PVO/NGO/UNIV	Non-private	Private/Enterprise	
[] B3	PVO/NGO/UNIV	Private or Non-private	Infrastructure/Training	
[] B4	PVO/NGO/UNIV	Private or Non-private	Policy/Dialogue	
[] B5	PVO/NGO/UNIV	Non-private	Humanitarian/Social Welfare	
[] C1	Public	Private	Private Enterprise	
[] C2	Public	Non-private	Private Enterprise	
[] C3	Public	Private or Non-private	Infrastructure/Training	
[] C4	Public	Private or Non-private	Policy Dialogue	
[] C5	Public	Non-private	Humanitarian/Social Welfare	

Total

Project Title/Number:

Project Officer/Title:

Mission/Office:

Date:

APPENDIX "C"

BLANK SARS FORM

(1) PROJECT TITLE (Number) & App. Code	(2) EXPNDTR	(3) CATEGORY Initial Recipient (A, B, C) and End-User/Purpose (1,2,3,4,5) Code: DIR - Direct, INDR - Indirect, DLG - Policy Dialogue, I&T - Infrastructure & Training, H/SW - Humanitarian & Social Welfare)	(4) PROJECT DESCRIPTION (Comments and/or Clarification)													
		PRIVATE SECTOR	PVO/NGO/UNIV	PUBLIC SECTOR												
		A	B	C												
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
		DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW

APPENDIX "D"

INDONESIA SARS FIELD TEST FORMS

(1) PROJECT TITLE (Number) & App. Code	(2) EXPNDTR	(3) CATEGORY Initial Recipient (A, B, C) and End-User/Purpose (1,2,3,4,5) Code: DIR = Direct, INDR = Indirect, DLG = Policy Dialogue, I&T = Infrastructure & Training, H/SW = Humanitarian & Social Welfare)										(4) PROJECT DESCRIPTION (Comments and/or Clarification)					
		PRIVATE SECTOR					PVO/NGO/UNIV						PUBLIC SECTOR				
		A					B						C				
		1	2	3	4	5	1	2	3	4	5		1	2	3	4	5
DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW			
Expanded Program in Immunization (EPI) (497-0253)	1.800															1.800	Accelerate the national immunization program. Immunize 50-60% of the infant population against DPT and TB; vaccinate up to 50% of pregnant women with TT; improve "cold chain" performance; strengthen epidemiological surveillance capacity. Implemented by Ministry of Health.
																	COMMENTS:
Sumatra Agricultural Research (497-0263)	0.545															.545	Expand and improve agricultural research facilities which address production constraints characteristic of Sumatra. Increase agricultural production, rural employment and incomes in Sumatra. Implemented by Ministry of Agriculture.
																	COMMENTS:

(1) PROJECT TITLE (Number) & App. Code	(2) EXPNDTR	(3) CATEGORY Initial Recipient (A, B, C) and End-User/Purpose (1,2,3,4,5) Code: DIR = Direct, INDR = Indirect, DLG = Policy Dialogue, I&T = Infrastructure & Training, H/SW = Humanitarian & Social Welfare)															(4) PROJECT DESCRIPTION (Comments and/or Clarification)
		PRIVATE SECTOR					PVO/NGO/UNIV					PUBLIC SECTOR					
		A					B					C					
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	
DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW			
Health Training Development (HTR&D) (497-0273)	1.724															1.724	Strengthen the Ministry of Health's institutional capability to plan, implement and evaluate the recruitment, training, and management of public health personnel; conduct applied research; develop a Management Information System (MIS) for services and personnel; and develop a Diarrheal Disease Control (CDD) Program.
																	COMMENTS:
Provincial Area Development Program II (PDP II) (497-0276)	5.862				1.829					.543					2.617	.873	Assist the GOI in decentralizing planning and implementation of rural development programs which increase incomes of rural poor. Identical to PDP I, but is implemented in 6 provinces of Bengkulu, East Java, West Java, South Kalimantan, East Nusa Tenggara (NTT), and West Nusa Tenggara (NTB).
																	COMMENTS:

(1) PROJECT TITLE (Number) & App. Code	(2) EXPNDTR	(3) CATEGORY Initial Recipient (A, B, C) and End-User/Purpose (1,2,3,4,5) Code: DIR = Direct, INDR = Indirect, DLG = Policy Dialogue, I&T = Infrastructure & Training, H/SW = Humanitarian & Social Welfare)															(4) PROJECT DESCRIPTION (Comments and/or Clarification)		
		PRIVATE SECTOR					PVO/NGO/UNIV					PUBLIC SECTOR							
		A					B					C							
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5			
DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW					
Citanduy II (497-0281)	2.714																	.500 2.214	Establish local and national capacity to plan and implement a comprehensive watershed management program in the Citanduy Basin. Implemented by Ministry of Home Affairs. Agriculture, Forestry, and Power and Water.
																			COMMENTS:
Western Universities Ag. Education (497-0297)	2.200																	2.200	Strengthen the capabilities of the faculties of agriculture and related disciplines of the 11 member institutions of the Association of Western Universities (BKS-B), with particular concentration under phase II of the universities of Riau, Lampung, and Syiah Kuala. Implemented by the Ministry of Education and Culture.
																			COMMENTS:

(1) PROJECT TITLE (Number) & App. Code	(2) EXPNDTR	(3) CATEGORY Initial Recipient (A, B, C) and End-User/Purpose (1,2,3,4,5) Code: DIR = Direct, INDR = Indirect, DLG = Policy Dialogue, I&T = Infrastructure & Training, H/SW = Humanitarian & Social Welfare										(4) PROJECT DESCRIPTION (Comments and/or Clarification)					
		PRIVATE SECTOR					PVO/NGC/UNIV						PUBLIC SECTOR				
		A					B						C				
		1	2	3	4	5	1	2	3	4	5		1	2	3	4	5
DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW			
Upland Agriculture and Conservation (497-0311)	1.988											.388	1		70	Increase farm production and incomes, while minimizing soil erosion, in densely populated upland areas of Java by improving farming systems and farm technologies and management. Improve the capacities of local government units to implement this type of program. Implemented by Ministries of Home Affairs, Forestry and Agriculture.	
COMMENTS:																	
Comprehensive Health Improvement Program- Province Specific (CHIPPS) (497-0325)	2.284											0.050	2.234			Assist the GOI to strengthen provincial capabilities to deliver services in 3 outer island provinces by increasing the number of paramedical personnel and by improving the capabilities of provincial officials to target, manage and evaluate their health/nutrition activities.	
COMMENTS:																	

(1) PROJECT TITLE (Number) & App. Code	(2) EXPNDTR	(3) CATEGORY Initial Recipient (A, B, C) and End-User/Purpose (1,2,3,4,5) Code: DIR = Direct, INDR = Indirect, DLG = Policy Dialogue, I&T = Infrastructure & Training, H/SW = Humanitarian & Social Welfare)										(4) PROJECT DESCRIPTION (Comments and/or Clarification)						
		PRIVATE SECTOR					PVO/NGO/UNIV						PUBLIC SECTOR					
		A					B						C					
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5		
		DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW		
Private Sector Development (497-0329)	2.017 1.167						.050										.800	Test methods of increasing private sector's contribution to development by facilitating foreign investment to areas with high employment potential, studying linkages between highly capital intensive investment and local economics, identifying and addressing constraints on enterprise development and assisting in policy reforms affecting private sector growth. Implemented by Ministries of Finance, Home Affairs, and others.
																		COMMENTS:

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(1) PROJECT TITLE (Number) & App. Code	(2) EXPNDTR	(3) CATEGORY Initial Recipient (A, B, C) and End-User/Purpose (1,2,3,4,5) Code: DIR = Direct, INDR = Indirect, DLG = Policy Dialogue, I&T = Infrastructure & Training, H/SW = Humanitarian & Social Welfare)															(4) PROJECT DESCRIPTION (Comments and/or Clarification)			
		PRIVATE SECTOR					PVO/NGO/UNIV					PUBLIC SECTOR								
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5				
DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW						
PUSPIPTEK Energy Laboratory (497-0333)	1.333																		1.333	Assist the GOI in (a) establishing a viable, professional energy research and development center, the PUSPIPTEK Energy Laboratory (LSDE), provide an Advisor to the Chairman of BPPT to identify opportunities for U.S. private sector in Indonesian technological and industrial plans and (b) a cooperative program with the U.S. National Academy of Sciences (NAS).
COMMENTS:																				
PVO Co-Financing II (497-0336)	2.204					.434	.095	.168	1.507											Multiply and improve local development efforts in Indonesia within the priority sectors of AID assistance: Food and Nutrition, Health and Population, Education and Human Resources Development and Selected Development activities. Implemented by 18 US and 9 Indonesian PVOs.
COMMENTS:																				

(1) PROJECT TITLE (Number) & App. Code	(2) EXPNDTR	(3) CATEGORY Initial Recipient (A, B, C) and End-User/Purpose (1,2,3,4,5) Code: DIR = Direct, INDR = Indirect, DLG = Policy Dialogue, I&T = Infrastructure & Training, H/SW = Humanitarian & Social Welfare)															(4) PROJECT DESCRIPTION (Comments and/or Clarification)	
		PRIVATE SECTOR					PVO/NGO/UNIV					PUBLIC SECTOR						
		A					B					C						
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5		
		DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW		
Education Policy and Planning (497-0344)	1.043																1.043	Improve the institutional capacity of the Ministry to undertake policy research and analysis and to formulate better long-term plans and policies based upon better information and analysis.
																		COMMENTS:
Private Sector Management Development (497-0345)	0.909																0.909	Improve management development in Indonesia's private sector by assisting IPPM (Institut Pendidikan & Pembinaan Manajemen/Management Training & Education Institute) with with planning, staff training, research and curriculum development, assistance to other management institutions and organizations involved in small business development.
																		COMMENTS:

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(1) PROJECT TITLE (Number) & App. Code	(2) EXPNDTR	(3) CATEGORY Initial Recipient (A, B, C, and End-User/Purpose (1,2,3,4,5) Code: DIR = Direct, INDR = Indirect, DLG = Policy Dialogue, I&T = Infrastructure & Training, H/SW = Humanitarian & Social Welfare)															(4) PROJECT DESCRIPTION (Comments and/or Clarification)				
		PRIVATE SECTOR					PVO/NGO/UNIV					PUBLIC SECTOR									
		A					B					C									
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5					
DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW							
Small Scale Irrigation Management (497-0347)	0.603							.014									.450			.139	Design and apply irrigation technologies & management systems that support diversified cropping patterns in selected eastern islands. Irrigation systems financed under the project will be designed and managed to the maximum extent feasible for diversified cropping. Implemented by Ministry of Public Works.
COMMENTS:																					
Faculties of Public Health (497-0348)	0.928																	0.928			Assist the Government of Indonesia to expand and regionalize public health education and research by strengthening public health training program in selected universities to supply manpower, conduct research and provide technical assistance to the MOH, BKKBN and other public and other public and private sector agencies involved in health and family planning service delivery.
COMMENTS:																					

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(1) PROJECT TITLE (Number) & App. Code	(2) EXPNDTR	(3) CATEGORY Initial Recipient (A, B, C) and End-User/Purpose (1,2,3,4,5) Code: DIR = Direct, INDR = Indirect, DLG = Policy Dialogue, I&T = Infrastructure & Training, H/SW = Humanitarian & Social Welfare)															(4) PROJECT DESCRIPTION (Comments and/or Clarification)	
		PRIVATE SECTOR					PVO/NGC/UNIV					PUBLIC SECTOR						
		A					B					C						
		1	2	3	4	5	1	2	3	4	5	1	2	3	4	5		
		DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW		
Fisheries Research and Development (497-0352)	0.032																.032	Install viable fisheries research programs at MOA and key universities that will address significant regional fisheries' production and marketing constraints. COMMENTS:
Rural Roads Maintenance (497-0353)																		Construction and maintenance of rural roads. Implemented by the Ministry of Home Affairs COMMENTS:
Agriculture Rural Sector Program (497-0357)																		Assist GOI through policy reform in increasing rural employment. Diversify agriculture and mobilize resources to increase rural incomes. Implemented by National Development Planning Board. COMMENTS:

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SUMMARY RECAPITULATION OF CATEGORIES BY INITIAL RECIPIENT AND END-USER/PURPOSE

	PRIVATE SECTOR					PVO/NGO/UNIV					PUBLIC/MIXED SECTOR				
	A					B					C				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW
Total Expenditures in U.S. \$Millions (100%)	1.167 (2.2%)	()	()	.244 (0.5%)	2.327 (4.4%)	1.393 (2.6%)	()	2.309 (4.3%)	1.000 (1.9%)	2.159 (4.0%)	5.961 (11.1%)	3.291 (6.2%)	8.949 (16.7%)	1.393 (2.6%)	23.281 (43.5%)
Total Expenditures by Sub-Category:	1 Dir	\$	<u>8.521</u>		(15.9%)										
	2 Indr		<u>3.291</u>		(6.2%)										
	3 I&T		<u>11.258</u>		(21.1%)										
	4 DLG		<u>2.637</u>		(4.9%)										
Subtotal of Expenditures Promoting Private Sector Development (1,2,3 & 4)			<u>25.707</u>		(48.1%)										
	5 H/SW		<u>27.767</u>		(51.9%)										
Reported Project Expenditures:			<u>53.474</u>												

Comments:

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(LOCAL CURRENCY GENERATION)

SUMMARY RECAPITULATION OF CATEGORIES BY INITIAL RECIPIENT AND END-USER/PURPOSE

	PRIVATE SECTOR					PVO/NGO/UNIV					PUBLIC/MIXED SECTOR					
	A					B					C					
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	
	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	DIR	INDR	I&T	DLG	H/SW	
Total Expenditures in U.S. \$Millions (100%)	()	()	()	()	()	()	()	()
						1.200		15.000		21.800						
	(	3.0%)	(	39.0%)	(	57.0%)					(	3.0%)	(	39.0%)	(	57.0%)
Total Expenditures by Sub-Category:	1	Dir	\$	<u>1.200</u>	(	3.0%)										
	2	Indr		_____	(	3.0%)										
	3	I&T		<u>15.000</u>	(	39.0%)										
	4	DLG		_____	(	3.0%)										
Subtotal of Expenditures Promoting Private Sector Development (1,2,3 & 4)				<u>16.200</u>	(	43.0%)										
	5	H/SW		<u>21.800</u>	(	57.0%)										
Reported Project Expenditures:				<u>38.000</u>												

Comments: