

**AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT**



**ANNUAL BUDGET SUBMISSION  
FY 1980**

**KOREA**

BEST AVAILABLE

**DEPARTMENT  
OF  
STATE**

JUNE 1978



## SUMMARY NARRATIVE STATEMENT

From a developmental standpoint, Korea is fast approaching the status of an AID graduate. There are no further AID Development Loans or Grants planned for Korea. PL 480, Title I, Agreements in FY 1979 and 1980 will conclude the U. S. Government's commitments under the 1971 Kennedy Understanding.

USAID/Korea's continuing efforts during FY 1979 and 1980 will be directed at:

- Implementation of the remaining loan projects with an estimated \$8.2 million pipeline as of 9/30/78.
- Provision of the remaining commitment under the PL 480, Title I, Program: \$56 million in FY 1979 and \$41 million in FY 1980.
- Implementation of the existing Housing Investment Guaranty Program with an estimated \$45.0 million pipeline as of 9/30/78.
- Implementation and monitoring of Regional Operational Program Grants to Private Voluntary Organizations with an estimated \$1.5 million pipeline as of 9/30/78.
- Implementation and monitoring of selected centrally-funded research activities.
- Development of agricultural research linkages for possible support under Title XII.
- Development of reimbursable development programs.

The only assistance proposed for FY 1980 is PL 480 Title I in the amount of \$41 million at the minimum funding level. This represents the outstanding balance under the Kennedy Understanding. All other funding levels for USAID/Korea have no relevance. The estimated workforce and the Operating Expenses requirements contained herein are based on the continuing efforts noted above and reflect our best judgements as to the minimum resources required to bring the AID operations to a fruitful close.

Submitted by: \_\_\_\_\_


  
William E. Paupe  
USAID Representative Korea

Table ILong Range Program Plan 1/  
(\$ Million)

	<u>1979</u>	<u>1980</u> <u>Request</u>	<u>Planned Period</u>			
			<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>
Food/Nutrition						
Grants						
Loans						
Population						
Grants						
Loans						
Health						
Grants						
Loans						
Education						
Grants						
Loans						
Selected Development Activities						
Grants						
Loans						
Total Funcational Accounts						
Grants						
Loans						
Other Accounts						
Grants						
Loans						
PL 480 (non-add)						
Title I		(56.0) <sup>2/</sup>	(41.0) <sup>2/</sup>			
Title II		(56.0)	(41.0)			
HIGs (non-add)						

1/ Operational Program Grants (OPGs) and Project Development & Support (PDS) are not included. See Table II and III for OPGs and PDS.

2/ Excludes \$32.0 million rice component.

Table II

Funding Levels for FY 1978, FY 1979, FY 1980  
(In \$000)

	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>
<u>Food/Nutrition</u>	<u>454.7</u>	_____	_____
Grants	454.7		
Model Nutrition Education System (MFM) OPG - USAID/K-78-2	(199.4)		
Dairy Training (PSBF) OPG - USAID/K-78-3	(215.3)		
Evaluation of Irrigation Loan Project - PDS	(40.0)		
Loans - None			
<u>Population/Health</u>	<u>20.0</u>	_____	_____
Grants	20.0		
Loans - None			
(Population)			
Grants - None			
Loans - None			
(Health)			
Grants	20.0		
Evaluation of Health Demonstration Loan Project - PDS	(20.0)		
Loans - None			
<u>Education</u>	<u>668.9</u>	_____	_____
Grants	668.9		
Better Jobs for Women(YWCA) OPG - USAID/K-78-1	(171.3)		
Regional Community Training (CDF) OPG - USAID/K-78-4	(497.6)		

C-1 Education (Cont'd)

	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>
Loans - None			
<u>Selected Development Activities</u>	_____	_____	_____
Grants - None			
Loans - None			
<u>Sub-Total:</u>	<u>1,143.6</u>	_____	_____
Grants	1,143.6		
Loans	-	-	-
 <u>Security Supporting Assistance</u>			
Grants - None			
Loans - None			
<u>Total:</u>	<u>1,143.6</u>	_____	_____
<u>P. L. 480</u>	<u>59,500.0</u>	<u>56,000.0</u>	<u>41,000.0</u>
Title I	(59,500.0)	(56,000.0)	(41,000.0)
Title II			
 <u>Housing Investment Guaranties</u>	<u>25,000.0</u>	_____	_____

1/ Excludes \$32.0 million of rice component.

AGENCY FOR INTERNATIONAL DEVELOPMENT				1. TRANSACTION CODE		2. ABS/CP					
C-2 ABS/CP SUMMARY - TABLE III		A		A = ADD C = CHANGE D = DELETE		DOCUMENT CODE 6					
3. COUNTRY/ENTITY		4. DOCUMENT REVISION NO.		5. OPERATIONAL YEAR FY		6. BUREAU/OFFICE					
Korea				80		Asia [04]					
7. GEOGRAPHIC CODE				[489]							
8. TYPE DATA				9. TYPE ASSISTANCE							
[1] 1 = ABS 2 = ABS REVISION 3 = CP 4 = CP NOTIFICATION				[1] 1 = PROJECT 2 = PROGRAM							
10. PROJECT SEQ. - UENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. STR. FOR OBLIG.	13. EST. AUTH. OBLIG. FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN GRANT INDICATOR	17. BUDGETS (IN \$ 000)				
							AY	OY	BY	LOP	
	<u>Food/Nutrition</u>						<u>455</u>			<u>455</u>	
	<u>Grants</u>						—			<u>455</u>	
USAID/K -78-2	Model Nutrition Education System (MFM) OPG	2	78	FN	300B	GN	200			200	
USAID/K -78-3	Dairy Training (PSBF) OPG	3	78	FN	242B	GN	215			215	
	Evaluation of Irrigation Loan Project - PDS	3	78	FN	293B	GN	40			40	
	<u>Loans - None</u>										
	<u>Population/Health</u>						<u>20</u>			<u>20</u>	
	<u>Grants</u>						<u>20</u>			<u>20</u>	
	Evaluation of Health Demonstration Loan Project - PDS	3	78	PH	593B	GN	20			20	
	<u>Loans - None</u>										
							18. DATE DOCUMENT RECEIVED IN AID/W				
							MM	DD	YY		

AGENCY FOR INTERNATIONAL DEVELOPMENT				1. TRANSACTION CODE <b>A</b> A = ADD C = CHANGE D = DELETE		2. ABS/CP DOCUMENT CODE 6					
C-2 ABS/CP SUMMARY - TABLE III				3. DOCUMENT REVISION NO. <input type="checkbox"/>		4. OPERATIONAL YEAR FY <b>80</b>					
5. COUNTRY/ENTITY Korea				6. BUREAU/OFFICE A. SYMBOL Asia B. CODE <b>04</b>		7. GEOGRAPHIC CODE <b>489</b>					
8. TYPE DATA <b>1</b> 1 = ABS 3 = CP 2 = ABS REVISION 4 = CP NOTIFICATION				9. TYPE ASSISTANCE <b>1</b> 1 = PROJECT 2 = PROGRAM							
10. PROJECT SOURCE REFERENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLIGATION	13. EST. FY AUTH. OBLIG. FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN GRANT INDICATOR	17. BUDGETS (IN \$ 000)				
							AY	OY	BY	LOP	
	<u>Education</u>						669			669	
	<u>Grants</u>						669			669	
USAID/K -78-1	Better Jobs for Women (YWCA) OPG	2	78	EH	612B	GN	171			171	
USAID/K -78-4	Regional Community Training (CDF) OPG	3	78	EH	712B	GN	498			498	
	<u>Loans - None</u>										
	<u>Selected Development Activities</u>										
	<u>Total:</u>						<u>1,144</u>			<u>1,144</u>	
	<u>Grants</u>						1,144			1,144	
	(OPG)						(1,084)			(1,084)	
	(PDS)						(60)			(60)	
	<u>Loans - None</u>										
							18. DATE DOCUMENT RECEIVED IN AID/W				
							MM	DD	YY		

TABLE V - FY 1980 PROPOSED PROGRAM RANKING

RANK	DESCRIPTION	APPROPRIATION ACCT	CUMULATIVE TITLE I OPERATING EXPENSES (000)	INCREMNT			CUMULATIVE PROGRAM REQUIREMENTS		
				US	FN	US	FN	US	FN
	<u>Decision Package - Minimum:</u>								
	Workforce and Operating Expenses		243	4	8	4	8	-	-
	PL 480 Title I Program		243	-	-	4	8	41,000	41,000
	-----								
	<u>Regional Housing and Urban Development Office (Regional)</u>								
	Workforce and Operating Expenses		2/	2	1	2	1		
	-----								
	<u>Reimbursable Services Office (Regional)</u>								
	Workforce and Operating Expense		2/	1			1		
	1/ Operating Expenses \$243								
	Dollar Funded \$293								
	Local Currency Trust Funds \$536								
	2/ To be charged to Program Funds.								



## P. L. 480 Title I Agreements and Shipments

Commodity	FY 1978 Estimate			FY 1979 Request		
	Agreements (MT)	Shipments (MT)	Carryover to FY 1979 (MT)	Agreements (\$ Million)	Shipments (MT)	Carryover to FY 1980
Wheat	200,000	231,000	-0-	\$37.5	350,000	-0-
Cotton	-0-	-0-	-0-	\$18.5	60,000	-0-
Corn	275,000	275,000	-0-	-0-	-0-	-0-
FY 1980 Request						
Commodity	Agreements (MT)	Shipments (MT)	Carryover to FY 1981 (MT)			
Wheat	\$21.0	200,000	-0-			
Cotton	\$20.0	65,000	-0-			
Corn	-0-	-0-	-0-			

Mission Evaluation Schedule for FY 1979 and FY 1980

(1) Project Title & Number/Subject	(2) Last Evaluation Submission Date	(3) Number of Last PAR (if Applicable) and Period Covered	(4) Date of Submission FY 79 and/or FY 80 Evaluation	(5) Period Covered Next Evaluation	(6) Remarks
<u>Food/Nutrition</u>					
<u>Grants</u>					
Agricultural Planning 4890685	2/16/77	1977-9 (6/75-11/76)	N. A.	N. A.	FY 78 PAR (terminal) covering the period of 12/76-12/77 will be submitted in June 1978.
Mini-Regional Rural Development (CDF) OPG AID/Asia G-1165	N. A.	N. A.	N. A.	N. A.	Final report by Grantee to be submitted in December 1979.
Community Development (IHAP) OPG AID/Asia G-1168	N. A.	N. A.	N. A.	N. A.	Final report by Grantee to be submitted in December 1978.
Jejudo Human Develop- ment (ICA) OPG AID/Asia G-1189	N. A.	N. A.	N. A.	N. A.	Final report by Grantee to be submitted in September 1980.
Rural Portable Water System (CARE) OPG AID/Asia G-1198	N. A.	N. A.	N. A.	N. A.	Final report by Grantee to be submitted in December 1980.

D-1 (Food/Nutrition) Cont'd

(1)	(2)	(3)	(4)	(5)	(6)
Community and Agricultural Human Resources Development (IHAP) OPG AID/Asia G-1275	N. A.	N. A.	N. A.	N. A.	Final report by Grantee to be submitted in September 1980.
Model Nutrition Education System (MFM) OPG USAID/K-78-2	N. A.	N. A.	N. A.	N. A.	Final report by Grantee to be submitted in December 1980.
Dairy Training (PSBF) OPG USAID/K-78-3	N. A.	N. A.	N. A.	N. A.	Final report by Grantee to be submitted in December 1980.
<u>Loans</u>					
Agricultural Research Development 4890705	5/29/76	N. A.	6/79 for FY 79 12/80 for FY 80	5/78-4/79 5/79-9/80	Special evaluation report will be submitted in June 1978.
Land & Water Resources (Irrigation) 4890706	4/22/76 (Interim Report)	N. A.	N. A.	N. A.	AID assistance is needed in FY 1978/1979 to conduct post project evaluation.
<u>Education</u>					
<u>Grants</u>					
Korea Development Institute 4890674	5/28/74	1974-2 (5/73-5/74)	N. A.	N. A.	Terminal PAR for the second phase of the project covering the period of 5/75-6/78 will be submitted in September 1978.

D-1 (Education) Cont'd

(1)	(2)	(3)	(4)	(5)	(6)
Better Jobs for Women (YWCA) OPG USAID/K-78-1	N. A.	N. A.	N. A.	N. A.	Final report by Grantee to be submitted in December 1980.
Regional Community Training (CDF) OPG USAID/K-78-4	N. A.	N. A.	N. A.	N. A.	Final report by Grantee to be submitted in December 1980.
<u>Loans</u> Korea Advanced Institute of Science 4890689	12/1/76	1977-3 (8/71-11/76)	N. A.	N. A.	FY 78 PAR (terminal) covering the period of 12/76-12/77 will be submitted in June/July 1978.
Seoul National University Graduate Program 4890709	7/28/77	1977-11	6/79 for FY 79 12/80 for FY 80	6/78-5/79 6/79-9/80	FY 78 PAR covering the period of 6/77-5/78 will be submitted in June 1978.
<u>Population/Health</u>					
<u>Grants</u>					
<u>Loans</u> Health Demonstration Project 4890710	None	None	7/79 for FY 79 12/80 for FY 80	7/78-6/79 7/79-9/80	Special evaluation covering the period of 9/75-6/78 will be submitted in July 1978.

(1) (2) (3) (4) (5) (6)

Selected Development Activities

Grants  
 Science & Technology 12/9/76 1977-4 2/79 for FY 78/79 10/76- 10/76-12/78 will be sub-  
 4890683 (7/75-9/76) 12/78 mitted in February 1979. FY 79 PAR (terminal)  
 covering the period of

Loans  
 Korea Standards 12/5/77 1978-2 12/79 for FY 78/79 10/77- 10/77-9/79  
 Research Institute (9/75-9/77) mitted in December 1979. FY 79 PAR (terminal)  
 4890711 covering the period of

Other Activities

Housing Investment None N. A. N. A. Evaluation plan is being  
 Guaranties Program developed by SER/H,  
 AID/W.

PL 480 Title I Program (Use of Resources for Development Activities)

a. Self-Help Activities 12/77 N. A. 12/79 for CY 79 1/79-12/79 CY 78 report covering the  
 (1/77-12/77) 12/80 for CY 80 1/80-12/80 period of 1/78-12/78 will  
 be submitted in December 1978.

D-1 (PL 480 Title I Program) Cont'd

(1)	(2)	(3)	(4)	(5)	(6)
b. Economic Development Activities Financed with Local Currency Generated from PL 480 Program	9/77 (1/76-12/76)	N. A.	9/79 for CY 79 9/80 for CY 80	1/78-12/78 1/79-12/79	CY 77 report covering the period of 1/77-12/77 will be submitted in September 1978.

ACTIVITY DATA TABLES (IVA and IVB)

Since there will be no new or ongoing program-funded activities that will be funded in the current year (FY 1979) or in the budget year, with the exception of the final commitment to Korea for PL 480, Title I assistance, we have not included in our submission any Tables IVA (Narrative).

Activity Budget Data (Tables IVB) have not been prepared for individual projects because funding activity will represent only the expenditure and liquidation of pipeline on a few remaining projects. We have included a Summary Table IVB indicating the funding status and liquidation progress through FY 1980 at which time we anticipate a zero pipeline.

TABLE IVB  
ACTIVITY BUDGET DATA

USAID/Korea

Project No. and Title	Approp.	FY 1977		FY 1978		FY 1979		FY 1980	
		Pipeline	Pipeline	Pipeline	Pipeline	Oblig	Expend	Oblig	Expend
		9/30/77	9/30/78	9/30/79	9/30/80				
<b>Grant Projects</b>									
489-0649 Health & Family Planning	PH	21	-	20	-	-	-	-	-
489-0673 Advanced Mang't Training	EH	28	-	28	-	-	-	-	-
489-0674 Korea Development Inst.	FN	11	-	11	-	-	-	-	-
" " " "	EH	41	( 5)	36	-	-	-	-	-
489-0683 Science and Technology	SD	85	-	85	-	-	-	-	-
489-0685 Agri. Planning & Research	FN	47	-	47	-	-	-	-	-
489-0708 Health Planning	PH	80	-	59	21	21	-	-	-
489-0251.3 Nutrition Education-MFM	FN	-	199	52	147	60	87	87	-
489-0251.5 Better Jobs for Women-YWCA	EH	-	171	55	116	57	59	59	-
USAID/K-78-3 Dairy Training-FSFB	FN	-	215	24	191	96	95	95	-
USAID/K-78-4 Regional Comm. Trg - CDF	EH	-	498	55	443	221	222	222	-
" " PDS-Irrigation Loan	FN	-	40	40	-	-	-	-	-
" " PDS-Health Demonstration	PH	-	20	20	-	-	-	-	-
Sub-Total - Grant Projects		313	1,137	532	918	455	463	463	-

**Loan Projects**

489-0657 Chong Gye Sewage	DL	193	-	193	-	-	-	-	-
489-0663 2nd Trans. and Distribution	DL	136	(144)	-8	-	-	-	-	-
489-0689 Korea Adv. Inst. of Science	DL	290	-50	240	-	-	-	-	-
489-0696 Elementary Min. School Pilot Proj	DL	133	-20	113	-	-	-	-	-
489-0705 Agr. Research Proj	FN	3,605	-	2,000	1,605	1,000	605	605	-
489-0706 Irrigation Const.	FN	499	-	499	-	-	-	-	-
489-0709 SNU Program	EH	4,441	-	1,295	3,146	1,674	1,472	1,472	-
489-0710 Health Demonst. Proj.	PH	4,240	-	1,822	2,418	1,418	1,000	1,000	-
489-0711 Korea Standard Research Inst.	SD	4,522	-	2,610	1,945	1,045	-	-	-
Sub-Total - Loan Projects		18,192	(214)	9,764	8,214	5,137	3,077	3,077	-
Grand Total		18,505	923	10,296	9,132	5,592	3,540	3,540	-

**Personnel Workyears (xx.x)**

	1978		1979		1980	
	USDH	FNDH	USDH	FNDH	USDH	FNDH
Operating Expenses	7.2	19.4	5.0	11.0	4.0	11.0



TABLE IVB  
ACTIVITY BUDGET DATA

USAID/Korea

(CENTRALLY FUNDED BY AID/W)

Project Title and Contract No.	Approp.	FY 1977		FY 1978		FY 1979		FY 1980	
		Pipeline 9/30/77	Oblig Expend	Pipeline 9/30/78	Oblig Expend	Pipeline 9/30/79	Oblig Expend	Pipeline 9/30/80	Oblig Expend
Develop. & Testing of a low-cost Family Planning/EWC	PH-G	251	- 94	157	- 94	63	- 94	63	- 0-
Mini-Regional Rural Develop./CDF	FN	370	- 193	177	- 177	- 0-	- 0-	-	- 0-
Under-developed Village Demonstration for income/ AKF	FN	88	- 75	13	- 13	- 0-	- 0-	-	- 0-
Pilot Community Develop./ ICA	SD	66	- 22	44	- 22	22	- 22	22	- 0-
Rural Potable Water System/ CARE	FN	302	- 158	144	- 144	- 0-	- 0-	-	- 0-
Agrivocational Training/ IHAP	EH	156	- 52	104	- 52	52	- 52	52	- 0-
4-H Movement Training/ IHAP	USAID/Korea T.Q. 1 EH	7	- 7	- 0-	- 0-	- 0-	- 0-	-	- 0-
Total:		<u>1,240</u>	<u>-</u>	<u>639</u>	<u>-</u>	<u>502</u>	<u>-</u>	<u>137</u>	<u>-</u>

MISSION OPERATING EXPENSE FUNDED PERSONNEL REQUIREMENTS  
(In work years xx.x)

MISSION SPECIFIC PERSONNEL	FY 78		FY 79		FY 80 Mark		FY 80 Minimum		FY 80 Proposed					
	Estimated Actual		Estimated		FY 80 Mark		FY 80 Minimum		FY 80 Proposed					
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH				
Directly Related to Activities*	1.0	3.0	-	2.0	-	2.0	-	-	2.0	-	-	2.0	-	
Policy, Direction & Management	4.3	8.6	-	3.0	-	3.0	-	3.0	3.0	-	3.0	3.0	-	
Financial Management	1.0	7.8	-	6.0	-	6.0	-	1.0	6.0	-	1.0	6.0	-	
Mission Support	0.4	-	-	-	-	-	-	-	-	-	-	-	-	
IDI's	0.5	-	-	-	-	-	-	-	-	-	-	-	-	
OTHER (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	7.2	19.4	-	11.0	-	11.0	-	4.0	11.0	-	4.0	11.0	-	
	5	11	=	16	Total	5	11	=	16	Total	4	8	=	12

END OF YEAR CEILING

NON-MISSION SPECIFIC PERSONNEL

Auditor General & IIS													
Other (Specify): Regional Engineering Office	0.2	1.6	-	-	-	-	-	-	-	-	-	-	-
TOTAL	0.2	1.6	-	-	-	-	-	-	-	-	-	-	-

END OF YEAR CEILING

	0	0	=	0	Total	0	0	=	0	Total	0	0	=	0
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OPERATING EXPENSE BUDGET

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980		MARK \$	UNITS	PROPOSED UNITS
				UNITS	\$	UNITS	\$	UNITS	\$			
PERSONNEL	01			-	894.4	-	395.9	-	-	432.3	-	-
U.S. Direct Hire	02											
U.S. Citizens Basic Pay	03	110	USDH Workyears	7.4	350.2	5.0	253.3	4.0	202.4			
Part-time, Temp. U.S. Basic Pay	04	112	USDH Workyears	7.4	268.3	5.0	170.6	4.0	155.0			
Differential Pay	05	116	USDH Workyears	-	-	-	-	-	-			
Living Allowances	06	118	USDH Workyears	-	-	-	-	-	-			
Other Pay (Overtime)	07	119	-	-	0.2	-	0.2	-	-			
Education Allowances	08	126	No. of Dependents	16.0	25.3	10.0	17.9	9.0	15.9			
Retirement	09	120	USDH Workyears	7.4	18.8	5.0	11.9	4.0	10.9			
Transportation/Travel	10			-	32.5	-	49.7	-	18.1			
Post Assignment - Travel	11	212	No. of Movements	2.0	6.1	1.0	2.9	1.0	2.9			
Home Leave	12	212	No. of Movements	1.0	5.9	3.0	23.5	-	-			
Post Assignment/Home Leave Freight	13	22		5.0	11.8	5.0	19.0	1.0	8.9			
R & R	14	215	No. of Movements	12.0	3.0	1.0	0.8	3.0	2.8			
Education Travel	15	215, 212	No. of Movements	2.0	2.6	1.0	2.0	1.0	2.0			
Medical Travel	16	215		1.0	1.3	-	-	-	-			
Other Travel (Emergency)	17	215		1.0	1.8	1.0	1.5	1.0	1.5			
Other Personnel Benefits (Life & Health Insur.)	18			7.4	5.1	5.0	3.0	4.0	2.5			
Local Employees	19			21.0	544.2	11.0	142.6	11.0	229.9			
Basic Pay	20	114	FNDH Workyears	21.0	246.7	11.0	136.3	11.0	140.3			
Overtime, Holiday Pay	21	115	FNDH Workyears	-	-	-	-	-	-			
Other Pay (Terminal Leave)	22	119	FNDH Workyears	11.0	15.9	-	-	3.0	3.7			
Personnel Benefits (Retirement)	23	129	FNDH Workyears	15.3	9.4	10.0	6.3	10.0	6.5			
Benefits for Former Personnel	24	13		11.0	272.2	-	-	3.0	79.4			
Contract Personnel	25		Workyears	-	-	-	-	-	-			
PASA Technicians	26	258	Workyears	-	-	-	-	-	-			
Other Reimbursable Details	27	111	Workyears	-	-	-	-	-	-			
Experts and Consultants	28	113	Workyears	-	-	-	-	-	-			
Other Technicians	29	255	Workyears	-	-	-	-	-	-			
HOUSING	30			-	-	-	-	-	-			
Acquisition of Land and Structures	31	320	No. of Residential Units	-	4.9	-	2.7	-	2.7			



OPERATING EXPENSE BUDGET

EXPENSE CATEGORY	LINE NO.	OBJECT CLASS	EXPENSE RELATED TO	FY 1978		FY 1979		FY 1980	
				UNITS	\$	UNITS	\$	UNITS	\$
<u>OFFICE OPERATIONS Continued</u>									
Other Equipment	63	319		-	-	-	-	-	-
Transportation (Freight)	64	22		-	-	-	-	-	-
Communications	65	230		-	-	-	-	-	-
Security (Guard Services)	66	259		-	-	-	-	-	-
Printing and Reproduction	67	24		-	-	-	-	-	-
Operational Travel	68			28.1	16.6	-	-	-	-
International	69	210		20.0	12.2	-	-	-	-
Domestic	70	210		8.1	4.4	-	-	-	-
Charter/Contract Transportation	71	259		-	-	-	-	-	-
Vehicles	72			-	-	-	-	-	-
Addition	73	312	No. of Vehicles	-	-	-	-	-	-
Replacement	74	312	No. of Vehicles	-	-	-	-	-	-
Maintenance	75	259	No. of Vehicles	-	-	-	-	-	-
Automotive Supplies and Materials	76	26	No. of Vehicles	-	-	-	-	-	-
Other Supplies and Materials	77	26	No. of Vehicles	2.3	1.1	-	-	-	-
FAMS (See Narrative Commentary)	78	257		435.2	325.0	-	-	-	-
Other U.S. Government Reimbursements	79	258		-	-	-	-	-	-
Other (See Footnote)	80	259		4.7	1.4	-	-	-	-
Portion of Lines 55-80 for Program Funded People	81			-	-	-	-	-	-
Footnote - Line 80									
Medical Expenses				2.8	1.0				1.0
Translation Services				1.2	0.4				-
Office Machine Rent				0.7	-				-
Total				4.7	1.4				1.0

OPERATING EXPENSE BUDGET

EXPENSE CATEGORY	LINE NO.	FY 1978	FY 1979	MARK	FY 1980	
					MINIMUM	PROPOSED
TOTAL OPERATING EXPENSE BUDGET	82	1,369.6	742.7	535.8		
Reconciliation: Deduct from item 82 items not funded from Mission's allotment:						
Object Class 11	83	268.5	170.8	155.0		
Object Class 12	84	23.9	14.9	13.4		
Object Class 13	85	-	-	-		
Net FAAS (from line 78)	86	60.0	60.0	28.0		
Other - Explain on Attachment	87	931.5	415.1	293.1		
Net Allotment Requirements	88	85.7	81.9	46.3		
Operational Year Allotment Requirement by Quarter						
First Quarter	89		4.3			
Second Quarter	90		16.3			
Third Quarter	91		41.5			
Fourth Quarter	92		19.8			

ADDITIONAL SCHEDULES AND ANALYSES	Attached	
	Yes	No
Use of Trust Funds	X	
ADP Equipment		X
Budget Line 31 Detail		X
Budget Line 55 Detail		X
Budget Line 80 Detail		X

OPERATING EXPENSE BUDGET  
ATTACHMENT  
LINE 87 - OTHER - RECONCILING ITEMS

TRUST FUNDS

<u>Object Class</u>	<u>Description</u>	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>
11	Personnel Compensation	262.6	136.3	144.0
12	Personnel Benefits	9.4	6.3	6.5
13	Benefits for Former Personnel	272.2	-	79.4
21	Travel, Transportation of Persons	8.1	4.4	4.1
22	Transportation of Things	1.4	1.2	1.2
23	Rent, Communications, Utilities	-	-	-
24	Printing and Reproduction	-	-	-
25	Other Services	376.4	265.4	57.0
26	Supplies	1.4	0.8	0.4
31	Equipment	-	-	-
32	Lands and Structures	-	-	-
	Total Trust Funds	931.5	414.4	292.6
220	Storage of Household Effects	-	0.7	0.5
	Total Line 87	931.5	415.1	293.1

USAID/KOREA  
COMMENTARY ON OPERATING EXPENSES AND WORKFORCE

The paramount factor concerning USAID/Korea's FY 1980 Operating Expense Budget submission is that the Mission is in a phase-down posture. The last AID funds obligated for bilateral economic assistance to Korea were in FY 1976, and it is planned that all disbursements of unliquidated balances will be completed by 9/30/80. The only program planned for FY 1979 and FY 1980 is the completion of the U.S. PL 480, Title I, commitment to Korea. There remains, however, a substantial pipeline to be liquidated as indicated in the Summary Tables IV.B, included as part of this submission.

The data submitted herewith excludes the operations of (1) the Regional Housing and Urban Development Office (RHUDO/Seoul) because that office is preparing a separate submission to the AID/W Office of Housing for inclusion in their ABS, and (2) the costs of the Regional Technical Services Attache (Reimbursable Technical Assistance Program) because support costs for this position are funded from PDC/RDP Program Funds. It should be noted, however, that the three U.S. personnel working in RHUDO/Seoul are provided logistic support by Embassy/JAS and are included in FAAS charges to USAID/Korea. See FAAS comments below.

The following summary of USAID/Korea's Operating Expenses and Workforce Levels reflect the phase-down posture of the Mission and the accelerated reduction of authorized USDH and FNDH staff. The Workforce Requirements and Operating Expense Budget tables represent the minimum number of personnel and their related costs required to carry out the orderly phasing down of the AID program in Korea.

Analysis of the nature of the terminating program in Korea indicates that there are no issues to be resolved and few, if any, options available for consideration.

The requirement for 4 USDH and 8 FNDH positions in FY 1980 is based on the necessity not only to assist in the completion of four remaining technical assistance type loan projects, seven OPG's and centrally funded projects, and the substantial PL 480, Title I, program in Korea, but also to provide for the phasing down of the many other activities in which USAID/Korea is involved that are not reflected in financial or program type tables (Excess Property program, Participant Training program, final project evaluations, and continuing relationships with ROKG officials in connection with completed projects, etc.) In addition, we anticipate commencing a formal closing of the Mission



OPERATING EXPENSE BUDGET  
(in Thousands of Dollars)

	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>
<u>PERSONNEL</u>				
U.S. Direct Hire	515.0	350.2	253.3	202.4
Local Employees	<u>264.0</u>	<u>544.2</u> <sup>1/</sup>	<u>142.6</u>	<u>229.9</u>
Subtotal	<u>779.0</u>	<u>894.4</u>	<u>395.9</u>	<u>432.3</u>
 <u>HOUSING</u>				
	<u>6.4</u>	<u>4.9</u>	<u>2.7</u>	<u>2.7</u>
 <u>OFFICE OPERATIONS</u>				
FAAS	445.5	435.2	325.0 <sup>a/</sup>	85.0 <sup>b/</sup>
Other	<u>61.9</u>	<u>35.1</u>	<u>19.1</u>	<u>15.8</u>
Subtotal	<u>507.4</u>	<u>470.3</u>	<u>344.1</u>	<u>100.8</u>
 <u>TOTAL OPERATING EXPENSES</u>	 <u>1,292.8</u>	 <u>1,369.6</u> <sup>1/</sup>	 <u>742.7</u>	 <u>535.8</u>
 (Operating Expense Dollars)	 (652.5)	 (438.1)	 (328.3)	 (243.2)
(Local Currency Trust Funds)	(640.3)	(931.5)	(414.4)	(292.6)
 <u>PERSONNEL REQUIREMENTS</u> (in work years)				
USDH	11.9	7.2	5.0	4.0
FNDH	<u>23.7</u>	<u>19.4</u>	<u>11.0</u>	<u>11.0</u>
Total	<u>35.6</u>	<u>26.6</u>	<u>16.0</u>	<u>15.0</u>
 <u>END OF YEAR CEILING</u>				
USDH	12	5	5	4
FNDH	<u>24</u>	<u>11</u>	<u>11</u>	<u>8</u>
Total	<u>36</u>	<u>16</u>	<u>16</u>	<u>12</u>

<sup>1/</sup> Increase in costs represents cost of severance pay for terminated local employees, \$272.2

<sup>a/</sup> See numbered para 1, page 3.

<sup>b/</sup> See numbered para 2, page 3.

near the end of FY 1980.

As indicated in the above summary table, USAID/Korea has had to terminate 50% of its local employees between the end of FY 1977 and FY 1978. The liberal severance pay benefits required by Korean labor laws, included in our Operating Expense budgets for those years, will be paid from Trust Funds formerly set aside for this purpose. There will, therefore, be no requirement for dollar Operating Expenses to pay these costs.

We have not included any inflation/exchange rate factors in our Operating Expense Budget. An anticipated salary increase for local employees in November 1978 (amount unknown) will be funded from local currency Trust Funds.

As indicated in the Operating Expense Budget, there are no direct costs for housing USAID personnel. USDH employees are housed in AID-owned housing which is managed and operated by Embassy/JAS, the maintenance costs of which are charged to USAID under FAAS procedures and are included on Line 78 of the Budget.

A major issue of USAID/Korea concerns the FAAS costs of logistic support provided to USAID by Embassy/JAS.

1. Amounts shown on Line 78 (FAAS) of the Operating Expense Budget were provided by AID/W in State 090635, 4/8/78. The USAID/Korea portion of the FY 1979 FAAS Going Rate and Increase/Decrease Request No. 1 is only \$226.7, whereas AID/W has indicated \$325.0 for FY 1979. The FY 1979 FAAS charges to USAID will be further reduced by action of the Interagency Council (see below).

2. The amount provided by AID/W for FY 1980 FAAS costs (\$85.0) appears to have been set at an arbitrarily low level. The FAAS support costs in Korea are now extremely high and are subject to a high inflation rate. USAID recommends a FAAS level for FY 1980 at \$150.0.

3. In past years it is apparent that USAID/Korea has been charged excessive amounts for FAAS services due to the designation of too many Embassy/JAS employees as DAS. USAID/Korea has attempted to correct this inequity (see State 123243, 5/16/78) and has also withdrawn from various services formerly provided by the Embassy, which USAID personnel can perform at a lesser cost. The results of these actions will reduce USAID Operating

Expenses (FAAS) by more than \$100,000 in FY 1978 and probably by \$50,000 in FY 1979. In addition, USAID has requested AID/W to consider charging the FAAS costs of providing logistic support to three RHUDO/Seoul personnel directly to the income derived under the HIG program by the Office of Housing rather than to USAID. Such action would result in substantial additional savings in Operating Expenses.

4. In the absence of any guidelines, USAID/Korea has been prorating FAAS costs between dollar Operating Expense and local currency Trust Funds, based on the distribution of the number of "Administrative" and "Program" personnel. The use of this formula results in dollar charges to the Operating Expense appropriation of \$60.0 in FY 1978, \$50.0 in FY 1979, and \$28.3 in FY 1980. USAID believes that the entire amount of FAAS charges could be charged to local currency Trust Funds. AID/W guidance is requested on this subject.

WORKFORCE REQUIREMENTS - SCHEDULE 1 - EXISTING POSITIONS 001 OFFICE OF THE AID REPRESENTATIVE 002

KOREA

MODE LEVEL	AUTHORIZED	BUDGETED	REQUESTED	NOI NON-CEILING	TOTAL FILLED	TOTAL VACANT
	POSITIONS	POSITIONS	POSITIONS	POSITIONS	POSITIONS	POSITIONS
FY 78 -5-	FY 78 -5-	FY 79 -5-	FY 80 -4-	FY 78 -0-	FY 78 -5-	FY 78 -0-
003	004	005	006	007	010	011

POS NO	POSITION TITLE	P	P	G	I	G	STATUS	DATE POS	INCUMBENT	REPLACE	VACANT	IF 78 OR	TAUSC(S)	REMARKS
		A	L	O	R	N	R	OF	TO (C)	TO CONT	MENT	POSITION	IF 79 IDI	APPLICABL
		Y	A	S	A	C	A	POSIT	(D)	(E)	IN POS	NEEDED	REQUIRES	GRADUATE
		N	I	O	U	O	END OF	STATUS	THRU FY	BY DATE	INCUMBENT	TO FILL	VACANT	POSITIONS
		T	E	M	E	FY 78	P=PLAN				BY DATE			
		I	B	OR	A=ACTUAL	1981								
		O	E	OR	FY 79	FOR FY79								
		N	O	N	O	(C)	0	79	8	80				
		1	T	I	(D)	1								
		5	6	7	(E)	8	019	020	021	022				
274890112	AID REP	R	02	02	D			Mar 81						
274890122	EXEC ASST	S	06	06	E		Jul 79							
274891022	DEP EXEC OFF	R	04	04	E		May 78							
274891022	ASST GSO PROP/SPL	R	05	04	E		Sep 77							
274892012	CTLR	R	02	03	D			Mar 81						
274893009	PROG OFF	R	04	04	D			Mar 81						
274896011	GEN DVL OFF	R	02	02	E		May 78							
274896022	ASST GEN DVL OFF	R	04	03	D			Sep 80						
274896032	ASST GEN DVL OFF	R	04	02	E		Jun 78							