

Budget Narrative

The line item budget in the following pages represent the first six month phase of the grant and the proposed 18-month second phase. The budget presentation includes a separation of on and off campus expenditures and reflects the near 50:50 expenditure ratio of CRSP programs. Different indirect cost rates are used by the University of Hawaii are negotiated with the Department of Defense and are based on activity location.

The following narrative describes and explains figures used under major line category.

Salary/Wages. Off-campus. Two full time staff members hired by the University of Hawaii will be posted in Timor-Leste. They include the country coordinator and an agronomist/agriculturalist. The latter position will be advertised nationally in October 2003. Anticipated time to interview and select the potential candidate will be at least 45 days. With orientation on-campus, the second staff member will likely report to post in late November or early December. That individual will likely be on the ground to participate in the implementation of field trials at the 3 to 4 sites. Local counterpart employees include an agricultural technician with a broad background in agricultural production. A Timor-Leste national will be employed as an administrative staff person. At least 3 agricultural field technicians will be employed to assist in implementing, monitoring, maintaining and harvesting field trials at sites in Seical, Fatumaca/Garuai, and Venilale. Additional labor costs are provided for as needed. Graduate students are those Timor-Leste students who will intern with the project during the summer months.

On-campus. A research associate/systems agronomist will be supported by this grant. The incumbent serves as the technical support staff from UH to the off-campus agronomist/agriculturalist, provides oversight in implementing field trials, conducts training programs on the soil test kits, decision aids, and crop/soil husbandry. Faculty overload provides salary support for UH faculty from schools and colleges on the UH campus who are not affiliated with the College of Tropical Agriculture and Human Resources. These faculty members are advisors to Timor-Leste students supported by the East West Center who are majoring in a non-agricultural curriculum. Two MS graduate research assistants will be recruited to assist in conduct of the action plan.

Fringe Benefits. All regular employees can participate in medical, dental, long-term care, and retirement benefits at a rate of 30% of their respective salary. The rate is set by the University of Hawaii. Graduate students can participate in a limited program at 10% of salary. For Timor-Leste staff, we've used an estimated percentage of 20% of wages. Medex or medical evacuation insurance is provided to the 2 posted UH staff members and their family members, if any, and to all on-campus personnel while on travel status to Timor-Leste.

Allowances. For phase 1, temporary housing allowance was based on the accommodations cost for the listed per diem schedule for Timor-Leste of \$117 for accommodations. For phase 2, a housing allowance of \$2000 per month was used as the estimate for both individuals. Education allowance is included to cover any potential

need for dependents of the UH employees posted in Timor-Leste. The figure used will likely be sufficient for secondary schools but not for post-secondary educational institutions. Dependent travel reflects the best estimate of travel costs of potential dependents of posted personnel. An average cost of \$3000 per person for travel from the U.S. to Dili was used. Additional dependent travel is anticipated for minor dependents to travel to post during holidays.

Post-differential or Cost of Living. Upon approval from the AID Procurement Office and that of the University of Hawaii, a post-differential of 25% of salary may be used to offset hardship costs to the employees.

Supplies. These are broken down by office, field and training. Material costs include items from printing paper, pens, and tablets to shovels, hoes, and other implements and materials used in training exercises.

Travel. International. All air fares used by UH faculty and staff listed in the Action Plan are based on an estimated economy airfare of \$2500. Thirty-one roundtrips are planned in 2003 and 2004, and 12 in 2005. From our experiences thus far, air fares have ranged from a low of \$1800 to a high of \$3500. Travel from Mexico City refers to the travel of Dr. G. Srinivasan from CIMMYT, from Muscle Shoals, Alabama refers to the travel of Dr. U. Singh of IFDC (International Fertilizer Development Center), and from Brisbane, Australia for Mr. K. Bing, an independent contractor (a US citizen living in Queensland). The latter individual will assist in the training of MAFF extension personnel in application of multi-media methods to create visual training modules.

Per diem rates are based on the federal rates as listed by the federal government at \$183/day (\$117 for lodging and \$66 for meals and incidentals. The additional listing of per diem rates refer to the those used for the minister of MAFF to travel to Hawaii and to Sacramento and for Deolindo da Silva and Claudino Nabais to travel to Bangkok for the training course on site-specific agriculture in phase 1.

Domestic Twelve Timor-Leste students enrolled at the University of Hawaii through the East West Center will participate in visits to farms and farmers to learn how a U.S. land grant university serves its customers.

Transportation. Vehicle rental costs are listed for phase 1 and not for phase 2 in anticipation of vehicle purchases in phase 2. Fuel and maintenance costs are estimates.

Services. Estimated costs for courier services for the transmittal of reports and financial statements and important documents, for electronic transfer fees charged by most banks, for air freight costs of equipment from outside of Timor-Leste and for soil samples to the UH laboratory (ADSC—Agricultural Diagnostic Service Center), and for printing costs of training materials and certificates for participants.

Telecommunication. Costs include fees to use internet cafes in Dili, for fax transmittals, for cell phones and phone cards, and for at least 2 satellite global phones. Costs at the internet café should diminish after purchasing the portable satellite internet system.

Equipment/Controlled Property. *Controlled property is defined by the University to refer to those items with value of >\$1000 and <\$5000.* Notebook PCs for use by posted project staff will be purchased. Pocket PC's will be purchased to be used in association with making fertilizer recommendations with the soil test kit and a soils map of the Seical watershed, more specifically at each of the 3 to 4 village sites at 3 different elevations. A second GPS will be purchased for use in geo-referencing experimental plots at each of the village sites. Digital cameras will be used to visually record and monitor progress of trials at each of the village site. A video digital camera will be used to produce visual training modules by MAFF and the agricultural district office. A computer projector will be made available for project and MAFF staff to present their findings to peers and farmer groups. Automated weather stations will be installed at each of the experimental sites. Two portable telecommunication satellite systems will be used to allow field staff in the watershed to access the internet and for the office staff in Dili.

Vehicles. Two 4-wheeled drive vehicles will be purchased for use in the watershed and for transportation to and from Dili to the watershed. At least 3 motorbikes will be purchased for use by agricultural field technicians to use to monitor field trials. Motorbike operators will be provided with safety helmets.

Subcontracts. A memorandum of agreement will be completed with the Natural Resources Conservation Service (NRCS) of the U.S. Department of Agriculture to request support services in to assist project staff in verifying the current classification of soils in the watershed using Soil Taxonomy as prepared by AusAid staff.

Administrative fee to the SM CRSP Management Entity at 16%. In accordance with the CRSP Guidelines (1985, 1999), the Management Entity charges an administrative fee not to exceed 20% of the total direct costs. These fees are used to provide administrative support to the project and to cover costs associated with external reviews of the project by experts in various applicable disciplines. These reviews typically coincide with the mid-term evaluation of SM CRSP programs. In addition, the SM CRSP's technical committee may, at the request of the Management Entity, conduct a technical review of the project at any time.

Modified Total Direct Costs. Equipment costs exceeding \$5000 are exempt from indirect cost charges. The modified total direct costs represent the total direct costs less the equipment costs.

Cost-sharing. All CRSP grants from USAID require a matching of 25% of the total direct costs. Those costs associated with the Management Entity, support to graduate students and off-campus expenditures are exempt. Cost-sharing contributions from the University of Hawaii is accounted for through faculty FTE(full-time equivalent). Grant funds are not used to pay for the salaries of regular faculty on 12-month appointment. Those on 9-month appointment are eligible for overload compensation during the summer months per university regulations. Those faculty on 9-month appointments will be compensated through overload when they are on travel status in Timor-Leste to serve as faculty advisor to EWC students from Timor-Leste.

