

9311050-③
PD-446-275-D1

931-1850
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OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : TA/PPU, Mr. Robert Simpson

DATE:

FROM : TA/AGR, Leon Hesser *LH*

SUBJECT: Proposal to Support the International Center for Living
Aquatic Resources Management (ICLARM)

With Mr. Farrar's approval of the proposed course of action it is requested that you submit the following to the R&DC for their review and comments:

- a. Approved Action Memorandum which addresses issues
- b. Draft PID which describes proposed grant
- c. Project Development Statement developed by ICLARM

On receipt of a favorable reaction from that group we will prepare an Action Memorandum seeking the Administrator's approval to proceed with further discussions.

Attachments: a/s



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

May 1, 1977

ACTION MEMORANDUM

TO: AA/TA, Mr. Curtis Farrar

THRU: TA/PPU, Robert Simpson

FROM: TA/AGR, Leon F. Hesser *lfh*

SUBJECT: Proposed Grant to ICLARM

Problem: Request for long-term AID commitment to support the International Center for Living Aquatic Resource Management (ICL

Discussion: ICLARM, incorporated as an autonomous international center with headquarters in Manila, Philippines, has been established in response to the need for a center, financially and technically competent, to focus the efforts of qualified experts throughout the world on the solutions of problems constraining increased production from fisheries and aquaculture. Initial funding has been provided by the Rockefeller Foundation. The Center is concerned primarily with bringing about measurable and significant increases in productivity levels of artisanal fisheries and aquaculture, and the rational management of fisheries resources in the LDCs.

TA/AGR has prepared a PID for review which proposes that AID provide financial support to ICLARM in the amount of \$1,500,000 over a five-year period. The PID proposes an initial three-year grant of \$800,000 to be used for core program funding with the remainder to be allocated in the final two years.

On April 21, TAB staff discussed the proposal, made a number of observations, and raised several issues for further consideration. A summary of these is as follows:

1. An initial concern was raised over the question of the proper forum for consideration of the proposed grant to ICLARM. The Center has been established with support from the Rockefeller Foundation but has not to date become a part of the family of International Agricultural Research Centers which receive financial support and program guidance through the CGIAR. It is quite possible that ICLARM would seek to become a part of

that group; but at present there is neither a history of performance, nor other mandate which yet warrants CGIAR's consideration and support.

The proposal at hand calls for initial bilateral financial support from AID for ICLARM's core program activities. If this first step were approved it would imply an intention (through not necessarily a commitment) on the part of AID to continue some level of support for an indefinite future period, assuming, of course, that the center's performance and effectiveness as a development agency meets requisite AID standards as an international research and development center. The longer term funding (if such is forthcoming) would probably best be channeled through the CGIAR administrative mechanism assuming again a broad base of international support. With such long-term funding implications this proposed is not a "project" in the usual Agency sense. Accordingly we propose using the same procedure used in considering the new International Health Nutrition Population Research Institute rather than the conventional documentation and approval process. This procedure consists of a three-step process:

1. Obtaining Agency concurrence through initial consideration by the R&DC and approval by the Administrator for TAB discussions with ICLARM and directly with other donors to determine the interest and potential support on the part of other donors for ICLARM. Although no commitments would be made during such discussions, the very fact that they are being held implies that AID is willing to consider support if results are positive. This is why A/AID approval is requested at such an early stage.
 2. If the first stage is positive, TAB would request inter-agency clearance and the Administrator's approval to enter into formal negotiations with ICLARM and other donors for support to the Institute.
 3. Final approval then would be requested for the proposal emerging from the formal negotiations.
2. A central issue relevant to the proposed grant is whether the program objectives and development strategy of ICLARM are consistent with AID goals. Their Program Development Statement of September 1976 indicates ICLARM has been organized "to provide mechanisms to force the pace of research and development aimed at achieving optimum food production from the aquatic environment."

Their program emphasis is on aquaculture, small scale fisheries development, and rational management of aquatic resources, with special emphasis on problems of the LDCs. These areas of interest clearly mesh well with AID's own current fisheries strategy. Initially their emphasis will be in Southeast Asia but their mandate is a world wide one.

Obviously, ICLARM will probably become involved in some activities which are outside of AID's areas of interest. This is to be expected; however, we are satisfied that the major thrust of their program -- the core elements for which AID funding would be provided -- would be consonant with AID goals and objectives.

3. A further issue relates to the administration and governance of ICLARM. Their charter provides for a Board of Trustees (of from five to fifteen members) to be chosen from among people of distinguished standing who have achieved international recognition in ICLARM's area of interest, who are experienced in leadership of international agencies and who provide for geographic balance on the Board. Currently six persons have been invited to serve as trustees. Additional trustees may be added or replaced by election by the Board.

A Program Advisory Committee consisting of fifteen distinguished scientists and administrators, and representing a broad spectrum of interests and geographical areas has also been established. However, the Committee will be advisory to the Board of Trustees rather than the donors as is the case of the CGIAR's Technical Advisory Committee.

AID, as a prospective contributor to core costs, need be concerned that its interests are represented to the Board of Trustees. This becomes even more important when long range support to ICLARM is contemplated. Of course, were a broad base of continuing support to become available through the CGIAR, appropriate CGIAR representation on the Board of Trustees would be formalized as a part of an understanding with that Group.

Under the proposed initial grant to ICLARM this CGIAR intermediary role will not be available. We do not contemplate that AID or other U. S. government agencies will be represented on ICLARM's Board of Trustees; however, in the negotiations of a grant agreement AID should certainly obtain assurances that policy decisions, program plans and staffing decisions will merit the confidence and support of AID as a significant donor agency and that AID core support, or funds fungible with AID contributions, will not be used to support programs not compatible with AID's mandated concerns with the small producers and needy people.

4. A further issue relates to the level and share of funding which the AID grant ought to comprise. The TA/AGR proposal suggests a total contribution of \$1.5 million to be spread over a five-year period. An annual level of \$250,000 is proposed for each of the first two years increasing to \$300,000 in the third year and to \$350,000 for the fourth and fifth years. It is proposed that three-year funding be obligated either from FY 77 end-of-year funds or early in FY 78.

ICLARM's fiscal year runs concurrently with that of the U. S. government -- October 1 to September 30. Their 1975 and 1976 expenditure levels were \$350,000 and \$800,000 respectively. Much of this was expended for organizational costs, conferences, and workshops, and initial mobilization. Their 1977 budget projection (prepared in July 1976) was for \$1.9 million but the delays in staff recruitment and start-up of some planned activities will probably result in a somewhat lower expenditure level than planned. Budget projections for FY 78 and 79 are \$2.9 million and \$3.3 million respectively. Between 65 and 70 percent of these budget projections (slightly over \$2.0 million each year) would be considered either core expenditures or basic program activities which are fundamental to the R&D effort and which are clearly consonant with AID goals and objectives. Even if expenditures were to achieve only one-half the budget estimates, the AID contribution, at levels proposed above, would not exceed about 20 percent in any one year.

To date the bulk of the ICLARM funding has come from grants by the Rockefeller Foundation and two other small donors. The State of Hawaii also provided some funding for special project activities which were undertaken while ICLARM, in its formative stage, was headquartered in Honolulu. With the establishment of ICLARM in the Philippines this latter source of funding will no longer be available.

ICLARM has approached several of the bilateral donors with the view toward expanding its base of financial support. TA/AGR has not yet discussed this proposal with other donors but we understand that Australia, West Germany and Denmark are interested. Apparently other responses also have been encouraging but thus far a "wait-and-see-what-others-donors-do" attitude has prevailed. The magnitude of other donor proposed contributions or of ICLARM's solicitation to each is not yet known.

We believe a positive response from the U. S. would elicit further contributions; but unless ICLARM can command truly international support we agree that the U. S. should not become involved singly in an open-ended commitment. At this time, however, TA/AGR believes that initial AID leadership in providing funding is called for.

5. A final concern of our discussions indicated a need for an analysis of ICLARM's role vis-a-vis other research and development programs. ICLARM's objective ultimately is to become a centerpiece of the R&D information network for fisheries and aquaculture much in the same way as other IARCs have done for other areas of interest. They propose to build and strengthen relationships with LDC fisheries institutions by providing training opportunities and cooperating on specific research projects particularly those which are of an adaptive or applied nature. As such ICLARM would be directly supportive of several other AID activities now underway or being planned (e.g. Philippine mission project to strengthen the UP College of Fisheries, the research and training center in Pentecoste Brazil, the aquaculture project now being developed by the Government of Egypt and the AID mission there).

Additionally other fisheries R&D institutions in countries such as Ghana, Colombia, India, Indonesia and Sudan would eventually be brought within the network. We would also see a strong linkage being developed between ICLARM and U. S. and other developed country institutions. For example, Auburn University, the URI, and other Universities (including Sea Grant) which we anticipate will become involved in R&D work under the aegis of Title XII, would be a part of the R&D net.

There is also concern with respect to possible competing roles for ICLARM and the Southeast Asia Fisheries Development Center (SEAFDEC). ICLARM's development mandate is, of course, much broader than that of SEAFDEC, both geographically and with respect to the various program activities and functions. The fact that ICLARM's primary emphasis is in this geographic area can reinforce and complement SEAFDEC's own more narrowly defined programs. To be sure, there is some overlap of objectives but there are also some important differences. This overlap is not necessarily bad. Lack of coordination by the two Centers could result in some duplication of effort. However, the location of ICLARM in one of the SEAFDEC countries will encourage and make possible better communications and thus reduce the likelihood of undesirable overlapping of effort. TA/AGR does not regard this as a serious problem and sees ample opportunity for fruitful cooperation between the two entities.

Proposed Course of Action

TA/AGR proposes that the PID and this memorandum along with other supporting documentations be submitted to the R&DC for review and consideration. Assuming favorable response we propose then, to prepare an action memorandum for the Administrator's approval requesting authority to enter into discussions with ICLARM and directly with other donors to determine whether there is sufficient interest on the part of several donors to request the necessary inter-agency approval to enter into negotiations regarding a formal commitment.

Recommendation:

That you approve the course of action proposed above.

* Approved W. G. Fenner

Disapproved _____

Date MAY 10

* Subject to adding to the plan an early discussion of the proposal at the Joint Research Committee - timing to be either before or after the initial approach to the Administrator, but prior to any action being taken.

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AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE 1

3. COUNTRY/ENTITY
 TA Bureau

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 931-1050

6. BUREAU/OFFICE
 A. SYMBOL TAB B. CODE 08

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 Fisheries Development-ICLARM

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP
 B. DATE MM YY 05 77

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 =)

FUNDING SOURCE		AMOUNT
A. AID APPROPRIATED		1 500
B. OTHER U.S.	1.	
	2.	
C. HOST COUNTRY		
D. OTHER DONOR(S)		
TOTAL		1 500

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY b. FINAL FY

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) FN	101 I	077		800		1 500	
(2)							
(3)							
(4)							
TOTAL				800			

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 974 | 319 | 610

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 NUTR

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 [To increase the production of high quality protein foods and provide improved income and employment opportunities for disadvantaged people in less developed countries.]

16. PROJECT PURPOSE (MAXIMUM 400 CHARACTERS)
 [To provide the mechanisms needed to advance the pace of research and development aimed at achieving optimum output and productivity from the aquatic environment. Initial funding for three year period.]

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)
 One staff month

18. ORIGINATING OFFICE CLEARANCE
 Signature
 Title
 Leon F. Hesser, Director, TA/AGR
 Date Signed MM DD YY

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENT DATE OF DISTRIBUTION
 MM DD YY

PROJECT IDENTIFICATION DOCUMENT
FISHERIES DEVELOPMENT -- ICLARM

I. SUMMARY OF THE PROBLEM AND PROPOSED RESPONSE

A. Summary of the Problem

During recent years, fisheries production has stabilized at approximately 70 million metric tons. although, it is believed that this could be increased to as much as 150 million metric tons by the end of the century. Aquaculture with a potential for producing 30 million metric tons or more yearly, currently accounts for only 6 million tons of the 70 million total.

Aquatic animals supply about 18 percent of the animal protein in the world's diet; however, that total obscures the importance of fish in many of the LDCs. In the "high calorie" countries, fish constitute 6.7 percent of animal protein; in the less-developed "low calorie" countries, 21 percent. An estimated 750 million people derive between 50 percent and 85 percent of their animal protein from fish.

Although the people in these rural underdeveloped areas are heavily dependent on fish, widespread undernourishment and endemic malnutrition and hunger give all too clear evidence of their inability to supply themselves with sufficient quantities of nutritious food. Increasing populations, the economic and ecological exigencies of land use, generally weak technical bases and inadequate economic infrastructures suggest a worsening of the protein deficiency problem.

B. Purpose of ICLARM

The International Center for Living Aquatic Resources Management (ICLARM) has been organized in response to the need for a center, financially and technically competent, to focus the efforts of qualified experts from throughout the world on the solutions of problems constraining increased fisheries production. ICLARM is primarily concerned with bringing about a measurable and significant impact on the productivity levels of artisanal fisheries and aquaculture and the rational management of fishery resources in the LDCs. The development of national capabilities in the fields of fisheries and aquaculture will be a key component in all programs. Special projects may be undertaken also when the potential benefits provide adequate justification.

ICLARM is an international agency with a single long-term objective - the optimum utilization of the aquatic environment for the production of food, with particular reference to the needs of the developing nations. ICLARM is recruiting an inter-disciplinary professional staff of established competence, and through it seeks to focus the efforts and augment the capabilities of independent but cooperative fisheries centers in a concerted effort to achieve its objective.

ICLARM seeks the support and cooperation of the international community of fisheries experts as its staff begins to construct those program thrusts that are beyond the capabilities or outside the franchises of existing fisheries centers. The Center will organize and implement research programs where these are needed. It will seek to bring together, for appropriate periods, international experts in order to make the fullest use of world capabilities. ICLARM will undertake demonstration and pilot projects and conduct the training of fisheries field technicians. ICLARM does not intend to establish a large physical plant, though it will operate on the same principle as the international agricultural research centers.

ICLARM is potentially an important resource for international assistance agencies such as U.S. AID. ICLARM will cooperate closely with those agencies in order to avoid duplication and to provide for the effective transfer of technology to developing countries.

ICLARM is incorporated as an autonomous international center with headquarters in Manila, Philippines.

C. Description of ICLARM Program Areas

ICLARM has been organized to serve as a center for focusing the activities of presently scattered experts on the solutions of major fisheries development problems. Initially, at least, it plans to concentrate a large part of its resources on an aquaculture program, though it proposes to make significant efforts with respect to small-scale fisheries, marine affairs and resource development and management and education and training. It will undertake special projects on an ad hoc basis. The program will be concentrated in--but not limited to--South-east Asia at least for the early stage of the Center's development.

D. Proposed ICLARM Projects

1. Aquaculture

A great deal of attention has been paid to aquaculture recently, with emphasis on the potential for increased protein production, economics benefits and employment. A major if not the major, bottleneck in aquaculture, lies in the area of the supply of "seed". For many species and in many places aquaculture is dependent upon wild supplies and the supplies need to be made more abundant in space and time

as well as improved qualitatively. In order to meet this demand, it will be necessary to maintain broodstocks, to breed the fish in captivity, to rear the resulting young to the stages at which they can be utilized in aquaculture, and eventually to carry out genetic studies leading to improved stocks.

There are a number of other development problems, perhaps foremost of concern, the economic constraints relating to fertilizer costs, water costs, labor costs etc.

Specific program elements relate to:

- a. Controlled breeding and mass production of brackishwater fishes.
- b. Assessment of the resource base available for aquaculture.
- c. Evaluation of mangrove areas.
- d. Socioeconomics of aquaculture households.

2. Upgrading Small-Scale Fisheries

In Southeast Asia there are approximately 2.5 million full-time small-scale fishermen operating more than one million small fishing craft. They constitute up to 90 percent of the population concerned with fishing but account for no more than 30 percent of the total catch. Post harvest losses to spoilage, due to lack of adequate preservation and marketing facilities, are estimated in excess of 40 percent of the total harvest in many countries.

Most small-scale fishermen in the region fall within the lower social and economic strata of their respective countries. The upgrading of traditional fisheries presents a number of complex, interlocking social, economic, and technological problems. Tradition and poverty combined often present formidable barriers to productive change: when innovations are accepted, they must be applied within prevailing socio-economic structures.

ICLARM will focus its efforts on:

- a. Assessment of inshore fishery resources.
- b. Upgrading the economic level and status of artisanal fishermen.
- c. Improving handling, preservation, storage and marketing of the catch.
- d. Fostering linkages between traditional fisheries and coastal aquaculture.

Other Programs: These fall into several categories:

Resource Development and Management

- a. Assessment of South China Sea resources and identification of management problems.

Marine Affairs

- a. Evaluation of the effects of Law of the Sea matters on fisheries.
- b. Evaluation of the effects of economic trends on fisheries.

Education and Training

- a. Resource development and management curriculum development at undergraduate and graduate levels.
- b. Development of husbandry manuals.

E. Major Prerequisites Pertinent to Project Success

1. That ICLARM receives significant financial support from a broad base of international agencies, governments, and private foundations.
2. That ICLARM be capable of carrying out long-term projects without interruptions occasioned by funding gaps or personnel transfers.
3. That ICLARM develops effective linkages with regional and national organizations concerned with aquatic food production.
4. That ICLARM develops techniques to transfer technology effectively to international and national assistance agencies for use by their personnel in the conduct of national programs.

F. Realistic Alternatives to the Project

The alternative to an effective ICLARM is continuation of present fisheries research and development activities. Major problem areas do not receive attention because no existing institution is capable of solving the problems, which are interdisciplinary in nature and beyond the resources of existing centers. Assistance programs in LDCs concentrate on improvement of historical practices rather than on development of more effective technology. Regional linkages and linkages between regional agencies are inadequate but could be improved through an apolitical international center.

Almost without exception, fisheries institutes throughout the world are government supported and dedicated exclusively to the improvement of national fisheries. Often the scientific competence is high but it is not directed toward increasing world food production.

In the private sector, no fisheries institute is known to exist anywhere in the world that could be compared either in scope of interest, size of staff, physical resources or financial support, with the average U.S. agricultural college

Taken as a whole, the body of experience represented by fisheries scientists and the results of research to date suggests that the capability exists to overcome the obstacles. However, that effort must be organized because the resources required exceed those possessed by any existing agency concerned with world fisheries.

G. Beneficiaries of the Program and Spread Effect

The program thrust of ICLARM will be the improvement of the technologies underlying aquaculture, small-scale fishing and the management of ocean fisheries as they relate to LDCs. Achievement of its goals will result in an increase in world food supplies but, most important, will provide labor intensive, low-capital and low-energy input methods of increased food production designated for use in rural areas lacking well developed infrastructures.

Program results should have broad application to problems existing in coastal LDCs throughout the world.

II. FINANCIAL REQUIREMENTS AND PLANS

A. Estimated Cost

The ICLARM core budget for 1977 is estimated at about \$1-1.25 million. The budget will support the maintenance and administration of the ICLARM headquarters and its staff and cover the costs of programs, the compensation of consultants, the underwriting of meetings, and the publication of appropriate literature.

B. Proposed U.S. AID Share of Costs

It is proposed that U.S. AID give continuous support to ICLARM and that it initially provide \$800,000 for a 3 - year period. The U.S. contribution will not exceed

25% of the core support required for programs that are consistent with U.S. AID objectives. The extent of support beyond the 3-year period will be based upon experience in the first two years.

C. Other Sources of Support

The Rockefeller Foundation has and will, at least for the near future, provide core assistance. ICLARM either has or soon will discuss support with other foundations, and with bilateral and multi-lateral donors.

III. DEVELOPMENT OF THE PROJECT

The concept of ICLARM was developed under the auspices of the Rockefeller Foundation. In October, 1972, the Foundation assembled a group of interested agency representatives (including U.S. AID) and technical experts to discuss the feasibility of what has become known as ICLARM. Supported by a grant of \$250,000 made by the Rockefeller Foundation in December, 1973, a series of meetings and workshops were held during 1974 and papers bearing on aspects of the Center were prepared by experts located in various countries.

The Center was incorporated in the Philippines early in 1977, and has established its headquarters in Manila. It is seeking financial support for its core program from nations with bilateral assistance programs and from various foundations, with the expectation that its core support will be similar to that of the agricultural centers such as IRRI.

The Director General has appointed a Program Advisory Committee which held its first meeting in Manila in March, 1977. The PAC, with its members acting in their individual capacities as experts, reviewed, revised and approved a core program proposal by the ICLARM Secretariat. Further, the PAC concluded that the justification of and rationale for ICLARM were apparent and that the need for the organization was very real and urgent.

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IV. Environmental Impact

Since this project will provide general core support to an existing international center there will be no environmental effects which directly may be attributed to the project. The center does not anticipate any major construction of an administrative plant or permanent research facilities so the question of local environmental dislocations does not arise.

The center, of course, will support and be engaged in experimental investigations and applied research in conjunction with existing institutions but the level of these activities and the controlled conditions under which they will be carried out will not have any significant effects positive or adverse - - on the environment.

Subsequent implementation of the results of those research efforts, on a large scale at some future date, may or may not have significant environmental impact but it is impossible to judge the possibilities at this time. Any such long run effects would be evaluated at the time new investment in support of those activities might be called for.

ACTION MEMORANDUM FOR THE DEPUTY ASSISTANT ADMINISTRATOR

FEB 23

FROM : DS/AGR, Dean F. Peterson *Dean F. Peterson*

SUBJECT: Proposed Initial AID Contribution to the International Center for Living Aquatic Resources Management (ICLARM). Project Number 931-1050

Problem: Your approval is required to effect a three year grant of \$800,000 to the International Center for Living Aquatic Resource Management (ICLARM). Initial two-year funding of \$500,000 is being sought at this time. Approval of this grant implies a long-term commitment by AID to support ICLARM's core budget at not to exceed 25 percent after the initial three-year period.

Discussion: Background information on this proposed grant is contained in the March 14, 1978 Action Memorandum approved by the Deputy Administrator (Attachment A). That memorandum outlined a five step course of action which ultimately will lead to AID participation in long-term support for ICLARM. The following procedure was approved (quoting from relevant sections of the March 14 memorandum):

- "1. We will seek assurance from Rockefeller that the Foundation will take the lead role in obtaining commitments of support from bilateral donors.
- "2. We will conduct discussions with ICLARM and other donors to determine the interest and potential support on the part of other donors for ICLARM. In these discussions we will make it clear to all parties that no long-term commitments can be made without presidential approval.
- "3. We will continue the dialogue with Joint Research Committee and Board for International Food and Agricultural Development (BIFAD) to determine their reaction to a long-term U.S. commitment of support to ICLARM.
- "4. Assuming favorable results from the previous steps we will seek the necessary U.S. government approvals including:
 - (a) Conditional A/AID authorization of an initial three-year contribution not to exceed 50% of core budget costs over the three-year period and the longer-term commitment not to exceed 25% of annual core budget costs.
 - (b) Presidential and inter-agency (State and OMB) approval to enter into formal negotiations leading to a long-term commitment.

5. We would then formalize the U.S. Government commitment (at a pledging conference or equivalent, such as exchange of letters) subject to sufficient support and/or formal pledges of future support from other donors."

DS/AGR has, with respect to the numbered items:

1. Obtained the necessary assurances from the Rockefeller Foundation that they will continue to take the leadership in "orchestrating" and coordinating funding commitments from other donor groups. (See exchange of letters between Leon Hesser and John Pino at Attachment B.)
2. Carried out discussions with ICLARM, and Rockefeller Foundation both of which have provided statements from interested donors. ICLARM program and budget information covering 1978 actuals and 1979 and 1980 projected expenditures are given in Attachment C. (Letters representing evidence of Donor interest may be found in Attachment D.)
3. Maintained liaison with the BIFAD and the Joint Research Committee and obtained BIFAD approval of AID to support ICLARM. (See extract from Summary of Minutes of March 23, 1978 BIFAD Meeting Attachment E.)

Additionally we might point out that the Agency Research and Development Committee (predecessor to the current Program Review Committee) endorsed the proposed grant for ICLARM and there has been continuing support and interest on the part of Regional Bureaus that we proceed with the proposed grant. Based on this earlier approval by the Deputy Administrator and the favorable progress to date, we believe it is now appropriate for you to approve the proposed initial three-year AID contribution to ICLARM.

Current donor support (1978) to ICLARM is \$762,461 of which the Rockefeller Foundation has provided \$666,325 (Attachment C). The Foundation plans to continue contribution of this magnitude as long as needed. (See Attachment B). The Government of the Philippines is making an in-kind contribution estimated at \$85,523. (See Attachment F.) Central Luzon State University in the Philippines also is making a direct contribution of \$10,613 this year as part of its inputs to a joint ICLARM-CLSU research project.

The Australian Government did not provide unrestricted core support in FY 1978 as we earlier had anticipated. However, recently they have committed \$225,000 for a three-year regional project involving several Southeast Asian countries. This project is a key element of one of ICLARM's major program initiatives. We note that the Australian contribution to this program is in line with the proposed level of funding which earlier had been expected.

Similarly the Federal Republic of Germany will make, we have reason to believe, its initial contribution in the form of a 2 million mark grant for project support in Thailand. ICLARM has already signed an agreement with the Royal Thai Government setting the stage for the project. The West German funding commitment has been agreed to informally and final signature of the grant to ICLARM is expected shortly.

The ICLARM Board of Trustees at its meeting in Manila in November 1978 approved a basic budget of \$1,250,000 for 1979 and a target (optimum) budget of \$2,002,000 (Attachment C). The proposed first-year U.S. contribution of \$250,000 added to the funds that Rockefeller and other donors have already made available place the U.S. share at slightly less than 25% for this year and well within the 50% guideline set forth in the Deputy Administrators Action Memorandum.

The emergence of other donor contributions in the form of project support rather than unrestricted core support differs somewhat from the expectations which were implied in the March 14, 1978 Action Memorandum. Discussions between Fisheries Division personnel and the Senior ICLARM staff over the past few months indicates that the project support approach will very likely be shifted to unrestricted core support (which in general would require less strict donor monitoring) as ICLARM develops a satisfactory record of performance and when the U.S. contribution materializes.

The concept of unrestricted core support for ICLARM is somewhat different than for most of the other international centers. ICLARM does not contemplate developing a large physical complex such as may be found at IRRI, CYMMIT, and others. Currently they operate out of a suite of rented offices in Manila and have no plans for a permanently owned facility. They propose to carry out their program initiatives by utilizing laboratory and other physical facilities which already exist in LDCs and providing technical and program leadership, operating funds, commodities, and support for training at various locations under agreement with host countries. Financial requirements are mainly for salaries and operational expenses to undertake several related types of projects in different locations which will support ICLARMs core program objectives. While it has been possible to identify initial project elements and obtain project by project funding thus far, ICLARM needs the flexibility of more unrestricted core funding to allow them to design and implement programs without having to seek financing for individual project activities on an ad hoc basis.

Rockefeller Foundation personnel have told us that other donors are waiting to see what AID is going to do before making firm commitments for unrestricted core support. Several other private foundations both in the U.S. and abroad have been approached and some reportedly are receptive to participation at modest funding levels. They too are waiting for a USG "vote of confidence" in favor of ICLARM.

We believe that with the substantial international funding for ICLARM which is now at hand AID should move ahead expeditiously with its contribution. During the proposed initial three-year period we will continue to monitor the progress of ICLARM programs and encourage them to move ahead to formalize some mechanism to obtain permanent long-term funding.

At present there is no forum for reaching a commitment decision by donor nations outside of CGIAR. We believe that ICLARM and Rockefeller Foundation should be encouraged to seek entree to the CGIAR family and in our discussions have made it very clear that continued funding after this initial three-year period will be contingent on an evaluation of the quality of the program implemented during the grant period and upon obtaining other substantial international core financial commitments adequate to support a viable program in which the AID contributions will not exceed 25%. If these conditions are not met, AID would not continue its support.

DS/AGR believes that substantial progress toward formalizing a permanent funding arrangement can be made by the end of three years. Currently, we believe that we could renew the grant for an additional two years through 1984 if that much time is necessary to finalize the long-term arrangements either through the CGIAR or some other consortium arrangement.

Recommendation: I recommend that you approve \$800,000 to finance a three-year grant that is not to exceed 50% of the core program of ICLARM for 1979, 1980, and 1981, (as determined by current projected budget estimates) by signing the attached PAF and Environmental Threshold Determination.

AGENCY FOR INTERNATIONAL DEVELOPMENT
**PROJECT AUTHORIZATION AND REQUEST
 FOR ALLOTMENT OF FUNDS PART I**

1. TRANSACTION CODE

A

A - ADD
 C - CHANGE
 D - DELETE

PAF

2. DOCUMENT CODE
 5

3. COUNTRY/ENTITY

DS/AGR

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 digits)

6. BUREAU/OFFICE

A. SYMBOL

DSB

B. CODE

7. PROJECT TITLE (Maximum 40 characters)

8. PROJECT APPROVAL DECISION

A

A - APPROVED
 D - DISAPPROVED
 DE - DEAUTHORIZED

ACTION TAKEN

9. EST. PERIOD OF IMPLEMENTATION -

YRS.

QTRS.

10. APPROVED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>79</u>		H. 2ND FY <u>80</u>		K. 3RD FY	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1)				500		300			
(2)									
(3)									
(4)									
TOTALS				500		300			

A. APPROPRIATION	N. 4TH FY		Q. 5TH FY		LIFE OF PROJECT		11. PROJECT FUNDING AUTHORIZED (ENTER APPROPRIATE CODE(S)) 1 = LIFE OF PROJECT 2 = INCREMENTAL LIFE OF PROJECT	A. GRANT	B. LOAN
	O. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN			
(1)					800				
(2)									
(3)									
(4)									
TOTALS					800				

C. PROJECT FUNDING AUTHORIZED THRU
 FY

12. INITIAL PROJECT FUNDING ALLOTMENT REQUESTED (\$000)

A. APPROPRIATION	B. ALLOTMENT REQUEST NO. _____	
	C. GRANT	D. LOAN
(1)		
(2)		
(3)		
(4)		
TOTALS		

13. FUNDS RESERVED FOR ALLOTMENT

TYPED NAME (Chief, SER/FM/FSD)

SIGNATURE

DATE

14. SOURCE/ORIGIN OF GOODS AND SERVICES

000

941

LOCAL

OTHER _____

15. FOR AMENDMENTS, NATURE OF CHANGE PROPOSED

FOR PPC/PIAS USE ONLY	16. AUTHORIZING OFFICE SYMBOL	17. ACTION DATE	18. ACTION REFERENCE (Optional)	ACTION REFERENCE DATE
		MM DD YY		MM DD YY

PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS

PART II

ENTITY : DS Bureau
PROJECT : ICLARM - Fisheries Development
PROJECT NO. : 931-1050

I hereby authorize a Grant of not to exceed five hundred thousand United States dollars (\$500,000) to partially finance the 1979 and 1980 Core Operations budget of the International Center for Living Aquatic Resources Management (ICLARM) as described in the program and 1979-1980 estimated budget of the Center (Attachment A).

I approve the total level of AID appropriated funding planned for three years 1979-1981 inclusive of not to exceed eight hundred thousand United States dollars (\$800,000) including the funding authorized above or fifty percent (50%) of the combined Core budgets, whichever amount is lower.



Tony Babb
Deputy Assistant Administrator
Development Support Bureau

2/27/79

Clearance:

Mozynski, DS/AGR incm 2/14/79
DPeterson, DS/AGR DP 2/15/79
RSimpson, DS/PO Refa 2/16

ENVIRONMENTAL THRESHOLD DETERMINATION

TO: DAA/DS/FN, Tony Babb
THRU: DS/PO, Mr. Robert Simpson *Bob*
FROM: DS/AGR, Dean Peterson *D Peterson*
SUBJECT: Environmental Threshold Determination

FEB 28

Project Title: ICLARM - Fisheries Development
Project #: 931-1050
Specific Activity (if applicable) _____
REFERENCE: Initial Environmental/Examination (IEE) contained in
dated _____

On the basis of the Initial Environmental/Examination (IEE) referenced above and attached to this memorandum I recommend that you make the following determination:

1. The proposed agency action is not a major Federal action which will have a significant effect on the human environment.
2. The proposed agency action is a major Federal action which will have a significant effect on the human environment, and:
- a. An Environmental Assessment is required; or
 - b. An Environmental Impact Statement is required.

The cost of and schedule for this requirement is fully described in the referenced document.

3. Our environmental examination is not complete. We will submit the analysis no later than _____ with our recommendation for an environmental threshold decision.

Approved: *Tony Babb*

Disapproved: _____

Date: 2/27/79

B

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact
Identification
and
Evaluation 2/

Impact Areas and Sub-areas 1/

A. LAND USE

- | | |
|--|-------|
| 1. Changing the character of the land through: | |
| a. Increasing the population ----- | N |
| b. Extracting natural resources ----- | N |
| c. Land clearing ----- | N |
| d. Changing soil character ----- | N |
| 2. Altering natural defenses ----- | N |
| 3. Foreclosing important uses ----- | N |
| 4. Jeopardizing man or his works ----- | N |
| 5. Other factors | |
| _____ | _____ |
| _____ | _____ |

B. WATER QUALITY

- | | |
|---|-------|
| 1. Physical state of water ----- | N |
| 2. Chemical and biological states ----- | N |
| 3. Ecological balance ----- | N |
| 4. Other factors | |
| _____ | _____ |
| _____ | _____ |

1/ See Explanatory Notes for this form.

2/ Use the following symbols: N - No environmental impact
L - Little environmental impact
M - Moderate environmental impact
H - High environmental impact
U - Unknown environmental impact

C. ATMOSPHERIC

- 1. Air additives ----- N
- 2. Air pollution ----- N
- 3. Noise pollution ----- N
- 4. Other factors
- _____
- _____

D. NATURAL RESOURCES

- 1. Diversion, altered use of water ----- N
- 2. Irreversible, inefficient commitments ----- N
- 3. Other factors
- _____
- _____

E. CULTURAL

- 1. Altering physical symbols ----- N
- 2. Dilution of cultural traditions ----- N
- 3. Other factors
- _____
- _____

F. SOCIOECONOMIC

- 1. Changes in economic/employment patterns ----- N
- 2. Changes in population ----- N
- 3. Changes in cultural patterns ----- N
- 4. Other factors
- _____
- _____

G. HEALTH

- 1. Changing a natural environment _____ N
- 2. Eliminating an ecosystem element _____ N
- 3. Other factors
- _____
- _____

H. GENERAL

- 1. International impacts _____ N
- 2. Controversial impacts _____ N
- 3. Larger program impacts _____ N
- 4. Other factors
- _____
- _____

I. OTHER POSSIBLE IMPACTS (not listed above)

See attached Discussion of Impacts.