

**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**



ANNUAL BUDGET SUBMISSION

FY 82

CAPE VERDE

BEST AVAILABLE

JUNE 1980

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
WASHINGTON, D.C. 20523

FY 1982

ANNUAL BUDGET SUBMISSION

USAID/CAPE VERDE

June, 1980

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FOR

CAPE VERDE

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FY 1982 ANNUAL BUDGET SUBMISSION

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

Development Assistance	FY 1980 EST.	FY 1981 EST.	Decision Unit			USAID/Praia			
			FY 1982 REQUEST			PLANNING PERIOD			
			MIN	CURR	AARL	1983	1984	1985	1986
<u>Other DA Accounts</u>									
<u>Sahel Development Program</u>									
Grants	3,000	2,122	2,841	-	659	4,500	4,500	4,500	5,300
Loans	-	-	-	-	-	-	-	-	-
Total DA Accounts	3,000	2,122	2,841	-	659	4,500	4,500	4,500	5,300
<hr/>									
PL-480 (Non-Add)									
Title II	2,360 (10,000 MT)	-	-	-	-	-	-	-	-
* Title III	-	2,640 (22,000MT)	2,860 (22,000MT)	-	-	2,860 (22,000 MT)	2,860 (22,000 MT)	2,860 (22,000 MT)	2,860 (22,000 MT)
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Total Personnel									
USDH	3	4	-	-	4	4	4	4	4
FNDH	2	2	-	-	2	2	2	2	2

*Figures do not include transportation costs.

Table I Narrative

The ABS guidance requests that Part I of this narrative describe the relationship between the FY 1982 AAPL and the direct hire personnel planning level. For AID Praia, as well as for most missions, to limit discussion of the Mission's workforce only to the FY 1982 AAPL is very misleading. AID/Praia's FY 1982 program level is not circumscribed by the FY 1982 AAPL. In addition to the four (4) projects envisioned to be financed under the FY 1982 AAPL, there are three (3) residual projects, as well as four (4) regionally-funded projects, which will still be implemented and require monitoring by Mission personnel. Further, AID/Praia also contemplates the authorization of a PL 480 Title III Food for Development Program with proceeds from the sale of foodstuffs estimated at \$3.0 million in FY 1982. These proceeds will finance several project activities, in support of the CDSS for Cape Verde, which will require monitoring by Mission personnel.

The FY 1982 program level of both bilateral and regionally AID-financed projects in Cape Verde, for which AID/Praia is responsible for monitoring and/or implementing, approximates \$10.0 million. Although our ability to efficiently and effectively manage and implement these projects will be tested to the limit, AID/Praia will utilize its personnel planning level of four (4) direct hires (a Program Officer, two Project Managers and a Secretary) and two Foreign National direct hires (a Secretary/Translator and a Driver) to carry out the FY 1982 program. In summary, the number of projects and the level of this Mission's program significantly outpace the relative increase of the workforce. The ratio of Project Officers to projects is estimated at 1:6 in FY 1982.

Although AID/Praia's AAPL and overall program level is anticipated to be substantially increased (from \$3.5 million to \$5.3 million) over the life of the planning period, FY 1982-1986, no increase in personnel is projected during this period. In order to maintain a lean and efficient workforce, AID/Praia plans to replicate successful projects and utilize host country personnel in planning, developing and implementing these projects. For example, the Rural Works Project, involving soil and water conservation activities, which will be completed in FY 1982, is being replicated under an expanded Watershed Management Project. For the most part, the project will be managed and supervised by Cape Verdeans. Moreover, proceeds from the PL 480 Title III Food for Development Program will be used to finance successful prototype rural work activities, such as the construction of dikes, check dams, terracing, etc. for soil conservation and the development/exploration of ground water supply. Other donor technicians financed by the United Nations, the Dutch and possibly the French will be used as technical advisors to the local staff, thus possibly avoiding the need for additional U.S. direct hire personnel.

Other efficiency measures already undertaken includes concentrating our development strategy and project activities to alleviating the food deficit problem in Cape Verde. Hence, for FY 1982, AID/Praia will be phasing out of the education sector, and instead, moving into the fishing sector. The Mission will attempt, to the extent possible, to utilize intermediaries such as PVO's, Universities, Pasa's, etc. to enhance the efficiency of its operation while complying with the directive of the Administrator to keep U.S. direct hire personnel at a reduced level.

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT
 FY 1980 TO FY 1982
 (\$ thousands)

Decision Unit USAID/Praia

APPROPRIATION ACCOUNT	FY 1980	FY 1981	FISCAL YEAR 1982		
			MINIMUM	CURRENT	AAPL
<u>Other Programs</u>					
Sahel Development Program					
<u>A. Bilateral Projects</u>					
655-0006 Watershed Management (G)	1,457	2,122	1,696	-	-
655-0008 Primary & Non-Formal Education (G)	1,543	-	-	-	-
655-0010 Tarrafal Water Resources Phase II (G)	-	-	750	-	-
655-0011 Irrigated Crop Research (G)	-	-	395	-	-
655-0012 Integrated Fishery Development & Production (G)	-	-	-	-	659
TOTAL DA APPROPRIATION ACCOUNT	3,000	2,122	2,841	-	659
<u>B. Regional Projects (Non-Add.)</u>					
625-0937.03 Cape Verde Renewable Energy (AIP) (G)	(500)	-	-	-	-
625-0936 Sahel Manpower Development	(100)	(500)	-	-	(500)
625-0928.5 Regional Food Crop Protection (Phase II)	(168)	(284)	-	-	-
625-9901 Special Self-Help	(10)	(10)	-	-	(10)
625-0929 Planning, Management and Research	-	-	-	-	(200)

Title & Number: Tarrafal Water Resources (Phase II), 655-0010

FY 82 Funding: \$750,000

Life of Project Funding: \$5,000,000

Appropriation Account: Sahel Development Program

Purpose: To develop surface and groundwater resources for the irrigation of 400 - 600 hectares in the Tarrafal region on Santiago Island.

Background: In an effort to reduce Cape Verde's annual food deficit, the GOCV has embarked on a program for the maximum development of irrigable areas for agricultural production. The stated goal is to quadruple the area under irrigation by the year 2000. Development of the hydrological resources of the Tarrafal area will make a significant contribution to this goal, as well as providing a model for development and management of future irrigation projects.

The Tarrafal region has been severely affected by the current drought. The local economy is based on subsistence agriculture, artisanal fishing, and more recently on emergency public works projects. Unemployment, underemployment, and malnutrition are chronic problems of the region. The most promising route to economic development appears to be through increased agricultural production and attendant processing industries.

Project Description: Phase II of the Tarrafal Project consists of the implementation of an integrated irrigation development scheme based on investigations and designs to be completed under Phase I. The effort will include drilling of production wells and galleries (horizontal wells); possible construction of two small to medium size dams; and, organization of management, production, and marketing units. Soil conservation and reforestation activities in the upper watershed, which were begun during Phase I, will continue under Phase II. The newly irrigated area will be used for the production of potatoes, sweet potatoes, vegetables and fruits, both for local consumption and for export.

AID's major inputs will be construction and irrigation systems equipment; technical assistance in civil and irrigation engineering, agronomy, agricultural economics, and farm management; participant training; and local labor costs. Two other AID-funded projects will complement the effort to bring about the agricultural development of the Tarrafal region. The Renewable Energy AIP will investigate the possible use of wind energy to power the water pumping and distribution network of this project. Under the Regional Food Crop Protection Project, a warehouse/office facility for the National Crop Protection Service at Tarrafal has been constructed and equipped. In addition, an Irrigated Crop Research project (see following description) is proposed for FY 82.

Host Country Contribution: The GOCV implementing agency will be the Ministry of Rural Development, specifically the Directorate General for the Conservation and Exploitation of Natural Resources. The GOCV will provide land, office space, maintenance shops, warehouses, counterpart personnel for U.S. technicians, plus supervisory staff and skilled workers.

Beneficiaries: Approximately six hundred (600) small farmers and their families, who will farm the improved area, will directly benefit from the project. Indirect beneficiaries will be the 20,000 residents of the Tarrafal region who will enjoy an assured and improved food supply.

Issues:

- (1) The specific combination of dams/wells/galleries that will result in the maximum sustainable yield of water at a favorable cost/benefit ratio has not yet been determined. Phase I investigations should provide the necessary data prior to the design of Phase II.
- (2) The administration and organization of the land to be brought under cultivation needs to be clarified. The GOCV has indicated that a portion of the land would be used as an agricultural experiment station, and the remainder would be farmed by small farmer cooperative units.

Title and Number: Irrigated Crops Research, 655-0011

FY 82 Funding: \$395,000

Life of Project Funding: \$640,000

Appropriation Account: Sahel Development Program

Purpose: (1) To increase the yield of selected irrigated crops
(2) To strengthen the capacity of the GOCV to carry out a program of applied agricultural research.

Background: Development of Cape Verde's irrigated agriculture potential is the key to maximum food self-sufficiency. The GOCV has embarked on a program of exploration and exploitation of water resources, with the goal of increasing the irrigated area four-fold by the end of the century. AID is assisting this effort on Santiago Island through the Tarrafal Water Resources, Rural Works, and Watershed Management projects. West Germany, France, and the Netherlands are funding irrigation development projects on other islands.

Along with the increase in irrigable area, there is a concurrent need to maximize yields of irrigated crops. Because varieties in common use in Cape Verde are out-dated and low-yielding, the potential exists for considerable improvement through the introduction and selection of new genetic material. Research into optimum method, amount, and timing of water and fertilizer applications is also necessary. Due to different climatic and agricultural conditions on the different islands, field testing of varieties and technology packages is required on each of the agricultural islands. Although some research work is now in progress, GOCV is severely constrained by a lack of trained manpower.

Project Description: This project provides technical assistance, equipment, and training to the Ministry of Rural Development in support of its goal

of increasing output per hectare on irrigated lands. The specific crops to be focused upon have not yet been determined, but potatoes, sweet potatoes, cassava, and bananas are likely candidates. The first three of these crops are subsistence foods of rural Cape Verdeans and have been playing a more important role in the rural diet since the drastic drop in corn production. In addition to increasing the yield of these crops, their nutritional quality can also be improved. Introduction of orange-tubered sweet potatoes, for example, would increase the supply of Vitamin A, deficiency of which affected 9% of a sample population in 1973. Bananas have traditionally been Cape Verde's most important agricultural export, and this will likely continue to be true through the medium-term future.

AID's inputs will include the following:

- (1) Long-term services of an agronomist (specialty in irrigated crops), whose duties will include collection and analysis of existing data; establishment of contacts with other research institutions to exchange information and germ plasm; importation of improved varieties and testing their adaptability under local conditions; experimentation on technical crop production packages (seeds, fertilizer, pesticides, water) to determine most favorable combinations. Short-term consultation by other specialists will be provided as needed.
- (2) U.S. training for two Cape Verdean candidates leading to Master's degrees in agronomy and plant breeding.
- (3) Short-term third country training at regional and national research facilities, e.g. IITA in Nigeria; research institutions of other CLSS countries.
- (4) Laboratory and field equipment to supplement MDR's supply of research tools.

Host Country Contribution: The GOCV implementing agency is the Directorate General for Agriculture, Livestock, and Forestry of the Ministry of Rural Development. The GOCV will provide land, office and laboratory space, counterpart personnel for U.S. technicians, and in-country travel.

Beneficiaries: Direct beneficiary will be the Ministry of Rural Development, whose research capability will be strengthened. Ultimate beneficiaries will be all farmers with irrigated holdings, who will increase their present production, and the entire Cape Verdean population, which will benefit from a larger supply of domestically produced food.

Proposed Budget:

Long-term technical assistance (24 p.m.)	\$200,000
Short-term technical assistance (4 p.m.)	40,000
Laboratory supplies and equipment, field supplies and equipment, vehicle	220,000
Long-term training, U.S. (2 M.S.)	80,000
Short-term training, U.S. and third country	40,000
Local costs, miscellaneous support	60,000
	<hr/>
TOTAL	\$640,000

Title and Number: Integrated Fishery Development & Production, 655-0012

FY 82 Funding: \$659,000

Life of Project Funding: \$6,500,000

Appropriation Account: Sahel Development Program

Purpose: The purposes of the proposed project are:

1. To alleviate the shortage of food supply
2. To increase the protein supply to the local population
3. To create employment in rural areas and,
4. To increase the foreign exchange earnings of the country by export of fish after meeting domestic needs.

Background: Increasing the production of fish is accorded the second highest priority, to that of agriculture, by the Government of Cape Verde in its proposed Development Plan. With the Government's continued emphasis on increasing the country's food production, the agricultural and fishery sectors received almost half of the development budget in 1979. The high priority given to the fishery sector, notwithstanding, production continues to lag due to two limiting factors. Firstly, the prime fishing season lasts only six months of the year for the artisanal fishermen because of the unsuitability of their boats to the weather conditions prevailing during the balance of the year. With larger, better designed boats, the season could be considerably extended, thereby increasing their productivity.

Secondly, the lack of bait has also hampered production. Much of the time of the artisanal fishermen is spent searching for bait, which is both scarce and expensive.

Project Description: The proposed project will assist the Society for the Commercialization and Assistance for Artisanal Fishery (SCAPA), General Directorate of Fishery, in addressing the needs of artisanal fishermen primarily located in the rural areas of Santiago and possibly in Sao Vicente. Assistance would be provided to design and construct more suitable boats of 7 to 10 meters in order to enable the fishermen to extend the fishing season from 6 months to year-round. It is estimated that with more suitable boats and an extended fishing season, the production of artisanal fishing would be increased from the current 5,000 to 6,000 tons to approximately 10,000 tons. Construction of larger boats would also increase the general safety of the fishermen.

To harbor the larger boats, improved shelter and beaching facilities would be required. Assistance would be provided to construct breakwater, ramp and other beaching facilities suitable for local conditions. This project would also examine the feasibility in producing bait through pisciculture. In addition, to facilitate long term fishing projections, it is proposed that data collection for artisanal fish stock assessment be carried out under this project.

During the design of the project, processing, marketing and distribution of the expected increased fish production will be explored for possible inclusion in the project. Technical assistance and participant training would be provided to strengthen the country's manpower capability in the construction of boats and beaching facilities; to improve fishing skills and techniques; and, to increase the supply of bait.

Host Country Contribution: The Government of Cape Verde would provide cold storage, office space, supervisory personnel and logistic support to the project.

Beneficiaries: The direct beneficiary of the project would be approximately 1,500 rural fishermen on the islands of Santiago and Sao Vicente, who would be assured a more steady and extended period of employment as well as an increased income. SCAPA personnel would also benefit from advisory assistance and training provided under the project. In the long-term, the local populations of Cape Verde of approximately 40,000 families would benefit by the increased production of fish resulting in an increased protein supply.

Proposed Budget:

Technical Assistance:

A. Boat building specialist (24 p.m.)	300,000
B. Beaching/ramp construction specialist (24 p.m.)	300,000
C. Artisanal fishery/extension specialist (24 p.m.)	300,000
D. Short-term consultants (10 p.m.)(fish/bait culture)	100,000

Commodities:

A. Materials for boat construction	1,000,000
B. 3 cold storage trucks	100,000
C. 3 vehicles	50,000
D. Materials/machinery for workshop and shore facilities	700,000

Participant Training:

4 short-term participants	250,000
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Other Costs:

Beaching/ramp construction (local labor & materials)	<u>3,400,000</u>
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TOTAL	5,500,000
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DECISION UNIT
USAID/Praia

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	G/L	OBLIGATION DATE		DATE OF NEXT PLANNED NOM. ROUTINE EVAL.	ESTIMATED U.S. DOLLAR COST (\$000)						FY 1982 N/PL OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS	
			INITIAL	FINAL		FY 1980 OBLIG.	FY 1980 EXPEND.	TIME PIPELINE	FY 1981 OBLIG.	FY 1981 EXPEND.	TIME PIPELINE				
	SAHEL DEVELOPMENT PROGRAM														
	A. Bilateral Projects														
655-0006	Watershed Management	G	FY 79	FY 82*	6/82	1,000	1,457	500	1,957	2,122	1,500	2,579	1,696	9/82	-
655-0008	Primary & Non-Formal Education	G	FY 78	FY 80*	3/81	1,407	1,543	800	2,150	-	-	-	-	-	-
655-0010	Tarrafal Water Resources Phase II	G	FY 82	FY 86*	7/84	-	-	-	-	-	-	-	750	9/83	4,250
655-0011	Irrigated Crop Research	G	FY 82	FY 83	9/84	-	-	-	-	-	-	-	395	6/83	245
655-0012	Integrated Fishery Development and Production	G	FY 82	FY 86	11/84	-	-	-	-	-	-	-	659	6/82	5,841
	B. Regional Projects (Non-Add.)														
625-0937.03	Cape Verde Renewable Energy (AIP)	G	FY 80	FY 80	3/82	-	(500)	(100)	(400)	-	(300)	(100)	-	-	-
625-0936	Sahel Manpower Development	G	FY 80	FY 84	N/A	-	(100)	(15)	(85)	(500)	(75)	(510)	(500)	9/82	-
625-0928.5	Regional Food Crop Protection	G	FY 79	FY 81	N/A	(140)	(168)	(100)	(208)	(284)	(200)	(292)	-	-	-
625-9901	Special Self-Help	G	FY 82	FY 82	N/A	-	(10)	(10)	(0)	(10)	(10)	(0)	(10)	-	-
625-0929	Planning, Management & Research	G	FY 82	FY 82	N/A	-	-	-	-	-	-	-	(150)	-	-
	C. Unliquidated Balances for Projects with no Obligations after FY 1979. (As of 9/30/79.)	G	N/A	N/A	N/A	(7,588)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORKFORCE (Number of Positions)						
					INCR	CUM	INCR	CUM	INCR	CUM			
	<u>Decision Package Minimum</u>												
	<u>Pipeline Projects</u>												
	655-0003 Tarrafal Water Resources	P	G	SD	(75)								
	655-0008 Primary and Non-Formal Education	P	G	SD	(1,000)	(1,075)							
	625-0937.03 Cape Verde Renewable Energy	P	G	SD	(200)	(1,275)							
	SUBTOTAL (Non-Add.)					(1,275)	3	3	2	2			
	<u>New and Continuing Projects</u>												
1	655-0006 Watershed Management	O	G	SD	1,696	1,696							
2	PL 480 Title III				(2,860)	1,696							
3	655-0010 Tarrafal Water Resources Phase II	N	G	SD	750	2,446							
4	655-0011 Irrigated Crop Research	N	G	SD	395	2,841							
5	625-0936 Sahel Manpower Development (Number of Projects - 4; Value - \$3,341)	O	G	SD	(500)	2,841							
6	Basic workforce												
	Total Minimum Package and Related Workforce				2,841	2,841	1	4	1	2			
							4		2				

DECESSION UNIT USAID/Praia

TABLE V - FY 1982 PROPOSED PROGRAM RANKING

RANK	DESCRIPTION	PIPELINE/ ONGOING/ NEW	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORK FORCE (Number of Positions)						
					INCR	CUM	INCR	CUM	INCR	CUM			
	<u>Decision Package AAPL</u>												
7	655-0012 Integrated Fishery Development & Production	N	G	SD	659	3,500	-	4	-	-	2		
8	625-0917 Sahel Water Data Network & Management ^{a/}	O	G	SD	-	-	-	4	-	-	2		
9	625-0928 Regional Food Crop Protection ^{b/}	O	G	SD	-	-	-	4	-	-	2		
10	655-0005 (Sal) Desalination & Power	O	G		-	-	-	4	-	-	2		
11	625-0929 Planning, Management & Research				(200)		-	4	-	-	2		
12	625-9901 Special Self-Help Program				(10)		-	4	-	-	2		
13	Program Office Workforce Increment ^{c/}				-	3,500	-	4	-	-	2		
	Total AAPL Package and Related Workforce				659		-						

^{a/}Final obligation of Phase I is FY 1980. However, project activities will be continued Phase II to begin in FY 81.
^{b/}Final obligation is FY 1981. PACD is 12/31/82. Thus, project activity will impact on Mission's workforce.
^{c/}Due to small size of this post, the Program Officer also assumes project management responsibilities. Therefore, the Program Office staff is included in the Basic Workforce.

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Table V Supporting Narrative

Decision Package Minimum

The FY 1982 Minimum Package for USAID/Praia primarily supports the GOCV's long-term development plans to increase the country's food production in the agricultural sector. The core of this Minimum Package consists of a Watershed Management Project, which is the replication of a successful AID-assisted rural works project and which finances labor-intensive soil and water conservation activities, as well as establishment of a pilot agricultural extension program. A PL 480 Title III Food for Development Program aimed also at conserving the land and water resources of Santiago Island would further expand its projects to the islands of Santo Antao and Sao Nicolau, where a sizeable portion of Cape Verde's poor reside.

Phase I of Tarrafal Water Resources Project, designed to assist in the irrigation of up to 600 hectares of land, will be nearing completion. Phase II of this project will continue the implementation of an integrated irrigation development scheme based on the investigations and designs being carried out under Phase I. The newly irrigated area will be put under production to alleviate the food supply shortage in Cape Verde. To complement on the agronomic side of AID's assistance in physical development of water resources and soils conservation, the Irrigated Crop Research Project would include field testing of varieties of selected irrigated crops as well as technology packages to increase the yield and improve the nutritional quality of these crops. The Renewable Energy Project will be directly linked to, and

supportive of, the soil and water conservation as well as to AID-financed activities in irrigation. The project will design and build prototype windmills to power small water pumps. A feasibility study will be carried out under the project to determine the potential for using wind and small-scale hydro systems to pump water for irrigation and generate electricity in conjunction with the Tarrafal Water Resources Project.

Finally, to support our increased intervention in the agricultural sector and to provide for the Government of Cape Verde's manpower needs to implement these projects, the Mission has developed a training proposal for financing under the Sahel Manpower Development Project. The participants to be trained will be primarily in the areas of water and soil conservation, irrigation, agronomy, etc. Both short-term, specifically technically-oriented training, and long-term university training will be financed under the Sahel Manpower Development Project.

The Minimum Package will contribute to alleviating the chronic food deficit problem in Cape Verde and providing employment for the rural poor.

Decision Package: AAPL

The AAPL Package is comprised of a new bilateral activity, the Integrated Fishery Development and Production Project. Given its environmental conditions, Cape Verde's potential in agriculture is limited, and it is not likely that it will fully satisfy its food requirements with increased production in the agricultural sector. To complement the agricultural sector, the Government of Cape Verde has accorded high priority to the development and exploration of its fishery resources. The Integrated Fishery Development and Production Project will assist the Government

of Cape Verde to increase the catch of artisanal fishermen, to generate employment in the fishing industry and increase the foreign exchange earnings of the country by exporting fish after meeting its domestic needs. In the long-term, development of the potential in the fishery sector should greatly contribute to Government's development strategy, which is the thrust of our CDSS, that is, to increase domestic food production to close the food gap.

**TABLE VI
PROJECT SUMMARY**

NUMBER OF PROJECTS*

	FY 79	FY 80	FY 81	FY 82 MIN	FY 82 CURR	FY 82 AAPL
IMPLEMENTATION AT BEGINNING OF YEAR.....	7	8	9	6	-	3
MOVING FROM DESIGN TO IMPLEMENTATION DURING YEAR.....	1	2	1	2	-	1
DESIGN FOR FUTURE YEAR IMPLEMENTATION.....	1	1	2	-	-	-
SUBTOTAL.....	9	11	12	8	-	4
NUMBER OF NON-PROJECT ACTIVITIES.....	1	1	-	-	-	2
TOTAL.....	10	12	12	8	-	6

IMPLEMENTATION AT BEGINNING OF YEAR.....
 MOVING FROM DESIGN TO IMPLEMENTATION DURING YEAR.....
 DESIGN FOR FUTURE YEAR IMPLEMENTATION.....
SUBTOTAL.....
 NUMBER OF NON-PROJECT ACTIVITIES.....
TOTAL.....

NUMBER OF PROJECTS MOVING FROM DESIGN TO IMPLEMENTATION BY PROJECT SIZE

AID'S CONTRIBUTION TO LIFE OF PROJECT COST

	FY 79	FY 80	FY 81	FY 82 MIN	FY 82 CURR	FY 82 AAPL
LESS THAN \$1 MILLION.....	-	2	-	1	-	-
\$1 TO \$5 MILLION.....	-	-	-	-	-	-
\$5 TO \$15 MILLION.....	1	-	1	1	-	1
\$15 TO \$25 MILLION.....	-	-	-	-	-	-
MORE THAN \$25 MILLION.....	-	-	-	-	-	-

LESS THAN \$1 MILLION.....
 \$1 TO \$5 MILLION.....
 \$5 TO \$15 MILLION.....
 \$15 TO \$25 MILLION.....
 MORE THAN \$25 MILLION.....

*Regional projects included because of their direct impact on Mission's workload.

**TABLE VII
OPERATING EXPENSE FUNDED PERSONNEL
YEAR END POSITIONS**

FUNCTIONS	FY 79			FY 80			FY 81					
	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT	USDH	FNDH	US CONT	FN CONT
Executive Direction	.6				2	1			2	1		
Program Planning												
Project Design					1				2			
Project Implementation	1											
Financial Management												
Mission Support		.1				1				1		
Non Mission Specific												
TOTAL.....	1.6	.1			3	2	0	0	4	2	0	0
PLUS: PASAs (OE & Program)	0				0				0			
LESS: JAO Details	0	IDIs			0	IDIs			0	IDIs		
MODE Required	3	0			3	1			4	0		

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USAID/Praia, Cape Verde

TABLE VIII
OPERATING EXPENSE SUMMARY

	FY 1979			FY 1980			FY 1981		
	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost	(\$000's)	Related Workyear	Unit Cost
US Direct Hire	67.5	1.6	42.2	128.0	3	42.7	198.5	4.0	49.6
PN Direct Hire	0.5	0.1	0.5	9.4	2	4.7	10.7	2.0	5.4
US Contract Pers.	0	0	0	0	0	0	0	0	0
PN Contract Pers.	0	0	0	0	0	0	3.5	1.0	3.5
Housing Expense	44.0	2.0	22.0	71.0	3	23.8	68.8	3.0	22.9
Office Operations	41.5	XX	XX	92.3	XX	XX	94.1	XX	XX
Total Budget	153.5	XXX	XXX	300.7	XX	XX	375.6	XX	XX
Mission Allotment	112.5	XXX	XXX	207.2	XX	XX	244.4	XX	XX
*FAAS		XXX	XXX		XX	XX		XX	XX
Trust Fund	0	XXX	XXX	0	XX	XX	0	XX	XX

*FAAS figures were not available at post at time of ABS submission. Mission will cable figures to AID/W at a later date.

USAID/Praia, Cape Verde

TABLE VIII

	FY 1982 MINIMUM		FY 1982 CURRENT		FY 1982 AACP		
	(\$000's)	Related Workyear	(000's)	Related Workyear	(\$000's)	Related Workyear	Unit Cost
US Direct Hire	201.8	4.0					
FN Direct Hire	11.3	2.0					
US Contract Pers.	0	0					
FN Contract Pers.	3.9	1.0					
Housing Expense	69.8	4.0					
Office Operations	98.9	XX		XX		XX	XX
Total Budget	385.7	XX		XX		XX	XX
Mission Allotment	242.3	XX		XX		XX	XX
FAAS		XX		XX		XX	XX
Trust Fund	0	XX		XX		XX	XX

COST SUMMARIES

US Direct Hire
 FN Direct Hire
 US Contract Pers.
 FN Contract Pers.
 Housing Expense
 Office Operations
 Total Budget
 Mission Allotment
 FAAS
 Trust Fund

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TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING
 POSITION REQUIREMENTS - FY 1980-1982
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS												DECISION UNIT				
	FY 1980			FY 1981			FY 1982			Current			AAPL				
	Minimum		Current		Minimum		Current		Minimum		Current		AAPL				
	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH	USDH	FNDH			
<u>Program Planning</u>																	
Program Office	1	-	1	-	1	-	1	-	1	-	1	-	1	-	-	-	-
All Other (Non-Professional)	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-
Sub-Total Program Planning	2	1	2	1	1	1	1	1	1	1	1	1	1	1	-	-	-
<u>Project Design and Implementation</u>																	
<u>Food and Nutrition</u>																	
Project Officer - Agricultural/Irrigation Engineer	-	-	1	-	1	-	1	-	1	-	1	-	1	-	-	-	-
Project Officer - Agricultural Specialist	1	-	1	-	1	-	1	-	1	-	1	-	1	-	-	-	-
Project Officer - Agricultural Specialist (IDI)	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Project Design and Implementation	1	-	2	-	2	-	2	-	2	-	2	-	2	-	-	-	-
<u>Mission Support</u>																	
All Other (Non-Professional)	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	-	-
Sub-Total Mission Support	-	1	-	1	-	1	-	1	-	1	-	1	-	1	-	-	-
CUMULATIVE TOTAL	3	2	4	2	4	2	4	2	4	2	4	2	4	2	-	-	-

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TABLE X SPECIAL CONCERNS
ADDITIONAL PROJECTS

PROJECT NUMBER AND TITLE	APPROP	CONCERN CODE		FUNDING FOR SPECIAL CONCERN (\$000)				APPL
		PRIME	SUB 1/	FY 1980	FY 1981	MINIMUM	CURRENT	
Irrigated Crop Research, 655-0011	SDP	ENVR	1	0	0	200	0	200
Fisheries Development, 655-0012	SDP	WID	4	0	0	100	0	100
		ENVR						200
Renewable Energy Resources (AIP), 625-0937.03	SDP	ENVR	1	500	0	0	0	0
		ENVR		500	0	0	0	0
		WID		150	0	0	0	0

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1/ Use only for Environment Activities

FY 1982 ANNUAL BUDGET SUBMISSION
PROJECT BUDGETS AND OBLIGATIONS
TO MEET SPECIAL CONCERNS
(THOUSANDS OF DOLLARS)

DECISION UNIT: 655 CAPE VERDE

TABLE X

PROJECT NUMBER AND TITLE: 6550003 TARRAFAL WATER RESOURCES

APPROPRIATION: SAHEL DEVELOPMENT PROGRAM

A. BUDGET IN CP: FY 1980 - \$ 0 BUDGET IN ABS: FY 1980 - \$ 1457
FY 1981 - \$ 0 FY 1981 - \$ 1877

FY 1982 - MINIMUM: \$ 1877 CURRENT: \$ 1877 APPL: \$ 1877

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB- CONCERN CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	CURRENT:	APPL:
1335	ENVR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
655	WID	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

PROJECT NUMBER AND TITLE: 6550006 WATERSHED MANAGEMENT

APPROPRIATION: SAHEL DEVELOPMENT PROGRAM

A. BUDGET IN CP: FY 1980 - \$ 1457 BUDGET IN ABS: FY 1980 - \$ 1457
FY 1981 - \$ 1877 FY 1981 - \$ 1877

FY 1982 - MINIMUM: \$ 1877 CURRENT: \$ 1877 APPL: \$ 1877

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	SUB- CONCERN CODE	1980 BUDGET IN CP	1980 BUDGET IN ABS	1981 BUDGET IN CP	1981 BUDGET IN ABS	1982 BUDGET IN ABS MINIMUM:	CURRENT:	APPL:
2652	ENVR	\$ 1457	\$ 1457	\$ 1877	\$ 1877	\$ 1877	\$ 1877	\$ 1877
	WID							

FY 1982 ANNUAL BUDGET SUBMISSION
 PROJECT BUDGETS AND OBLIGATIONS
 TO MEET SPECIAL CONCERNS
 (THOUSANDS OF DOLLARS)

PROJECT NUMBER AND TITLE: 6550009 WATERSHED MANAGEMENT-SOIL CONSERVATION APPROPRIATION: SAHEL DEVELOPMENT PROGRAM

A. BUDGET IN CP: FY 1980 - \$ 0 BUDGET IN AMS: FY 1980 - \$ _____
 FY 1981 - \$ 0 FY 1981 - \$ _____
 FY 1982 - \$ _____ MINIMUM: \$ _____ CURRENT: \$ _____ APPL: \$ _____

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN CODE	SUB-	1980 BUDGET IN CP	1980 BUDGET IN AMS	1981 BUDGET IN CP	1981 BUDGET IN AMS	1982 BUDGET IN AMS	MINIMUM	CURRENT	APPL
1304	WID		\$ 0	\$ _____	\$ 0	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

PROJECT NUMBER AND TITLE: 6550010 TERRAFAL WATER RESOURCES II APPROPRIATION: SAHEL DEVELOPMENT PROGRAM

A. BUDGET IN CP: FY 1980 - \$ 0 BUDGET IN AMS: FY 1980 - \$ _____
 FY 1981 - \$ 1123 FY 1981 - \$ _____
 FY 1982 - \$ _____ MINIMUM: \$ _____ CURRENT: \$ _____ APPL: \$ _____

B. OBLIGATIONS TO MEET SPECIAL CONCERNS:

ADP ITEM	CONCERN CODE	SUB-	1980 BUDGET IN CP	1980 BUDGET IN AMS	1981 BUDGET IN CP	1981 BUDGET IN AMS	1982 BUDGET IN AMS	MINIMUM	CURRENT	APPL
494	ENVR	5	\$ 0	\$ _____	\$ 146	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
493	WIL		\$ 0	\$ _____	\$ 337	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

I. Food Situation

Cape Verde is unlikely to become self-sufficient in food production in the foreseeable future. The current drought, which has continued for 12 years, has reduced food grain production to less than 10% of basic consumption needs. Moreover, drought-induced soil degradation has resulted in the loss of 12,000 hectares of arable land, about 20% of the total agricultural area. Even in years of optimum rainfall, less than half of the country's needs can be met by domestic production. Thus, there exists a chronic annual deficit of at least 30,000 metric tons of corn and 4,000 metric tons of beans. The following table summarizes the supply and demand situation for corn over the next five years:

<u>Year</u>	<u>Consumption(MT)</u>	<u>Production(MT)*</u>	<u>Supply Deficit(MT)</u>
1981	50,500	15,200	35,300
1982	52,000	15,600	36,400
1983	53,500	16,100	37,400
1984	55,000	16,500	38,500
1985	56,500	17,000	39,500

*Assumes production equals 30% of consumption in year of "average" rainfall. Because the country is extremely drought-prone, actual production is likely to be considerably lower, and therefore, actual deficits will possibly be larger.

Although corn is by far the most important food commodity in Cape Verde, the combined consumption needs for other basic commodities represent significant annual import requirements, as shown in the following table:

<u>Commodity</u>	<u>Consumption Needs(MT)</u>	<u>Production(MT)</u>	<u>Deficit(MT)</u>
Beans	8,000	4,000	4,000
Wheat	12,000	-	12,000
Rice	6,000	-	6,000
Dry Skim Milk	3,500	-	3,500
Edible Oil	2,000	-	2,000

In the face of such massive shortfalls in food grains and oil, food assistance to the GOCV is of critical importance to the well-being and survival of the country's poor majority. Cape Verde's limited foreign exchange reserves could purchase only a small portion of the required food imports if only commercial channels were utilized.

II. GOCV Strategy

GOCV has assigned highest priority to overcoming the food deficit problem, both through increasing domestic production and encouraging foreign exchange earning activities, which will allow commercial food imports. Over one-fourth of the 1979 Investment Budget was assigned to the agricultural sector. The Ministry of Rural Development, in conjunction with several donors, has undertaken an extensive water exploration program which has as its goal to increase the amount of irrigated land from the present 2,000 hectares to 8 - 10,000 hectares by the end of the century. Programs in soil conservation, crop protection, agricultural research, and fisheries development are also aimed at increasing the food supply. Further articulation of GOCV's agricultural development strategy will be included in the National Development Plan scheduled for completion in 1981.

For the short and medium-term, GOCV seeks to establish multi-year arrangements with food donors to cover the chronic and annual deficit and to introduce an element of security in the food supply situation.

III. AID's Role

AID's food assistance program for FY 78 - 80 has been carried out under PL 480 Title II emergency provisions. Under this program, the GOCV is allowed to sell a portion of the commodities and to use the proceeds for soil and water conservation projects. While this food aid has helped meet Cape Verde's emergency needs and has financed constructive rural development activities, the lack of a multi-year agreement has prevented the long-range planning needed in dealing with the country's (permanent) food deficit situation. Therefore, AID/Praia has sought to replace the emergency food assistance with a multi-year Food for Development Program, either Title III or Title II, Section 206, whichever is judged more appropriate. (For ABS purposes, a Title III program is assumed.)

This type of program is necessary to (1) encourage long-term agricultural planning; (2) reduce uncertainty of annual food aid supply; (3) shift rationale of PL 480 program from emergency to socio-economic development; (4) relieve foreign exchange burden of commercial food imports in order to permit increased imports of goods and services for development purposes. It is anticipated that under this program, AID will supply approximately 22,000 tons of corn annually for a 5-year period commencing in early FY 81.

Local proceeds from the Food For Development Program will be used largely for expansion of the soil conservation and water resource development projects under management of the Ministry of Rural Development. These projects are integrated efforts to control desertification through construction of terraces, dikes, and small dams; revegetation, including reforestation and pasturage; drilling wells, providing water catchments, and improving water distribution for irrigation and household use. GOCV and AID have had considerable success in implementing these labor-intensive projects, which provide necessary employment in rural areas as well as enabling increased food production in the future.

In the event of delays in approval of the Food for Development Program, AID/Praia will likely request Title II (Section 206) food assistance for Cape Verde in FY 81. Amount requested will depend on the estimated starting date of the Food for Development Program and the severity of the 1980 drought.

IV. Storage and Distribution

A Government-owned commodity corporation (EMPA) handles shipping, storage and distribution of commodities. EMPA has principal storage facilities at Praia and Mindelo, and additional warehouses on all inhabited islands. Storage capacity totaling 25,000 MT is currently under construction or planned for the near future. This includes a Dutch-financed silo at Praia with capacity for 8,000 MT scheduled for completion in 1981.

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XI
Country:
P.L. 480 TITLE I/III REQUIREMENTS
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1980			Estimated FY 1981			Projected FY 1982		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1981 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1982 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT
<u>Title I</u>				2.64	22		2.86	22	
<u>Total</u>				2.64	22		2.86	22	
<u>Of which Title III</u>									
<u>Total</u>									

COMMENT: Rationale for the Food for Development Program (Title III) beginning FY 81 is included in PL 480 Narrative.

FY 1982 ANNUAL BUDGET SUBMISSION

TABLE XII

COUNTRY: Cape Verde

PL 480 TITLE I/III

Supply and Distribution
(000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1980</u>	<u>Estimated FY 1981</u>
Commodity - <u>Corn</u>		
Beginning Stocks	12	10
Production	1	15 (1)
Imports		
Concessional	35 (2)	34 (3)
Non-Concessional	10	- (4)
Consumption	48	49
Ending Stocks	10	10
<hr/>		
Commodity - _____		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		
<hr/>		
Commodity - _____		
Beginning Stocks		
Production		
Imports		
Concessional		
Non-Concessional		
Consumption		
Ending Stocks		

Comment:

- (1) Production in year of average non-drought year assumed to be 30% of consumption needs.
- (2) 1980 donors include U.S. (10,000 MT committed, additional 5,000 tons requested by AID/Praia), France (5,000 MT), WFP (2,500 MT), and Netherlands (5,000 MT).
- (3) Assumes U.S. contribution will increase to 22,000 MT in FY 81 under FFD Program.
- (4) Assumes zero commercial imports of corn after FY 80 due to extreme negative export/import balance on current account and importance of using limited foreign exchange for development purposes rather than for food imports.