

UNCLASSIFIED

Annual Budget Submission

FY 1988

**SOUTHERN AFRICA
REGIONAL**



June 1986

**Agency for International Development
Washington, D.C.**

UNCLASSIFIED

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FY 1988 ANNUAL BUDGET SUBMISSION
 TABLE I - LONG RANGE PLAN BY APROPRIATION ACCOUNT (\$000)
 COUNTRY SOUTHERN AFRICA REGIONAL PROGRAM

| | FY 1985 ACTUAL | FY 1986 -- ESTIMATE | FY 1987 -- CP ESTIMATE | FY 1988 AAPL | ----- 1989 | PLANNING 1990 | PERIOD 1991 | ----- 1992 |
|------------------------------|-------------------|------------------------|---------------------------|-----------------|---------------|------------------|----------------|---------------|
| <u>ECONOMIC SUPPORT FUND</u> | | | | | | | | |
| Total | 7,750 | 14,700 | 15,750 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| GRANTS | 3,601 | 14,700 | 15,750 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| LOANS | 4,149 | -- | -- | -- | -- | -- | -- | -- |

FY 1988 ANNUAL BUDGET SUBMISSION
 TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION (\$000)
 COUNTRY SOUTHERN AFRICA REGIONAL PROGRAM

| APPROPRIATION ACCOUNT PROJECT NO. TITLE | | FY 86 L/G ESTIMATE | FY 87 ESTIMATE | FY 88 AAPL |
|---|---|-----------------------|-------------------|---------------|
| <u>ECONOMIC SUPPORT FUND</u> | | | | |
| 690-0207 Agriculture & Livestock Development | G | 500 | -- | -- |
| 690-0208 Management Manpower Development | G | 2,500 | 1,500 | -- |
| 690-0234 Blantyre-Tete- Harare Road Amendment | G | 200 | -- | -- |
| 690-0232 Agriculture Faculty Development | G | -- | 4,250 | 3,000 |
| 690-0237 Regional Transport II Malawi Northern Corridor | G | 10,000 | -- | -- |
| 690-0238 Regional Transport II - Sector Technical Assistance | G | 1,500 | -- | -- |
| 690-0239 Regional Transport II New Subproject | G | -- | 10,000 | -- |
| 690-0240 Regional Transport II New Subproject | G | -- | -- | 10,000 |
| 690-0241 Private Sector Export Development | G | -- | -- | 2,000 |
| TOTAL ESF | | 14,700 | 15,750 | 15,000 |

690 - SOUTHERN AFR. REG.

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR AFRICA

| PROJECT NUMBER AND TITLE | | | | | ESTIMATED U.S. DOLLAR COST (000) | | | | | | | | | | SPECIAL CODES | ITEM NO |
|--|------------|-----|------------|-------|----------------------------------|-------|--------------|-----------|------------|----------|---------|----------|---------------|-----|---------------|---------|
| G | OBLIG DATE | - | TOTAL COST | - | OBLIG THRU FY 85 | FY 85 | --- | FY 1986 | --- | MORTGAGE | --- | FY 1987 | --- | --- | | |
| L | INIT | FIN | AUTH | PLAN | FY 85 | PIPE- | OBLIG- | EXPEND- | END OF | OBLIG- | EXPEND- | PROPOSED | SPECIAL CODES | | ITEM NO | |
| | | | | | | LINE | ATIONS | ITURES | FY 86 | ATIONS | ITURES | | | | | |
| ECONOMIC SUPPORT FUND | | | | | | | | | | | | | | | | |
| 690-0207 AGRICULTURE AND LIVESTOCK DEVELOPMENT | | | | | | | | | | | | | | | | |
| G | 82 | 86 | 675 | 1175 | 675 | 358 | SUBCAT: 500 | FNLK 300 | XPVO: --- | --- | --- | 258 | --- | | | 7445 |
| 690-0208 MANAGEMENT MANPOWER DEVELOPMENT | | | | | | | | | | | | | | | | |
| G | 86 | 89 | --- | 4000 | --- | --- | SUBCAT: 2500 | EHMA 250 | XPVO: 1500 | 1500 | 750 | --- | | | 5915 | |
| 690-0209 TRANSPORT AND STORAGE DEVELOPMENT | | | | | | | | | | | | | | | | |
| G | 81 | 82 | 1980 | 1980 | 990 | 35 | SUBCAT: --- | FNMS 35 | XPVO: --- | --- | --- | --- | --- | | | 8641 |
| L | 81 | 82 | 17300 | 13100 | 13100 | 8893 | --- | 4149 | --- | --- | 1200 | --- | | | 7446 | |
| 690-0215 SADCC TECHNICAL SUPPORT | | | | | | | | | | | | | | | | |
| G | 84 | 86 | 4300 | 2970 | 2970 | 2040 | SUBCAT: --- | SDPP 400 | XPVO: --- | --- | --- | 500 | --- | | | 7448 |
| 690-0224 REGIONAL SORGHUM/MILLET RESEARCH | | | | | | | | | | | | | | | | |
| G | 83 | 85 | 14800 | 14800 | 14800 | 12713 | SUBCAT: --- | FNDR 2500 | XPVO: --- | --- | --- | 2500 | --- | | | 5919 |
| 690-0225 REGIONAL AGRIC. RESEARCH COORDINATION | | | | | | | | | | | | | | | | |
| G | 84 | 84 | 1500 | 1500 | 1500 | 1500 | SUBCAT: --- | FNDS 400 | XPVO: --- | --- | --- | 400 | --- | | | 7449 |
| 690-0231 REGIONAL TRANSPORT DEVELOPMENT | | | | | | | | | | | | | | | | |
| G | 85 | 85 | 10540 | 10540 | 10540 | 10540 | SUBCAT: --- | SDRT 3000 | XPVO: --- | --- | --- | 4000 | --- | | | 9275 |

690 - SOUTHERN AFR. REG.

FY 1988 ANNUAL BUDGET SUBMISSION
TABLE IV - PROJECT BUDGET DATA

BUREAU FOR AFRICA

| PROJECT NUMBER AND TITLE | | | | ESTIMATED U.S. DOLLAR COST (000) | | | | | | | | | | SPECIAL CODES | ITEM NO |
|--------------------------|--|----------------|-------|----------------------------------|-------|-------------|----------|---------|-------------|--------|-----------|----------|-----|---------------|---------|
| G | DATE | - TOTAL COST - | OBLIG | FY 85 | --- | FY 1986 --- | MORTGAGE | --- | FY 1987 --- | --- | FY 88 --- | --- | --- | | |
| L | INIT | FIN | AUTH | PLAN | THRU | PIPE- | OBLIG- | EXPEND- | END OF | OBLIG- | EXPEND- | PROPOSED | --- | --- | |
| | | | | | FY 85 | LINE | ATIONS | ITURES | FY 86 | ATIONS | ITURES | | | | |
| 690-0232 | AGRICULTURAL FACULTY DEVELOPMENT | | | | | | SUBCAT: | FNTE | XPVO: | | | | | | |
| G | 86 | 89 | --- | 10000 | --- | --- | --- | --- | --- | 4250 | 500 | 3000 | | 7682 | |
| 690-0234 | IMPROVE. BLANTYRE-TETE-HARARE ROAD | | | | | | SUBCAT: | FNRR | XPVO: | | | | | | |
| G | 84 | 84 | 500 | 700 | 500 | 72 | 200 | 72 | --- | --- | 200 | --- | | 8216 | |
| 690-0237 | REGIONAL TRANSPORT DEVELOPMENT II MALAWI NORTHERN CORRIDOR | | | | | | SUBCAT: | SDRT | XPVO: | | | | | | |
| G | 86 | 86 | --- | 10000 | --- | --- | 10000 | 200 | --- | --- | 3500 | --- | | 9625 | |
| 690-0238 | REGIONAL TRANSPORT DEVELOPMENT II SECTOR TECHNICAL ASSISTANCE | | | | | | | | | | | | | | |
| G | 86 | 86 | --- | 1500 | --- | --- | 1500 | 100 | --- | --- | 500 | --- | | | |
| 690-0239 | REGIONAL TRANSPORT DEVELOPMENT II NEW PROJECT | | | | | | | | | | | | | | |
| G | 87 | 87 | --- | 10000 | --- | --- | --- | --- | --- | 10000 | 1000 | --- | | | |
| 690-0240 | REGIONAL TRANSPORT DEVELOPMENT II NEW PROJECT | | | | | | | | | | | | | | |
| G | 88 | 88 | --- | 10000 | --- | --- | --- | --- | --- | --- | --- | 10000 | | | |
| 690-0241 | PRIVATE SECTOR EXPORT DEVELOPMENT | | | | | | | | | | | | | | |
| G | 88 | 89 | --- | 2500 | --- | --- | --- | --- | --- | --- | --- | 2000 | | | |

AID PROGRAM IN FY 1988
ANNUAL BUDGET SUBMISSION
TABLE V - PROPOSED PROGRAM RANKING

DECISION UNIT

| RANK | PROJECT | TITLE | NEW/ CONT | LOAN/ GRANT | APPROP | PROGRAM FUNDING (\$ 000) | |
|------|----------|--------------------------------------|--------------|----------------|--------|-----------------------------|--------|
| | | | | | | INCR | CUM |
| 1. | 690-0240 | Regional Transport Development II | 0 | G | ESF | 10,000 | 10,000 |
| 2. | 690-0241 | Private Sector Export Development | N | G | ESF | 2,000 | 12,000 |
| 3. | 690-0232 | Agriculture Faculty Support | 0 | G | ESF | 3,000 | 15,000 |

TABLE VI
EXPENDITURE OF LOCAL CURRENCY GENERATION

N/A

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TABLE VII LIST OF PLANNED EVALUATIONS
 FY 1988 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE SOUTHERN AFRICA REGIONAL PROGRAM

| Project List (Project No. & Title) | Last Eval. COMPLETED (Mo/Yr) | FY 1987 | | FY 1988 | | REASONS/ISSUES | FUNDING SOURCE (\$000) | USAID PERSON DAYS | COLLATERAL ASSISTANCE |
|---|------------------------------------|----------------|----------------------|----------------|----------------------|---|---------------------------|-------------------------|--|
| | | START (Qtr) | TO AID/W (Qtr) | START (Qtr) | TO AID/W (Qtr) | | | | |
| SADCC Food Security (690-0207) | 1-85 | | | | | The evaluation will record the extent of success in achieving the project purpose and end of project status. In addition it will also assess the implementation capability of the GOZ. | OE | 15 | REDSO/ESA PROJECTS Officer or PDO from AID/W |
| Regional Agricultural Research Coordination (690-0225) | | 1 | 1 | | | This mid term evaluation will determine the status of the project to date. In addition the evaluation will review the policies, systems and procedures established by SACCAR, the adequacy of staff in relation to workload and the annual workplan and then execution. | OE | 21 | REDSO/ESA project staff |
| SADCC/ICRISAT Sorghum and Millet Improvement Research and Training (690-0224) | 1-86 | | | 3 | 3 | This evaluation will assess the status of the project to date in achieving project goals. The funding will be the basis for the development of a phase II to this project. | Project (20) | 21 | Outside Consultants & REDSO/ESA staff. |
| Transport and Storage Development - Zambia (L 690-0209) | | 2 | 3 | | | The project aims at rehabilitating and improving the road between Kafue and Chirundu Zambia for purposes of transporting heavy commercial traffic between Zambia and Zimbabwe. The evaluation will determine the reasons for termination of the old contract and will assess the terms of the new contract in light of past experience. | Project (10) | 14 | IQC |

TABLE VII LIST OF PLANNED EVALUATIONS
 FY 1986 ANNUAL BUDGET SUBMISSION
 COUNTRY/OFFICE SOUTHERN AFRICA REGIONAL PROGRAM

| Project List (Project No. & Title) | Last Eval. <u>COMPLETED</u> (Mo/Yr) | FY 1987 | | FY 1988 | | <u>REASONS/ISSUES</u> | <u>FUNDING</u> <u>SOURCE (\$000)</u> | USAID PERSON <u>DAYS</u> | COLLATERAL <u>ASSISTANCE</u> |
|---|---|-----------------------|------------------------------------|-----------------------|------------------------------------|---|---|--------------------------------|---------------------------------|
| | | <u>START</u> (Qtr) | <u>TO</u> <u>AID/W</u> (Qtr) | <u>START</u> (Qtr) | <u>TO</u> <u>AID/W</u> (Qtr) | | | | |
| Improvement Blantyre- Tete-Harare Road (G 690-0234) | | | | 1 | 2 | The Project aims at rehabilitating the existing road between Blantyre and Mwanza in Malawi for purposes of transporting heavy commercial traffic until the new EEC/EDF road comes into operation. The evaluation is the end of the project evaluation. | OE | 10 | NONE |
| Regional Transport Development Phase I Mozambique Railways (G 690-0231.56) | | 2 | 3 | | | The Project aims at improving the Central Mozambique Railroads between Beira and Machipanda through rehabilitation of 11 locomotives, emergency track repair, commodities, TA and on-the-job training. The evaluation will assess project implementation, procurement and construction contracts. | Project (10) | 14 | IQC |

TABLE VIII

OPERATING EXPENSE SUMMARY

Included in USAID/Zimbabwe ABS

TABLES XI, XII, XIII

PL 480

N/A

AFRICA BUREAU TABLE I

ACTUAL MANAGEMENT UNITS REQUIRED FOR MISSION
AND PROJECT ADMINISTRATION

Included in USAID/Zimbabwe ABS

AFRICA BUREAU TABLE 11
 FY 1988 ANNUAL BUDGET SUBMISSION
 MODIFICATIONS TO AUTHORIZED AND PLANNED
 LIFE OF PROJECT COST AND PROJECT COMPLETION DATE

| <u>PROJECT NUMBER</u> | <u>PROJECT NAME</u> | | <u>DATE OF INITIAL OBLIGATION</u> | <u>AUTHORIZED LOP (000)</u> | <u>REVISIONS TO LOP(000)</u> | <u>PROPOSED AMENDMENT TO LOP(000)</u> | <u>ORIGINAL PACD IN PROJ.AGRMT</u> | <u>REVISIONS TO PACD</u> | <u>REVISIONS TO PROPOSED PACD</u> |
|-----------------------|---|---|-----------------------------------|-----------------------------|------------------------------|---------------------------------------|------------------------------------|--------------------------|-----------------------------------|
| 690-0207 | Regional Food Security Project | G | 07/27/82 | 675 | - | 500 | 12/85 | 02/87 | 02/88 |
| 690-0209 | Trans & Storage Develop. Road Construction | L | 07/28/82 | 13,100 | N/A | N/A | 05/84 | 05/87 | 05/92 |
| 690-0215.12 | SADCC Technical Support | G | 07/17/84 | 974 | N/A | N/A | 06/88 | N/A | N/A |
| 690-0215.32 | SADCC Technical Support | G | 04/12/84 | 596 | N/A | N/A | 05/88 | N/A | N/A |
| 690-0215.45 | SADCC Technical Support | G | 06/15/84 | 1,400 | N/A | N/A | 05/88 | N/A | N/A |
| 690-0215.33 | SADCC Technical Support | G | NONE | 1,330 | N/A | N/A | 05/88 | N/A | N/A |
| 690-0224 | Regional Sorghum & Millet Research & Technical Asst | G | 09/30/83 | 14,800 | N/A | N/A | 09/88 | N/A | N/A |
| 690-0225 | Regional Agricultural Research | G | 09/24/84 | 1,500 | N/A | N/A | 04/90 | N/A | N/A |
| 690-0231 | Regional Transport Dev. | G | 08/27/85 | 10,540 | N/A | N/A | 09/88 | N/A | N/A |
| 690-0234 | Blantyre-Tete-Harare Road | G | 07/17/84 | 500 | N/A | 200 | 06/86 | N/A | 06/87 |

AFRICA BUREAU TABLE III
SOUTHERN AFRICA REGIONAL PROGRAM
CURRENT YEAR PROJECT ASSISTANCE AND PIPELINE SUMMARY (as of 03/31/86)
(DOLLARS in THOUSANDS)

| PROJECT NUMBER | PROJECT NAME | (A) OBLIGATED TO DATE/ FUNCTIONAL ACCOUNT | (B) ACCRUALS AND EXPENDITURES | (C) PIPELINE | (D) FUNDS COMMITTED | (E) FUNDS UNCOMMITTED | REMARKS |
|----------------|--|---|-------------------------------------|-----------------|------------------------|--------------------------|-----------------|
| 690-0207 | Regional Food Security | 675 (ESF) | 329 | 346 | 245 | 101 | |
| 690-0209 | Trans & Storage Dev. (L) Trans & Storage Dev. (G) | 13100 (ESF) 990 (ESF) | 4149 955 | 8951 35 | - 35 | 8951 - | Note <u>1</u> / |
| 690-0215.12 | SADCC Technical Support | 974 (ESF) | 30 | 944 | 150 | 794 | |
| 690-0215.32 | SADCC Technical Support | 298 (ESF) | 0 | 298 | 0 | 298 | |
| 690-0215.45 | SADCC Technical Support | 936 (ESF) | 138 | 798 | 0 | 798 | |
| 690-0224 | Regional Sorghum & Millet Research | 14800 (ESF) | 3145 | 11655 | 11655 | - | |
| 690-0225 | Regional Ag. Research | 1500 (ESF) | - | 1500 | 1500 | - | |
| 690-0231.11 | Regional Transport Dev. I | 5000 (ESF) | - | 5000 | - | 5000 | |
| 690-0231.56 | Regional Transport Dev. I | 5540 (ESF) | - | 5540 | - | 5540 | Note <u>2</u> / |
| 690-0234 | Blantyre-Tete-Harare Road | 500 (ESF) | 500 | - | - | - | |
| TOTALS | | 44313 | 9246 | 35067 | 13585 | 21482 | |

1/ Contract recently terminated and funds de-committed. RFP being prepared for next contract.

2/ \$3,062,000 committed in May 1986.

AFRICA BUREAU TABLE IV

PVO ACTIVITY

N/A

AFRCIA BUREAU TABLE V
FY 1988 ANNUAL BUDGET SUBMISSION

PRIVATE SECTOR ACTIVITIES

| <u>PROJECT #</u> | <u>PROJECT NAME</u> | <u>-----TING ORGANIZATION (US/NON US)</u> | <u>FUNCTIONAL ACCOUNT</u> | <u>PRIVATE SECTOR LOP SPAN</u> | <u>PRIV. SECT. EXP. TOTAL PROJECT AND % OF TOTAL</u> | <u>FY - 86 OBLIGATIONS (000)</u> | <u>FY - 87 OBLIGATIONS (000)</u> | <u>FY - 88 OBLIGATIONS (000)</u> |
|------------------|--------------------------------------|---|-------------------------------|--|--|--|--|--|
| 690-0208 | Management Manpower Development | Non US | ESF | FY86-89 | 500 4,000 12.5% | 2,500 | 1,500 | -- |
| 690-0241 | Private Sector Export Development | US and Non US | ESF | FY88-91 | 2,500 2,500 100% | -- | -- | 2,000 |

AFRICA BUREAU TABLE VI
REGIONAL CENTRALLY FUNDED ACTIVITIES

NONE

P M & R REQUIRMENTS

| <u>ITEM</u> | <u>FY87 (\$000)</u> |
|--|---------------------|
| Project Design - Regional Ag. Faculty Development | 80 |
| Project Design - Regional Transport Development II | 100 |
| Regional Transportation Strategy Update | 50 |
| Study - Regional Transport Communications | 60 |
| Project Development Officer PSC | 100 |
| Transport Project Development Officer PSC | 30 |
| Program Officer PSC | 100 |
| Study - Private Sector Export Opportunities | 80 |
| Project Design - Private Sector Export Development | 40 |
| Study - Regional Technical Training Needs | 40 |
| Study - Impact of RSA Sanctions on SADCC | 60 |
| CDSS Update | 60 |
| | <hr/> |
| TOTAL FY 87 | 800 |

| <u>ITEM</u> | <u>FY88(\$000)</u> |
|--|--------------------|
| Project Design - Regional Transport Development II | 100 |
| Project Design - Private Sector Export Development | 80 |
| Project Design - FY 89 New Start | 80 |
| Project Development Officer PSC | 110 |
| Program Officer PSC | 110 |
| Assessment - SADCC: The First Eight Years | 60 |
| Transport Project Development Officer PSC | 30 |
| Regional Transportation Strategy Update | 50 |
| | <hr/> |
| TOTAL FY 88 | 620 |

ABS PROJECT NARRATIVES

Southern Africa Regional Program

PRIVATE SECTOR EXPORT DEVELOPMENT (PSED) PROJECT (690-0241)

FY 88 Obligation \$2,000,000

LOP \$2,500,000

GRANT

ACCOUNT: ESF

Major Development Problems Addressed

In the SADCC region the balance of trade has been negative for all but one country for the past several years. Financing the gap between imports and exports has created large debts and has been a factor inhibiting employment growth in the region.

Foreign exchange in the region is earned primarily by exports of unprocessed minerals and agricultural products. The major trading partner for all southern African states except Angola and Tanzania is the Republic of South Africa. The combined SADCC markets have not been tapped to their full export potential and there is room for a significant expansion of exports outside SADCC. Two problems have which partially arise from this situation are: a lack of sufficient foreign exchange earnings and to a lesser extent, high unemployment levels in the region.

The absence of sufficient employment opportunities is due to a number of factors, most notably, the lack of sufficient capital investment. Insufficient foreign exchange earnings are primarily attributable to the inability of the economies in the region to export sufficient quantities of goods or services. A common denominator of both unemployment and insignificant foreign exchange earnings is insufficient capital. One possible vehicle for increasing employment and foreign exchange earnings is trade, both intra-regional and international. However, the process must begin with the mobilization of capital to produce for export.

Project Purpose

The Private Sector Export Development (PSED) project will assist the SADCC region to develop the necessary plans and analyses to promote private investment, primarily for export industries. The ultimate goal is to increase trade, and thereby increase foreign exchange earnings and employment.

Project Description

In order to assist in the growth of intra-regional and international trade through the stimulation of private investment in the SADCC region, the PSED project will undertake the following:

An analysis of trading patterns in the region, including an assessment of the factors inhibiting export growth, both for regional and international markets. This study will include a review of current trade and investment policies with the intent of identifying serious bottlenecks to increasing exports through private investment.

A study to determine the export potential of countries in the region.

Policy dialogue within SADCC to encourage more appropriate economic and financial policies which could lead to an expansion of trade through private investment.

Feasibility studies, including a legal aspects, of developing Free Trade Zones (FTZ) within certain countries of the SADCC region as one possible way to provide an environment conducive to investment for export.

The development of plans for the construction of the physical infrastructure for the FTZs (e.g. the development of roads, water systems, sewage systems, land conversion, communications and warehousing).

The analyses and plans would be used by SADCC to attract potential investors. At this stage, discussions would take place with the World Bank's International Finance Corporation and other development oriented banks to secure co-financing to further develop the infrastructure required. In addition, if the foreign investment originates in the United States, the Overseas Private Investment Corporation (OPIC) and other American private investment stimulators could be approached .

The final stages of the overall process (plans, financing arrangements and infrastructure development) will require a heavy involvement from bilateral USAID's in the region. Funding for the actual development of FTZs will not come from the Regional Program. SADCC and individual host governments are

the most appropriate bodies to seek financing from private sources as well as from multilateral and bilateral donors for infrastructural and other required investments.

POLICY CONSIDERATIONS

Concurrent with AID's Private Enterprise Development Policy, this project will help encourage a shift from policies which promote general import substitution to policies which open an economy to international trade. In addition, the project will promote, through policy dialogue associated with U.S. assistance, a greater reliance on market determined prices and the initiative of the private sector. The project also has clear linkages with the approved Regional Transport Development Project.

REGIONAL AGRICULTURAL FACULTY DEVELOPMENT (RAFD) (690-0232)

| | | |
|-------|------------|--------------|
| FY 87 | Obligation | \$4,250,000 |
| FY 88 | Obligation | \$3,000,000 |
| LOP | | \$10,000,000 |

GRANT

ACCOUNT: ESF

Project Purpose - To develop the capability within selected agricultural faculties in the SADCC region to train more and better qualified agricultural professionals.

Problem - Food production and agriculture remain the primary economic factor in the SADCC region where approximately 75 percent of the population live in rural areas and on an average well over one million tons of grain have been imported per year over the last decade. Furthermore, population is expected to rise by over 50 percent to over 100 million by the year 2000. Improved productivity, through technological change and market incentives requires improved research, planning, administration and policy formulation. An essential step is the provision of adequately trained agricultural manpower.

The Southern Africa Regional food and agricultural strategy for the 1985-2000 period has two interrelated components: agricultural research and training. For the SACCAR and ICRISAT projects, already underway, progress is being made to establish agricultural research networks in the region and develop improved varieties of basic food grains.

The RAFD project will focus on regional aspects of agricultural education such as agriculture faculty networking, comprehensive region-wide planning under the aegis of SADCC, regional faculty specializaion and the creation of advisory councils for higher education in southern Africa. Currently there are no formal avenues of networking between the agricultural faculties and informal ties are negligible. Another essential linkage which the SAFD will sponsor is that of the agricultural faculties and Ministries of Agriculture. In some countries in the region the ties between the Ministries responsible for agricultural production and research and the Faculties of Agriculture responsible for training professional manpower need improving.

The project will concentrate on key problems in the region that can best be overcome by regional efforts, e.g. specialization. Agricultural education is an expensive form of higher education and there is no doubt that all SADCC countries cannot afford a complete range of higher agricultural education facilities. There already exist some good but under-utilized facilities (e.g. Veterinary College in Malawi and Department of Soil Science, University of Zimbabwe). Yet, because of logistical and comparability problems as well as academic insularity, there has been only meager attempts at regional cooperation and sharing. Scholarships and fellowships to support regional specialization will be provided under this project and institution building grants will be made to selected faculties which will serve as regional centers for a particular discipline. This institution building support will include staff development, technical assistance in planning and curriculum development, and physical improvements at selected facilities. During the early phases of the project coordination and planning meetings for the senior staff of SADCC agricultural faculties will be funded and some funding will be provided for project administration. These meetings, with technical assistance financed by the project, will result in a long-range plan for the development of higher agricultural education in the region.

This project conforms to the Africa Bureau's Plan for Supporting Agricultural Research and Faculties of Agriculture in Africa which proposes support to a limited number of universities, through research, teaching and linkages to agricultural production. (It is anticipated that AFR/TR/ARD staff responsible for the implementation of the Bureau's plan will be intimately involved in the design of the PID and PP). The RAFD project will complement the large-scale bilateral efforts which may be expected under the strategic plan because it will help develop strong regional specializations.

TARGET GROUP:

The ultimate beneficiaries will be the agricultural manpower trained in the region, and through them the agricultural producers in the region. The immediate beneficiaries will be the staff and students at the agricultural faculties concerned.

PARTICIPANT TRAINING

It is estimated that 30 individuals (15 M.Sc. and 15 Ph.D.) will receive U.S. training at a cost of \$1,875,000. To the extent possible, undergraduate training will be conducted at existing institutions in the region.

I. REGIONAL TRANSPORT DEVELOPMENT II - FY 87 SUBPROJECT

| | | |
|-------|-----------------------|--------------|
| FY 87 | Obligation (690-0239) | \$10,000,000 |
| FY 88 | Obligation | \$ -0- |
| LOP | | \$10,000,000 |

GRANT

ACCOUNT: ESF

II. REGIONAL TRANSPORT DEVELOPMENT II - FY 88 SUBPROJECT

| | | |
|-------|-----------------------|--------------|
| FY 88 | Obligation (690-0240) | \$10,000,000 |
| LOP | | \$10,000,000 |

GRANT

ACCOUNT: ESF

PROJECT PURPOSE

To strengthen and expand the capacity and operational efficiency of transport systems in the SADCC region.

SUMMARY

The Regional Transport Development II PID was approved by AID/W on May 5, 1986 (see State 166125 dated May 27, 1986). The PID outlines a regional transportation sector strategy and defines selection criteria to be applied against potential subprojects over the next five years (FY 86-90). The PID also provided a list of illustrative subprojects for future year funding (the first two subprojects are currently being designed for FY86 obligations).

As approved by the ECPR, each year a synopsis cable will be submitted to AID/W for each of the subprojects proposed for that Fiscal Year. After AID/W concurrence is received, individual project papers will be prepared and authorized under AFR DOA 140, revised.

At this time, subprojects have not been selected for FY 87 or FY88. This process will be initiated in August, 1986 in collaboration with SADCC, the bilateral missions in the region, individual host governments and other donors.

The principle problems to be addressed by this sector project are:

1. Capacity constraints that physically prevent cargo from moving within the region;
2. Poor management and shortages of skilled staff in the regional transport systems; and
3. Inappropriate user charges in some instances.

The projects to be approved under this sector effort will focus on systems critical to the region's export-import sectors and will be judged on strict economic and financial grounds.

Potential activities for FY 87 and FY 88 funding include:

- Assistance to Malawi, Zimbabwe and Zambia Railways to further improve their capacity to carry expanding volumes of cargo. Such assistance could include technical assistance and training in management and maintenance operations, rail repairs, procurement of additional rolling stock and spare parts for the rehabilitation of locomotives.
- Improvement of the maintenance program for Botswana's rail and communications networks.
- Rehabilitation and upgrading of the region's road network which connects with rail systems carrying internationally traded goods.
- Upgrading of the transport communications system in the region.

The ultimate benefits of these activities will accrue to a broad spectrum of producers and consumers throughout the SADCC countries. Cheaper, more efficient and more reliable transport routes for export and imports should have positive, far reaching impacts on all segments of the population.

This sector project embodies many of the Agency's overall objectives. In most cases, private producers (as the eventual end users of the transport systems) will be the major indirect beneficiaries of reduced transport costs. Additionally, as we have already seen during the implementation of Regional Transport Development I, the private sector will be heavily involved in the construction, rehabilitation and procurement components of the projects. In addition, private sector representatives are being included in the various transport development planning meetings sponsored by SADCC. Finally, institutional development, primarily the strengthening of management and maintenance capabilities, is a major objective. The project is clearly consistent with the Regional Development Strategy Statement which emphasizes the need for more efficient transportation systems to carry the regions exports and imports. The RDSS states that future economic growth in the region is intimately linked to the carrying capacity of these transport systems.