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PD-AACW-945

ACTION MEMORANDUM FOR THE MISSION DIRECTOR, USAID/SENEGAL

DATE : 2 December 1987

FROM : PRM/OPS:CSMccluskey *CSM*

THRU : PRM:KLubell *KL*

SUBJECT : Project Development and Support (PD&S) Project (685-0294) Authorization

REFERENCES: (A) Senegal Desk to USAID/Senegal DDIR Memo dtd 10 Nov 87
 (B) STATE 154244 dtd 21 May 87

I. PROBLEM: Your approval is required to authorize a bilateral, multiyear Project Development and Support (PD&S) Project (685-0294) for Senegal. First year funding of \$1,100,000 is planned. An initial ceiling of \$5.0 million is proposed with the life of project not to exceed the ten year limit for Mission-authorized projects per Delegation of Authority No. 551.

II. DISCUSSION:

A. Background: USAID/Senegal has been asked by AID/W (ref memo) to establish a bilateral PD&S Project beginning in FY 1988. The proposed PD&S Project will be equivalent to those established for other, larger Africa A.I.D. missions. Prior to FY 1988, Planning, Management and Research (PM&R) funds, known as PD&S outside the eight Sahel West Africa (SWA) countries, have been, through FY 1987, the traditional source of financing for program and project design, preproject implementation needs, policy assessment and analysis, and limited post-project support. On-going PM&R activities will be completed as planned between now and the PACD for that project of 30 Sep 89. A bilateral equivalent with funding assured from OYE (or REOBs) will replace for Senegal this traditional regional PM&R project. It is A.I.D. established policy to give priority attention to economic development policy as an element of a Mission's unified strategy; the ad hoc and "as available" nature of the traditional Sahel PM&R project is no longer consistent with that policy.

B. Project Description: The project purpose is to provide a mechanism for financing project development and support activities, as per the guidance contained in ref tel and incorporated herein, as may be amended from time to time, to include but not be limited to: (1) special analyses related to development of sector and country program strategies; (2) feasibility studies; (3) project development and design activities; (4) assessments of the environmental and social impact of proposed activities; (5) evaluations of project activities; and (6) analyses and research related to specific problems affecting development and policy reform efforts. The bilateral Program Development and Support (PD&S) activities will continue to be subject to the same criteria and procedures applied to the Regional account.

Initially (i.e. for FY 1988), these funds will be used for financing project design for new projects in agricultural research, child survival, natural resource management and private voluntary organization co-financing; evaluations of Economic Support Fund and food assistance programs; and private sector and policy reform strategy studies. Other uses will include policy and sector analyses or assessments (e.g. agricultural pricing, water, rice imports and marketing, and relationship to national cereals plan and privatization efforts), evaluation of the structural adjustment program studies and related projects, design and monitoring of sector programs, pre-implementation activities such as training relevant to implementation, seminars and workshops, and certain post U.S.-support costs essential to adequate termination of U.S. involvement in GOS projects or to adequate follow-on activities. This project provides for the first essential steps to development and integration of projects and strategies and for monitoring progress in achievement of objectives in project and non-project assistance. Project activities may be applied to regional (for Senegal) requirements as well as to strictly bilateral requirements.

This proposed project will include for FY88 all those requirements contemplated under FY88 PM&R (now discontinued) and most items under the Sahel Policy Analysis and Support Project (625-0970.85), now no longer being funded. This is consistent with informal guidance from AID/W (see ref Memo).

C. Financial Summary: USAID/Senegal FY88 funding requirements for this combined project may include, but not be limited to, the following:

<u>Activities Proposed for FY88 PD&S Funding (in Rank Order)</u>	<u>(\$000)</u>
(1) Strengthening Agricultural Research (685-0285) PP Design	265
(2) Child Survival Program (685-0286) PID and PP Design	220
(3) Child Survival Design Coordinator	30
(4) PVO Co-Financing (685-0284)	35
(5) AEPRP II (685-0292) PAIP and PAAD Design	90
(6) Advisory services on NAP-related policies, governmental disengagement, market reforms, input marketing, agricultural credit, and agricultural research	40
(7) Private Sector Strategy Studies (3)	90
(8) National Water Policy Assessment	150
(9) PL 400 Title II Program Evaluation	40
Total FY88 PD&S (685-0294) requirements (\$000):	960
(10) Contingency	240
Grand Total Proposed PD&S FY88 Funding (\$000):	1,100

D. Conditions Precedent and Covenants: No special conditions or covenants are planned for this project.

E. Implementation Plan: Final decision-making authority for all project activity remains with the A.I.D. (and USAID/Senegal). GOS concurrence may be required for some activities as USAID deems appropriate before approval is granted. The Program Office in USAID/Senegal will be responsible for overall

project management while individual management of activities will be assigned to appropriate Mission staff. Primary responsibility for determining the uses of project funds rests with the USAID/Senegal Deputy Program Officer.

F. Major Implementing Agencies: Principal implementation responsibility rests with the USAID. The Ministry of Economy and Finance will be asked to carry out COS management assignments if required by project-supported activities. A.I.D. officers responsible for the implementation of this grant are:

Campbell S. McClusky, Program Officer, USAID/Senegal, and
Ms. Cindy Guisti, AFR/FP/SWAP.

G. 121(D) Certification: A negative 121(D) finding accompanies this proposed authorization inasmuch as the disbursing entity will be USAID/Senegal in all foreseeable cases.

III. WAIVERS

No waivers are requested for this project. Any source, origin or nationality waivers required during implementation will be considered under the authority delegated to the Mission Director per Delegation of Authority 551.

IV. CONGRESSIONAL NOTIFICATION: A Congressional Notification is being finalized in AID/W for submission as soon as the Mission approves/authorizes the project and the 121 (D) and notifies AID/W.

IV. RECOMMENDATION: (a) That you sign the attached Project Authorization to authorize a bilateral Project Development and Support (PD&S) Project for Senegal for first year grant funding from DFA of NTE 1.1 million and at an initial project ceiling limitation for NTE \$5.0 million; (b) that you sign the attached PP facesheet; and (c) that you sign the attached 121(D) certification.

Drafter: PRM/OPS:MBeye:27Nov37:mc

Clearances:

RLA:EDragon (in draft) ED 01Dec87
RCO:Jito Jito
DDR:GCarner GC

Attachments:

- A. Project Authorization
- B. 121 (D) Certification
- C. Draft Planned Program Summary Sheet

PROJECT AUTHORIZATION

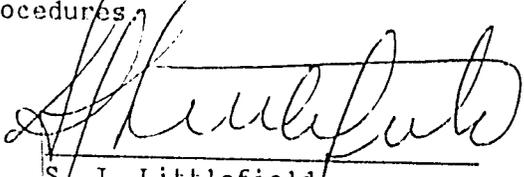
Country : Senegal

Project Title : Project Development and Support (PD&S)

Project Number: 685-0294

1. Pursuant to Section 121 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Project Development and Support Project for Senegal involving planned obligations of not to exceed \$5,000,000 over a five year period of time from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to finance both foreign exchange and local currency costs for the project as described below. The planned life of the project is continuing or open but not in excess of 10 years. It is planned that \$1,100,000 will be obligated in Fiscal Year 1988.
2. The project purpose is to provide a mechanism for financing project development and support activities, as per the guidance set forth in STATE 154244, dated 21 May 1987, as may be amended from time to time. Project activities include but are not limited to: (1) special analyses related to development of sector and country program strategies; (2) feasibility studies; (3) project development and design activities; (4) assessments of the environmental and social impact of proposed activities; (5) evaluations of project activities; and (6) analyses and research related to specific problems affecting development and policy reform efforts. The bilateral Program Development and Support (PD&S) activities will continue to be subject to the same criteria and procedures applied to the Regional account.
3. The Project Agreement contracts or other obligating documents which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.
4. Source and Origin of Commodities, Nationality of Services. Commodities or services financed under the project shall have their source, origin or nationality determined according to the rules set forth in A.I.D. Handbook 1, Supplement B, Chapter 5.
5. The effectiveness of this Project Authorization is subject to the completion of the Congressional Notification procedures.

Date: 2 DEC. 1987


S. J. Littlefield
Director, USAID/Senegal

Clearances: (As shown on Action Memorandum)
4120P

memorandum

DATE: November 23, 1987

REPLY TO
ATTN OF:

Sarah Jane Littlefield, Director *[Signature]* 2 DEC. 1987

SUBJECT:

FAA Section 121 (d) Certification of the Project Development and Support Project (685-0294)

TO:

The Files

Ref: Ito Memorandum dated 23 November, 1987

I, Sarah Jane Littlefield, Mission Director, USAID/Senegal, certify that no Sahel Development Program funds will be made available to the Government of Senegal under USAID/Senegal's Project Development and Support Project (685-0294). All disbursement project funds will be effected under the direct reimbursement method of payment.

This determination is based upon the referenced memorandum and discussions with USAID/Senegal division chiefs who will actively participate in the programming of funds made available under this project.

drafted: GZegarac, FA *[Signature]*

cleared: JAITO, RCON: *[Signature]*
 MCMcClusky, PRM *[Signature]*
 EDragon: RLA: *[Signature]*
 GCarner, DDIR: *[Signature]*