

OMANI-AMERICAN JOINT COMMISSION
FOR ECONOMIC AND TECHNICAL COOPERATION

ACTION PLAN FOR FY 1987 AND FY 1988

January 21, 1987

ACTION PLAN FOR FY 1987 AND FY 1988

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I. INTRODUCTORY OVERVIEW

A. Major Strategic Goals and Progress Toward Goals

The Omani-American Joint Commission was established in 1980 with a ten year life, as an adjunct to U.S.-Omani agreements regarding access to Omani military facilities. It represented an expression of the desire of the Omani Government to broaden and strengthen the relationship between Oman and the U.S. by promoting economic and technical cooperation. In its original conception, the Joint Commission was to be the focal point for U.S.-Omani economic, technical and commercial ties, drawing on the sources of A.I.D. and other U.S. government agencies. A major objective of the Commission was to demonstrate to the people of Oman the benefits of Oman's relationship with the U.S. Because of Oman's desire for substantive participation, the overriding operating principals of the Commission have been to emphasize the jointness of the organization and the need to limit the size of A.I.D. direct hire staff.

As a result of this combination of goals and operating criteria, especially the need to keep the U.S. staff small, a program has evolved which concentrates Commission resources on a few critical sectors and within these sectors on critical development interventions. Succinctly stated the Commission's approved strategy is to identify and fund projects which are visible and developmentally useful within the context of Oman's Five-Year Development Plan. This strategy has been successfully followed to date. The Commission focuses almost all of its resources on fisheries, human resources development and water resources, three of Oman's highest development priorities. Within these sectors, Commission projects are focussed on the most critical constraints and problems.

Even though the Joint Commission has had to restrict the scope of its activities to be manageable by a small staff, the Commission has a good record of promoting contacts between the U.S. and Oman and providing technical assistance outside the sectors of concentration. The Commission has actively participated in promoting TDP grants, sponsored small but significant interventions in child survival and promoted closer contact between the Omani and U.S. health establishments. The Commission has also been instrumental in promoting interchange and activities in environmental protection.

Unfortunately, the country's economic development process continues to lack strong central direction. Also, unfortunately, the influence of commercial interests on government decision making is very pervasive because of the large number of expatriate advisors hired from companies seeking business in Oman, the ownership of businesses by government officials and the use of bilateral assistance by some countries to promote commercial interests. These factors often make it difficult to pursue rational development planning and fruitful policy dialogues, especially when there is a need for change or restrictions which may have a negative impact on existing

commercial interests. Consequently, it is difficult to get a universally applicable statement of policy on some issues, and institution building and the promotion of fundamental policy changes is a slow and difficult process.

The Commission has become a respected institution often viewed as part of the Omani Government and valued for its ability to provide technically sound advice, unbiased by commercial considerations by key Omani official. Through these officials the Commission has had an impact on development policies and planning. There is no doubt that these officials desire strengthened economic and technical relationships with the U.S. and support the functioning of the Commission. As concerned as these officials may be, they are not in a position to impose their will on other government officials but instead must gain support by political negotiations and persuasive arguments in the government's various coordination and policy making. This is a time-consuming process and cannot be invoked lightly.

B. Proposed New Program Elements

The Commission program is well established for the remainder of its currently agreed upon life span. No major program changes are foreseen and no new projects are required at this time to meet our commitment through 1990.

C. Major Program Management Issues

(See Mission cable on this section.)

II. PERFORMANCE AND PLANS

A. Water Resources

1. Strategic Goals

The overall sector goal is to provide a safe, reliable supply of water sufficient to meet the needs of the people and the planned development of Oman.

Sector activities include the Wadi al-Khawd Aquifer Recharge Dam Project and the Water Resources Development Project. The former project is nearing completion and the latter has just begun. The Water Resources Development Project consists of three subprojects, which focus on assisting the Omani Government to better manage the development and utilization of the country's scarce water resources and to improve the planning, design, construction, operations and maintenance of water and waste water facilities. The first subproject will develop a water resources planning organization and prepare a water resources management plan. The second subproject will strengthen and expand the Capital Region's water supply system and provide a long term plan for developing the water and wastewater infrastructure and organizations in the Region. The third subproject will provide pilot water and wastewater facilities in smaller towns and villages and strengthen the organizations responsible for water and wastewater in these areas.

Achievement of the following intermediate goals will contribute to achievement of the sector goal:

- test the concept of aquifer recharge as a means of increasing water supplies for agricultural and municipal use by building a retarding structure which will slow rain water runoff and allow water normally lost to the sea to percolate into groundwater aquifers;

- develop the Omani government organizations required to manage the country's water resources and draw up the first National Water Resources Strategic Plan;

- increase the supply of water to the 350,000 people living in the Capital Region, strengthen and expand the region's water transmission and distribution system, provide a long term plan for the continued growth and expansion of the Region's water and wastewater facilities, and strengthen the institutions responsible for design, construction, operation and maintenance of water and wastewater in the region;

- strengthen the capacity of Omani Government institutions to provide water and wastewater facilities to approximately 350,000 people living in smaller towns and villages and provide improved water and wastewater facilities to the populations of approximately 3 towns and 20 villages.

2. Impact Since Last Action Plan

a. Wadi al Khawd Project - Although the monitoring system is installed and Omani personnel trained in its operation, rain sufficient to cause flooding has not yet occurred. Until this unpredictable event occurs, it will not be possible to determine the impact of the dam. The continuous measurement of aquifer conditions in the Wadi al-Khawd drainage basin, however, is providing useful baseline data.

b. Water Resources Development Project

- The Project was authorized by Washington and the first tranche of funds, a loan for \$14.5 million, obligated at the end of FY 1986.

- The initial steps of project implementation are in process.

- During the project design process, the multiplicity of government organizations involved in water resources and the need to centralize water resources management responsibilities was emphasized when briefing senior government officials. As a result the Minister of Environment was given overall responsibility for water resources management and a significant reorganization within the Government is in progress.

3. Major Actions Planned for FY 1987, FY 1988 and FY 1989

a. Wadi al-Khawd Project

- The project will be closed out financially. (FY 1987)
- When sufficient rainfall occurs, the training of Omanis in the use of the monitoring and evaluation system will be completed. (FY 1987 or FY 1988 or FY 1989)
- When sufficient rainfall occurs, the impact of the dam will be evaluated to provide useful information to assist the Government of Oman in deciding whether to plan future investments in similar recharge structures. (FY 1987 or FY 1988 or FY 1989)

b. Water Resources Development Project

(i) Subproject 1 - Water Resources Planning and Management

- Conduct policy dialogue with Government of Oman, on the organization and authorities of the Ministry of Environment and Water Resources and the Council for the Protection of the Environment and Water Resources to assure that these organizations can implement the subproject, in accordance with the project authorization. (FY 1987)
- Obligate FY 1987 loan funds for Subproject 1. (FY 1987)
- Select and mobilize a PSC Water Resources Advisor for the Joint Commission staff. (FY 1987)
- Select and mobilize a technical assistance contractor for the water resources planning organization. (FY 1988)
- Complete the National Water Resources Strategic Plan. (FY 1988)
- Select key water resources management and development policy issues identified in the Strategic Plan and initiate a policy dialogue with Government of Oman. (FY 1988)
- Initiate the study and design of water resources development projects, such as recharge dams, identified as having a high priority by the Strategic Plan. (FY 1989)

(ii) Subproject 2 - Capital Region Water and Wastewater

- Barka Desalination Plant - complete selection of engineering consultant and initiate engineering design (FY 1987); complete design phase and initiate construction (FY 1988); complete plant (FY 1989).
- Other Water System Improvements - complete selection of engineering consultant and initiate design of improvements

(FY 1987); continue design and construction process (FY 1988 and FY 1989).

- Capital Region Water/Wasterwater Masterplan - select a study consultant and an environmental impact consultant, and initiate plan preparation (FY 1987); complete masterplan (FY 1988).

- Select key institutional and financial policies issues identified in the masterplan and initiate a policy dialogue with Government of Oman. (FY 1988)

- Reach agreement with Government of Oman on institutional and financial reoganization and initiate implementation of technical assistance activities. (FY 1989)

(iii) Subproject 3 - Town and Village Water and Wastewater

- Reach agreement with the Government of Oman on the design of Subproject 3, assure that the provisions of FAA Section 611 E have been met as required by the project authorization and obligate FY 1988 loan funds for Subproject 3. (FY 1987/FY 1988)

- Select and mobilize consultant. (FY 1988)

- Complete feasibility and design studies, identify towns and villages in which pilots will be constructed and initiate construction. (FY 1989)

- Select key technical, institutional and financial policy issues identified in the feasibility and design studies and initiate a policy dialogue with the Government of Oman. (FY 1989)

4. Significant Problems and Constraints or Sucesses

a. Wadi al-Khawd Aquifer Recharge Dam

From the implementation point of view, the project must be viewed as a success, since it will be completed reasonably close to the originally proposed PACD and for less than the projected amount. Measurement of success in achieving the project goal and purpose must await rain.

b. Water Resources Development Project

The process of organizational change in the Government of Oman, prerequisite to obligation of funds for key project activities, is very slow. Also, the coordination among ministries needed to treat water resources activities in an integrated fashion is difficult to obtain. Finally, Omani government organizations are institutionally weak and lacking in Omani staff. These problems are due to many factors. Controlling the allocation of water is politically sensitive. A central authority to coordinate the planning and implementation of development activities of

individual ministries is lacking. Each ministry reigns supreme in its allotted area of responsibility, functioning only within budgetary limits set by the Ministry of Finance and Economy. When a project cuts across ministerial lines, as does potable water and wastewater, coordination becomes difficult. Although these factors were taken into account in the project design and significant progress will be achieved in reaching agreement with the Government of Oman on the project components which were conditionally authorized, progress will be slow and unpredictable. We anticipate that we will have to reach agreement on project activities in phases.

Commercial interests strongly influence government decisions, because there is no separation of public and private life as we know it in the U.S. The decline in development activities, due to the drop in oil prices, has resulted in a highly competitive situation in which tied aid is viewed as a threat. Recently, governments with strong commercial interests in Oman have begun to use offers of assistance as a means of supporting the commercial interests of their country's firms. This has led to offers to fund studies which, to a greater or lesser degree, duplicate our planned project activities. The combination of offers of assistance and commercial interests is difficult for the Commission to deal with and adds to the project implementation burden.

Another potential issue, which may impact on the Commission's participation in water resources, is its ability to work with Arab fund donors, made difficult by the Arab fund's procedures for implementing the boycott of Israel. With the decline in oil prices, Oman will have a greater need for assistance from the Arab funds in order to maintain the pace of development. The Commission, through the planning studies and the financing of engineering services it will provide under the Water Resources Development Project, could play a valuable role in assisting the Government of Oman to seek loans from the Arab funds. The key to this role will be the Commission's ability to enter into parallel financing arrangements with the Government of Oman and the Arab funds. Ways of dealing with the issues relating to parallel financing are currently being explored with AID/W.

B. Human Resources Development

1. Strategic Goals

The Joint Commission's goals in this sector are to expand access to and enhance the quality of education for Omanis and to increase the pool of Omanis with advanced education and training in priority development fields. By 1988, 88 A.I.D.-financed primary and intermediate schools will be constructed throughout the country. By 1990, academic training in the United States will be provided to approximately 200 undergraduate and 100 graduate students in high priority development specializations,

and approximately 775 individuals will have participated in short-term training programs to improve their technical and professional job skills with a focus on the education, health, water resources and fisheries sectors.

2. Impact Since Last Action Plan

a. Scholarship and Training Project

Forty additional undergraduates (for a new total of 120) and 39 additional graduates (for a new total of 42) have been selected for academic training in the U.S. Fifteen short-term training programs involving 32 participants have been initiated. Within the Ministry of Education and Youth, two in-country programs involving 45 participants and ten programs in the U.S. involving 20 participants are being finalized. Within the Ministry of Health, one in-country program involving 30 participants and one program in the U.S. involving four participants are being finalized. Discussions are being held with the Ministry of Education and Youth to make agriculture the fifth and final sector for inclusion in the project. The management information system for the foreign scholarship program has been partially completed and an action plan to complete the system has been worked out.

b. School Construction Project

Of the 88 primary and secondary schools financed under the project, 62 have been completed and are in operation. Since these schools replace rented and inadequate facilities or relieve overcrowding in existing schools, we did not expect a significant increase in enrollment. However, based on an inspection of fifty of these schools, it appears that school enrollment has increased by 20 percent.

3. Major Actions Planned for FY 1987, FY 1988 and FY 1989

a. Scholarship and Training Project

- Undertake a manpower assessment and formulate a training plan for the fifth development sector (agriculture). (FY 1987)
- Complete the foreign scholarship management information system. (FY 1987)
- Implement the training plans of the five high priority development sectors. (FY 1989)
- Approve the final groups of academic students for long term training. (FY 1988)
- Undertake an interim project evaluation. (FY 87)

b. School Construction

- Complete construction of the remaining 22 schools and put them and four completed schools into operation. (FY 1987)
- Close out the project financially. (FY 1988)
- Evaluate the project. (FY 1988)

4. Significant Problems and Constraints

a. Scholarship and Training Project

Two major problems have slowed the implementation of the short-term training component of the project: financial constraints of the Government of Oman and an ineffective host country organizational structure to implement the project. The financial constraints stem from the economic austerity measures mandated on all Government ministries because of the decline in oil revenues. This has resulted in reduced training budgets (the Government must finance salaries of employees, international airfares and any other Government allowances above those allowed under the project) and has slowed acceptance and implementation of training plans as the participating ministries attempt to establish priorities and await their 1987 budget allocations. The Joint Commission is engaging the Government in a policy dialogue to study reducing the additional Government allowances which are paid in excess of A.I.D. allowances for project participants, thereby relieving some pressure on the Government's contribution. The Joint Commission is also urging the participating ministries to set their training priorities (within the approved training plans) so that the groundwork for high priority programs can be initiated and the programs implemented as soon as the budget is made available. The Government implementing agency is the Ministry of Education and Youth's Directorate General of Scholarships and Foreign Relations (DGSFR). Because the DGSFR's historical mandate has been long-term (academic) participants and because of inadequate counterpart staffing (due to budget constraints), the Joint Commission is discussing with the Ministry alternative implementing strategies, including a special allocation for the establishment of a short-term training directorate to handle government-wide training requirements and the transfer of more implementation responsibilities to the training contractor and the Joint Commission.

b. School Construction Project

The project must be counted a success. Although somewhat delayed in completion due to start-up delays, schools are now being completed rapidly and put to good use. The Government of Oman has questioned A.I.D. requirements for placing signs or plaques on each project school, because of decisions relating to other

donors. The issue is under discussion by the A.I.D. Representative, Ambassador, Minister of Education and Youth and the Ministry of Foreign Affairs.

C. Fisheries Development (Development of Non-oil Sources of Revenue)

1. Strategic Goal

The Joint Commission's strategic goal in the fisheries sector is to assist Oman in diversifying its economy to help reduce its dependence on oil revenues. Joint Commission activity in fisheries development is focussed on improving the welfare of approximately 8,000 traditional Omani fishermen and also on establishing a sector-wide data base which will allow the Government to manage, commercially exploit and conserve its marine resources. By 1990, a self-sustaining extension program for traditional fishermen should be in operation, a marketing strategy to benefit traditional buyers and sellers of fish as well as commercial exporters will be completed and a research institution staffed partially by Omanis will be implementing research programs to identify and assess the country's marine resources. The statistical program to collect and analyze the data generated from the other programs to assist the Government in the management of its resources will be operational.

2. Impact Since Last Action Plan

Approximately 2,000 traditional fishermen have been exposed to sea safety, gear and fishing method demonstrations, and the extension counterparts have improved their performance with the return of a senior extension agent from project-sponsored training in the U.S. Field samplers have improved their skills with a significant qualitative impact on the statistics program.

3. Major Actions Planned for FY 1987, FY 1988 and FY 1989

- a. Undertake policy dialogue with the Government on private sector opportunities in fisheries. (FY 1987 - 1989)
- b. Undertake policy dialogue with the Government on use and management of its Extended Economic Zone. (FY 1987 - 1989)
- c. Undertake an interim project evaluation. (FY 1987)

4. Significant Problems and Constraints

The major potential problem affecting the project is the impact Government-wide budget cuts will have on the availability of counterpart and support services for the project advisors. Personnel reductions resulting in Omani staff being reassigned to other activities and the lack of adequate vehicles and equipment have curtailed some of the advisors' activities. The Joint

Commission continues to discuss with the Government the need to meet its project commitments to providing adequate staff and services. The impact that the newly appointed Minister of Agriculture and Fisheries may have on solving these project issues is not yet clear.

D. Miscellaneous Development Activities

1. Strategic Goals

A major function of the Joint Commission is to provide the Government of Oman with access to U.S. assistance and technology in important development areas outside the three sectors of concentration. Because of the Commission's limited staff and the work load associated with the Commission's major projects, miscellaneous activities must be limited. Set forth below are the key miscellaneous activities now under implementation by the Commission.

2. Child Survival

a. Activity Goal

Oman's infant and child mortality and morbidity rates are reported to be between 60 and 120 per 1000. The activity will contribute baseline data to more accurately determine this statistic and provide curative and preventative training in child survival with programs for Oman's health care professionals and technicians. Although the Commission has contributed funds to child survival activities, extensive use is being made of centrally funded projects. Also, efforts are being made to assist Oman to develop a closer relationship with the CDC.

b. Impact Since Last Action Plan

A child survival health team visited Oman and made recommendations for follow-on activities. Of these, a training program for nurse trainers, a computer analysis of infant/child mortality data and a RAPID survey of infant and child mortality of have been completed. A pediatric protocol observation tour is currently underway in the U.S. by Omani health officials.

c. Major Actions Planned for FY 1987, FY 1988 and FY 1989

- Establishment of a pediatric protocol for Oman. (FY 1987)
- Participate in the Johns Hopkins Child Survival Fellows Program. (FY 1987 & 1988)

d. Significant Successes

The nurses training program has been replicated in health facilities throughout the country by the four original

participants. The computer analysis and RAPID survey have indicated that Oman's infant/child mortality is perhaps half the rate estimated by WHO (60 instead of 120 deaths per 1,000 live births), with a significant potential impact on the focus of health services.

3. Biological Diversity

a. Activity Goal

This activity's goal is to ensure the effectiveness of Oman's national sea turtle management plan. A study will be undertaken to revise the current plan to be responsive to the data collected over the last five years on the activities and environment of Oman's sea turtles. The activity is funded by a grant from the U.S. Fish and Wildlife Service.

b. Impact Since Last Action Plan

A grant agreement has been signed between the U.S. Fish and Wildlife Service and the Ministry of Agriculture and Fisheries to undertake the required study in March, 1987.

c. Major Actions Planned for FY 1987, FY 1988 and FY 1989

The study will be completed and recommendations presented to the Government. (FY 1987)

d. Major Problems or Successes. N/A

4. Trade Development Program (TDP) - Manah Power Feasibility Study

a. Activity Goals

In addition to TDP's goal of promoting commercial business opportunities for U.S. firms, the Commission's goal is to promote a link between Oman and a useful U.S. Government program as well as access to U.S. expertise. The \$350,000 TDP grant is financing a feasibility study of a power generation facility and associated transmission lines to service towns and village in the country's interior.

b. Impact Since Last Action Plan

- A contract with a U.S. consulting firm, Kuljian Corp., was executed and the study initiated.

c. Major Actions Planned for FY 1987, FY 1988 and FY 1989

- Complete the study. (FY 1987)

d. Significant Problems and Constraints or Successes

The study appears to be proceeding smoothly and should be completed on schedule.

III. SPECIAL CONSIDERATIONS .

A. Financial Issues

1. Pipeline

Significant progress has been made in reducing the Commission's pipeline through the rapid disbursement of funds under the School Construction Project. The pipeline for this one project was reduced from \$26.5 to \$9.5 million in CY 1986. Disbursements under the Scholarship and Training Project have increased substantially. We expect the pipeline to increase significantly in FY 1987 and FY 1988, as we add money to the Water Resources Development Project. Disbursements for this project should approximate the expected curve for technical assistance intensive projects with little or no movement of funds in the early stages of the project while contractors are selected and mobilized. The curve should reach its peak in FY 1989 and level off, declining rapidly thereafter.

2. Mortgage

Grant funds are heavily mortgaged to the Scholarship and Training Project and loan funds are completely mortgaged to the Water Resources Development Project. If grant funds become available they will be added to the Water Resources Development Project. The mortgaging of both grant and loan funds is consistent with the Commission strategy of concentrating its resources in a few key sectors and keeping the Commission staff small. In addition, only four years remain of the Commission's 10 year life span. Funds must be programmed well in advance if they are to be disbursed and projects completed within a reasonably short time after the final obligations in FY 1990. A small amount of grant money is held available for miscellaneous activities and other unforeseen uses.

3. Proposed Obligations Table - FY 1987 to FY 1989

Planned obligations are shown below:

	<u>FY 1987</u>	<u>Month</u>	<u>FY 1988</u>	<u>FY 1989</u>
Grant:				
JC Project (272-0101)	\$5.0	March	\$5.0	\$5.0
Loan:				
Water Resources Dev. Project (272-0104)	\$ 9.9	July	\$15.0	\$15.0

No major deob-reobs are expected during the Action Plan period.

B. Evaluation Plan

Summary Table of Evaluations

<u>Project</u>	<u>Type of Evaluation</u>	<u>Timing</u>
Fisheries Dev.	mid-project	April 1987
Scholarship & Trg.	mid-project	May 1987
School Construction	end-of-project	November 1987
Water Resources Dev.	mid-project	January 1988

No evaluations were undertaken in FY 1986 and no evaluations will be required for project design.

1. Fisheries Development Project

A second interim evaluation is scheduled for April, 1987, two years after the first interim evaluation, one year before the scheduled departure of many of the technical advisors and two years before the project's PACD. This will be a joint evaluation with the Ministry of Agriculture and Fisheries.

Scope: The evaluation will measure progress toward achieving project outputs, based on a detailed beginning and end of project status statement. The evaluation will focus on the ongoing technical assistance programs in statistics, extension services, marketing and research. Recommendations for follow-up actions over the life of the project will be made.

Personnel Requirements: One or two external consultants and one AID/W staff member with expertise in management and programming of development projects.

Funding: \$50,000 from project funds.

2. Scholarship and Training Project

An interim evaluation is scheduled for May, 1987, three years before the project PACD.

Scope: The evaluation will measure progress toward project outputs, focusing on the short-term training component and the management information system. Recommendations for follow-up actions over the life of the project will be made.

Personnel Requirements: One or two external consultants and one AID/W staff member with expertise in management and programming of development projects.

Funding: \$50,000 from project funds.

3. School Construction

An end of project evaluation will be undertaken in November, 1987. The majority of schools have been completed and were placed in operation in September, 1986. By the scheduled evaluation date all schools should be completed and more than half will be starting their second school year in operation.

Scope: The evaluation will focus on the following areas:

- Project Design and Implementation: a review of the project will be conducted to assess the effectiveness with which the project was implemented (i.e., the schools identified, designed, constructed, etc.) and the effectiveness of the Commission's monitoring of the project.

- Operations and Maintenance: a sampling of schools will be inspected to determine how well they are being operated and maintained by the Government of Oman.

- Impact on Quality of Education: efforts will be made to compare relevant quantitative data on educational progress for new schools versus schools still using rented or traditionally constructed schools. Also the effects of overcrowding can be examined. It will be very difficult to link new school design and construction to the quality of education, but it should be possible to demonstrate that the project did improve access to educational opportunities for a significant number of Omanis.

Personnel Requirements: Team of one external consultant or one AID/W staff member, one Ministry staff member and one or more members of the Joint Commission staff.

Funding: \$20,000 from the Joint Commission grant for the consultant.

4. Wadi al-Khawd Aquifer Recharge Dam

No formal evaluation is planned at this time. The project will be completed successfully from the input/output point of view, i.e., the dam is built, and a system for monitoring its impact on aquifers is in place and arrangements for maintenance are made. The dam will be inspected from time to time to ensure that it is being maintained, and Commission monitoring of the operation of the monitoring system will continue during the life of the Commission. When the first significant rainfall occurs, the Commission will provide the Government of Oman with assistance in analyzing the data obtained from the dam monitoring system.

5. Water Resources Development Project

The first major evaluation is planned for January 1988 on the assumption that several key project activities will be completed

by then (e.g., the National Water Resources Strategic Plan, the Capital Region Water and Wastewater Masterplan and the identification of pilot towns and villages). Since each of these activities is part of a different subproject and the subprojects are likely to start at different times, the timing of the initial evaluation may have to be adjusted or, alternatively, the evaluations may have to be conducted on a subproject basis. Each contract to be let will have the collection of baseline data required for evaluation built into the scope of work.

C. Management and Workforce Issues

The U.S. Government and the Omani Government have agreed since its inception that the Commission must remain small. The projections contained in the staffing pattern (Attachment 1) continue to adhere to that policy. The projections also assume that the Commission will obligate almost all future resources to the Water Resources Development Project and other ongoing projects will terminate on schedule. We have not dealt with the fact that the Water Resources Development Project will run until the end of FY 1992, because the manner in which this will be handled is inextricably tied to decisions regarding the Commission's future after FY 1990. (See separate cable.)

D. Gray Amendment

During FY 1987, a number of host country contracts will be let, under the Water Resources Development Project, in the following categories: engineering design and supervision of construction; technical assistance; and planning. The contracts will be advertised in the CBD and prequalification procedures will be used. All CBD notices will include the the language set forth in C.I.B. 85-21. Because these are host country contracts, there will be no 8(a) or small business set asides. There will be ample opportunity for Gray Amendment firms to seek contracts as prime contractors, joint venture partners or sub-contractors. Prime contractors will be encouraged to enter into sub-contracts and joint ventures with such firms.

E. Summary Budget Table for FY 1987 and FY 1988 (\$000)

<u>Project Title</u>	<u>Loan/Grant</u>	<u>Approp.</u>	<u>Funding Level</u>	
			<u>FY 1987</u>	<u>FY 1988</u>
Joint Commission (272-0101)	G	ESF	5,000	5,000
Water Res. Dev. Proj. (272-0104)	L	ESF	14,965	15,000

A more detailed Funding Table is contained in Attachment 2.

STAFFING PATTERN

<u>Position</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
Managing Director (Omani)	x	x	x	x
U.S. Representative (USDH)	x	x	x	x
Executive Assistant (USDH)	x	x	x	
Executive Secretary (Local Hire)	x	x	x	x
Secretary (Omani)	x	x	x	x
Receptionist Typist (Omani)	x	x	x	x
Translator (Local Hire)	x			
Translator (Local Hire)	x	x	x	x
<u>Office of Water Resources and Capital Projects</u>				
Asst. U.S. Representative (USDH)	x	x	x	x
Chief Engineer (USDH)	x	x		
Project Officer (Omani)	<u>1/</u>	<u>1/</u>	x	x
Water Resources Advisor (US PSC)	x	x	x	x
Project Officer (Omani)	x	x	<u>1/</u>	<u>1/</u>
<u>Office of Technical Assistance</u>				
Project Officer (USDH)	x	x	x	x
Project Officer (Omani)	<u>1/</u>	x	x	x
Asst. Project Officer (Local Hire)	x			
<u>Office of Finance and Management</u>				
Fin/Admin Officer (USDH)	x	x	x	x
Asst. Fin/Admin Officer (Omani)	x	x	x	x
Fin/Computer Trnr (Local Hire)	x	x		
Accountant (Omani)	x	x	x	x
Driver (Omani)	x	x	x	x
Janitor (Local Hire)	<u>x</u>	<u>x</u>	<u>x</u>	<u>x</u>
On-Board Strength	20	19	17	16

1/Long-term Training

OMANI-AMERICAN JOINT COMMISSIONFUNDING SUMMARY

--- U.S. Contribution. (Millions of Dollars)

	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>TOTAL</u>
Grants:	\$ 5.0	-0-	\$ 7.5	\$ 2.5	\$ 5.0	\$ 5.0	\$ 5.0	\$30.0
Loans:	-0-	-0-	7.5	12.5	10.0	15.0	14.5	59.5
Subtotals:	\$ 5.0	-0-	\$15.0	\$15.0	\$15.0	\$20.0	\$19.5	\$89.5
Other ^{6/}	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.9
AID OE	0.0	0.3	0.5	0.8	0.9	1.0	0.9	4.4
TOTALS	<u>\$ 5.0</u>	<u>\$ 0.3</u>	<u>\$15.5</u>	<u>\$15.8</u>	<u>\$15.9</u>	<u>\$21.0</u>	<u>\$20.5</u>	<u>\$94.0</u>

- U.S. and Omani Government Planned Funding by Activity
(Thousands of Dollars)

<u>Activity</u>	<u>U.S.</u>	<u>OMAN</u>	<u>TOTAL</u>	<u>GRANT (G)/LOAN (L)</u>
Fisheries Development	\$ 9.000 ^{1/}	\$14.510	\$23.510	G
Scholarship and Training	31.900 ^{2/}	23.600	55.500	G
Wadi al-Khawd Aquifer Recharge Dam	8.200 ^{3/}	8.548	16.748	L/G
School Construction	37.500	29.576	67.076	L
Water Resources Development Phase I	75.000 ^{4/}	201.000 ^{5/}	276.000	L
Joint Commission Miscellaneous	0.967	0.000	0.967	G
Joint Commission Technical	1.162	0.600	1.762	G
Totals	<u>\$163.7</u>	<u>\$277.8</u>	<u>\$441.6</u>	

^{1/} Of which \$7.9 million committed through 1986^{2/} Of which \$7.3 million committed through 1986^{3/} Consists of \$7.5 million loan for feasibility, design and construction of a dam and \$0.7 million grant for installation of Monitoring and Evaluation System.^{4/} \$14.5 million committed through 1986^{5/} Includes \$168.7 construction for water system improvements^{6/} Grants centrally funded by A.I.D. or other USG Grants