

South Pacific
FY 1988 Action Plan

BEST AVAILABLE

FY 88 ACTION PLAN

SOUTH PACIFIC

South Pacific Regional (879)

Fiji Bilateral (882)

I. INTRODUCTORY OVERVIEW

An AA/ANE commissioned report, "The South Pacific, Recommendations for AID Assistance" (Crandall et al.), was produced in October 1984 following an intensive review by an AID/W team into all aspects of the USAID/RDO/SP program. That report's findings provided the basic rationale and background for the subsequent, completely revised FY87 South Pacific Regional CDSS (May 1985). The CDSS included the USAID/RDO/SP's initial Action Plan ("Work Plan"). The second Action Plan was submitted in March 1986, followed by the FY88 ABS submitted in June 1986. PIR's submitted as of September 30, 1986 present current project progress. The FY88 CP, submitted by AID/W for publication in January 1987, presents current project plans.

These documents provide background description and analyses of the USAID/RDO/SP program and management strategies and serve as basic reference for this FY 88 Action Plan.

A. Major Strategic Goals of the Program

The FY87 CDSS statement of USAID/RDO/SP regional program goals (CDSS p. 26) and the summarized sectoral strategy for obtaining them (CDSS p. 28) remain basically valid. The three long-term development goals for the regional program are:

1) Self-reliant and stable regional economic growth and public administration: focus on the development of managerial and technical skills in agriculture, health, and development administration in government, private, and regional institutions.

2) Increased employment and per capita income: focus on agriculture and fisheries development and the small-scale indigenous private sector; and

3) Reduced national mortality, morbidity, and birth rates: focus on women and children, primarily in Melanesia (Papua New Guinea, Solomon Islands, and Vanuatu).

B. Progress Towards Goals

The USAID/RDO/SP program accounts for about one - two per cent of all outside donor assistance to the ten island nations receiving USAID/RDO/SP assistance. Although the USAID assistance is concentrated (in the Agricultural/Fisheries, Health, Development Administration, and Private Enterprise "sectors"), USAID does not anticipate that changes in national or

regional sectoral performance, or achievement of overall regional goals, will be generally and directly associated with USAID assistance. Nevertheless, successful USAID performance in "sub-national" sectoral objectives will contribute to the CDSS's three long-term development goals.

In addition, USAID contributions to achievement of regional goals in the health sector, even when focused on Melanesia (primarily in Papua New Guinea), are limited by the continued absence of a regional health/child survival project in the USAID/RDO/SP portfolio.

1) Agriculture/Fisheries

Phase I (six years) of the South Pacific Regional Agricultural Development (SPRAD) project (879-0267) has been completed. The basics of a self-reliant regional research program, agriculture information exchange network, and trained indigenous staff have been established at the University of the South Pacific (USP) School of Agriculture in Western Samoa.

The Mission's strategy in the agriculture sector will now be supplemented with increased effort in fisheries development. After nearly two years of negotiations, a draft regional tuna fisheries licensing treaty between the USG and 16 island nations was initialed in Tonga, October 1986. The treaty includes the provision of a United States AID assistance package of cash transfers and project assistance amounting to \$50.0 million over five years (FY 88 - FY 92). The assistance will be programmed through USAID to the (South Pacific) Forum Fisheries Agency (FFA), acting on behalf of the island

Handwritten note:
FFA
\$50 million

governments. These funds, coupled with those in the new FY86 project for regional fisheries (879-0009), create some prospect that USAID may in future have direct impact on the goals of self-reliance and increased national incomes in the agriculture (fisheries) sector.

2) Health

Mission health activities have concentrated on Papua New Guinea and the Solomon Islands, and on regional health manpower development. In FY86, utilizing "fall-out" Population account funds, USAID initiated the establishment of a regional family health federation. The Federation, initially managed by a U.S. PVO Grantee, will concentrate on family planning. Technical assistance links to the regional medical schools and to the ministries of health in PNG, the Solomon Islands, and Fiji have been established and are providing the basis for USAID's impact on reductions in infant mortality and disease morbidity/mortality rates throughout the region, particularly in the Melanesian countries.

3) Development Administration

The regional Development Support Training program became fully operational over the past year, managed by a full-time U.S. PSC Training Advisor. Consequently, impressive numbers of Pacific Island nationals are already being exposed to U.S. institutions and ideology. The longer term prospects are encouraging for USAID's contribution to the regional goal of self-reliant regional public administration. Since the beginning of the

training program in mid-1984, 300 Pacific Island nationals have been sponsored by USAID for technical or academic training.

4) Private Enterprise Development

Progress towards goals of increased regional employment and income generation, through increased reliance on the private sector and market forces, has begun with the establishment of the Mission's regional private enterprise development program. Initial activities have introduced island producers to U.S. markets, trained 450 islanders in five countries in the basics of small business financial management, and launched a promising policy dialogue and privatization program, primarily in PNG and Fiji.

C. Proposed New Elements, FY 88 - FY 89

1) Regional health services project concentrating on child survival programs and regional health institutions development.

2) Fisheries access support program establishing cash transfer and project assistance mechanisms with the region's Forum Fisheries Agency (FFA) in conjunction with the signing of the regional tuna treaty licensing agreement.

3) PL-480, Section 206 sales program responding to renewed AID/W strategies encouraging creative use of PL-480 food resources in program planning. Initial activities would generate cash for supporting national nutrition/health programs.

4) PL-480, Section 416 program. The Mission made use of the USG's FY86 offer of a sugar compensation program (\$1.0 million of wheat for Fiji). The FY86 opportunity was not intended to set a pattern for continued future compensation programs. However, guidance has already been issued for FY87 compensation programs totalling \$1.6 million each for Fiji and PNG. The Mission believes the compensation programs should be pursued in FY87.

D. Management Issues

The Mission's strategy as outlined in the May 1985 CDSS, and refined in this Action Plan, is appropriate and generally working well. Concentration in four areas, "sectors," is both desirable and feasible.

During the coming 12 - 24 month period, Mission's initiatives in Fisheries Development, Health and Family Planning, the second phase of the South Pacific Regional Agricultural Development (SPRAD) Project, as well as continuing activities in the Development Support (Participant) Training and Private Enterprise sectors, will make the most significant impacts on the achievement of strategic objectives.

The single most prominent constraint to achievement of overall CDSS goals is the budget levels imposed by the harsh reductions in O.Y.B. levels from those Approved Assistance Planning Levels (AAPL) established at the time the current CDSS was designed. At that time, the AAPL for the regional DA account for FY87 was \$7 million and \$7.5 million for FY88, exclusive of ESF

approvals for the Fiji bilateral and the Regional Fisheries Development Project.

The reduced level for FY87 in the DA account is \$4 million, with the FY88 AAPL straightlined at the same \$4 million level, representing a \$3 million reduction for FY87 and a \$3.5 million reduction for FY88 from the FY85 AAPLs.

These inordinately severe reductions have forced USAID to virtually gut the PYO Co-Fi Project activity as well as to reduce funding for the Accelerated Impact Program (AIP) and to further mortgage the South Pacific Regional Agricultural Development (SPRAD) Project, two of the Mission's most important and effective program activities.

II. PERFORMANCE AND PLANS

The USAID/RDO/SP strategy for reaching its three regional program goals is summarized in the following matrix, which is an update of the FY 1987 CDSS (p. 28) presentation:

USAID/RDO/SP PROGRAM STRATEGY				
PROGRAM IMPERATIVE	ASSOCIATION & FISHERIES (Rural Development)	HEALTH	DEVELOPMENT ADMINISTRATION	PRIVATE ENTERPRISE DEVELOPMENT
*Training	1. Fisheries-coast and Inshore	1. Child Survival CSC/EPL/ACH	1. Senior Management	1. Management and Marketing Skills
*Private Enterprise Development	2. Smallholder crop and livestock diversification	2. Family Planning	2. Middle Staff	2. Policy Dialogue and Privatization
*AID Central Program Tie-in	3. Regional research, education & technology transfer	3. Health Institu- tions Development	3. Public and Private	3. Export promotion
*Women in Development	4. Nutrition	4. Water and Sanitation	4. Technical skills	

Program Implementation is via:

*G-to-G assistance (Fiji Bilateral, AIP program, training, private enterprise)

*Non-governmental organizations (U.S. and indigenous)

*South Pacific regional institutions (USP, SPC, and IFA)

*Cooperation with the U.S. Peace Corps (AIP program)

"Alternative and renewable energy" has been dropped as a sector per se (although this important interest continues with modest activities under major sector objectives). Additionally, USAID project assistance to regional satellite communications has concluded after eight years, with the University of the South Pacific's successful "privatization" of its extension services network through an agreement with FINTEL, Fiji's participation in INTELSAT.

At the time the FY87 CDSS was drafted in May 1985, basic agriculture and health strategies were well defined priorities for RDO/SP program activity. However, Mission strategies in Development Administration and Private Enterprise Development were just beginning to be formulated. Furthermore, FY86 brought the Mission into significantly more direct involvement with regional fisheries development. Consequently, these three sectors (fisheries taken as a sub-sector in agriculture) receive some restatement in this Action Plan.

A. Program by Sectors and Impact Achieved

1) Agriculture and Fisheries: Sectoral strategy as defined in the FY87 CDSS remain valid, though some objectives, e.g. for improving markets and managing natural resources, are now being addressed by activities in the Private Enterprise Development and Development Administration sectors. Some quantifiable, intermediate objectives for the agriculture sector are:

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South Pacific Regional Agricultural Development (SPRAD) Project:

a) Extend the agriculture liaison network (ALO) coverage to all University of the South Pacific (USP) member countries.

b) Target 150 Pacific Island nationals (annually) for training at the USP Institute for Research, Extension and Training in Agriculture (IRETA) at the request of island governments.

c) Support 30 collaborative research programs (annually) between national agriculture research programs and the IRETA staff at USP/Western Samoa, and establish a regional tissue culture network.

d) Establish linkages between national agriculture research programs and AID centrally-funded networks (F/FRED, IPBNET, and IBSNAT).

e) Provide short-term technical or long-term academic training for 15 Pacific Island nationals annually.

f) Fill three faculty positions currently held by expatriates in regional agriculture, research, and extension with adequately trained or upgraded Pacific Island nationals.

In addition RDO/SP will support approximately 30 - 40 agriculture and fisheries activities annually from the Accelerated Impact Program (AIP) and PYO Co-Financing projects.

Impact Achieved: An ALO network has been established in eight countries, an information system has been established at the USP School of Agriculture, and five Masters and PhD participants have returned to the faculty of the USP School of Agriculture in Western Samoa. Eighty scholarships have been granted to B.S.(Ag) and Advanced Certificate for Teaching Agriculture (ACTA) participants, and technical training has been provided for 300 agriculture technicians and professionals. Twenty collaborative research programs have been established between the SPRAD program activities and island government research programs. Seven full-time U.S. Technical Assistance (TA) Advisors on-campus in Western Samoa are providing expertise; and, during Phase II of the SPRAD program, will be turning their positions over to indigenous personnel. The librarian position, e.g., has been taken over by a USAID-funded returned participant. A significant number of local agriculture/rural development projects have been completed under the Accelerated Impact (AIP) and PYO co-financing programs.

USAID/RDO/SP assistance to regional fisheries rose to a new level of commitment in FY86 with the initialing of the U.S./Pacific Islands Tuna Treaty and AID assistance agreements in October 1986, and with authorization of a new Mission Regional Fisheries Development Project (879-0009). The fisheries assistance objectives and strategy are:

a) Objectives:

- Training and commodity support to develop self-reliant host-country ocean and inshore fisheries personnel and facilities.

- Improve fisheries technology transfer and institutional development of regional institutions such as the Forum Fisheries Agency (FFA) and the South Pacific Commission (SPC) which are engaged in fisheries research, technical assistance, extension, and training.

- Increase and improve regional marine product diversification and marketing.

b) Strategy: USAID will pursue fisheries objectives through a range of projects at regional, bilateral, and community levels. The Regional Fisheries Development Project, and the new project assistance mechanism which will evolve from the Tuna Treaty and the associated development assistance AID package, will allow direct USAID assistance to the island governments through the FFA. The SPC will continue to receive assistance through the SPC Multi-Project Support Grant (no. 879-0006-G-SS-5011). The Accelerated Impact (AIP) and the PVO co-financing programs will continue to provide community-level fisheries assistance, primarily benefiting inshore fishermen. This mainstream assistance will be supplemented by support from the Mission's regional training and private enterprise development programs.

Impact Achieved: The SPC Tuna and Billfish research, and the work of U.S. and indigenous PVO's, have produced hard data on regional fish habitat and migration patterns and financing for better fishing boat design and procurement. On-the-job training is taking place through an FFA-administered program for a fisheries technical management information system. At present, Tuvalu, Tonga, PNG, and the Cook Islands are receiving in-country training and

computer hardware to establish a regional information network. FFA also administers 35 sub-grants which provide key technical assistance to island fisheries. Tonga, Kiribati, Cook Islands, and Fiji are receiving assistance for market access, e.g. the establishment of fish storage facilities, small fish markets, and export promotion. One long-term fisheries advisor is providing assistance in local marketing of diversified marine products (e.g. seaweed and clams).

2) Health: The health sector strategy statement outlined in the FY87 CDSS (pp. 34-40) remains valid; however, some intermediate objectives/benchmarks need to be established.

Some of them

a) Establish the South Pacific Family Health Federation with activities focused on family planning.

b) Train/retrain 80 per cent of all health workers in PNG in child survival technologies.

c) Train all mid-level and senior provincial health staff in PNG in improved management techniques.

d) Complete mass media ORT project in two PNG provinces.

e) Complete program to promote ORT use, health, and hygiene in 100 villages of the Solomon Islands.

f) Establish institutional linkages between the medical schools and/or ministries of health in PNG, the Solomon Islands, and Fiji with U.S. institutions such as Johns Hopkins University, the University of Hawaii, the University of California, and AID/W centrally funded programs.

↑ measuring?
Impact Achieved: Excellent linkages have been established among the Mission's HPN activities, the health ministries in PNG, the Solomon Islands, and Fiji, and HJPIEGO, WASH, MEDEX, PRITECH, INTRAH; the SPC has completed a seven-year, USAID-assisted water and sanitation program in seven island countries; the PVO Co-Financing Program has assisted a number of community health activities and supported programs for the visually handicapped in three countries.

3) Development Administration: A more concise statement of sector objectives/benchmarks than that outlined in the FY87 CDSS (pp. 40 - 42) follows:

a) Assist with regional human resource development and training; maintain a training element of 50 per cent or more in the Mission's total assistance program.

b) Upgrade senior and mid-level technical and managerial skills; over FY85 - FY89, provide long-term academic training for approximately 50 Pacific Island nationals and short-term technical training for approximately 775 others.

c) Qualify Pacific Island nationals to effectively take over and manage positions currently held by expatriates; target one to three such positions annually.

d) Provide U.S. faculty expertise for institutions such as the Fiji School of Medicine, the University of the South Pacific, and the Fiji Institute of Technology; target one to two positions annually.

The Mission's strategy for the Development Administration sector is implemented primarily through the Development Support Training Project (879-0004). However, human resource development and training are cross-sectoral emphases, and each USAID project is in fact contributing to the "HRD" objectives of the program. The SPRAD project, e.g., has a training component for both long-term academic and short-term technical training in agriculture. The PVO Co-Financing Program is a principal provider of in-country training.

what does now

Impact Achieved: Approximately 300 Pacific Island nationals have received technical and academic training to date; in FY86, 68 per cent of the training was U.S. based, 23 per cent in other countries, and 9 per cent within the South Pacific region; 23 per cent of the trainees were women. A computer education training program, jointly financed by USAID and New Zealand AID, has been established at the University of the South Pacific and its satellite campuses. At present, there are 11 academic participants, seven in the United States and four in the region (these are in addition to agriculture participants in the SPRAD program); two of these are scheduled to head

national programs or organizations on their return (a Tonga national nutritionist to manage the Tonga National Nutrition Program and a Tonga national development banker to continue as Managing Director of the Tonga Development Bank). Commitment has been made to support one U.S. professor on the staff of USP.

4) Private Enterprise Development: While the FY86 CDSS strategy (pp. 42 - 43) remains valid, a more concise statement of the objectives, strategy, and benchmarks follows:

a) Objectives:

- Improve small business management and marketing skills.
- Encourage national policies to promote privatization.
- Promote export expansion with particular emphasis on employment generation.
- Encourage income-generating activities of small local businesses and sole entrepreneurs.
- Build institutional capacity of private enterprise support organizations, in both the public and private sectors.

b) Strategy:

- Sponsor Pacific Island business participation in three to five trade and marketing exhibitions annually, both within the Pacific Islands and overseas. Place special emphasis on development of marketing opportunities for high value-added and labor-content products with priority for agriculture commodities. Support the just-established \$6.0 million USAID/WESTPAC Bank small business revolving guaranteed loan fund with a series of financial management and business planning workshops and technical consultancies from such organizations as the International Executive Service Corps (IESC), the AID centrally-funded project SUSTAIN, and the UNDP.

- Promote media coverage of the concept and benefits of privatization. Provide privatization reconnaissance and specialist consultants in coordination with the AID centrally-funded Center for Privatization (CFP). Emphasis will be placed on assisting Pacific Island nations to develop position papers and action plans which will produce one to two privatizations per year within the region.

- Provide brokerage and linkage between Pacific Islands and overseas companies drawing on AID centrally funded services, the U.S. Department of Commerce, and the Overseas Private Investment Corporation (OPIC).

- Maintain income generation and small enterprise themes in PVO co-financing country programs emphasizing private enterprise activities at the small business, community group, or sole entrepreneur levels.

Impact Achieved: Nine financial management seminars held in five island countries. Three technical consultancies in two countries. Two management/marketing workshops held in two countries. Nine product promotion activities. Six trade and development conferences. Held the first of AID's regional privatization conferences (February 1987). Examples of successful PVO private enterprise initiatives are: indigenous boat-building enterprises in three countries and support for a number of WID income-generating activities. The Foundation for the Peoples of the South Pacific's "Walkabout" sawmill program in Bougainville, PNG, now accounts for 20 per cent of that province's processed timber production.

USAID policy dialogue and privatization efforts in PNG have recently produced a cabinet position paper and plan for the sale of government holdings in several corporations and have resulted in the production of a national privatization policy.

not impact but AID interest

B. Major Programmatic and Management Actions Planned - 1987, 1988, and 1989

1) Complete Project Papers for Regional Fisheries and Private Enterprise Development programs.

2) Complete PID and Project Paper for Regional Child Survival Policy Support Program.

- 3) Conclude negotiations for Fiji bilateral program and establish substance of project assistance (a Commodity Import Program was utilized in FY86).
- 4) Submit Fisheries Access Support Program PAIP and determine modes of assistance for implementing the technical assistance and cash transfer provision of the U.S./Pacific Island Tuna Treaty and AID assistance agreements.
- 5) Explore the potential for using food aid (Sections 206 and 416) as a means of supplementing Mission OYB development assistance programs.
- 6) During FY87, move USAID/RDO/SP to larger quarters in its own building (move approved February 1987).
- 7) Mission will propose a minimum of three (3) new direct-hire positions for FY88:
 - a) BS-50 Health Development Officer
 - b) BS-94 Project Development Officer (Private Enterprise)
 - c) BS-04 Controller
- 8) Conclude procurement and installation of a VS-6 WANG office system.
- 9) Respond to recommendation of RIG/Manila (FY87) audits of USAID PVO co-financing and SPRAD programs.

How does this constrain funds at all? Better?
also being done - see p. 24

C. Sectoral Policy Agenda

Weak
related to
budget program

W. \$ 50 M - 1.2 Key - low priority

The United States position as a minor donor in the South Pacific region (one to two percent of all donor assistance), and the spreading of modest USAID program activity among ten independent island nations with vastly different development needs, does not give the Mission a great deal of leverage in promoting policy reform.

Nevertheless, significant effort in promoting export expansion and privatization is exerted in the private sector development activity. These modestly funded initiatives have resulted in measurable outputs, such as the design and implementation of a national privatization plan in Papua New Guinea, and commitments by two additional governments for the development of similar plans. In addition, USAID interventions in carrying out market surveys and assessments, speciality product promotions, and the provision of training for small business producers has resulted in government decisions to promote production schemes which yield increased foreign exchange earnings, as well as employment and income generation opportunities, particularly in rural areas.

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USAID's participant training program, with some modest policy dialogue initiatives, has lead to the development of national training plans and policies to insure a more rational allocation of training support resources in Fiji, the Solomon Islands, Western Samoa, Kiribati and the Cook Islands.

D. Significant Problems or Constraints to Program Success

U.S. aid assistance in the South Pacific region is not sizeable enough in any one sector to be significantly affected by an individual country's policy within that sector. Major assistance inputs in agriculture are regional for the most part (South Pacific Regional Agricultural Development Project) and are responding to demonstrated and universally expressed needs throughout the ten island nations served by the USP School of Agriculture's education, research and extension programs. Other inputs, such as those initiatives in participant training, private sector development, rural/community development through the small grants accelerated impact program, and the current level of modest assistance in the health sector, are all interventions responding to host country identified needs and there are no impediments to implementation.

USAID's particularly significant achievement in the private sector development area was the hosting the Agency's first regional "Pacific Conference on Privatization and Investment" which proved to be a highly successful mechanism for sensitizing island leaders and entrepreneurs to the benefits of privatization and for providing a venue for demonstrating the "tools" available for the design and implementation of national privatization plans.

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TAGS:

SUBJECT: SOUTH PACIFIC ACTION PLAN REPORTING CABLE

1. THE ANPAC REVIEW OF THE FY 87 ACTION PLAN WAS HELD MARCH 25 WITH BARRY SIDMAN CHAIRING.

2. OBJECTIVES, BENCHMARKS, AND PROGRAM IMPACT:

ISSUE: THE "PROGRAM ACCOMPLISHMENTS" AND THE FY 87 "BENCHMARKS" CONTAINED IN THE ACTION PLAN DO NOT PROVIDE AN ADEQUATE BASIS FOR MEASURING HOW THE ACTIONS LISTED HAVE CONTRIBUTED TO THE ACHIEVEMENT OF CDS OBJECTIVES OR MIGHT DO SO IN THE FUTURE.

DISCUSSION: THERE WAS GENERAL AGREEMENT THAT THE ACTION PLAN FOCUSED ALMOST EXCLUSIVELY ON MANAGEMENT PROBLEMS AND ACTIONS RATHER THAN ON PROGRAM OBJECTIVES AND MOVEMENT TOWARD THEM AS HAD BEEN REQUESTED IN THE ACTION PLAN GUIDANCE FROM BOTH PPC AND ANE. THE AID/M GUIDANCE HAD STRESSED THAT THE "BENCHMARKS" SHOULD FOCUS ON PROGRAM OUTPUTS (OUTCOMES) RATHER THAN INPUTS. THE ANPAC ACCEPTED THE SPROG ARGUMENT THAT ITS SMALL PROGRAM MIGHT NOT HAVE ANY MEASURABLE IMPACT AT EITHER THE REGIONAL OR SECTORAL LEVEL. IT WAS FELT, HOWEVER, THAT

WITHIN THE CONTEXT OF THE APPROVED CDS THAT THE ACTION PLAN SHOULD HAVE PROVIDED A BETTER SENSE OF HOW THE PROGRAM ACCOMPLISHMENTS (RETROSPECTIVE OR PROSPECTIVE) FIT TOGETHER TO ACCOMPLISH CDS OBJECTIVES AND WHETHER THE PROGRAM IS "ON TRACK" IN MOVING TOWARD THOSE GOALS.

THIS STATEMENT OF OBJECTIVES AND BENCHMARKS SHOULD BE ORGANIZED BY SECTOR AND SHOULD STRESS THE OVERALL OBJECTIVES OF THE AID PROGRAM IN EACH SECTOR RATHER THAN THE ACCOMPLISHMENTS OF INDIVIDUAL PROJECTS. ACCEPTING THE LACK OF GOOD STATISTICAL INDICATORS FOR THE REGION AND THE DIFFICULTY OF INTERPRETING SUCH INDICATORS IN THE GEOPOLITICAL CONTEXT, EVEN IF THEY DID EXIST, SPROG SHOULD GIVE SOME THOUGHT TO HOW TO PRESENT THESE BENCHMARKS. OVER THE FIVE YEAR CDS PERIOD, THE ANNUAL BENCHMARKS SHOULD ADD UP TO AN INDICATION OF HOW EFFECTIVELY THE PROGRAM'S RESOURCES HAVE BEEN USED, THE VIABILITY OF THE STRATEGY SELECTED, AND THE IMPACT (HOWEVER SMALL OR NARROWLY FOCUSED) OF THE AID PRESENCE.

DECISION: SPROG SHOULD SUBMIT A CABLE NO LATER THAN SEPTEMBER 30, 1986 PRESENTING AN OVERALL PROGRAM GOALS BY SECTOR (PRESUMABLY ESTABLISHED IN CDS) AND THE INDICATORS PROPOSED TO MEASURE PROGRESS TOWARD THOSE GOALS. (A) INTERMEDIATE OBJECTIVES PURSUANT TO THOSE PROGRAM GOALS SET FOR THE CURRENT PLANNING PERIOD THAT WILL INDICATE PROGRESS AND THE ACTIONS REQUIRED TO REACH THOSE BENCHMARKS. IT IS IMPORTANT TO ESTABLISH SOME BASE LINE FOR THE INDICATORS CHOSEN, OTHERWISE THE BENCHMARKS SET HAVE NO REFERENCE POINT OR MEANING. THIS INFORMATION WILL PROVIDE A BASELINE FOR NEXT YEARS PROGRAM NEED REVIEW.

1. PROGRAM GOALS AND MODES OF IMPLEMENTATION:

ISSUE: WHAT ARE THE PROGRAM IMPLICATIONS OF THE SPROG DECISION TO ASSORB SA BUDGET CUTS BY REDUCING FUNDING TO PVOS AND TO REDIRECT THE ACCELERATED IMPACT PROJECT GRANTS AWAY FROM FIJI AND TOWARD THE SMALLER ISLANDS?

DISCUSSION: SOME CONFUSION WAS EXPRESSED BY ANPAC PARTICIPANTS CONCERNING BOTH THE SIGNIFICANCE AND RATIONALE BEHIND BOTH THE DECISION TO CUT BACK PVO FUNDING AND THE PROPOSAL TO INCREASE AIP FUNDING TO THE SMALLER ISLANDS. THE ACTION PLAN DID NOT MAKE CLEAR HOW ADJUSTMENTS IN PROGRAM MANAGEMENT LOAD, PROGRAM IMPACT, PROGRAM VISIBILITY AND POLITICAL IMPACT. A NUMBER OF SPECIFIC CONCERNS WERE EXPRESSED.

(A) ON THE ASSUMPTION THAT PVOS REDUCE THE MISSION MANAGEMENT LOAD, DOES THE REDUCED RELIANCE ON PVOS SERVE TO INCREASE THE MANAGEMENT LOAD AT A TIME WHEN THE MISSION IS PARTICULARLY BURDENED?

(B) AS AIP GRANTS HAVE IN THE PAST DEPENDD HEAVILY ON PVOS FOR IMPLEMENTATION, ARE THERE SUFFICIENT VOLUNTEERS IN THE SMALLER ISLANDS TO ASSURE THIS PROPOSED INCREASE?

(C) ON THE ASSUMPTION THAT THE PNG HEALTH PROJECT WILL BE IMPLEMENTED IN MAJOR PART BY PVOS, IS THE PROPOSED REDUCTION IN PVO ACTIVITIES LIKELY TO TAKE PLACE?

(D) IS IT CLEAR THAT THE PVO ACTIVITIES CUT AS A CONSEQUENCE OF THE OVD CUTS ARE THE LOWEST IMPACT MISSION ACTIVITIES AND ARE NOT CENTRAL TO THE MISSION'S SECTORAL OBJECTIVES?

DECISION: THE ANPAC ACCEPTS THE MISSION'S JUDGEMENT ON THE CHOICE OF IMPLEMENTATION MODES AS LONG AS THE MISSION STRATEGY MEETS AID/M GUIDANCE TO AVIOD BILATERAL COMMITMENTS AND TO MAXIMIZE THE USE OF INTERMEDIARIES. INDIVIDUAL PROJECT PROPOSALS, AND THE IMPLEMENTATION MODES ASSOCIATED WITH THEM, WILL, OF COURSE, BE REVIEWED ON A CASE BY CASE BASIS TO ASSURE THAT THE IMPLEMENTATION MODE WILL MAXIMIZE THE IMPACT OF MISSION RESOURCES AND MOVEMENT TOWARD CDS GOALS.

4. FY 86 PROGRAM LOAD:

ISSUE: PROGRAM ACTIONS REQUIRED IN THE FY 86-FY 87 PERIOD SEEM TO BE ANNUALLY HEAVY FOR THE MISSION'S LIMITED RESOURCES. PROGRESS APPEARS TO BE LAGGING AND THERE APPEAR TO BE NUMEROUS OBSTACLES TO MEETING OBLIGATION TABLETS.

DISCUSSION: THERE WAS GENERAL CONCERN THAT THE MISSION WOULD FIND THE FOURTH QUARTER FY 86 EXCESSIVELY BURDENED. WHILE RECOGNIZING THAT EACH ACTION ITEM HAS BEEN APPROVED BY AID/M ON AN INDIVIDUAL BASIS, SOME DOUBTED THAT THE MISSION WOULD BE ABLE TO MEET ITS

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6. SATELLITE COMMUNICATIONS PROJECT:

PARTICULAR CONCERN WAS EXPRESSED CONCERNING THE SLOW PROGRESS OF THE BILATERAL NEGOTIATIONS WITH FIJI AND THE NEED TO DEVELOP A BILATERAL PROJECT FOLLOWING THE CONCLUSION OF THE BILATERAL AGREEMENT. SINCE THE FIJI FUNDS ARE NOT EARNED, OTHER CLAIMS ON SCARCE ESP PLACE THOSE FUNDS IN DANGER OF BEING REPROGRAMMED AS THE

END OF THE FISCAL YEAR APPROACHED.

IT WAS ALSO OBSERVED THAT THE HEAVY SPROG MANAGEMENT BURDEN MIGHT REFLECT INCREASING PROLIFERATION OF THE PORTFOLIO IN SPITE OF CONCERNS EXPRESSED BY AA/ASIA IN THE COSS REVIEW LAST YEAR AND REFLECTED IN THE COSS REPORTING CABLE.

ANPAC PARTICIPANTS RECOGNIZED THAT THE MISSION'S SPACE CONSTRAINTS AND CROWDED WORKING CONDITIONS, THE SMALL STAFF, AND THE GEOPOLITICAL CHARACTERISTICS OF THE REGION WOULD MAKE THIS A DIFFICULT PROGRAM TO DESIGN AND TO IMPLEMENT. PARTICULAR CONCERN WAS EXPRESSED OVER THE LONGER TERM MANAGEMENT REQUIREMENTS OF BOTH THE FISHERIES AND PRIVATE ENTERPRISE PROJECTS.

THE ANPAC CONCLUDED THAT THE MISSION PROGRAM HAD REACHED, IF NOT EXCEEDED, THE LIMITS THAT COULD BE EFFECTIVELY MANAGED WITH EXISTING RESOURCES AND STAFF. A SIGNIFICANT ELEMENT OF THE MISSION ACTION PLAN, THEREFORE, SHOULD BE CAREFUL PLANNING AND MANAGEMENT OF THE HEAVY WORKLOAD PROJECTED FOR THE NEXT EIGHTEEN MONTHS. SPROG SHOULD ALSO GIVE ATTENTION TO MEANS TO REDUCE THAT WORKLOAD AND SIMPLIFY ITS MANAGEMENT BURDEN.

DECISION: AID/V ASSUMES THAT, IN THE LIGHT OF THE PREVIOUS COMMENTS, THERE WILL BE NO FURTHER SPROG PROGRAM INITIATIVES IN THE ABSENCE OF CLEAR EVIDENCE OF THE CAPACITY OR STRATEGY TO MANAGE AN INCREASED LOAD EFFECTIVELY.

RECOMMENDATION: SPROG AND AID/V MIGHT BENEFIT FROM THE DEVELOPMENT OF A DETAILED WORK PLAN FOR THE NEXT EIGHTEEN MONTHS. SUCH A PLAN MIGHT INCLUDE:

(A) SEQUENCE AND TIMING OF NECESSARY PROGRAM ACTIONS BY PROJECT TO REACH PROJECT AND OBLIGATION TARGETS FOR THE CURRENT FISCAL YEAR.

(B) ALLOCATION OF EXISTING MANPOWER TO BOTH DESIGN AND IMPLEMENTATION TASKS AND ADDITIONAL MANPOWER REQUIREMENTS IN THE FORM OF PSOS, TDTS FROM AID/V OR USAID/MANILA, AND POS CONTRACT ASSISTANCE;

(C) AID/V ACTIONS REQUIRED AND DEADLINES;

5. PRIVATE ENTERPRISE PROJECT:

CONCERN WAS EXPRESSED THAT WITH MISSION MANAGEMENT

ALREADY STRETCHED TO CAPACITY THAT A SEPARATE PRIVATE ENTERPRISE PROJECT MIGHT BE AN EXCESSIVE BURDEN. SPROG SHOULD CONSIDER WHETHER THE SAME OBJECTIVES MIGHT NOT BE ACHIEVED BY FOLDING PRIVATE ENTERPRISE ACTIVITIES INTO EXISTING PROJECTS. SPROG SHOULD MAINTAIN ITS COSS SECTORAL FOCI IN HEALTH AND AGRICULTURE IN DESIGNING THE PROJECT.

DECISION: THE ANPAC WILL TAKE THESE CONCERNS INTO ACCOUNT IN REVIEWING THE PID.

CONCERN WAS EXPRESSED THAT IN A PERIOD OF BUDGET CUTS, THE SATELLITE PROJECT, AND ASSOCIATED HIGH RECURRENT COSTS, MIGHT NOT BE OF SUFFICIENT PRIORITY TO WARRANT CONTINUED SUPPORT. OTHERS ARGUED THAT THE SATELLITE ACTIVITY WAS INTEGRAL TO THE MISSION'S AGRICULTURAL SECTOR ACTIVITIES. IT WAS ALSO POINTED OUT THAT THE RECURRENT COSTS AND CHARACTER OF THE ACTIVITY WERE UNCLEAR AT THE MOMENT PENDING RESOLUTION OF THE TECHNICAL AND CONTRACTUAL PROBLEMS OF PROVIDING A NEW SATELLITE LINK.

DECISION: ALTHOUGH RECURRENT COSTS REMAIN A CONCERN, IT WAS FELT CONTINUED SUPPORT WAS APPROPRIATE UNTIL OR UNLESS SUBSEQUENT INFORMATION INDICATES A DRAMATICALLY CHANGED DECISION CONTEXT. SMLTZ

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III. SPECIAL CONSIDERATIONS

A. Financial Issues

1) Pipeline: USAID/RDO/SP maintains its policy of carrying out intense annual budget reviews and funding options, thus keeping pipelines to a minimum. The Mission average has generally been below ANE Bureau average, and the latest ANE PIR review noted the Mission's good record. Start-up delays for the new (late FY86) Regional Fisheries and Fiji Commodity Import programs have created a modest \$2.1 million ESF pipeline, but it is expected to be greatly reduced by June 1987 when planned large-scale commodity procurements and other project expenditures will be near completion.

2) Mortgage: New program responsibilities, especially in fisheries and the Fiji bilateral, and subsequent cuts within "approved" FY86, FY87, and FY88 levels have created a mortgage issue in the USAID/RDO/SP program.

The South Pacific Region Agricultural Development Project (SPRAD) Phase II was launched in FY87 with an accompanying \$7.1 million mortgage to be met by FY91. The South Pacific Commission multi-project support grant has a mortgage of \$1.1 million for FY88 - FY89. The PVO Co-Financing Program has a \$2.0 million mortgage in signed documents and another \$1.3 million of planned, "must-do" obligations over FY87 - FY88 versus \$1.2 million currently available for the same period.

The South Pacific Regional Fisheries Project (879-0009) was authorized at \$5.0 million over four years (FY86 - FY89); with \$1.3 million obligated over FY86 - FY87, the project has a \$3.7 million mortgage over its last two years.

The signing of the U.S./Pacific Islands Tuna Treaty and accompanying AID Assistance package establishes a five-year, \$50.0 million ESF cash transfer and project commitment/mortgage over FY88 - FY92.

Other USAID/RDO/SP programs (e.g. development support training, regional private enterprise development, accelerated impact program) imply mortgages vis-a-vis their LOP authorization levels, but do not imply significant mortgage "risk" because those funds will be obligated for multiple, discrete sub-projects which, for the most part, will be fully funded each fiscal year.

*1/10/88
1/10/88
no
1/10/88
1/10/88*

3) Schedule of Planned Obligations: Planned month of obligations for all projects in current OYB are as follows (\$000's):

ESF Account

0001, Fiji Bilateral -- 1,325(6)
0009, Reg Fisheries -- 250(2), 250(4)

ARDN Account

0001, PVO Co-F1 -- 200(1), 200(3), 200(6)
0003, Reg PRE -- 200 (converted to PD&S), 300(3)
0006, SPC/MPS -- 200(2)
0010, PDIS -- 50(4), 50(6)
0256, AIP -- 100(3), 100(5)
0267, SPRAD -- 1,000(3)

Health Account

0001, PVO Co-F1 -- 100(3), 100(4)
0006, SPC/MPS -- 200(2)

EHR Account

0001, PVO Co-F1 -- 100(5)
0004, DST -- 100(12), 260(3), 200(6), 40(7)
0006, SPC/MPS -- 100(2)

SDA Account

0256, AIP -- 150(1), 50(2)

Proposed project obligations for FY88 and FY89 are (\$000's):

<u>Project</u>	<u>FY 1988*</u>	<u>FY 1989**</u>
<u>Development Assistance</u>		
1. Devel Support Trng (0004)	\$ 700	\$ 700
2. Regional PRE (0003)	500	500
3. Accel Impact Prog (0256)	500	500
4. SPRAD (0267)	1,700	2,000
5. PVO Co-F1 (0001)	1,100	1,100
6. SPC Multi-Project (0006)	500	600
7. PDIS (0010)	100	100
8. Reg Child Survival	1,000	1,000
<u>Economic Support Fund</u>		
9. Regional Fisheries (0009)	2,000	1,500
10. FFA Cash Transfer	9,000	9,000
11. FFA Econ/Social Devel	1,000	1,000
12. Fiji Development Prog (0001)	1,500	1,500
13. CCOP/SOPAC Secretariat	<u>200</u>	<u>200</u>
TOTALS	\$19,800	\$19,700

*The original drafted FY88 CP levels plus new projects.

**Straight-line from original draft FY88 CP plus amounts needed to meet existing mortgages and funding for new starts recommended in FY88.

4) Deob-Reob: The Mission has no major deob-reob plans for FY87; one at \$16,000 is planned with the PVO Co-Fi Program.

B. Evaluation Plan

link with ME needs for dec. meeting

The evaluation schedule for the remainder of FY87 and tentative schedule for FY88 are as follows:

<u>Project Title and No.</u>	<u>Planned</u>	<u>Reason</u>
SPC Multi-Project Support (879-0006)	FY87, 3rd qtr	completed sub-projects, mid-IPS
Accelerated Impact Program (879-0256)	FY87, 3rd qtr	update evaluation
Development Support Training (879-0004)	FY88, 4th qtr	mid-term

In addition to these planned evaluations, the PVO Co-Financing (879-0001) and South Pacific Regional Agricultural Development (879-0257) projects are currently being audited by the RIG/USAID/Manila.

PVO's generally met their annual evaluation requirements in FY86, and copies of those evaluations were sent to ANE/DP and PPC/CDTE. Lists of evaluations completed during FY86 are attached to the Action Plan.

No evaluations are planned in anticipation of new project design activities.

Note

C. PL-480

USAID/RDO/SP does not have Title I, II, or III programs. It does have a PL-480, Section 416, Sugar Compensation Program for Fiji committed in FYS6 for delivery in FY87, briefly outlined as follows:

Dollar Volume: \$1.0 million

Commodities: 8,000MT of wheat

Implementing Agency: Government of Fiji in association with the Flour Mills of Fiji, Ltd.

Intended Use: Currencies generated through the sale of imported wheat will be used to finance development projects consistent with providing food assistance to needy people in accordance with Fiji's National Development Plan 9 dated November 1985.

Extent and Purpose of Monetization: The imported wheat will be sold to the importer/processor, Flour Mills of Fiji, Ltd., on board ship alongside dock at port of entry, taking as basis the dollar average CIF price for wheat to be imported in Fiji established on the date of shipment. The generated currencies will be deposited in the consolidated revenue with the Ministry of Finance.

D. Management and Workforce Issues

In addition to budgetary constraints outlined in Part I.D, above, approved F.T.E. levels for U.S. direct-hire staff represent a significant problem for USAID/RDO/SP. In FY 79, USAID/RDO/SP's OYB was just over \$2.5 million and the approved work-force levels were four (4) F.T.E. The FY 1988 Congressional Presentation budget level for the South Pacific regional and Fiji bilateral program is \$17.2 million, and USAID's approved workforce level remains at four. This Action Plan proposes a minimum increase of three (3) full-time USDH positions.

The USAID/RDO/SP is without in-house controller, contracting, legal, GSO, and commodity management support. Controller support is located more than 6,000 miles away at USAID/Manila. Consequently, management and project officer staff spend inordinate amounts of time on administrative, contracting, and procurement activities. This circumstance has been alleviated somewhat during FY86 by (1) the conversion of one USDH secretarial position to a GS-94 Project Development Officer position filled in July 1986, and (2) the hiring of a FNPSC Financial Management Specialist to work with the Mission's SSA U.S. PSC.

Nevertheless, a number of factors support the rationale for additional USDH staff for the USAID/RDO/SP program:

1) Expanded Mission responsibilities in regional training, private enterprise, health, and fisheries are being managed by on-board USPSC and USOH staff; however, as these programs are launched and implemented they are generating considerable numbers of sub-project grants and activities with accompanying program monitoring and documentation requirements. Two or three local hire PSC Program Assistants are a foreseeable need over FY88 - FY89.

2) The relocation of the USAID Mission during FY87 from facilities in the U.S. Embassy to a separate building will require the acquisition of security, maintenance, clerical, and receptionist staff.

3) As of the end of FY86, USAID/RDO/SP discontinued most FAAS services with the U.S. Embassy, concurrently taking on additional in-house administrative tasks (e.g. payrolling, cashiering, and supplies acquisition).

E. Gray Amendment

New program documentation being drafted over FY86 - FY87 for regional private enterprise and fisheries development contains requirements for carrying out the provisions of the Gray Amendment. At this time, PSA services are the best prospect for meeting Gray Amendment objectives in the USAID/RDO/SP program. 86 SUVA 04562 (attached) of October 22 describes the Mission's Gray Amendment activities. Since that time, the Mission has signed a FY87 \$100,000 contract with a Gray Amendment firm to serve as the secretariat for its February 1987 regional Privatization Conference in Fiji.

F. Summary Budget Tables (\$000's)

<u>Program Account</u>	<u>FY 1987</u>	<u>FY 1988</u>
<u>879 - South Pacific Regional</u>		
Grant DA - ARDN	2,200	2,200
Grant DA - Health	400	400
Grant DA - EHR	900	800
Grant DA - SDA	500	600
Grant ESF	<u>500</u>	<u>11,700</u>
Sub-total, Regional	4,500	15,700

882 - Fiji Bilateral

Grant ESF	1,325	1,500
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G. New Project Descriptions

New project descriptions (NPDS) are being submitted for new starts (in FY87 or FY88, depending on funding availability) for the Regional Child Survival Policy Support Project (379-0008) and for the FFA cash transfer and FFA econ/social development projects (being submitted within a single PAIP for "fisheries access support program").



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

South Pacific Regional Development Office

American Embassy, Suva
Department of State
Washington, D.C. 20520

November 21, 1986

FILE COPY

MEMORANDUM

TO: Ms. Maureen H. Norton
AID/ANE/ASIA/DP/E
Room 6851 NS

Chief
AID/PPC/CDIE
Room 609, SA-14

FROM: Louis H. Kuhn, RDO, RDO/South Pacific

SUBJECT: Copies of Evaluations of Mission-Funded Projects.

Enclosed are copies of evaluations, requested in the reftels, for your records and information. As in the past, we will continue sending them to you as they are completed and collected here. Those being sent this time are:

1. Pan Pacific Alliance for Trade & Development report on workshops, Pacific Island - United States Trade Through Private Sector Development.
2. The Foundation for the Peoples of the South Pacific, First Year Evaluation, USAID ASIA-G-4007 Integrated Rural Development Program, Kingdom of Tonga, June 1, 1984 to June 30, 1985, by Bernard P. Hosie.
3. The Foundation for the Peoples of the South Pacific, Inc., Final Evaluation, Operational Program Grant, USAID 879-0251-G-SS-1005-00, Ha'apai Water Supply Project, Kingdom of Tonga, June 30, 1981 - May 31, 1985 by David C. Wyler, Country Director, Tonga.
4. The Foundtion for the Peoples of the South Pacific, Inc., Annual Evaluation USAID OPG 879-0001-G-40019, A Program of Institution Building for Small Business Development, July 01, 1984 - September 30, 1985.
5. Evaluating the Impacts of the Save the Children Federation Program in the South Pacific Nation of Tuvalu by Scott F. Erickson, Department of Urban and Regional Planning, UH.
6. Helen Keller International Inc. Project Evaluation Report Fiji--Western Samoa--Papua New Guinea, March 1986, Anne Yeadon and Felicity Purdy/Consultants.
7. International Human Assistance Programs, Inc. Solomon Islands Development by the People at the Village Level Program, Sixth Annual Report and Evaluation 1 July 1985 - 30 June 1986.

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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

South Pacific Regional Development Office

American Embassy, Suva
Department of State
Washington, D.C. 20520
MEMORANDUM

February 3, 1987

TO: Ms. Maureen H. Norton
AID/ANE/ASIA/DP/E
Room 6851 NS

Chief
AID/FPC/CDIE
Room 609, SA-14 *L.*

FROM: Louis H. Kuhn, RDO, RDO/South Pacific

SUBJECT: Copies of Evaluations of Mission-funded Projects

REF: 84 STATE 234303 and 84 STATE 192638

Enclosed are copies of evaluations, requested in the reftels, for your records and information. As in the past, we will continue sending them to you as they are completed and collected here. We think you'll find the discussion on baseline data in grant no. 4007 enclosed especially interesting. Those being sent this time are as follows:

1. Small Projects Development and Training Program, Fiji, June 5, 1984 - December 31, 1986, USAID ASIA-G-492-4008, by Kathy Fry Nast, Country Director, Papua New Guinea, Foundation for the Peoples of the South Pacific.
2. Integrated Rural Development Program, Kingdom of Tonga, June 1, 1984 - December 31, 1986, USAID ASIA-G-4007, by Kathy Fry Nast, Country Director, Papua New Guinea, Foundation for the Peoples of the South Pacific.
3. Ha'apai Water Supply Project, Kingdom of Tonga, June 30, 1981 - August 31, 1986, USAID 879-0251-GSS-1005-00, by Jon D. Lindborg, Foundation for the Peoples of the South Pacific.
4. Integrated Rural Development, Solomon Islands, July 1, 1985 - December 31, 1986, USAID-G-492-1650, by Bernard P. Hosie, Foundation for the Peoples of the South Pacific.
5. A Program of Institution Building for Small Business Development in Papua New Guinea, July 1, 1984 - December 31, 1986, USAID 879-0001-G-4009, Foundation for the Peoples of the South Pacific.
6. Annual Evaluation Report on the Village Based Island Development Program in the Republic of Kiribati, July 1985 - June 1986, Save the Children Kiribati Field Office.
7. Non-formal Education and Leadership Training, Papua New Guinea, October 1981 - September 1985, Grant No. 879-0251-G-00-1008-00, Summer Institute of Linguistics.

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Reading, Subject

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CLASS: UNCLASSIFIED
 CTRG: AID 12/22/86
 APPROV: SP: MERRAUX
 DRAFT: WFO: JASCHILL:
 CLEAR: WFO: LL PEN (DEA)
 DISSEM: AID AMS COM
 CERON

AIDAC FOR D. VEMP ANE/PD/MRO

F.O. 12356: N/A
 TAGS: N/A

SUBJECT: MINORITY BUSINESS PROGRAM: ESTABLISHMENT OF
 THE FY 1987 EARLY WARNING SYSTEM



REF: STATE 326744

1. USAID/SUVA ESTIMATES FOR CONTRACTING FOR GOODS AND SERVICES ARE AS YET SOFT, AND WILL BE REVISED AS WE MOVE THROUGH FY 87. AS NOTED IN RFFTEL PARA 3-C WE CONTINUE TO BELIEVE THAT MOST OPPORTUNITIES FOR S/A FIRM INVOLVEMENT IN THE SOUTH PACIFIC WILL BE IN PROCUREMENT SERVICE CONTRACTS, AS SEEN ALREADY IN THE FIJI CIP AGREEMENT. SIMILARLY SOME FUNDS DEDICATED TO THE SOUTH PACIFIC FISHERIES DEVELOPMENT AND PVC CO-FINANCING PROJECTS WILL HAVE A COMMODITY PROCUREMENT ELEMENT AND THEREFORE BE SUBJECT TO A CONTRACT WITH AN S/A FIRM.

2. ANSWERS PER REQUESTED FORMAT PARA 5 RFFTEL.

A. FIJI COMMODITY PROCUREMENT AGREEMENT

- (1) FIJI CIP 882-0001
- (2) COMMODITY PROCUREMENT
- (3) EST. COMMODITY COST DOLS 1.1 MILLION
- (4) EXPECT SIGNED CONTRACT BY OCTOBER 24, 1986
- (5) AAPC, NEW YORK AN S/A FIRM
- (6) NOT APPLICABLE.

B. FISHERIES DEVELOPMENT PROJECT.

- (1) SOUTH PACIFIC FISHERIES DEVELOPMENT PROJECT 879-0009.
- (2) PRIMARILY COMMODITY PROCUREMENT WITH SOME SERVICES POSSIBLY.
- (3) GOODS ESTIMATED AT DOLS 750,000 SERVICES ESTIMATED AT DOLS 100,000.
- (4) OVER THE NEXT 24 MONTHS.
- (5) SOME SERVICES WILL BE SUITABLE FOR S/A FIRMS.
- (6) THIS IS A REGIONAL PROJECT WHICH WILL HAVE MANY SUBACTIVITIES AND MAY REQUIRE THE USE OF CONTRACTORS FOR GOODS AND SERVICES RANGING FROM DOLS 10,000 TO 300,000.

C. DON BOSCO TECHNICAL SCHOOL IN PAPER NEW GUINEA

- (1) PVC CO-FINANCING PROJECT 879-0201
- (2) COMMODITIES ONLY.

- (3) ESTIMATED DOLS 400,000.
- (4) CONTRACT LET BY END JANUARY 1987.
- (5) INTEND TO SEEK QUALIFIED B/A FIRM.
- (6) NOT APPLICABLE.

5. OUR RECENT EXPERIENCE IN DEALING WITH AN B/A FIRM (AAPC FOR THE FIJI CIP PROJECT) HAS BEEN THUS FAR EXCELLENT. GOF INITIALLY HAD RESERVATIONS REGARDING THE USE OF A U.S. BASED PSA AND IN THIS CASE AN B/A FIRM, BUT THEIR CONCERN QUICKLY DISPELLED AND REPLACED BY AN ELEMENT OF CONFIDENCE INGENDERED BY THE FIRM. BASED ON THIS POSITIVE NOTE WE ARE HOPEFUL THAT MORE B/A FIRMS OF THE AAPC CALIBER CAN BE USED WITH GOOD RESULTS IN THE SOUTH PACIFIC DILLERY

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SUV: 45#2