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AID Project No. 603-003

Pro Ag No. 81-02

AMENDMENT
PROJECT
GRANT AGREEMENT
BETWEEN
THE REPUBLIC OF DJIBOUTI
AND
THE UNITED STATES OF AMERICA
FOR
FISHERIES DEVELOPMENT PROJECT
AMENDMENT NO. 2

DATE: June 11, 1981

Certified to be a true copy of the
original signed by Ellsworth Amundson.

Jack W. Warner

Jack W. Warner

AMENDMENT NO. 2

PROJECT GRANT AGREEMENT

THE PROJECT GRANT AGREEMENT dated 9 August 1979 between the Republic of Djibouti (Grantee) and the United States of America, acting through the Agency for International Development (A.I.D.), for the Fisheries Development Project is herewith amended. The purpose of the amendment is to extend the project through 8/31/83, and to provide increased funding U.S. dollars four hundred eighty thousand (\$480,000) to cover additional technical services and commodities to attain the original objectives of the project per Grant 79-02, as well as to undertake additional components supportive thereto, such as, exploratory fishing, expansion of cold store facilities in Tadjoura, boat rehabilitation and construction, and development of oyster culturing.


Pursuant to the above, the following sections of the Grant dated August 9, 1979 are hereby amended:

- Under Article 3, Financing, Section 3.1 AID agrees to provide to the Grantee under the terms of this agreement not to exceed nine hundred seventy eight thousand U.S. dollars (\$978,000).

assessment will include an up-date of the current and projected sustainable yield of catch, and an analysis of any adverse impacts on marine mammals, endangered or threatened species, or non-target fish species. The Grantee also covenants to work with AID in incorporating any recommendations arising from this study within the project and to the extent possible, into its national fisheries strategy.

The revised amplified project description and illustrative Budget are herewith attached in Annex 1 of this amendment. Provisions of the original grant Agreement not inconsistent with the above amendment shall remain in full force and effect.

REPUBLIC OF DJIBOUTI

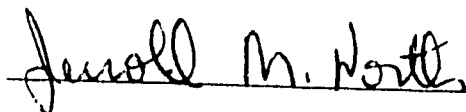


MOUMIN BAHDON FARAH

Minister of Foreign Affairs
and Cooperation

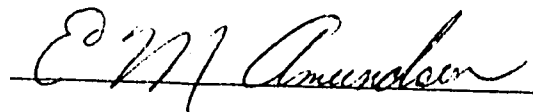


THE UNITED STATES OF AMERICA



JERROLD M. NORTH

Ambassador of the United States
of America

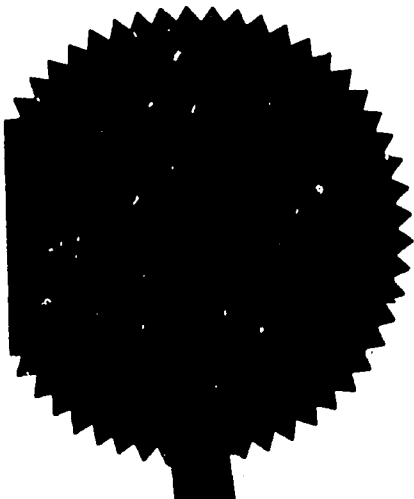


E.M. AMUNDSON

Aid Affairs Officer

Djibouti

DATE : 11 June 1981



ANNEX I

AMPLIFIED PROJECT DESCRIPTION
(AMENDED)

A. General Project Description

The purpose of the project remains unchanged. In coordination with the Government of Djibouti and other donors, USAID will continue to provide assistance through August 1983 as stated in Annex 1 of the Original Grant; however, new pilot activities will be undertaken as part of this extension. The proposed new pilot activities will include:

1. establishment of capacity for small scale boat building and repair using C-Flex system;
2. investigation of the feasibility and possible implementation of an oyster culture project;
3. assistance to the fisheries development program at Tadjoura by providing a flake-ice machine and accessories;
4. assistance in launching exploratory fishing program in order to ascertain potential for future investments in commercial fishing;
5. collaboration with CRS in development of shark processing facility at Obock as well as fish drying facilities;
6. if demand were to so indicate, assistance in developing increased harvesting capacity through transfer of commercial fishing techniques.

B. Project Inputs

1. A.I.D. inputs will be modified to provide for the additional funding increments as follows:

a. Technical Assistance (\$352,543). An additional 18 person months of long-term expertise in the form of the present resident contractor will be provided. His tasks will remain as stated in the original grant albeit expanded to include responsibility for the additional elements within this project extension, as cited in the preceding paragraph. As such the contractor will assume responsibility for fielding and housing all short-term expertise, procuring all commodities supportive to realization of the new pilot activities such as C-Flex material, equipment for upgrading project work-boat, and rafts, cages, seed for oyster culturing.

Short-term technical assistance is increased to 13 person months, of which 11 is designated for a master fisherman, two for shellfish experts. The latter will be charged with developing oyster cultural component, while the former will be expected to outfit existing project work boat, providing technology transfer through demonstrations

to fishermen, training host-country boat captain to operate the boat, developing exploratory fishing program within coastal waters in coordination with FIDA, developing and training host country fishermen in repair and construction of traditional craft using C-Flex material, assisting Fisheries Service, FAC, and CRS personnel in developing pilot shark processing and fish-drying capability, and finally, if warranted, by subsequent analysis, to provide along with FIDA, necessary on the job training to designated Government personnel in testing feasibility of introducing modern commercial fishing technology in Djibouti by way of utilization of modern fishing trawlers. Home office support is increased to 4 person months as a result of the added tasks the contractor must assume in terms of supplying requisite personnel, commodities for the new activities.

b. Participant Training for life of project has been reduced to 1 person month as a result of project's emphasis on in-country training. Training presently proposed is U.S. observational training for chief of Fisheries Service. Funding will be forthcoming from prior year funds.

- c. Commodities (\$70,000). In addition to the commodities procured by the technical assistance contractor, the project will also finance the procurement of a flake-ice machine/generator (plus accessories) for Tadjoura.
- d. Housing Other Costs (\$37,000). The project will provide housing for resident contractor and other costs such as in support of the environmental assessment.
- e. Contingency (\$20,000)

2. Government of Djibouti

The Government will support this project with an increased contribution of \$180,000 equivalent, representing 28 percent of total incremental project cost. The above total is based upon the estimated cost of the various components which will be as follows: staff salaries (\$113,000), support/operating costs (\$45,000) use of facilities (\$12,000), promotion/demonstration activities (\$10,000). Staff will include extant five Fisheries Service personnel, as well as six additional personnel to be engaged during the life of project, i.e., two drivers for trucks, two boat operators, and two personnel for managing Obock and Tadjoura cold

stores as well as fuel and maintenance for project vehicle, boat and refrigerated trucks.

C. Implementation Arrangements

1. Administrative Arrangements

- a. USAID/Djibouti with backstopping from REDSO/ Nairobi will continue to provide administrative and monitoring support to the project for its duration. AID will be responsible for contracting additional technical services envisioned under this extension, initiating procurement process for ice machine, generators and covering long-term contractor housing and support costs.
- b. Grantee - The Ministry of Agriculture will continue to be the Grantee's implementing agency. The project manager and short-term consultants will work directly under the Chief of the Fisheries and Livestock Service. The Ministry of Agriculture will be responsible for ensuring that adequate personnel and budget are timely provided as well as undertaking all logistic requirements supportive to the new pilot activities described herein, such as clearing commodities for the contractor.

c. Other Donors - This project extension will be executed in close coordination with the FAC and FIDA.

2. Implementation Plan

Within 90 days of signing this agreement the Contractor will submit to USAID and the Government a revised annual work plan addressing the modifications included herein. Based upon that plan USAID will communicate to the Government within 30 days of receipt of this plan a project implementation letter specifying the time frame for implementation of the activities to be undertaken under this extension.

D. Evaluation Plan

Evaluation is now planned 10 months prior to termination of this project - now extended to August 1983. This evaluation will serve as the basis for determining if a follow on project is warranted.

In addition to a final evaluation, a regular evaluation will be conducted by USAID and REDSO in December 1981, i.e. 21 months from time of project initiation. This evaluation will assess progress to date as well as ascertain if special supplementary funding from within regional funds should be sought to provide a modern

commercial trawler. A positive determination in this regard will be a function of demand having significantly exceeded supply, the Government's satisfying its original commitments under the Grant, i.e. functioning cooperative with cold stores in place at both supply and retail outlets, as well as a negative determination forthcoming as a result of the AID environmental assessment referred to in Articles 4 and 5 of this amended Grant Agreement.

- E. Illustrative Financial Plan - Modifications herein reflect only increased AID and Grantee contributions to the Life of Project.

	AID	(\$ 000) GROD	TOTAL
Tech Services	652	237	889
Commodities	216	60	276
Training	9	5	14
Housing	75	-	75
Contingency	<u>26</u>	<u>92</u>	<u>118</u>
TOTAL	978	394	1372