

U N C L A S S I F I E D

AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D. C. 20523

PROGRAM ASSISTANCE
APPROVAL DOCUMENT
(PAAD)

- TUNISIA: Commodity Import Program
(CIP) (664-K-603A)

November 1, 1988

U N C L A S S I F I E D

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROGRAM ASSISTANCE
APPROVAL DOCUMENT
(PAAD)

5. To JONATHAN L. SPERLING, A/DIRECTOR USAID/TUNISIA		1. PAAD Number GRANT 664-K-603A	
7. From LOUIS F. MACARY, PROG USAID/TUNIS		2. Country TUNISIA	
9. Approval Requested for Commitment of \$ 4,500,000		3. Category COMMODITY STANDARD FINANCING PROCEDURE	
11. Type Funding <input type="checkbox"/> Loan <input checked="" type="checkbox"/> Grant		4. Date OCTOBER, 1988	
12. Local Currency Arrangement <input type="checkbox"/> Informal <input checked="" type="checkbox"/> Formal <input type="checkbox"/> None		6. OYB Change Number N/A	
15. Commodities Financed Animal feed and non-expendable property supporting anti-locust activities		8. OYB Increase NONE To be taken from: ESF	
		10. Appropriation Budget Plan Code QES9-89-37664-KG-32	
		13. Estimated Delivery Period 3/88 - 9/89	14. Transaction Eligibility Date Authorization Date

16. Permitted Source		17. Estimated Source	
U.S. only \$ 4,500,000		U.S. \$ 4,500,000	
Limited F.W.		Industrialized Countries	
Free World		Local	
Cash		Other	

18. Summary Description
To assist with the Tunisian import requirements for animal feed (soya or corn) to help ameliorate foreign exchange shortages of the nation, this CIP grant provides a portion of the foreign exchange needed to purchase feed commodities from the U.S.A. and to provide support to the anti-locust campaign through the purchase of non expendable property needed for implementation.

Local currency generated from the sale of agricultural commodities or anti-locust commodities will be utilized for jointly-approved activities which support the Tunisian structural adjustment program and AID/Government of Tunisia development projects. These efforts will assist agricultural production and increased private sector activities in the economy and to the extent utilized for anti-locust activities, protect existing agricultural resources.

This contribution is part of a two-year program covering FY 1988 and 1989 and totalling \$8,000,000 subject to availability of funds, of which \$3,355,000 were obligated in FY 1988 and \$ 4,500,000 is being made available in this amendment. Future PAAD amendment(s) will provide additional funding up to the total approved level of \$8,000,000.

19. Clearances		20. Action	
PM:NTumavick	Date 10/1/88	<input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED	
CONT:HShropshire	10/31		
PM:MKarns	10/31/88		
M/FM		Authorized Signature	
SER/COM		Date 11-1-88	
AA/PRE		Title Acting Director, USAID/Tunis	

AMENDMENT 1 TO PAAD - CIP 664-K-603A

Problem Identification

The GOT continues to suffer from foreign exchange shortfalls. The price of petroleum has fallen and a devastating drought has hit the nation, resulting in a requirement for increased imports of food and feed grains. The barley crop for the 1987/88 crop year was approximately 15% of that for the previous year. Barley is the major locally produced animal feed. In addition, the drought has reduced the amount of forage available in the pastures. The GOT has agreed to provide an emergency ration for farmers equal to 40% of normal feed requirements. The cost for the additional food and feed grain imports which will be required to neutralize the effects of the drought is projected to be \$200 million higher than the original forecast.

In addition to the crop failure, all experts concerned predict a reinfestation of desert locusts in Tunisia starting in late October 1988 and continuing through May or June of 1989. The locusts have already infested one million hectares in Mauritania and are reportedly appearing in Southern Tunisia as of early October 1988. Because of the huge number of locusts and the relatively ineffective efforts at control being mounted by Sub Sahelian countries it is expected that the locust problems will persist for at least five years. The actual intensity of the impact on Tunisia will depend on climatic and wind conditions as well as the control efforts mounted in neighboring countries. The last major locust crisis in Africa lasted over 20 years, ending in 1962.

The Government of Tunisia, with assistance from the donor community, has developed a well thought out campaign consisting of spotters, ground spray teams and aerial spraying. Chemicals have been put in place and materials are on order. Certain equipment shortfalls exist and the GOT has asked donors for assistance. The GOT has requested the USG to provide six additional spray aircraft for their agricultural spraying operation, Sonaprov as well as other materials to assist with the locust campaign. The foreign exchange for 4 aircraft has already been provided by the JBRP and these four agricultural spray airplanes are on order. USAID after carefully reviewing the situation, believes that the provision of three additional purpose built agricultural aircraft for use in the campaign will be a correct response to the locust emergency and an appropriate use of CIP resources. Provision of selected other commodities could also be provided should the situation merit.

Program Assistance Description.

A. Requirement for Aircraft Refined

The GOT has estimated that it will need to spray a million hectares in the 1988/89 locust campaign. Present dependable

resources available indicate five small aircraft, 3 Cessna and 2 Pipers, all retrofitted for agricultural spraying. Their effective time in the air is 1.8 to 2.0 hours, severely limiting their effectiveness. Smaller payload loads also limit the effectiveness of these aircraft. During the brief Spring 1983 invasion the GCT rented and received additional aircraft from the donor community. At the height of this effort there were 16 planes working. The need for the high number of planes was partially the result of the limited capacities of the aircraft being used. In addition to the locust requirements the GCT estimates that 150,000 hectares of field and tree crops will need to be treated for other pests and weeds during the 1988/89 season and during the outyears. In addition to their limited capacity, the existing aircraft are estimated to be approaching the end of their useful lives.

Assuming the locust invasion lasts only five years, the government will need to spray 2,750,000 acres per year. We have assumed that the normal 350,000 acre spray requirement will continue to be provided by the core fleet of five aircraft, leaving 2,400,000 acres per year to be sprayed by other aircraft. The three types of U.S. purpose built agricultural spray aircraft can spray 1,307 acres per hour and can stay in the air for 3.5 hours. If it is assumed that it takes 45 minutes to reach and 45 minutes to return from the spraying objective then one plane can spray 1950 acres per three hour trip, or 650 acres per hour. At this rate, it would take 3,692 hours of spraying per year to meet the 2,400,000 acres of additional spraying which are expected to result from the locust invasion. This works out to 527 hours of work each for 7 planes per year. Use of the aircraft in neighboring Maghreb or Sannian countries will probably add 200 hours of use per plane per year putting yearly utilization rates up to 727 hours per year. Used at this rate, turbo engine equipped airplanes would need an engine rebuilt after four years of use.

B) Cost Comparison with Rental Option

The cost of renting an agricultural spray aircraft for use in Tunisia is \$1,400 per hour for a turbo aircraft plus a \$20,000 positioning fee. This is based on a quotation received from a U.S. firm with aircraft based in Europe and includes pilot, insurance, mechanic and maintenance. Using only the projected level of 527 in country hours per year, renting airplanes would cost the Tunisian government \$758,000 per year for each plane. The comparable cost of operating a similar aircraft owned by the GCT would be \$85,000 per year, calculated as follows \$33,000 - reserve for engine overhaul/maintenance calculated at industry recognized rate of \$30 per hour for engine and \$15 for airframe; \$15,000 for spare parts; \$15,000 for insurance; \$12,000 for pilot; 0,000 for mechanic.

The cost of running three rented aircraft to the GOT would be \$2,275,000 while operating owned aircraft would be \$255,000. A net savings per year of roughly \$2 million in foreign exchange could therefore accrue from purchasing. Assuming a five year locust invasion the savings achieved by purchasing planes would be in the region of \$10 million in foreign exchange, on a current cost basis.

USAID has sensitized this calculation by changing assumptions. According to CEPA expert George Cavin, in the previously worst year of locust infestation 1957/58, 1,560,000 acres were infested. We have reduced this by 10%, assuming that the worst case will not obtain, to 1,400,000 acres. Thus, if only 1,400,000 acres were to be sprayed annually during the campaign (a 42% reduction from GOT projections) and if a supplier could be found to provide a plane at \$1,000 per hour (a 40% reduction), flying hours would be 307 per plane and the cost of rental would be \$307,000 X 3 or \$921,000 in foreign exchange per year. Cost of an owned plane would be reduced by approximately \$20,000 through a reduced need for reserves for overhaul/maintenance and spare parts to \$65,000. A total of \$195,000 core costs per annum for three aircraft would be incurred. Over five years net savings in foreign exchange through owning the aircraft would be \$3,630,000. If the invasion lasted only 4 years, the net savings would be \$2,800,000, still quite meaningful.

C) Regional Availability of Aircraft

The conclusion drawn from the above analysis is that even after sensitizing for a possibly overly high projection of acres to be sprayed, and a high quote for rentals, a real savings in foreign exchange will result from purchasing aircraft. Additionally, Tunisian costs will be lowered to the extent that they perform spraying activities in other countries and are paid a reasonable fee for these activities. The Grant Agreement will covenant that the GOT will make the spray aircraft available to other countries for use in their anti-locust campaign to the extent that the planes are not needed in Tunisia. It is anticipated that if the locust cycle remains the same in future years, there will be a requirement for spraying activities in Chad, Niger, Mali, Senegal, Mauritania, Morocco and Algeria at times when there is no requirement for Tunisia. Most important, the Tunisian assets will be available for use in Southern and Central Algeria, an area which in the past has remained untreated by the Algerian because of the shortage of aerial assets. It is very much in Tunisia's national interest to spray in Algeria as this is one of the main invasion paths for locusts coming to Tunisia.

D) Appropriateness of Turbo Engines

Consideration was given to two sorts of aircraft, radial engine equipped and turbo engine equipped. Modified small aircraft using flathead engines were not considered because they are all second hand airframes as well as used engines and do not have the range and capacity for effective use in the Tunisian context. Radial engine equipped aircraft, while far less expensive than turbo equipped aircraft, were found to be less suitable for the Tunisian situation for the following reasons:

- a. A total engine overhaul must occur every 1000 hours for a radial engine rather than every 3000 hours with a turbo engine. Assuming an equal amount of work for each overhaul, the radial engine will cost three times more than the turbo for overhaul.
- b. Avgas for radial engines is over three times more expensive than the Jet A-1 used by turbo planes. Jet A-1 in Tunisia costs 20 cents per liter, avgas cost 65 cents per liter. Using average fuel consumption rates derived from industry sources of 160 liters per hour for turbo versus 125 liters per hour for radial engines the radial uses \$82 of fuel per hour and the turbo \$32. If the planes fly 527 hours per year, a yearly savings of \$26,000 accrues to turbo operations. If the sensitized situation holds, with 301 hours per year, a savings of \$15,000 per year occurs. As all fuel is imported, these savings are all foreign exchange savings. This is an important additional factor which supports a principal objective of the Mission's overall assistance strategy. Avgas is also very difficult to obtain and lack of supply could cause a problem. Only one company supplies Avgas in Tunisia, and the source for 80% of this is Iran. Should the hostilities recommence prices would undoubtedly rise and supply become uncertain. Jet A-1 is imported by almost all oil companies operating in Tunisia and has a variety of sources.
- c. Spare parts for radial engines are difficult to obtain. According to GOT/USAID experience and OFPA advisors, much downtime could be expected if radial engines were provided. Recent experience in Tunisia, when spare part arrival for Grumman planes equipped with radial engines took 3 times longer to obtain than other spares, confirms this. As well, a high percentage of ordered spares are still on order. Downtime related to lack of spare parts would cause a great deal of damage should it occur during a locust invasion.

Based on the above factors, it was concluded that the purchase of radial engined aircraft would not be an economic or technically sound investment.

E) Maintenance Considerations

The GOT has purchased four turbo engine aircraft using IMF funds. As part of that purchase additional maintenance

technicians will be trained to work on the engines. Aviation experts from the U.S. military liaison office for Tunisia familiar with Tunisian maintenance regimes have examined the SONAPROV maintenance facilities. They found the facilities well equipped and able to manage repairs of all new aircraft being provided. Special tools to be purchased under the IBEP loan will be appropriate for the CIP planes. It was concluded that in country maintenance skills and facilities as supplemented by the IBEP training and tool provision will be sufficient to the requirements resulting from an additional purchase of three spray planes.

F) Source/Origin Considerations

Based on the above analysis the Mission will provide funding for the purchase of three turbo engine purpose built agricultural spray planes produced in the U.S. As all U.S. manufactured turbo planes use engines built by a Canadian subsidiary of a U.S. firm a source/origin waiver permitting a procurement from 935 is annexed to this amendment as Annex I. As there are only three manufacturers which meet specifications and the locust invasion is expected to commence in late October and persist through May 1989, a waiver of formal procurement regulations is being sought in connection with this element of the CIP. This waiver is attached at Annex J.

G) Institutional Setting

The aircraft will be used by the Tunisian Societe Nationale de la Protection de Vegetaux (Sonaprov) a wholly owned GOT corporation which operates under the auspices of the Ministry of Agriculture. Since the Ministry's Directorate General of Crop Protection has responsibility for managing the anti-locust campaign, coordination with SONAPROV has been good. SONAPROV is considered a national strategic asset in the same fashion as national electric and gas corporation and therefore not subject to privatization. Its performance is considered good. It employs 91 people, including pilots, mechanics, technicians and administrators. While most of its clients are public sector, it does contract with the private sector and has bid on work in Egypt. As a covenant for the assistance being provided, a management and financial audit of Sonaprov will be carried out so that a more streamlined and cost related management structure can be considered. This audit will focus on (1) cost of service, (2) appropriate margins and pricing, (3) contracting procedures, (4) scheduling of operations (5) staff requirements given company functions and (6) marketing linkage to portfolio and strategy.

Linkage to Portfolio and Strategy

The Mission strategy has the provision of quick disbursing foreign exchange conserving assets as one of its main aspects.

The overall goal is support to Tunisia's Structural Adjustment Program. An unsuccessful locust campaign would set the Structural Adjustment process seriously behind schedule as much of the potential agricultural yield would be destroyed, causing a reduction in export earnings from tree crops. An increase in demand for foreign exchange for imported food and feed would be an inevitable outcome of a poor anti-locust campaign. Good and thorough aerial spraying is an essential element of any anti-locust campaign and sufficient assets to do this do not exist in country at present. Renting aircraft, as shown above, is a very expensive proposition in foreign exchange. Provision of three planes to assist in the campaign would therefore heighten the effectiveness of the campaign resulting in lower crop losses with reduced foreign exchange outflow to buy food and feed. Provision of a small amount of other U.S. manufactured commodities for the anti-locust campaign would have similar results. Purchasing planes will save several million in foreign exchange by reducing the need to lease aircraft which must be paid for in foreign exchange. Thus, the Structural Adjustment will continue at an acceptable pace and foreign exchange conserved. The activity thus supports the USAID strategy.

Use of Local Currency

The local currency generated from the sale of feed grains will be treated in the same fashion as those generated in the FY 1988 portion of this CIP. Funds equal to the purchase price of the aircraft will be deposited in the special account required by Article 2, Section 2.1 (b) of the original (664-K-603) agreement and will be used to support the anti-locust efforts. Management of the proceeds from the account will remain unchanged.

Implementation and Administration

The implementation of the animal feed portion of the CIP remains unchanged. With regard to the aircraft, SONAPROV will be responsible for development of specifications, operation and maintenance of the aircraft. They will assure that adequately trained pilots and mechanics are available for the aircraft and that maintenance schedules are maintained. The request for quotes and awarding, contracting for the purchase and shipment of the aircraft will be performed by AID/W with the advice of OFDA. Signatory to that contract will be designated by the D.G. Ministry of Plan with the concurrence of Sonaprov. Use and scheduling of the aircraft will be done by Sonaprov, with first priority to be given to locust activities.

<u>Activity</u>	<u>Implementation</u>	<u>Date</u>
Finalize PAAD Amendment	USAID/Tunis	10-88
PAAD Approval	USAID/Tunis	10-88
Draft/Sign Grant Agreement	USAID/Tunis	11-88
IFB for Purchase/Shipping of Animal Feed	USAID/Tunis - GOT	11-88
Solicitation for Aircraft	AID/W	11-88
Award of Tender - Aircraft	AID/W - GOT	12-88
Award of Tender - Shipping of Animal Feed	GOT - Contractors	1-89
First Plane Arrives	Contractor	1-89
First Deposit of Local Currency Special Account - Aircraft	GOT	2-89
Initial Disbursements of Local Currency	GOT - USAID/Tunis	2-89
Last Plane Arrives	Contractor	4-89
Sale of Animal Feed Concludes	GOT	4-89
Deposit of Local Currency in Special Account - Animal Feed	GOT	10-89
PACL and Program Completion Report	USAID/Tunis - GOT	6-90

Effect on U.S. Balance of Payments

Given that other aircraft purpose built for agriculture spraying are of Eastern European manufacturing the effect on the U.S. Balance of Payments will be positive. As well, lessors are mostly European, so purchase of U.S. goods will benefit the Balance of Payments versus this option as well.

- Annex G - Request
- Annex H - Cable to AID/W
- Annex I - Cable from AID/W
- Annex J - Waiver of comp. procurement
- Annex K - Waiver of used procurement
- Annex L - Source/Origin Waiver
- Annex M - Tunis 07672 Tunisian Locust Emergency - July setup 1
- Annex N - Revised Initial Environmental Decision.
- Annex O - PIO/C 90001 - Specifications for Aircraft

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MINISTRE
DES
AFFAIRES ETRANGERES

8 SEP. 1988

N° NH/SL/82/2
D.G.C.I.

Tunis, le ...

Received in car 9

503552

Monsieur le Directeur de la Mission Spécial
Américaine de Coopération Economique et
Technique en Tunisie

Tunis

O B J E T / Coopération Tuniso-américaine
Programmation des fonds E.S.F. pour l'année 1989

En prévision de la programmation des fonds de Soutien Economique (Don-E.S.F.) qui seront accordés à la Tunisie, au titre de l'exercice fiscal 1989, j'ai l'honneur de porter à votre connaissance que le gouvernement tunisien se propose d'affecter une tranche de cinq Million de \$ US à prélever sur cette dotation E.S.F -FY-1989 pour :

1°) l'achat de six avions de type-usage à la lutte anti-acridienne qui seront utilisés en Tunisie pour lutter contre l'invasion des criquets pelerins.

2°) le reste des cinq (5) million de \$ US servira à financer l'achat d'aliments de bétail pour satisfaire en partie, les besoins de la Tunisie en cette denrée alimentaire.

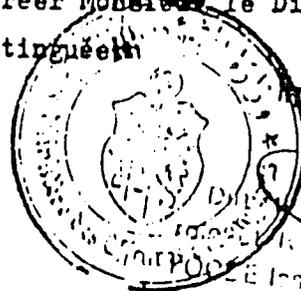
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C & R USAID	
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Je vous saurais gré de bien vouloir porter ce qui précède à la connaissance de vos autorités compétentes et de tout appui que vous voudriez bien apporter à la présente requête.

En vous remerciant pour votre coopération en l'objet je vous prie d'agréer Monsieur le Directeur, l'expression de ma considération distinguée


Mohamed ROUGHZADA
Directeur
Bureau des Relations avec les États
des Amériques
Organisation des États Américains
et des États de l'Amérique Latine

ANNEX H

UNCLASSIFIED

TUNIS 009180/01

K. 603

ORIGIN: AID-2 INFO: AMB DCM ECON

VZCZCTUI
OO RUEHC
DE RUEHTU #9180/01 246 **
ZNR 70000 22H
O 021422Z SEP 98
FM AMEMBASSY TUNIS
TO SECSTATE WASHDC IMMEDIATE 7527
BT
UNCLAS SECTION 01 OF 24 TUNIS 09180

CLASS UNCLASSIFIED
CHRGF: 09/02/98
APPRV: A/DIR:JLSPERLING
DRFTT: A/DIR:JLSPERLING
CLFAR: 1. FMI:GSPROVN
2. PM:NTUMAVICK
3. PM:MKARNS

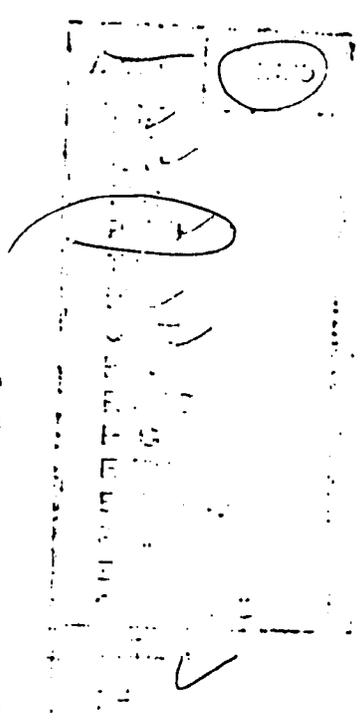
AIDAC FOR ANE/PD AND ANE/MENA

F.O. 12356: N/A
SUBJECT: REQUEST TO EXTEND FY 1998 CIP 554-K-603
- TO FY 1999

REF: SPERLING-GARY-TELCON

SUMMARY. THE TUNISIAN ECONOMY WAS HIT BY A DEVASTATING DROUGHT IN 1998. DAMAGE FROM THE DROUGHT WAS EXACERBATED BY AN UNEXPECTED LOCUST INVASION IN MARCH AND APRIL 1998 WHICH FURTHER DAMAGED THOSE CROPS WHICH REMAINED. A NEW LOCUST INVASION IS EXPECTED THIS FALL AND ANIMAL FEED IS AT AN EXCEEDINGLY LOW LEVEL. U.S. SUPPORT TO COUNTER THE LOCUST PROBLEM HAS BEEN REQUESTED BY THE TUNISIAN GOVERNMENT, AS WELL AS ASSISTANCE TO PROVIDE US AGRICULTURAL COMMODITIES FOR ANIMAL FEED, BOTH IN EARLY FY 1999. THIS CABLE REQUESTS AUTHORITY TO AMEND AND EXTEND THE 1998 CIP PAAD FOR ONE ADDITIONAL YEAR TO PERMIT THE USE OF FY 1999 CIP FUNDS FOR FURTHER PROVISION OF ANIMAL FEED AND/OR EQUIPMENT TO COUNTER THE EXPECTED LOCUST INVASION. WE REQUEST THAT THIS CABLE BE CONSIDERED AN AMENDMENT TO THE EXISTING PAAD. END SUMMARY.

1. BACKGROUND. THE PAAD FOR THE FY 1998 CIP WAS APPROVED ON MARCH 25, 1998 BY DAA/ANE FULLER. THE PAAD JUSTIFIES A CIP LEVEL OF DOLS 3 MILLION BUT BECAUSE OF THE FUNDING CUTS IN THE PROGRAM FROM AN AGENCY CP REQUEST LEVEL OF DOLS 20 MILLION TO AN OYB LEVEL OF DOLS 10 MILLION, ONLY DOLS 3.355 MILLION OF THE DOLS 3 MILLION REQUESTED AND JUSTIFIED CIP WAS UTILIZED. AT THE TIME OF THE APPROVAL THE EXTENT OF THE DAMAGE TO TUNISIA'S AGRICULTURE SECTOR CAUSED BY THE DROUGHT AND THE LOCUSTS WAS NOT EVIDENT. PRODUCTION OF BARLEY, THE MAIN FEEDGRAIN IN TUNISIA WAS 59.200 METRIC TONS IN 1998, ONLY 11 PERCENT OF THE 537.000 METRIC TONS PRODUCED IN 1987. TOTAL GRAIN PRODUCTION FELL FROM AN ANTICIPATED 1.3 MILLION METRIC TONS IN 1998 TO AN ACTUAL 292.000 METRIC TONS, OR ONLY 22 PERCENT OF PROJECTED PRODUCTION. WHILE THE MISSION WAS AWARE THAT A PROBLEM WAS DEVELOPING AT THE TIME OF THE PAAD SUBMISSION NO ONE, INCLUDING THE GOV, ANTICIPATED THE CATASTROPHIC EFFECT OF THE DROUGHT ON BOTH FIELD CROPS AND THE NATIONAL HERD. THE LOCUST INVASION, WHICH OCCURRED WITHOUT ADVANCE NOTICE BECAUSE OF A BREAKDOWN IN THE FAC EARLY WARNING AND TRACKING SYSTEM, FURTHER REDUCED YIELDS OF FOOD AND FEED GRAINS AS WELL AS YIELDS OF EXPORT CROPS SUCH AS OLIVES



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AND ALMONDS. THE ANTICIPATED BILL FOR IMPORTED GRAIN AND FEEDS BETWEEN 5-98 AND 6-99 ROSE FROM ROUGHLY DOLS 163 MILLION TO A PROJECTED DOLS 350 MILLION. THUS, ALTHOUGH PL-492-I FOR TUNISIA INCREASED FROM DOLS 5 MILLION TO DOLS 30 MILLION THE REQUIREMENT FOR IMPORTED AGRICULTURAL COMMODITIES INCREASED BY APPROXIMATELY DOLS 200 MILLION. AS WELL, THE DOLS 30 MILLION SECTION 416 PROGRAM PROPOSED BY THE MISSION IN JUNE 1988 FOR IMPLEMENTATION IN THE FALL OF 1988 HAS BEEN PUT ON INDEFINITE HOLD BECAUSE OF THE US DROUGHT. MISSION UNDERSTANDS REINSTALLMENT OF THIS PROGRAM DOES NOT CARRY A HIGH PROBABILITY GIVEN LOW U.S. PRODUCTION THIS YEAR.

ALL REPORTS INDICATE THAT LOCUSTS WILL REVISIT TUNISIA IN THE FALL OF 1988 AND, SHOULD CONDITIONS BE HOSPITABLE FOR EGG LAYING, THE PROBLEM COULD CONTINUE UNTIL THE SPRING OF 1989. EXPERTS AT THE APRIL 1988 FAO LOCUST CONFERENCE PROJECTED THAT LOCUSTS WILL REMAIN A PROBLEM IN THE SAHEL AND NORTH AFRICA FOR TWO TO THREE MORE YEARS UNDER EVEN THE MOST FAVORABLE ASSUMPTIONS. OFDA HAS BEEN FORTHECOMING WITH PESTICIDE, EXPERTISE AND SOME CRITICALLY NEEDED NON-EXPENDABLE PROPERTY, SUCH AS RADIOS, LIGHTS EMERGENCY AIRCRAFT SPARE PARTS AND GREENNESS MAPS BUT IS HAMPERED BY ITS INABILITY TO RESPOND TO LONGER TERM REQUIREMENTS OF AN INTEGRATED ANTI-LOCUST CAMPAIGN WHICH IS NEEDED IN TUNISIA TO STAVE OFF LOCUST CAUSED PRODUCTION DROPS.

SPRAY EQUIPMENT, SAFETY GEAR, VEHICLES, ADDITIONAL RADIOS, AND SPRAY AIRCRAFT WILL PROBABLY BE NEEDED TO SUPPORT THE EFFORTS AGAINST LOCUSTS EXPECTED TO OCCUR THIS FALL AND WINTER. U.S. VEHICLES ARE NOT APPROPRIATE FOR TUNISIA, BUT SPRAY EQUIPMENT AND SMALL AGRICULTURAL AIRCRAFT ARE APPROPRIATE AND ARE UNIQUELY SUITED TO THE NEEDS OF BOTH LOCUST CONTROL AND ERADICATION EFFORTS AND AGRICULTURAL SPRAYING.

DONOR COOPERATION HAS BEEN GOOD. SAJDI ARABIA IS PROVIDING 30 VEHICLES AND WEST GERMANY 30. SPRAY GEAR AND PESTICIDE ALSO HAVE BEEN MADE AVAILABLE BY SEVERAL DONORS. SOME SPRAY AIRCRAFT WERE MADE AVAILABLE FROM ITALY AND FRANCE ON A TEMPORARY BASIS. AIRCRAFT AVAILABLE IN TUNISIA ARE MOSTLY OLD AND HELD TOGETHER WITH A LI K

AND PROMISE. OFDA PROVIDED SPARE PARTS WILL KEEP THEM IN THE AIR A WHILE LONGER BUT RELIABILITY WILL CONTINUE TO BE QUESTIONABLE. OTHER DONORS ARE OFFERING INAPPROPRIATE AIRCRAFT AND ON COMMERCIAL BASIS E.G. POLISH AIRPLANES POORLY CONSTRUCTED AND EXPENSIVE TO OPERATE AND FIFTY PERCENT CANADIAN ORIGIN PLANES WITH EXCESSIVELY LARGE TURBO PROP ENGINES. U.S. SPRAY AIRCRAFT KNOWN TO THE MISSION APPEAR WELL SIZED AND PRICED AND APPEAR AVAILABLE ON TIMELY BASIS.

TUNISIA THROUGH THE MINISTRIES OF PLAN AND FOREIGN AFFAIRS HAS INDICATED A DESIRE TO USE CIP TO PURCHASE AIRCRAFT AND OTHER NYP FOR LOCUSTS AND MISSION BELIEVES THIS EQUIPMENT WOULD BE APPROPRIATE. WE ANTICIPATE THAT FUNDS FROM CIP FOR LOCUST CONTROL RELATED PURPOSES WOULD TOTAL BETWEEN DOLS 200,000 TO DOLS 1 MILLION, DEPENDING ON THE EXTENT AND SEVERITY OF THE PROJECTED REINFESTATION.

THERE REMAIN DOLS 4,545,200 OF FUNDS JUSTIFIED IN THE PAAD FOR USE IN EASING THE GOT'S FOREIGN EXCHANGE BURDEN. THE UNEXPECTED DROUGHT AND LOCUST INVASION, BY INCREASING THE NEED TO IMPORT AGRICULTURAL COMMODITIES AND ANTI-LOCUST COMMODITIES HAS INCREASED THE GOT'S NEED FOR FOREIGN EXCHANGE. WHILE INCREASED TOURISM RECEIPTS, WORKER REMITTANCE AND EXPORTS TO LIBYA WILL OFFSET A PORTION THESE FX LOSSES, THERE WILL STILL BE A FX NEED IN EXCESS OF THAT ANTICIPATED IN THE FY 1989 CIP PAAD. WITH THE EXCEPTION OF THESE RELATIVELY MINOR MODIFICATIONS, THE PERFORMANCE OF THE ECONOMY HAS NOT CHANGED MEASURABLY SINCE THE ECONOMIC ANALYSIS ACCOMPANYING THE CIP PAAD REVIEWED FIVE MONTHS AGO. FURTHER, THE MOST RECENT IBRD AND IMF ANALYSES ACCOMPANYING THE STRUCTURAL ADJUSTMENT LOAN AND EXTENDED FUND FACILITY RESPECTIVELY FOUND THAT THE GOT CONTINUED TO MEET OR EXCEED ALL OF THE POLICY AND PERFORMANCE BENCHMARKS AND TARGETS SET IN THEIR ECONOMIC ADJUSTMENT PROGRAM COMMITMENTS. THIS HAS REQUIRED A HIGH DEGREE OF COURAGE ON THE PART OF TUNISIAN DECISION MAKERS, ESPECIALLY IN LIGHT OF THE POOR AGRICULTURAL YEAR. CONSEQUENTLY, THE MISSION HAS CONCLUDED THAT BOTH THE ECONOMIC AND POLICY JUSTIFICATION AND PERFORMANCE DATA UNDERPINNING THE DOLS 3 MILLION CIP PAAD REMAIN VALID AND FURTHER ANALYTICAL WORK AT THIS TIME TO FURTHER ARTICULATE OR DEFINE EITHER THE ECONOMIC SITUATION OR GOT PERFORMANCE IS NOT REQUIRED.

2. TIMING CONSIDERATIONS. FURTHER BUTTRESSING THE JUSTIFICATION FOR EXTENDING THE FY 1989 CIP TO COVER FY 1989 NEEDS IS THE ANTICIPATED NEED FOR EITHER, CORN OR SOYA MEAL IN THE FIRST QUARTER OF FY 1989 AND THE HIGH PROBABILITY OF A LOCUST INFESTATION DURING THAT PERIOD. THE NEXT CROP IN TUNISIA WILL NOT BE IN UNTIL MAY 1989. FEED ORDERED TO ARRIVE BETWEEN NOVEMBER AND MARCH WILL PROVIDE MUCH NEEDED STOCKS. IT IS NOTABLE THAT THE GOT IS ANXIOUS TO SIGN THE FY 1989 PL-430-I AGREEMENT ASAP TO PERMIT IMPORT OF US WHEAT OR SOYA MEAL AS EARLY AS POSSIBLE IN FY 1989. THE PROCESS OF DOING A COMPLETELY NEW PAAD FOR FY 1989 WOULD ELIMINATE ANY POSSIBILITY TO BE

OPTIMALLY RESPONSIVE TO EITHER OF THE NEEDS OUTLINED IN THIS CABLE. PARENTHETICALLY WE SEE LITTLE IF ANY SUBSTANTIVE GAIN TO DECISION MAKING IN A NEW PAAD AT THIS TIME. GIVEN THE JUNE IMF AND IBRD ANALYSES AND THE MARCH 1999 DATE OF THE EXISTING PAAD, A NEW PAAD WOULD BE WRITTEN FOR THE FY-1999 CIP SHOULD A CIP BE RECOMMENDED IN THE STRATEGY REVIEW EXPECTED TO OCCUR LATE IN FY 1999.

3. OPERATIONAL CONSIDERATION. AT THIS POINT WE ANTICIPATE THAT THE GOT WANTS AT LEAST FOUR AGRICULTURAL SPRAY AIRCRAFT TO PERMIT THE CROP PROTECTION SERVICE TO WORK AGAINST THE LOCUSTS. AN ANALYSIS DONE IN APRIL 1999 BY THE OFDA FINANCED AIRCRAFT EXPERT ATTACHED TO THE LOCUST DISASTER ASSISTANCE TEAM IDENTIFIED SHORTCOMINGS IN THE AGRICULTURAL AIRCRAFT FLEET AND RECOMMENDED STEPS BE TAKEN TO IMPROVE THE OPERATION OF THE FLEET. THESE FINDINGS AND DATA REGARDING AGE AND CONDITION OF THE FLEET WERE REVIEWED BY A U.S. AIRFORCE EXPERT ATTACHED TO THE US MILITARY LIAISON OF ICE TUNISIA IN LATE MAY 1999, SPECIFICALLY REGARDING USEFUL LIFE AND MAINTENANCE REGIMES AND CAPACITIES. BASED ON THESE ANALYSES THE MISSION REQUESTED OFDA TO PROVIDE SPRAY AIRCRAFT TO TUNISIA BUT THIS REQUEST WAS TURNED DOWN BECAUSE IT DID NOT MEET OFDA'S CRITERIA OF EMERGENCY RESPONSE. THE NEED FOR AIRCRAFT REMAINS VALID AND, AT THIS TIME, EVEN MORE URGENT GIVEN THE PROXIMITY OF THE PROJECTED LOCUST INVASION. THE GOT WOULD LIKE TO TAKE DELIVERY OF AIRCRAFT IN NOVEMBER AND DECEMBER. MISSION WOULD PROPOSE TO ISSUE COITIONAL

IFB'S PRIOR TO EXECUTION OF FY 1989 CIP AGREEMENT TO SHORTEN THE DELAY AS MUCH AS POSSIBLE. WE ANTICIPATE THE NEED FOR AN AIRCRAFT EXPERT TO ASSIST US IN FINALIZING SPECIFICATIONS. ABILITY TO PROVIDE THE AIRCRAFT BY FID DECEMBER SO THEY WOULD BE USABLE IN THE LOCUST CAMPAIGN WOULD BE AN IMPORTANT EVALUATION CRITERIA IN THE PROCUREMENT DECISION.

WITH REGARD TO THE FEED ELEMENT OF THE CIP, THE FY 1989 PL-482-I AGREEMENT IS PROGRAMMED FOR EXECUTION BEFORE THE END OF SEPTEMBER AND WE ANTICIPATE THAT THE GOI WILL WANT TO PURCHASE THESE COMMODITIES AS EARLY AS POSSIBLY IN FY 1989. SIGNIFICANT ECONOMIES OF SCALE WILL RESULT IF THE FEED TO BE PROGRAMMED UNDER THE CIP COULD BE SHIPPED SIMULTANEOUSLY WITH THE FOOD TO BE PURCHASED UNDER PL-490-I. A SIMILAR TRANSACTION IN FY 1988 RESULTED IN NOTABLE SAVINGS FOR ALL CONCERNED. FYI THE OFFICE OF CERFALS IS THE PURCHASER UNDER BOTH PROGRAMS. END FYI. THE BELLMON DETERMINATION PROPOSED IN SUPPORT AT THE FY 1989 PL-482-I AGREEMENT PRESENTLY UNDER NEGOTIATION HAS FOUND THAT TUNISIAN STORAGE CAPACITY IS MORE THAN ADEQUATE TO MEET THE REQUIREMENTS FOR IMPORTS ANTICIPATED BETWEEN NOV AND JUN 1989. MISSION BELIEVES THAT AN ALLOTMENT OF ESF FUNDS FOR CIP IN OCTOBER WOULD PERMIT THE USG TO BE RESPONSIVE TO THE GOI'S NEED TO BOTH EFFECTIVELY FIGHT THE LOCUSTS AND MAINTAIN THE HEALTH OF THE NATIONAL HERD UNTIL THE NEW CROP IS HARVESTED. THE GOI HAS INDICATED THAT SHOULD CIP RESOURCES BE MADE AVAILABLE FOR SPRAY AIRCRAFT THEY WOULD BE FAVORABLY INCLINED TO FILLING THE REST OF THEIR NEEDS IN THIS AREA FROM US SOURCES, FYI, RESPONSES TO THE RECENT GOI BIDS FOR UP TO TEN AGRICULTURAL AIRCRAFT INCLUDED CANADIAN, POLISH AND US RESPONDENTS END FYI. WE ANTICIPATE BETWEEN DOLS 920,000 AND DOLS ONE MILLION FOR LOCUST CONTROL AND THE REMAINDER FOR FEED COMMODITIES.

4. PROCEEDS UNDER PREVIOUS CIP. ON AUGUST 25 USAID WAS INFORMED THAT TD 6.4 MILLION GENERATED UNDER THE FY 1987 CIP HAS BEEN DEPOSITED IN A SPECIAL ACCOUNT. THE FIRST DISBURSEMENT OF FUNDS UNDER THIS CIP WAS MADE SHORTLY THEREAFTER TO COTUNACE, TO SUPPORT THE EXPORT INSURANCE PROGRAMS OF THE GOI WHICH IN TURN ARE WORKING TO MOTIVATE INCREASED IMPROVE PRIVATE SECTOR PRODUCTION OF GOODS AND SERVICES BY ENCOURAGING EXPORTS. TD 1.7 MILLION WAS COMMITTED. USAID OBTAINED A COMMITMENT FROM THE GOI TO UNDERTAKE SEVERAL ACTIONS WHICH WILL LEAD TO EXPANDING THE SCOPE OF THE COTUNACE COVERAGE TO SUB-SAHARIAN AFRICA, ASIA AND LATIN AMERICA. THIS IS AN IMPORTANT POLICY CHANGE AND HAS GOTTEN OUR CIP PROCEEDS PROGRAM OFF TO A GOOD START. DISCUSSION ON THE TD 4.7 MILLION REMAINING IN THE ACCOUNTS FROM THE FY 1987 PROGRAM ARE IN PROCESS. THE PROCEEDS FROM THE FY 1988 PROGRAM ARE SCHEDULED FOR DEPOSIT IN A SPECIAL ACCOUNT IN JANUARY. WE ANTICIPATE THAT FUNDS GENERATED FROM SALE OF COMMODITIES PURCHASED USING FY 1989 APPROPRIATIONS WILL BE REQUIRED TO BE DEPOSITED IN A SEPARATE ACCOUNT AND WE WILL REQUIRE THE GOI TO DO SO. IN BRIEF, THE TUNISIANS ARE IN COMPLIANCE.))

WITH THEIR COMMITMENTS UNDER ALL CIP PROGRAMS TO DATE.

5. RELATIONSHIP TO FY 1989 OYB. THE FY 1989 CP CARRIED AN OYB OF DOLS 12.5 MILLION WITH A CIP OF DOLS 4.5 MILLION. MISSION UNDERSTANDS THAT FY 89 FARMARKS ARE DOLS 10 MILLION IN THE HOUSE AND DOLS 12.5 IN THE SENATE. WHILE WE UNDERSTAND THE UNCERTAINTIES OF THE OYB PROCESS, APPEARS THAT IT IS UNLIKELY THAT THE FARMARK FOR TUNISIA WILL FALL BELOW DOLS 10 MILLION AND MAY REMAIN AT DOLS 12.5 MILLION, WHICH WILL PERMIT THE USG TO BE RESPONSIVE TO IMPORTANT TUNISIAN NEEDS. UNDER THIS ASSUMPTION WE SEE LITTLE PROBABILITY THAT THE CIP WOULD FALL BELOW DOLS 4 MILLION IN FY 19-9 AND BELIEVE THIS LEVEL WOULD BE ADHERED TO IN THE WORST CASE SCENARIO OF A DOLS 10 MILLION LEVEL. BEING OPTIMISTIC, WE REQUEST APPROVAL TO AMEND PAAD T ADD UP TO DOLS 4.5 MILLION, WHICH WOULD PERMIT FULL UTILIZATION OF THE PREVIOUSLY JUSTIFIED AND APPROVED AMOUNT OF DOLS 3 MILLION. SHOULD TUNISIA OBTAIN AN EVEN HIGHER LEVEL OF OYB AND MORE CIP IS NEEDED, FULL JUSTIFICATION AND ANALYSIS WILL BE PROVIDED TO AID/W. FRANKLY, WE DO NOT SEE THIS AS A PROBABLE EVENT AT THIS TIME.

6. PROPOSAL. MISSION PROPOSES THAT IT BE AUTHORIZED TO AMEND THE PAAD TO:

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A- EXTEND THE PAAD BY ONE YEAR FROM 5-39 TO 5-90

B- RECONFIRM THE ELIGIBILITY OF CORN, AND SOYA MEAL AS COMMODITIES WHICH CAN BE PURCHASED UNDER THE FY 1958-59 CIP. ADD NON EXPENDABLE COMMODITIES WHICH WOULD SUPPORT THE LOCUST CONTROL CAMPAIGN. SHOULD THE GOVT DECIDE TO USE CIP FOR THESE COMMODITIES US PROCUREMENT REGULATIONS AND PRACTICES WOULD BE FOLLOWED. SHOULD ADDITIONAL JUSTIFICATIONS BE REQUIRED FOR SUCH PROCUREMENTS, I.E. MAINTENANCE CAPACITY, WHERE COMMODITY FITS IN CAMPAIGN ETC., THESE DATA WILL BE PROVIDED.

C- SPECIFIC CHANGES IN PAAD FACESHEET BY BOXES ARE PROPOSED AS FOLLOWING WITH ONLY CHANGED BOXES NOTED:

5- DIRECTOR OR ACTING DIRECTOR USAID/T
 7- PROGRAM OFFICE
 8- ENTIRE BOX BLANK
 9- DOLS 2 MILLION
 10- BLANK
 13- 3/58-2-59
 14- OCTOBER 1959
 15- ANIMAL FEEDS (CORN OR SOYMEAL PELLETS), NON EXPENDABLE PROPERTY SUPPORTING ANTI-LOCUST ACTIVITIES
 16- DOLS 2 MILLION
 17- DOLS 2 MILLION
 19- TO ASSIST WITH THE TUNISIAN IMPORT REQUIREMENTS FOR ANIMAL FEED (SOYA OR CORN) TO HELP AMELIORATE FOREIGN EXCHANGE SHORTAGES OF THE NATION, THIS CIP GRANT PROVIDES A PORTION OF THE FOREIGN EXCHANGE NEEDED TO PURCHASE FEED COMMODITIES FROM THE U.S.A. AND TO PROVIDE SUPPORT TO THE ANTI-LOCUST CAMPAIGN THROUGH THE PURCHASE OF NON EXPENDABLE PROPERTY NEEDED FOR IMPLEMENTATION.

LOCAL CURRENCY GENERATED FROM THE SALE OF AGRICULTURAL COMMODITIES OR ANTI-LOCUST COMMODITIES WILL BE UTILIZED FOR JOINTLY-APPROVED ACTIVITIES WHICH SUPPORT THE TUNISIAN STRUCTURAL ADJUSTMENT PROGRAM AND AID - GOVERNMENT OF TUNISIA DEVELOPMENT PROJECTS. THESE EFFORTS WILL ASSIST AGRICULTURAL PRODUCTION AND INCREASED PRIVATE SECTOR ACTIVITIES IN THE ECONOMY AND TO THE EXTENT UTILIZED FOR ANTI LOCUST ACTIVITIES, PROTECT EXISTING AGRICULTURAL RESOURCES.

20. DIRECTOR OR ACTING DIRECTOR.

D- THE ALLOTMENT, AS EARLY AS POSSIBLE IN FY 1959 OF UP TO DOLS 4.5 MILLION FOR PROVISION OF THE NEEDED US COMMODITIES.

7. PROCESS. MISSION HAS REVIEWED THE REISED HANDBOOK AND FINDS IT IS NOT EXHAUSTIVE IN ITS GUIDANCE FOR AMENDING A PAAD. WE HAVE FOLLOWED THE PROCEDURE OUTLINED IN CHAPTER 3 SECTION 3B4, PARA 3D IN PREPARING THIS MESSAGE. DIRECTOR WEDEN APPROVED THE SUBSTANCE OF THIS MESSAGE PRIOR TO HIS DEPARTURE AND INFORMED THAT SUBSEQUENT TO DISCUSSIONS WITH THE DIRECTOR DESIGNATE HE

WELL APPROVES AND SUPPORTS THE ACTION. THE COUNTRY
AM SUPPORTS THIS MESSAGE AS WELL. DELEGATION OF
AUTHORITY 554 PROVIDES AUTHORITY TO THE MISSION TO, AMONG
OTHER DELEGATIONS, AMEND PROJECT OR NON-PROJECT ASSISTANCE
AUTHORIZATIONS IF (1) TOTAL LOP FUNDING DOES NOT EXCEED
DOLS 30 MILLION, (2) DOES NOT PRESENT SIGNIFICANT POLICY
ISSUES, AND (3) DOES NOT REQUIRE ISSUANCE OF WAIVERS WHICH
MAY ONLY BE APPROVED IN AID/W. MISSION FEELS THAT THE
COURSE OF ACTION RECOMMENDED HERFIN FALLS WITHIN THESE
CRITERIA. MOREOVER, PARA 3D OF SECTION 3B4 OF HP4 STATES
THAT AID OFFICIALS EMPOWERED TO APPROVE PAADS MAY APPROVE
AMENDMENTS WITH APPROPRIATE (I.E. BUREAU) CLEARANCES.
SHOULD THE BUREAU CONCUR IN THIS PROPOSAL, THE MISSIO
WILL PROCEED TO AMEND THE PAAD FACESHEET PER PARA 4. THE
MISSION ALSO WILL NEED ADVICE AND ASSISTANCE IN PREPARING
CONDITIONAL IFPS FOR ANTI-LOCUST COMMODITIES.

8. ACTION REQUESTED (A) BUREAU CONCURRENCE FOR THE
MISSION TO AMEND THE FY 1988 CIP FACE SHEET AS NOTED IN
PARA 5. (B) BASED ON AN ASSUMED OYB OF DOLS 12.5 MILLION
ALLOTMENT OF DOLS 4.5 MILLION EARLY IN FY 1989 TO SUPPORT
IMPLEMENTATION OF THE FY 1989 CIP. SHOULD THE OYB TOTAL
ONLY DOLS 1 MILLION, AN INITIAL ALLOTMENT OF DOLS 4
MILLION IS REQUESTED.

9. REQUEST ADVISE SOONEST. BROWN

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TUNIS 229182/04

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ACTION: AID-2 INFO: AMB DCM ECON

ANNEX I

VZCZCTH047P
OO RUEFTU
DE RUMFO #5928 2631-58
ZNR UUUUU 224
O 191354Z SEP 88
FM SECSTATE WASHDC
TO AMEMBASSY TUNIS IMMEDIATE 1653
RT
UNCLAS STATE 305928

27-SEP-88

TOR: 05:25
CN: 13883
CHRG: AID
LIST: AID
ADD:

ACTION COPY		
TO	DATE	TAKEN
PROG	9/20	
N.A.N	Ch	

five sheet papers

AIDAC

F.O. 12356: N/A

TAGS:

SUBJECT: REQUEST TO EXTEND FY 1989 OIP 664-K-623 TO
FY 1989

REF: TUNIS 9180

ACTION	INITIALS
DIR	
EXO	
PER	
PROG	
TRG	
PM	
CONT	
HPN	
RHUDO	
P. C.	
EMB/ADMIN	
EMB/GSO	
FOL	
ECON	
C & R USAID	
CHRON	
RF	

5

1. AA/AMF HEREBY CONCURS IN MISSION AMENDMENT TO PAAD
FACTSHEET IN GRANT 664-K-603 PROJECT 664-0347 TO (1)
EXTEND LOP THROUGH FY 1989; (2) TO ADD DOLS 1,645,000
MILLION IN ESE GRANT FUNDS SUBJECT TO AVAILABILITY OF
FUNDS IN FY 1989; AND (3) BROADEN COMMODITIES TO INCLUDE
SUPPORT OF LOCUST PROGRAM. BECAUSE PAAD FACTSHEET
CONSTITUTES FUNDS RESERVATION DOCUMENT AS WELL AS
SUBSTANTIVE AUTHORIZATION, IT MAY NOT BE SIGNED UNTIL
MISSION IS ADVISED BY FM/PAED THAT FUNDS ARE AVAILABLE.

2. BECAUSE OF UNCERTAINTY REGARDING FY 89 FUNDING
LEVEL, RECOMMEND THAT BLOCK 19, IN ADDITION TO LANGUAGE
CONTAINED IN REFTEL PARA 5 C ALSO INCLUDE FOLLOWING
LANGUAGE IF FULL DOLS 1,645,000 MILLION IS NOT AVAILABLE
EARLY IN FY 89. THIS WOULD PERMIT SIMPLE FACTSHEET
AMENDMENT WITHOUT FURTHER SUBSTANTIVE JUSTIFICATION IF
FUNDS BECOME AVAILABLE LATER AND MISSION IS SO NOTIFIED

BY: M.

3. QUOTE: " THIS CONTRIBUTION IS PART OF A TWO-YEAR
PROGRAM COVERING FY 1988 AND 1989 AND TOTTALLING DOLS
8,200,000 SUBJECT TO AVAILABILITY OF FUNDS, OF WHICH
DOLS 3,355,000 WERE OBLIGATED IN FY 1988 AND DOLS
XXXXXXX IS BEING MADE AVAILABLE IN THIS AMENDMENT.
FUTURE PAAD AMENDMENT(S) WILL PROVIDE ADDITIONAL FUNDING
UP TO THE TOTAL APPROVED LEVEL OF DOLS 8,200,000.
UNQUOTE.

BLOCKS 9, 15 AND 17 WOULD SHOW AMOUNTS ACTUALLY
AVAILABLE FOR CURRENT OBLIGATION, NOT FULL DOLS
8,200,000. GRANT NUMBER (BLOCK 1) WOULD BE 664-K-600 A.

4. USUAL CONGRESSIONAL NOTIFICATION WOULD BE REQUIRED
PRIOR TO OBLIGATION OF FUNDS.

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STATE 305928

UNCLASSIFIED

STATE 305928

VZCZCTUI *
OO RUEHC
DE RUEHTU #0567/01 286 **
ZNR UUUUU ZZB
O 121531Z OCT 88
FM AMEMBASSY TUNIS
TO SFCSTATE WASHDC IMMEDIATE 8149
BT
UNCLAS SECTION 01 OF 02 TUNIS 10567

ANNEX J

ANNEX J

CLASS: UNCLASSIFIED
CHRGF: AID 10/11/88
APPRV: A/DIR:JLSPEERLING
DRFTI: A/DIR:JLSPEERLING
CLEAR: 1.PM:NTUMAVIC
2.PM:MKARNS

DISTR: AID
ORGIN: OCR

AIDAC

FOR JUDITH JOENSON

F.O. 12356: N/A

SUBJECT: REQUEST FOR WAIVER OF FORMAL COMPETITIVE BID
PROCEDURES - TUNISIA CIP

1. SUMMARY - A MAJOR LOCUST INVASION OF NORTH AFRICA HAS BEEN PREDICTED TO START BETWEEN THE END OF NOVEMBER 1988 AND BEGINNING OF JANUARY 1989. THE DURATION OF THE INVASION IS EXPECTED TO BE 5 MONTHS. CONTINUED INVASIONS ARE PROJECTED TO OCCUR OVER THE NEXT TWO TO FIVE YEARS. TUNISIA HAS NEED FOR A CORE UNIT OF 10 FIRST LINE AGRICULTURAL SPRAY AIRCRAFT TO MEET THIS INVASION. THE PRESENT FLEET IS INADEQUATE WITH FIVE OLD SHORT RANGE SMALL CAPACITY PLANES. TWO NEW PLANES ARE DUE IN NOVEMBER, WITH TWO MORE IN APRIL 1989. THREE MORE HIGH CAPACITY REPENDABLE PLANTS ARE NEEDED BY JANUARY TO MEET THE INVASION. OPDA AIRCRAFT EXPERTS INFORM THAT THERE ARE ONLY THREE U.S. MANUFACTURERS WHICH PRODUCE AIRCRAFT APPROPRIATE FOR LOCUST OPERATIONS IN ADDITION TO FORMAL AGRICULTURAL SPRAY OPERATIONS. FOR REASONS OF SPACE AND BECAUSE THE LIMITED NUMBER OF SUPPLIERS, WE BELIEVE THAT A WAIVER OF FORMAL COMPETITION IS JUSTIFIED AND REQUEST SUCH A WAIVER IS APPROVED. END SUMMARY.

2. BACKGROUND - (A) IN MARCH 1988 TUNISIA SUFFERED AN INVASION OF LOCUSTS WHICH SEVERELY DAMAGED THOSE TREES AND FIELD CROPS WHICH HAD ESCAPED THE DROUGHT. DURING THAT PERIOD THE AGING FLEET OF THE MINISTRY OF AGRICULTURE'S AERIAL SPRAYING ORGANIZATION DEGRADED SERIOUSLY. AT PRESENT, THE GOVT IS FACING A MAJOR LOCUST INVASION WITH ONLY FIVE FULLY FUNCTIONING SPRAY PLANES. ALL OF THESE ARE SMALL CAPACITY PIPER OF CESSNA AND WHILE SPARE PARTS WERE RECENTLY PROVIDED BY OPDA THEIR DEPENDABILITY IS IN QUESTION. AS WELL, THERE ARE THREE BRUMMAN SPRAY PLANES ON THE INVENTORY FOR WHICH SPARE PARTS WERE PROVIDED. EVEN WITH THESE SPARES THEIR DEPENDABILITY IS HIGHLY QUESTIONABLE. SPARES FOR THESE PLANES ARE EXCEEDINGLY DIFFICULT TO OBTAIN AND THE PROBABILITY OF DEADLINING FOR THESE AIRCRAFT IS EXTREMELY HIGH.

ACTION	(DFO)
DIR	✓
EXO	✓
PER	
PROG	✓
TRG	
PM	✓
CONT	✓
HPN	
RHUDO	
P. C.	
EMB/ADMIN	
EMB/GSO	
POL	
ECON	
C & R USAID	
CHRON	✓
RF	

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(F) IN ANTICIPATION OF THE INVASION THE GOT HAS RECENTLY ORDERED FOUR NEW AIRPLANES WHICH ARE LARGER AND HAVE A GREATER RANGE, USING IFRD FUNDING IN ANTICIPATION OF THE INVASION. THESE PLANES ARE OF U.S. MANUFACTURE WITH PRATT AND WHITNEY ENGINES MANUFACTURED IN CANADA. (MISSION HAS BEEN INFORMED THAT ALL LIGHT PLANE TURBINE ENGINES FITTED TO AG SPRAY AIRCRAFT ARE WITHOUT EXCEPTION MANUFACTURED BY PRATT AND WHITNEY'S CANADIAN SUBSIDIARY. A WAIVER TO PERMIT 935 PROCUREMENT IS UNDER PREPARATION.) TWO OF THESE PLANES WILL ARRIVE IN NOVEMBER 1988 AND TWO IN APRIL 1989. THIS WILL LEAVE THE GOT DANGEROUSLY SHORT OF LONGER RANGE AIRCRAFT WITH SUFFICIENT CAPACITY TO USE AGAINST THE LOCUSTS.

(C) OFDA EXPERTS HAVE ADVISED THAT THERE ARE THREE MANUFACTURERS OF SPRAY AIRCRAFT WHICH MEET GOT REQUIREMENTS. THESE REQUIREMENTS INCLUDE TURBINE POWER TO TAKE ADVANTAGE OF THE TYPE OF FUEL AVAILABLE IN ALL PARTS OF THE COUNTRY, AND PERMIT IN-COUNTRY MAINTENANCE, SUFFICIENT FUEL CAPACITY TO REMAIN ALOFT FOR 3.5 HOURS AND A RANGE OF 500 MILES. THE USAID WOULD BE PREPARED TO REQUEST THAT AN ORDER BE PLACED WITH ANY OF THESE THREE WHICH MEET THE SPECIFICATIONS AND CAN ASSURE THE EARLIEST DELIVERY AND THE LOWEST RESPONSIVE PRICE. OF THE OTHER TWO MANUFACTURERS WHO MAKE PURPOSE-BUILT SPRAY PLANES, ONE IS A POLISH AIRPLANE ASSEMBLED IN THE U.S. WHICH DOES NOT MEET AID ELIGIBILITY REQUIREMENTS AND THE OTHER IS A LIGHT AIRCRAFT WITH A LIMITED RANGE JUDGED INAPPROPRIATE BY THE LOCUST EXPERTS AT OFDA.

3. DISCUSSION - THE AMBASSADOR HAS DETERMINED THAT A POTENTIAL DISASTER SITUATION EXISTS. IN RECOGNITION OF THIS, OFDA HAS SHIPPED 150,000 LITERS OF MALATHION WHICH WILL BE USED IN THE CAMPAIGN. TECHNICAL ASSISTANCE IS ON THE WAY. BECAUSE OF THE DANGER TO THE ANNUAL CROPS POSED BY THE EXPECTED INVASION OF LOCUSTS USAID/TUNISIA BELIEVES THAT CIRCUMSTANCES EXIST WHICH JUSTIFY THE WAIVER OF FAR 1 PART 221.22 FORMAL COMPETITIVE BID PROCEDURES. IN THIS CASE, AN UNACCEPTABLE DELAY IN THE ORDERING AND COMPLETION OF THE LOCUST CONTROL CAMPAIGN, WHICH IS TIME SENSITIVE, WOULD OCCUR IF FULL COMPETITIVE PROCEDURES WERE FOLLOWED. AS WELL, IT HAS BEEN DETERMINED BY AIR SPRAYING EXPERTS THAT THERE ARE ONLY THREE U.S. MANUFACTURERS OF APPROPRIATE AIRCRAFT. ALL OF THESE WILL BE APPROACHED. THE PROPOSED PROCUREMENT ALSO FITS

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THE DEFINITION OF QUOTE EMERGENCY PROCUREMENT AND QUOTE WHICH APPEARS IN HANDBOOK 9, PARA 51.1. DEALING WITH FOREIGN DISASTER ASSISTANCE.

4. RECOMMENDATION - THAT A WAIVER OF PART 201.22 OF REG. 1 BE APPROVED BY THE APPROPRIATELY DELEGATED AID/W AUTHORITY FOR THE PROCUREMENT OF AGRICULTURAL SPRAY PLANES.

5. PLEASE ADVISE MISSION WHEN WAIVER GRANTED.
DRAFTED BY A/DIR:JLSPERLING; APPROVED BY
A/DIR:JLSPERLING. PELLTPFAU

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WAIVER

Annex K

VZCZCTUI *
PF RUEHC
DT RUEHTU #0568 286 **
ZNR UUUUU ZZP
P 121532Z OCT 88
FM AMEMBASSY TUNIS
TO SECSTATE WASHDC PRIORITY 0151
BT
UNCLAS TUNIS 10568

CLASS: UNCLASSIFIED
COPGE: AID 10/11/88
APPPV: A/DIR:JLSPERLING
TRFTD: A/DIR:JLSPERLING
CLEAR: 1.PM:NTUMAVIC
DISTR: AID
ORGIN: OCR

AIDAC

F.O. 12356: N/A
SUBJECT: WAIVER OF PROHIBITION ON PURCHASE OF USED
EQUIPMENT

1. SUMMARY: A MAJOR LOCUST INVASION OF NORTH AFRICA HAS BEEN PREDICTED TO START FIFTEEN THE END OF NOVEMBER 1988 AND BEGINNING OF JANUARY 1989. THE DURATION OF THE INVASION IS EXPECTED TO BE 5 MONTHS. CONTINUED INVASIONS ARE PROJECTED TO OCCUR OVER THE NEXT TWO TO FIVE YEARS. TUNISIA HAS NEED FOR A CORE UNIT OF 10 FIRST LINE AGRICULTURAL SPRAY AIRCRAFT TO MEET THIS INVASION. THE PRESENT FLEET IS INADEQUATE WITH FIVE OLD SEPT RANGE SMALL CAPACITY PLANES. TWO NEW PLANES ARE DUE IN NOVEMBER, WITH TWO MORE IN APRIL 1989. THREE MORE HIGH CAPACITY DEPENDABLE PLANES ARE NEEDED BY JANUARY TO MEET THE INVASION. OLA AIRCRAFT EXPECTS INFORM THAT IT IS COMMON U.S. MANUFACTURERS PRACTICE TO REBUILD ENGINES OF AIRCRAFT APPROPRIATE FOR LOCUST SPRAY OPERATIONS. FOR REASONS OF URGENT TIMING, WE BELIEVE THAT A WAIVER OF AID POLICY PROHIBITING PURCHASE OF USED EQUIPMENT IS JUSTIFIED AND REQUEST SUCH A WAIVER BE APPROVED. END SUMMARY.

2. BACKGROUND: PARAGRAPH 1 SUPPLEMENT B CHAPTER 4 OF INFORMS THAT IT IS AID POLICY NOT TO PURCHASE USED EQUIPMENT. PARAGRAPH 6 P 2 NOTES THAT UNDER PROPER SAFEGUARDS THE PROCUREMENT OF USED EQUIPMENT CAN PROVIDE CERTAIN ADVANTAGES SUCH AS LOWER COST AND QUICKER DELIVERY AS COMPARED TO NEW EQUIPMENT.

THE MISSION IS IN THE PROCESS OF PROCURING THESE AGRICULTURAL SPRAY AIRCRAFT FOR ANTI-LOCUST WORK. IF WE ACCEPT REBUILT ENGINES IT IS PROBABLE THAT WE CAN OBTAIN DELIVERY OF SOME OF THESE PLANES AT AN EARLY ENOUGH DATE TO MEET THE ONSET OF THE INVASION. WAITING TIME COULD BE CUT BY UP TO FIVE MONTHS IF REBUILT ENGINES WERE USED. AVIATION EXPERTS HAVE INFORMED THE MISSION THAT IT IS NORMAL PRACTICE TO COMPLETELY REBUILD AIRCRAFT ENGINES TO A SPECIFICATION EQUAL TO THEIR HAVING ZERO HOURS. THESE ENGINES ARE REBUILT TO MEET EXACTING FEDERAL SPECIFICATION AND ARE CONSIDERED AS NEW BY THE AVIATION INDUSTRY. AS AN EXAMPLE, ALL RADIAL ENGINES PRESENTLY IN USE IN THE USA WERE PRODUCED BETWEEN 1927 AND 1960. THESE ARE BEING FITTED TO NEW AIRPLANES.

ACTION	INFO
DIR	<input checked="" type="checkbox"/>
EXO	<input checked="" type="checkbox"/>
PER	<input checked="" type="checkbox"/>
PROG	<input checked="" type="checkbox"/>
TRG	<input checked="" type="checkbox"/>
PM	<input checked="" type="checkbox"/>
CONT	<input checked="" type="checkbox"/>
HPN	<input type="checkbox"/>
RHUDO	<input type="checkbox"/>
P. C.	<input type="checkbox"/>
EMB/ADMIN	<input type="checkbox"/>
EMB/GSO	<input type="checkbox"/>
POL	<input type="checkbox"/>
ECON	<input type="checkbox"/>
C & R-USAID	<input type="checkbox"/>
CHRON	<input checked="" type="checkbox"/>
RF	<input type="checkbox"/>

6

24

WHILE USAID/TUNISIA DOES NOT INTEND TO PURCHASE THIS
SORT OF ENGINE, THIS AMPLY DEMONSTRATES EXISTING
INDUSTRY PRACTICE.

3. RECOMMENDATIONS: BASED ON THE ABOVE AND IN
ACCORDANCE WITH HANDBOOK 1 SUP. P CHAPTER 4 C F D 1,
REQUEST AA/ANE WAIVE THE POLICY OF BUYING ONLY UNUSED
EQUIPMENT TO PERMIT THE PURCHASE OF REBUILT TURBO
AIRCRAFT ENGINES UNDER THE CIF.

4. PLEASE ADVISE MISSION WHEN WAIVER GRANTED. DRAFTED
BY PROG:JLSPERLING, APPROVED BY A/DIR:JLSPERLING.
PELLETREAU
FT

#2562

NNNN

UNCLASSIFIED TUNIS 010560

25

ACTION MEMO FOR THE ACTING DIRECTOR

DATE : October 11, 1988
FROM : Nancy M. Tumavick, PM 
SUBJECT : Waiver of Source/Origin for Aircraft Components Under
the CIP Project.

PROBLEM: A procurement source/origin waiver from Geographic Code 000 to Geographic Code 935 (special free world) is requested to permit the procurement of turbo powered agricultural spray aircraft for the locust campaign.

FACTS:

- a. Cooperating country: Tunisia
- b. Project: CIP
- c. Commodity: Componentry for three spray aircraft plus spare parts
- d. Estimated value: \$1.1 million
- e. Source: Canada or U.S.A.
- f. Origin: Canada

DISCUSSION: The Mission has been asked to provide funding for three agricultural spray airplanes to be used in the upcoming anti-locust campaign. These aircraft will be manufactured in the U.S. and purchased from U.S. companies.

The Mission has been informed that piston powered aircraft are not considered most appropriate for operations in Tunisia because of the high cost and limited availability of fuel and the short life and high maintenance requirements of these engines. Piston engines must be rebuilt every 1000 hours, turbines every 3,500. Avgas needed for piston engines costs three times more than the jet A fuel required for turbo engines. Finally, the radial piston engines offered in purpose built agricultural spray aircraft with the required ranges for locust use are all rebuilt from a stock of engines at least 27 years old. Spare parts availability is difficult for these reasons and with the advice of OFDA (Ref. State 313177). The Mission has decided to furnish aircraft which use turbo engines.

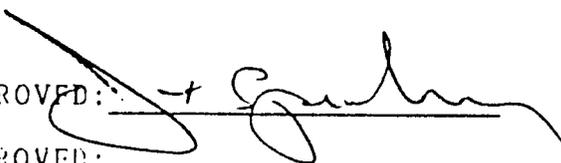
Aircraft experts have informed the Mission that without exception all turbo engines fitted to agricultural spray aircraft manufactured in the U.S.A. are manufactured by the Canadian subsidiary of Pratt and Whitney. There are no turbo engines manufactured in the U.S.A. for these types of airplanes. These planes are urgently needed to work on the locust campaign.

Retro fitted U.S. light aircraft with other U.S. manufactured engines have neither the pesticide capacity or the range to permit their use in the locust campaign being planned. Three manufacturers in the U.S. produce appropriate airplanes Ayers in Albany, Georgia, Air Tractor in Leland, Texas and Schweitzer in Elmira, New York. All use the Canadian manufactured turbo engine, which represents approximately 50% of the cost of the aircraft.

AUTHORITY: Pursuant to Delegation of Authority No. 654 you have the authority to waive source and origin requirement for commodities' procurement up to \$5,000,000. RB 1, Suppl. 1 B, Chapter 5.E.4 (a) sets forth the special circumstances under which waivers of source/origin may be justified. As this product is not available in the U.S. or from U.S. sources and as certified below, pervasive political reasons exist for waiving source/origin requirements, this procurement meets two of the seven criteria at least one of which must be met to justify the requested waiver.

CERTIFICATION: In approving this waiver request, it is certified that the exclusion of the procurement from countries other than the cooperating country and Geographic Code 935 countries would seriously impede attainment of U.S. foreign policy objectives and objectives of the Foreign Assistance Program.

RECOMMENDATION: That you approve a source/origin waiver to permit the required turbo powered agricultural spray aircraft with major components to be procured from AID Geographic Code 935.

APPROVED: 

DISAPPROVED: _____

DATE: 10-17-88

cc: PM, PROC, CONT, C&R-2

1412P

AND PROPERTY AND REQUIRING PREVENTION OR MONITORING MEASURES UNQUOTE. BASED UPON THIS, THE FACT THAT WE HAVE RECEIVED AN OFFICIAL REQUEST FOR ASSISTANCE FROM THE MINISTER OF FOREIGN AFFAIRS, AND OUR OWN INTERNAL ASSESSMENT THAT THE GOV DOES NOT HAVE THE CAPACITY TO RESPOND ADEQUATELY TO THE SITUATION, I REQUEST OFDA ASSISTANCE TO THE GOV. I BELIEVE THAT SUCH ASSISTANCE IS IN THE BEST INTERESTS OF THE US.

4. PLEASE EXPEDITE SHIPPING 75,000 LITERS OF MALATHION FOR DELIVER TUNIS NLT SEPTEMBER 1968 SO THAT LOCUST CONTROL STATIONS LOCATED THROUGHOUT COUNTRY COULD BE PROPERLY SUPPLIED AND READED. IT IS UNDERSTOOD THAT USAID MAY REQUEST ADDITIONAL SUPPLIES IF THE SITUATION WARRANTS. PFILLETREAU

BT
#7672

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October 20, 1988 ANNEX N

MEMORANDUM

TO: -Jonathan Sperling
Acting Mission Director
USAID/TUNIS

FROM: ANE/PD/ENV, Molly B. Kux *MK*
Environmental Coordinator

SUBJECT: Your Memorandum Dated October 20, 1988, Regarding,
Initial Environmental Examination - Negative
Determination for FY 1988 CIP as Amended (664-K-603)

Unfortunately I cannot approve the negative determination requested in your memorandum because the proposed aircraft will be used to spray pesticides as part of the emergency locust control program of the Government of Tunisia (GOT). Our Environmental Procedures (22 CFR 216), Section 216.2 (e) state specifically that the exemptions in Section 216.2 (b) (1), on which you rely for your proposed negative determination, are not applicable to assistance for the procurement or use of pesticides. A.I.D.'s financing the procurement of aircraft for spraying pesticides is assistance for the use of pesticides; therefore, A.I.D. must comply with the pesticide review procedures in Section 216.3 (b).

In accordance with the pesticide procedures, however, the Administrator has approved a waiver of the detailed environmental evaluation procedures for the locust/grasshopper control programs in AFR and ANE Regions. That waiver became effective on August 25, 1988 for one year and authorizes A.I.D. to provide assistance for the procurement or use of the following pesticides in locust/grasshopper control programs in the AFR and ANE regions, including Tunisia: malathion, carbaryl, fenitrothion, bendiocarb, chlorpyrifos (dursban) and diazinon.

Accordingly, aircraft procured through the amended CIP, as proposed in your memorandum of October 20, 1988, may be used for aerial spraying of pesticides as part of the GOT anti-locust effort without any further review under A.I.D.'s Environmental Procedures, provided that the aircraft are used to spray only the pesticides included in the waiver approved by the Administrator and mentioned above.

FDVC	AGENCY FOR: INTERNATIONAL DEVELOPMENT	<input checked="" type="checkbox"/> Worksheet <input type="checkbox"/> Invoice	PAGE 1 OF 5 PAGES	
	PROJECT IMPLEMENTATION ORDER/COMMODITIES	1. Cooperating Country TUNISIA	2. FDVC Number 66-K-603A-5-90001	
		3. Project Number and Title Commodity Import Program (CIP)		

4. Appropriation Symbol 7211-9/10037	5. Allotment Symbol and Charge QES9-89-37664-KG-32	6. Funds Allotted To <input checked="" type="checkbox"/> AID/W <input type="checkbox"/> Mission	
7. Obligation Source N/A <input type="checkbox"/> Administrative <input type="checkbox"/> By Agreement <input type="checkbox"/> Reservation		8. <input checked="" type="checkbox"/> Original OR Amendment Number	
9. Authorized Agent AID/W		10. Method of Financing A. <input checked="" type="checkbox"/> U.S. Government B. <input type="checkbox"/> Direct Letter of Commitment	
11. Contracting Period (Mo., Day, Yr.) From: II/I To: 5/30	12. Delivery Period (Mo., Day, Yr.) From: II/I To: 3/15	13. Project Assistance Completion Date (Mo., Day, Yr.) 9/30/90	
14. Area of Source 000/935	15. DOLLAR VALUE		
	A. Previous Total	B. Increase	C. Decrease

16. Quantity, Description, Specifications, Instructions and Special Provisions
 This authorization has been reviewed and approved in accordance with:

- a. Project Commodities: Quantity and Specifications attached.
- b. Delivery: Ministry of Agriculture (SONAPROV), Rue Taieb Mehiri, Megrine-Riadh, Tunis, Tunisia.
- c. Marking: AID (clasped hands) emblem marking.
- d. Document distribution instructions: AID form 11-94 attached.
- e. Payment: Will be made by USAID/Tunis controller to supplier upon receipt of billing documents. Billing documents should be sent to USAID/Tunis, Controller, c/o US Embassy, Tunis.

17. MISSION REFERENCES

In accordance with Project Agreement No. _____ except as AID may otherwise agree in writing, no disbursement shall be made against documentation received by AID after _____

CONT: HShropshire *(substance, pending funds availability)*

18. MISSION CLEARANCES	DATE	MISSION CLEARANCES	DATE
PM: NMTumavick <i>[Signature]</i>	10-12-88	PROG: LMacary <i>[Signature]</i>	10-12-88
PM: ABurgett <i>[Signature]</i>	10-12-88	PM: MKarns <i>[Signature]</i>	10-12-88
19. Date of Original Invoice		20. Date of this Invoice	

21. For the Cooperating Country -
 The terms and conditions set forth herein are hereby agreed to:

Signature Mr. A. Bouhaouala Date _____
 Title Dir. Gen. de la Coop., Min. of Plan

22. For the Agency for International Development

Signature *[Signature]*
 Title Acting Director
 Date _____

1407 1570-1 (10-79)
Mr. Sadok Allaya, PDG SONAPROV
[Signature]

CONTINUATION
SHEET

- P/O/C
- P/O/P
- P/O/T
- P/A/P/R

1. Cooperating Country TUNISIA

2a. PIO Number 664-K-60 3A-5-90001
 2b. Original OR Amendment No. _____

3. Project Number and Title
 Commodity Import Program

Indicate block
numbers

Use this form to complete the information required in any block of a P/O/P, P/O/T or P/A/P/R. For P/O/C, furnish the item number, quantity, description/specifications, including catalog stock number and price when available.

Specifications

Three Turbine powered agricultural spray planes with the following equipment:

1. Fuel capacity no less than 234 gal. US (liters)
2. Hopper capacity no less than 400 gal US (liters)
3. New or unused P&W PT-6A-34AG or P&W PT-6A-15AG or if used overhauled by Pratt and Whitney approved shops. Engine may also be PT-6A-28 converted to PT-6A-27. Engines Pt-6A-15AG or PT-6A-27 will have a nickle vane hot section ring.
4. Instrumentation will include:
 - Tachometer for propeller
 - Tachometer for engine
 - Torque pressure gauge
 - ITT gauge
 - Electric turn/bank indicator
 - Hopper light
 - Cabin heater
 - Standard boom/nozzle configuration
 - Spray pump in line strained
 - Outside temperature gauge
 - Instrument panel light
 - Rotating or flashing beacon
 - Overhauled cockpit flood flight
 - Hopper shut-off valve
 - Windshield defroster
 - Spray system pressure relief valve vents to hopper
 - Automatic inobtial reel for shoulder harness
 - Standard FAA VFR instruments:
 - Radio King KX 155 Navcom
 - King KI 208 - VOR Indicator
 - King KR 87 - A. D. F.
 - Microphone and Earphones
 - Night navigation and landing/taxi lights.
5. Aircraft will have a minimum 140 MPH (IAS) capability for ferry and working speed.
6. Pilot's Aircraft Flight Manual, with revision service as applicable Maintenance manuals service information and parts catalogues if available.

The airframe shall be new and of current design and production. Aircraft use as demonstrators will not be acceptable. All applicable FAA Airworthiness Directives, factory bulletins, and factory service letters shall be complied with prior to pick-up.

CONTINUATION
SHEET

UNITED STATES INTERNATIONAL
DEVELOPMENT COOPERATION AGENCY
AGENCY FOR
INTERNATIONAL DEVELOPMENT

- PIO/C
 PIO/P
 PIO/T
 PA/PR

Worksheet Invoice PAGE 3 OF 5 PAGES

1. Cooperating Country TUNISIA

2a. PIO Number 664-K-60 3A-5-90001
2b. Original OR Amendment No. _____

3. Project Number and Title
Commodity Import Program

Indicate block
numbers

Use this form to complete the information required in any block of a PIO/P, PIO/T or PA/PR. For PIO/C, furnish the item number, quantity, description/specifications, including catalog stock number and price when available.

Trademarks

The manufacturer's name or trademarks, of such known character that the source of manufacture may be readily determined at any future date, shall appear in a legible and permanent manner on the equipment.

Title

The Bill of Sale and FAA Registration Certificate will be issued.

Preparation for Delivery

All applicable manufacturer's mandatory service bulletins and FAA AD's (Airworthiness Directives) shall be complied with prior to delivery of aircraft under this contract. The aircraft shall have been either: inspected in accordance with an annual inspection just prior to delivery, or inspected for issuance of a standard airworthiness certificate and received such certificate within 60 days preceding the delivery time.

FAA Certification and Approval

The aircraft, equipped as specified, shall have a FAA certificate of airworthiness prior to date of delivery.

Performance Test

The Government reserves the right to conduct a performance test of the aircraft and components prior to acceptance.

Inspection and Delivery

Inspection and delivery shall be at the point of origin, as stated herein. A licensed U.S. pilot, acting as the Contracting Officer's Representative (COR) will inspect the aircraft for compliance of the contract. He will take possession of the aircraft when he signs the aircraft release and acknowledgment of equipment and accepts the Bill of Sale and FAA Registration Certificate.

CONTINUATION
SHEET

UNITED STATES INTERNATIONAL
DEVELOPMENT COOPERATION AGENCY
AGENCY FOR
INTERNATIONAL DEVELOPMENT

Worksheet Invoice

PAGE 4 OF 5 PAGES

P/O/C

P/O/P

P/O/T

P/A/P/R

1. Cooperating Country TUNISIA

2a. P/O Number
664-K-603A-5-90001

2b. Amendment
 Original OR No. _____

3. Project Number and Title
Commodity Import Program

Indicate block
numbers

Use this form to complete the information required in any block of a P/O/P, P/O/T or P/A/P/R. For P/O/C, furnish the item number, quantity, description/specifications, including catalog stock number and price when available.

General Provisions

- A) A statement giving country of origin of major components of equipments (fuselage, engine, avionics, must be provided)
- B) The bid will be awarded to the vendor who provides the earliest delivery of aircraft meeting the above specification at the lowest responsive price.
- C) The offer must remain valid for 45 days.
- D) The supplier should provide us English and French of:
- a. Documentation intended for the user: operating manual
 - b. Documentation intended for the maintenance service including:
 - a detailed maintenance program, indicating the periodicity of each maintenance operation;
 - an electric wiring schema, if appropriate;
 - a list of replacement parts, giving suppliers name and addresses;
 - a manufacturer's certificate indicating that the said equipment has been put into service (if appropriate).

AID 11-84 (2-70)

DOCUMENT DISTRIBUTION AND SHIPPING INSTRUCTIONS

**DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES OF AMERICA**

1. DATE **10/10/88** PAGE **5** OF **5** PAGES

2. U.S. AID ORDERING OFFICE
Project Development Office
USAID/Tunis: Tunis (ID)
c/o US Embassy, 144 Ave. de la Liberte
Tunis, Tunisia

IMPORTANT: This form shall be completed by the U.S. AID Ordering Office and attached to all requests for commodities (PA's and PIO/C's) submitted for supply action. A separate form is required for each ultimate consignee receiving material.

3. U.S. AID PROCUREMENT REQUEST NO. **PIO/C 664-K-60**
4. DOCUMENT CONTROL NO. **3A-5-90001**
(Leave Blank)

SHIPPING

8. CONSIGN SHIPMENT TO:
Mr. Sadok Allaya
PDG of the Societe National de la Protection des Vegetaux (SONAPROV)
Ministry of Agriculture (MOA)
Rue Taieb Mehiri, Megrine-Riadh
Tunis

9. MARK FOR (Final Destination):
Mr. Sadok Allaya
President Directeur General
SONAPROV, MOA
Rue Taieb Mehiri, Megrine Riadh
Tunis

7. PARTIAL DELIVERY ACCEPTANCE

a. YES b. NO

DOCUMENTATION

8. ADDRESS TO RECEIVE INFORMATION REGARDING STATUS OF PROCUREMENT REQUEST:

See block 10A

9. ADDRESS TO WHICH BILLING DOCUMENTS ARE TO BE SENT

Controller
USAID/Tunis
c/o US Embassy
Tunis, Tunisia

10. SHIPPING DATA (Insert complete address(es) below, items a through c, to receive shipping documents in the number of copies indicated.)

ADDRESS	OCEAN BILL OF LADING		AIR FREIGHT B/L	PACKING LISTS	EXPORT INVOICE
	NEGOTIABLE	COPY			
a. USAID Project Dev. Office Attn.: Ans Burgett c/o US Embassy 144, Ave. de la Liberte Tunis, Tunisia					
b. Mr. Sadok Allaya PDG SONAPROV (MOA) Rue Taieb Mehiri Megrine-Riadh Tunis					
c. Controller USAID/Tunis c/o US Embassy 144, Ave. de la Liberte Tunis					

11. SPECIAL DOCUMENTATION (Identify any special documents required, such as import licenses, certificates of origin, etc.)

Certificates of origin are required for equipment to be sent to address in Block 5.

* Supply documents furnished to the addressee will serve to inform the ordering office of the status of the procurement request during the export processing cycle.