

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

PD-AY-875

5/17/88

ACTION MEMORANDUM FOR THE AGENCY DIRECTOR FOR HUMAN RESOURCES

FROM: S&T/RD Eric Chetwynd, Jr. (Acting) *EC*

SUBJECT: Systems Approach to Regional Income and Sustainable
Resource Assistance (SARSA II) Project (936-5452)
follow-on to Settlement and Natural Resource Systems
Analysis (SARSA) Project (931-1135)

Problem: Your approval of the attached PAF is required for the SARSA II project. This will enable S&T/RD to fund a follow-on to the SARSA project which would utilize \$2,600,000 from S&T/RD in core support and provide a buy-in ceiling of \$5,000,000 over a six year period beginning this fiscal year.

Discussion: The original SARSA project was implemented through a cooperative agreement with Clark University in 1984. The project evolved from the Area Development Project implemented through a cooperative agreement with the University of Wisconsin in 1978. That project, designed to explore and develop issues of rural regional development, ran into a number of difficulties and an interim evaluation concluded that the cooperative agreement should be terminated. A.I.D. determined that the subject matter of the project remained important to the Agency's objectives and field operations.

Clark University, known for its strength in natural resource management and regional development, and the Institute for Development Anthropology (IDA) with strength in resource management from an anthropological perspective, were selected in 1981 to carry on the work of the project. In light of the performance of Clark University and IDA during the final years of the Area Development Project, it was decided to sign a new cooperative agreement, Human Settlements and Natural Resource Systems Analysis (SARSA) project (931-1135), with Clark University in 1984 which was augmented by a memorandum of understanding between Clark and IDA, making the two institutions, in effect, co-cooperators.

An interim evaluation of the work under SARSA was completed in December 1987. The evaluation recommended that: 1) the focus of the project be more narrow, 2) there should be more integration of the work of the geographers at Clark and the anthropologists at IDA and 3) the the pool of researchers available to the Agency should be increased. In general, the evaluation found the project had made substantial contributions. It gave SARSA high marks for both the quality and the usefulness of the research.

S&T/RD, based on the recommendations, designed a new follow-on project. A technical committee was established which included representatives from PPC, the regional bureaus, the S&T program office and the office of procurement (M/SER/OP). A concept paper for the successor project was formulated by S&T/RD and approved by the Senior Assistant Administrator, Bureau for Science and Technology, who also approved implementing the project through a non-competitive cooperative agreement. The project paper was drafted by S&T/RD/RRD and revised to incorporate the advice of the technical committee. Finally, the project paper was reviewed by the Rural Development Sector Council and their comments have been incorporated.

SARSA II builds on the base of knowledge created under the predecessor project. To meet the concerns expressed in the evaluation, the scope is narrower, concentrating on the concerns of regional income development. The more focused regional perspective will consist of two themes: natural resource management and the issues of trade and exchange between farmers in the region and those marketing the farm surplus and providing farm families with agricultural and non-agricultural goods and services. To meet the second concern, a management plan was devised that will require appropriate integration of the research. The third concern, expanding the pool of researchers, resulted in the inclusion of Virginia Polytechnic Institute (VPI) as one of the linked institutions.

The natural resource bases of rural regions are the source of surplus production and income generating potential, and are the foundation of sustained income growth. A clear understanding of how they interact in specific regional contexts is critical to meaningful and successful interventions in these areas.

SARSA II will be important in all geographic areas. All regional bureaus place high priority on income generation and sustainability of the resource base. There has been a continuous demand from missions in all three regions and from the Africa Bureau for SARSA research support. We have strong indications that this will continue.

Because SARSA II is intended to further develop and institutionalize the original work under the predecessor project by building on the experience of Clark University and the Institute for Development Anthropology, it is important that the new project include those two institutions. In response to the concerns of members of the technical committee that these institutions, although highly competent, were very small, S&T/RD searched for a large third institution to complement the original two. On the basis of VPI's competence

in agricultural economics and urban studies and because of the Washington area facilities, VPI, a Title 12 University, was selected. The project will be implemented through a cooperative agreement with Clark University linked to VPI and IDA through memoranda of understanding.

Recommendation: That you sign the attached PAF.

Attachments: (1) PAF
(2) Project Data Sheet

Clearances:	S&T/RD:JGrayzel	<u>JG</u>	Date:	<u>2/16/89</u>
	S&T/RD:LHollis	<u>LH</u>	Date:	<u>2/15/89</u>
	S&T/PO:DSeldon	<u>DS</u>	Date:	<u>2/28/89</u>
	S&T/PO:CColeman		Date:	
	GC/CP:STisa	(draft)	Date:	<u>2/17/89</u>
	S&T/HR:EMclusk	<u>EM</u>	Date:	<u>2/6/89</u>

S&T/RD/RRD:DDorbin: jls:2/14/89:W#4956n

PROJECT AUTHORIZATION FOR FUNDING

Name of Country/Entity: Worldwide

Project Title: Systems Approach to
Regional Income and
Sustainable Resource
Assistance (SARSA II)

Project Number: 936-5452

1. Pursuant to Section 103 and Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Systems Approach to Regional Income and Sustainable Resource Assistance project, involving centrally funded planned obligations of not to exceed \$2,600,000 over a six year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The project is also authorized to make use of Economic Support Funds (ESF) and the Development Fund for Africa, as appropriate. Funding available for the project may also include up to \$5,000,000 contributed by regional bureaus and A.I.D. missions.

2. The project will generate and apply knowledge of regional production and resource management systems, in order to enhance A.I.D., other donor, and host country knowledge and ability to plan and implement projects, programs and policies resulting in broad-based, sustainable income growth. The project will seek to increase the efficacy of broad-based income generating development activities through integration of rural and urban areas into efficient and equitable markets, and establishment and maintenance of sustainable natural resource systems.

3. The agreements which may be negotiated and executed by the office(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

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- a. Commodities financed by A.I.D. under the project shall have their source and origin in the cooperating country or the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the cooperating country or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing.
- b. Each developing country where training or other assistance takes place under this project shall be deemed to be a cooperating country for the purpose of permitting local cost financing of goods and services required for the activity taking place in that country.

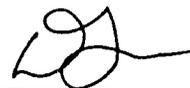
Approved: Antonio Lopez

Disapproved: _____

Date: 3/18/89

Clearances:

S&T/PO, DSheldon:
GC/CP, STisa:


(draft)

Date: 2/28/85
Date: 2/17/89

Drafted by: S&T/RD/RRD:DDworkin: jls for S&T/RD Echetwynd: W4926n 

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____	DOCUMENT CODE 3
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2. COUNTRY/ENTITY Worldwide	3. PROJECT NUMBER 936-5452
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4. BUREAU/OFFICE S&I/RD	5. PROJECT TITLE (maximum 60 characters) Systems Approach to Regional Income and Sustainable Resource Assistance
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6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 12 31 95	7. ESTIMATED DATE OF OBLIGATION (Under "B." below, enter 1, 2, 3, or 4) A. Initial FY 89 B. Quarter 1 C. Final FY 94
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3. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 89			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						7,600,000
(Grant) S&I	()	()	()	()	()	(2,600,000)
(Loan)	()	()	()	()	()	()
Other U.S.						
1. Mission buy-ins						5,000,000
2.						
Host Country						
Other Donor(s)						
TOTALS						7,600,000

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)	240			-		2,340,000 *		2,340,000 *	
(2)	777			-		260,000 *		260,000 *	
(3)						* figures subject to change in accordance with OYB allotment process; total will remain same.			
(4)									
TOTALS						2,600,000		2,600,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)	11. SECONDARY PURPOSE CODE
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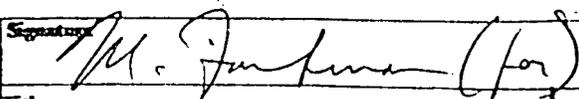
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)						
A. Code	RDEV	BR	BV	TECH	INTR	
B. Amount						

13. PROJECT PURPOSE (maximum 480 characters)

To generate and apply knowledge of regional production and resource management systems, in order to enhance A.I.D., other donor, and host country knowledge and ability to plan and implement projects, programs and policies resulting in broad-based, sustainable income growth.

14. SCHEDULED EVALUATIONS Interim MM YY 11 91 Final MM YY 11 94	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input type="checkbox"/> 000 <input checked="" type="checkbox"/> 941 <input type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page FT Amendment.)

17. APPROVED BY	Signature:  Title: Eric Chetwynd, Director Office of Rural and Instit. Dev.	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION Date Signed MM DD YY MM DD YY
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