

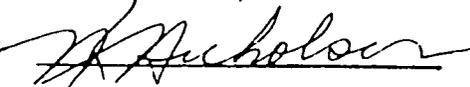
ACTION MEMORANDUM FOR THE AGENCY DIRECTOR FOR HUMAN RESOURCES, BUREAU FOR SCIENCE AND TECHNOLOGY

FROM: S&T/RD, John O'Donnell, Acting Director 

PROBLEM: In order to provide sufficient time for the completion of on-going field research in Burkina Faso (formerly Upper Volta) being carried out by Syracuse University under S&T/RD's Cooperative Agreement in Local Revenue Generation and Administration (Project No. 936-5303), it is necessary to extend the expiration date of the Local Revenue project and of the Cooperative Agreement with Syracuse (AID/DSAN-CA-0198) at no additional cost in terms of S&T central funds.

DISCUSSION: The S&T/RD Local Revenue project is currently authorized to operate through January 31, 1985, to a maximum expenditure limit of \$3.415 million of central funds. Under auspices of the Cooperative Agreement, a Syracuse University team is currently carrying out long-term applied research in Burkina Faso. Delays have arisen in the implementation of this field work which are largely attributable to the 1983 change in government in Burkina Faso. Accordingly, the initially planned completion date of this field work has had to be extended to September 30, 1985 (with USAID, S&T/RD, and Syracuse concurrence). If this current work is to be completed, as is desired by all parties - including the Government of Burkina Faso - it will be necessary to extend the expiration date of the Local Revenue project and of the Cooperative Agreement with Syracuse University until September 30, 1985. No additional expenditure of S&T central funds is proposed under this arrangement.

RECOMMENDATION: That you sign the attached project authorization approving an extension of the Local Revenue Generation and Administration Project and the Cooperative Agreement with Syracuse University to September 30, 1985.

Approved: 

Disapproved: \_\_\_\_\_

Date: 8/20/84

Attachment: PAF

Clearances:

S&T/RD, <sup>G</sup> K. Korner	<u>Boj</u>	Date	<u>8/16/84</u>
S&T/RD, R. McClusky	<u>at for</u>	Date	_____
S&T/PO, G. Standrod	<u>2LS</u>	Date	<u>8/16/84</u>
S&T/PO, R. Meehan	_____	Date	_____
S&T/PO, G. Eaton	<u>in p</u>	Date	<u>8/17/84</u>
AFR/SWA, W. Saulters	<u>(phone)</u>	Date	<u>(8/16/84)</u>

Drafted by: S&T/RD:RFirestine: lak: 8/16/84: 235-8870: WP1745p 

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**INCOMING TELEGRAM**

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AIDAC

FOR BOB FIRESTONE ST/RO

E.O. 12356: N/A  
SUBJECT: LOCAL REVENUE ADMINISTRATION PROJECT (LRAP)

REF: (A) STATE 142392, (B) STATE 171989

*Firestone*

1. USAID/UPPER VOLTA APPROVES LRAP'S NEW COMPLETION DATE (PACD) OF SEPTEMBER 30, 1985.

2. DURING BOB FIRESTONE'S TDY IN UPPER VOLTA, BUDGET DISCUSSIONS WERE HELD BETWEEN USAID/UPPER VOLTA, ST/RO AND SYRACUSE UNIVERSITY. A CONSENSUS WAS REACHED ON THE OVERALL BUDGET REQUIRED TO COMPLETE PHASE II. THE OUTCOME OF BUDGET DISCUSSIONS IS SYRACUSE UNIVERSITY'S REQUEST FOR AN ADDITIONAL DOLS 42,700 TO COMPLETE PHASE II WORK UNDER LRAP WHICH IS IDENTIFIED IN P10/T NO. 625-0929. 8-3-30001. DETAILED REVISED BUDGET WILL BE SENT IN SEPT.

3. GIVEN FIRESTONE'S INDICATION THAT ST/RO HAS NO FUNDS TO MEET THE ADDITIONAL DOLS 42,700, AS STATED IN REFTEL (A), PARA 5, USAID/UPPER VOLTA SUBJECT TO AVAILABILITY OF PMR FUNDS, AGREES TO PROVIDE THE ADDITIONAL DOLS 42,700 REQUESTED BY SYRACUSE UNIVERSITY TO COMPLETE PHASE II WORK. HOWEVER, SINCE FIRESTONE INDICATED THAT THE WORLD-WIDE LRAP WILL BE, IN ALL LIKELIHOOD, PHASED OUT AND SINCE USAID/UPPER VOLTA PROVIDES SUBSTANTIAL FUNDING TO LRAP/UPPER VOLTA, WE HAVE SIGNED A MEMORANDUM OF UNDERSTANDING WITH SYRACUSE UNIVERSITY TO INSURE THE TIMELY COMPLETION OF PHASE II WORK.

4. THE REFERENCED MEMORANDUM OF UNDERSTANDING CONTAINS A DEFINITIVE TIME-TABLE FOR THE COMPLETION OF PHASE II WORK. IT ALSO CALLS FOR GREATER INVOLVEMENT OF USAID/UPPER VOLTA IN MANAGING LRAP/UPPER VOLTA, EVEN THOUGH BACKSTOPPING BY ST/RO WILL STILL BE NECESSARY BECAUSE OF THE EXISTING COOPERATIVE AGREEMENT BETWEEN AID AND SYRACUSE UNIVERSITY. A COPY OF THE REFERENCED MEMORANDUM OF UNDERSTANDING WILL BE POUCHED TO FIRESTONE.

5. LRAP/UPPER VOLTA'S PHASE I REPORT WAS OFFICIALLY REVIEWED BY OFFICIALS OF THE "ECOLE NATIONALE D'ADMINISTRATION" (ENAI), SYRACUSE UNIVERSITY'S HOST COUNTRY COUNTERPART AND OF NUMEROUS GOV MINISTRIES DURING THE JUNE 7-8 WORKSHOP ON REVENUE GENERATION AND SERVICE PROVISION AT LOCAL LEVELS. THE WORKSHOP WAS ORGANIZED BY ENAI AT USAID/UPPER VOLTA'S URGING.

6. IN GENERAL, THE REVIEW OF LRAP PHASE I REPORT WAS FAVORABLE. PARTICIPANTS AT THE WORKSHOP FOUND THE REPORT WELL-DOCUMENTED, INTERESTING, USEFUL AND PROVOCATIVE. IN UPPER VOLTA, WHERE THE LONG-STANDING TRADITION OF FISCAL CENTRALIZATION IS WELL ACCEPTED, THE CASE FOR FISCAL

DECENTRALIZATION NEEDS TO BE VERY WELL ARGUED AND PERSUASIVE TO GAIN CREDIBILITY. ENAI HAS ISSUED A TRANSCRIPT OF THE PROCEEDINGS OF THE JUNE 7-8 WORKSHOP WHICH CONTAINS COMMENTS ON THE PHASE I REPORT AS WELL AS SUGGESTIONS FOR PHASE II WORK. USAID WILL TRANSMIT THESE COMMENTS AND SUGGESTIONS TO BOB HALL AND JERRY HINER FOR FUTURE REFERENCE. A COPY OF THE PROCEEDINGS OF THE JUNE 7-8 WORKSHOP WILL BE POUCHED AT FIRESTONE'S REQUEST.

7. USAID/UPPER VOLTA HEREBY ACKNOWLEDGES ACCEPTANCE OF THE LRAP PHASE I REPORT.

8. IN RESPONSE TO REFTEL (B), USAID/UPPER VOLTA IS NOT YET IN POSITION TO OFFER SPECIFIC COMMENTS. DETERMINATION OF ADDITIONAL WORK BEYOND PHASE II HAS TO AWAIT THE COMPLETION OF PHASE II REPORT, ALTHOUGH THERE ARE PLENTY OF THINGS TO DO IN THE FIELD OF LOCAL FINANCE IN UPPER VOLTA. FURTHERMORE, LRAP PHASE I REPORT SUCCEEDED IN SENSITIZING GOV OFFICIALS ON LOCAL FINANCE ISSUES.

9. IF ADDITIONAL WORK WERE TO TAKE PLACE PAST SEPTEMBER 1985, USAID/UPPER VOLTA WOULD PREFER TO DIRECTLY FUND UNIVERSITY/CONSULTANT OVER JOINT FUNDING WITH ST/RO. USAID/UPPER VOLTA APPRECIATES ST/RO'S EFFORTS IN IDENTIFYING QUALIFIED RESEARCH INSTITUTION AT THE START OF LRAP. HOWEVER, BECAUSE OF THE RELATIVE IMPORTANCE OF USAID/UPPER VOLTA'S FUNDING IN THE JOINT VENTURE (I.E. DOLS 523,000 OUT OF THE TOTAL OF DOLS 740,000 FOR PHASES I AND II), THE NEED TO CONTAIN CONTRACT COSTS WITHIN REASONABLE LIMITS, THE UNEXPECTED DEMAND FOR USAID/UPPER VOLTA ADMINISTRATIVE SUPPORT, AND THE NECESSITY TO HAVE TIMELY COMPLETION OF RESEARCH PROJECT, USAID/UPPER VOLTA HAS RESERVATION CONCERNING ADDITIONAL USAID/UPPER VOLTA-ST/RO JOINT FUNDING ON LRAP.

10. IN INSTANCES WHERE AN APPROPRIATE ADMINISTRATIVE FRAMEWORK CAN BE SET-UP TO DEAL WITH USAID/UPPER VOLTA'S CONCERNS, AS LISTED IN PARA 9 ABOVE, MISSION WILL EAGERLY RECONSIDER ITS POSITION OVER JOINT FUNDING OF LRAP OR FUTURE PROJECTS OF A SIMILAR NATURE. AGAIN, USAID/UPPER VOLTA WOULD LIKE TO EMPHASIZE THE RELEVANCE AND USEFULNESS OF LRAP. PRINGLE



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