

PD-AAZ-984

UNCLASSIFIED

Mozambique

CARE Logistics Support
656-0211

August 1989

UNCLASSIFIED

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
2. COUNTRY/ENTITY MOZAMBIQUE		
3. PROJECT NUMBER 656-0211		
4. BUREAU/OFFICE USAID/MOZAMBIQUE		
5. PROJECT TITLE (maximum 40 characters) CARE Logistics Support		
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 08 29 91		7. ESTIMATED DATE OF OBLIGATION (Under 'B:' below, enter 1, 2, 3, or 4) A. Initial FY 89 B. Quarter 4 C. Final FY 90

8. 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						
(Grant)	(1,200)	()	()	(2,386.458)	()	(2,386.458)
(Loan)	()	()	()	()	()	()
Other U.S.				263.542		263.54
1. Separate FVA Grant						
2. CARE				6,760		6,760
Host Country					952.774	952.77
Other Donor(s)						
TOTALS	1,200			9,410	952.774	10,362.77

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) SS	900	940				1,200		2,386.458	
(2)									
(3)									
(4)									
TOTALS						1,200		2,386.458	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)
920 320

11. SECONDARY PURPOSE CODES (maximum 7 codes of 4 positions each)
920

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code	BR	PVOU	DEL	NUTR
B. Amount	2,386.458	2,386.458	2.000	2,386.458

13. PROJECT PURPOSE (maximum 480 characters)

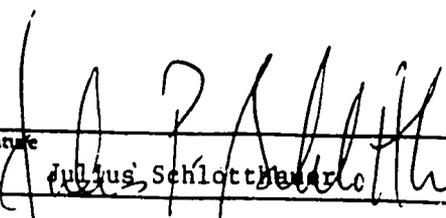
To support CARE's program to enhance the capacity of the Department for the Prevention and Control of Natural Calamities of the Government of Mozambique to coordinate and manage local, donor, private sector and NGO resources and thereby maximize their contributions towards addressing the emergency situation in Mozambique.

14. SCHEDULED EVALUATIONS

Interim	MM YY	MM YY	Final	MM YY
	04 90			

15. SOURCE/ORIGIN OF GOODS AND SERVICES
 000 941 Local Other (Specify) 935

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY	Signature 	Date Signed MM DD YY 08 29 89	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY 09 21 89
	Title USAID/Mozambique Director		

ACTION MEMORANDUM FOR THE DIRECTOR, USAID/MOZAMBIQUE

From: Carlos Pascual, PROG

August 21, 1989

Subject: CARE Logistics Support Project, 656-0211

Problem

Your approval is required to approve and authorize the CARE Logistics Support Project (656-0211) for \$2,386,458 and to obligate \$1.2 million under this project through a grant to CARE. It is anticipated that, subject to the availability of funds and the mutual agreement of the parties, a further \$1,186,458 will be obligated in FY1990 by amending the CARE grant to add additional funds. CARE has also requested A.I.D.'s Bureau for Food and Voluntary Agencies to provide a complementary grant for \$263,547.

Background

For the past decade, Mozambique has been afflicted by intermittent drought and a vicious rural insurgency that has made over a third of the population dependent on external assistance for its basic food needs. Unlike natural disasters, the rural insurgency is an ongoing tragedy and has entrenched itself as a "structural emergency" that will drain lives and resources until there is a peace settlement.

The present security situation has displaced 1.8 million people internally within the country. Those who cannot be integrated within existing towns and villages are assembled, to the extent possible, in "accommodation centers" and allocated 0.5-1 hectare of land, depending on availability, to allow them to meet some of their food needs. Another 2.0 million people are "affected" by the insurgency. Although they continue to live in their traditional homes, they are rendered dependent on external assistance due to intermittent terrorism and, in some areas, continuation of the drought.

The logistical complexities associated with delivering food and other relief supplies to Mozambique's displaced and affected populations are enormous. Most food deliveries require armed convoys. Roads are in poor condition and often cannot be rehabilitated due to lack of security. Many bridges have been blown out. Food supplies, moreover, come from a wide range of donors and require careful coordination to assure an even flow of commodities throughout the year.

In 1984, the Government of Mozambique (GOM) requested CARE to establish a program to help it address the logistical and planning difficulties associated with emergency relief activities. CARE's program has focussed on building the institutional capabilities of the Department for the Prevention

and Control of Natural Calamities (DPCCN), particularly in establishing a Logistical Support Unit which has become the operational component of the emergency program. Through the Office of Foreign Disaster Assistance, A.I.D. began funding the CARE program with DPCCN in 1984 and has provided a total of \$10,835,872 through 1988.

In FY1989, an issue was raised within A.I.D. as to whether OFDA has authority to continue funding long-term structural emergencies since their charter focuses on immediate crises, generally addressed over a 120-day period. In April 1989, Ray Love, the Agency's Counselor, approved a memorandum from PPC establishing the policy that multi-year emergency activities, particularly those involving long-term technical assistance, should be shifted from OFDA to direct Mission funding. The practical implications of this directive were defined in State 229281 (dated July 20, 1989) which confirmed that USAID/Mozambique would begin financing the CARE program in FY1989, and that an umbrella PVO program would be established in FY 1990 to handle a wider range of activities.

Discussion

Based on AID/W guidance, USAID/Mozambique has worked closely with CARE on its submission of a proposal that will meet DFA funding requirements. This proposal is included in the grant as Attachment 2 entitled "Program Description". The proposal reflects USAID's guidance and addresses the Mission's policy concerns. Following are key issues covered in the CARE proposal that distinguish it from the activities previously funded through OFDA.

(1) Purpose. The purpose of the grant has been reoriented from simply building DPCCN's institutional capacity to increasing its skills in managing and coordinating NGOs, donor resources and the private sector. Having established a core staff of approximately 1,500, the intent now is to help DPCCN improve its capacity to tap indigenous and international resources to address the emergency situation in Mozambique. This change is intended to limit DPCCN's growth and thereby avoid the creation of a massive bureaucracy that will seek to find a role for itself even after the emergency situation subsides. The new orientation on management and coordination will also emphasize greater use of the private sector to meet transport requirements.

(2) Definition of the Problem. In the proposal CARE has clearly focussed attention on the problem of logistics and management. While this focus has been implicit in its previous activities, the problem often seemed to expand itself into the "overall emergency". Indeed, the emergency in its broadest form is of concern to all parties, but any attempt to address all elements of the emergency runs the risk of diffusing energy

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without maximizing one's impact within a realistic sphere of influence. By focussing attention specifically on logistics and management issues in its definition of the problem within the proposal, both CARE and USAID have a firmer basis for determining programmatic impact.

(3) Delineation of Activities and Responsibilities. The Project Description within the proposal clearly outlines all the major steps involved in the CARE/DPCCN emergency relief program and delineates how responsibilities are split among DPCCN, CARE and other NGOs. This definition of responsibilities and activities is important for two reasons. First, it provides a basis for assessing whether the intended blueprint actually works. Second, it provides evaluators a clear standard against which to suggest more effective alternatives. Already we have noted in the course of project design that other NGOs could more effectively be drawn into the administration of emergency activities, and that some of the tensions that may currently exist between CARE/DPCCN and other NGOs may stem from poor communication. During the course of project implementation, USAID should consider ways in which better communication can be encouraged and institutionalized.

(4) Support for Private Transport. The new proposal goes further in defining and encouraging a role for private transporters than any of the previous CARE grants. One section of the proposal describes how CARE will increase DPCCN's capacity to contract with the private transporters and institutionalize procedures for doing so. It also sets targets for tonnage to be hauled by private transporters in 1989 and 1990. Another section proposes pilot activities to strengthen the private transport industry. These activities may spin off into separate projects in FY1990.

(5) Reporting. Reporting requirements have been defined more clearly than in the past. Most importantly, CARE will introduce monthly update reports that will attempt to give DPCCN, USAID and other donors a running account of developments in the emergency. Presently, many statistics, such as the number of dislocated and affected people, are calculated once annually. This may result in inefficient allocation of resources, particularly in northern Mozambique where, at present, relief officials in Maputo appear to base their distribution plans on much higher levels of people at risk than may be warranted.

(6) Evaluation. Plans for an evaluation in April/May 1990 are clearly stated in the Agreement Schedule. CARE is aware that they will be measured against the objectives and specific roles they have defined for themselves in their proposal, and that the results of this evaluation will influence the nature of future USAID assistance.

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Other Funding Considerations

(1) Conformity with Mission Strategy. The project activity is consistent with the focus of USAID/Mozambique's assistance for PVOs as approved in the FY 1991 ABS: "to support U.S. PVOs in Mozambique to provide technical assistance to the GPRM to enhance its capacity to provide food and relief services, and to support PVOs working independently but in coordination with GPRM entities to provide food and relief services directly to displaced and other war-affected people."

(2) Cost Sharing and Registration Requirements. CARE is a registered U.S. PVO in compliance with overall requirements that at least 20 percent of their total annual funding for overseas operations comes from sources other than the U.S. Government. CARE's overhead rate for the grant follows AID/W guidance as stated in State 200816 (dated June 24, 1989). Much more than the required 25 percent of the project will come from non-U.S. Government sources and part of the non-A.I.D. funding is cash contributions obtained by CARE from private sources.

(3) Selection of Grant as Assistance Instrument. A grant is a more appropriate assistance instrument than either a contract or a cooperative agreement. A.I.D. does not intend to exercise a substantial degree of operational control or involvement in project activities. The purpose of the assistance is to support the activities of a private and voluntary organization and not to obtain goods and services to carry out an assistance program arranged by A.I.D. CARE, however, clearly understands that they will be held accountable for project results in the consideration of any follow-on assistance.

(4) Competition. As provided in Handbook 13, 2B2e, the requirement for competition is considered to be met when grants are based on prescribed eligibility requirements and selection procedures for Mission-funded grants to registered PVOs for field programs. Consequently, no waiver of competition is required. Furthermore, CARE is considered to have predominant capability in emergency logistics and planning in Mozambique due to their unparalleled prior experience and their existing relationship with the cooperating country.

(5) Procurement

Procurement will be made in accordance with usual OPG grant provisions, for grants with a procurement element of \$250,000 or less, which establish an order of preference for procurement from the U.S. (code 000), then the host country, then code 941, and then code 935. This is consistent with DFA procurement rules in 88 State 105351, which apply this same order of preference for procurement under all grants, regardless of the amount of the procurement.

(6) Recurrent Costs. Although the GOM contributes significantly to the recurrent cost budget for emergency programs, continuation of these activities depends on donor assistance. Mozambique is considered one of the poorest countries in the world, and there is no expectation on the part of the international community that Mozambique can internally meet the vast economic emergency needs of its people. Because this project provides support for emergency-related activities, it is not appropriate or necessary to consider long-term capacity for financing recurrent costs as a condition of assistance. Humanitarian need is the principal basis for U.S. support.

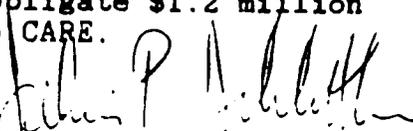
(7) Congressional Notification. A CN was submitted to Congress on July 26, 1989 and cleared without objection on August 10, 1989.

(8) Authority. Under Delegation of Authority 551, as revised, you, as the Director of a Schedule B post, have the authority to approve and authorize new projects up to \$20 million with a life of project not to exceed 10 years, with the concurrence of the REDSO/ESA Director. Such concurrence was provided in Nairobi 24988 dated August 25, 1989. Pursuant to Redelegation of Authority 452, the Director of USAID/Mozambique has authority to execute grants to private and voluntary organizations in an amount not to exceed \$5 million.

Recommendation

It is recommended that you (i) approve the CARE Logistics Support Project (656-0211) for \$2,386,458 by signing below, (ii) authorize this project at \$2,386,458 by signing the attached project authorization, and (iii) obligate \$1.2 million in FY 1989 by signing the attached grant to CARE.

Approved _____



Disapproved _____

Date _____

29 Aug 89

Julius Schlotthauer
Director

Drafted CP  Annual, PROG 8/20/89

Clearances

DLoudis, FFP draft
AMarshall, PDO draft
HBedolfe, OFDA draft
TRiedler, RLA FAX 6/25/89
DMutchler, DD draft
REDSO/ESA, 89 Nairobi 24988

PROJECT AUTHORIZATION

Cooperating Country: Mozambique

Project Title: Care Logistics Support Project

Project Number: 656-0211

1. Pursuant to the Foreign assistance Act of 1961, as amended, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, Africa Bureau Delegation of Authority (DOA) 551, as amended, and with the Concurrence of the REDSO/ESA Director as specified in 89 Nairobi 24988, I hereby authorize the CARE Logistics Support Project for the People's Republic of Mozambique, involving planned obligations of not to exceed Two million Three Hundred and Eight Six Thousand and Four Hundred and Fifty Eight United States Dollars (\$2,386,458) in grant funds from the Development Fund for Africa (DFA), over a two-year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to finance **foreign exchange and local currency costs for the Project**. Except as A.I.D. may otherwise agree in writing, the **planned life of the Project** is two years from the date of initial obligation.

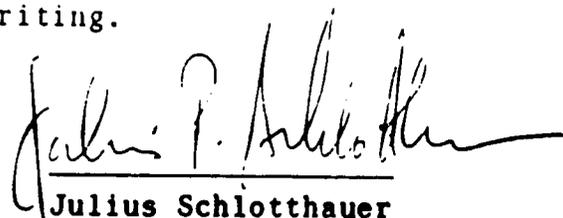
2. All project funds will be obligated under a grant to CARE. The purpose of the project and grant is to support **CARE's program to enhance the capacity of the Department for the Prevention and Control of National Calamities of the Government of the People's Republic of Mozambique** to coordinate and manage local, donor, private sector and NGO resources. Such efforts are intended to maximize such contributions toward addressing the emergency situation in Mozambique. The program will provide technical assistance, administration costs, authorized overhead and limited commodities.

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3. The grant to CARE, which may be negotiated and executed by the officers 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.

Source and Origin of Commodities, Nationality of Services

The source and origin of commodities and nationality of services financed under the project shall be in accordance with Africa Bureau DOA 551, Section 5F. Accordingly, commodities financed by A.I.D. under the project shall have their source and origin in Mozambique, the United States or any other country included in A.I.D. Geographic Code 935, except as A.I.D. may otherwise agree in writing.



Julius Schlotthauer

Director

USAID/Mozambique

Date: August 29, 1989

Drafted: , RLA



UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT
USAID MISSION TO MOZAMBIQUE

U. S. POSTAL ADDRESS
MAPUTO-ID
U. S. DEPARTMENT OF STATE
WASHINGTON, D. C. 20520 - 2330

RUA FARIA DE SOUSA, 107
MAPUTO, MOÇAMBIQUE
CAIXA POSTAL, 783
TELEX: 6-180 USAID MO
TELEPHONE: 741689 74482, 74448
FAX: 742098

August 29, 1989

Mr. David Neff
Mozambique Director
CARE, USA
Maputo, Mozambique

Dear Mr. Neff:

Subject: Grant No. 656-0211-G-SS-9010-00
CARE Logistics Support

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to CARE (hereinafter referred to as "CARE" or "Grantee") the sum of \$1,200,000 to provide partial support to CARE's logistical support program with the Department for the Prevention and Control of Natural Calamities, as described in the Schedule and Program Description of this Grant. It is anticipated that, subject to the provisions of this agreement, the availability of funds and the mutual agreement of the Parties, a total grant of \$2,386,458 will be made to CARE.

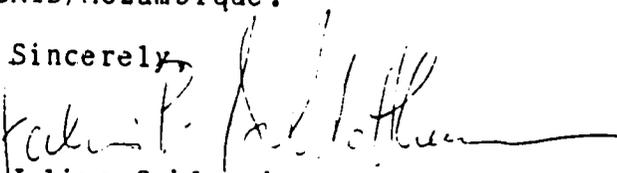
This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period August 30, 1989 through December 31, 1990.

This grant is made to CARE on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, "Schedule"; Attachment 2, "Program Description"; and Attachment 3, "Mandatory and Additional Standard Provisions"; which have been agreed to by your organization.

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Please sign the original and seven copies of this letter to acknowledge your receipt of the grant., and return the original and six copies to USAID/Mozambique.

Sincerely,



Julius Schlotthauer
Director

ACKNOWLEDGED:



BY: David Neff

TITLE: Director

DATE: August 29, 1989

Attachments:

1. Schedule
2. Program Description
3. Mandatory Standard Provisions, and Additional Standard Provisions

FISCAL DATA

Appropriation No. : 72-1191014
Budget Plan Code : GSSA-89-D-21656-KG13
Previous Obligations : \$ 0
Total Obligation : \$1,200,000
Total Estimated A.I.D. Contribution : \$2,386,458
Project No: : 656-0211
Res.CNTL. No: : P890058

Drafted CPascal, PROG 8/16/89

Clearances

TRiedler, RLA draft
DLoudis, FFP draft
AMarshall, PDO draft
HBedolfe, OFDA draft
DMutchler, DD draft
NRemane, ACCT Remove
REDSO/ESA 89 Nairobi 24988

SCHEDULE**A. PURPOSE OF GRANT**

The purpose of this grant is to support CARE's program to enhance the capacity of the Department for the Prevention and Control of Natural Calamities (DPCCN) to coordinate and manage local, donor, private sector and NGO resources and thereby maximize their contributions toward addressing the emergency situation in Mozambique. The program will finance technical assistance, administration costs, authorized overhead, and limited commodities as described in Attachment 2, entitled "Program Description".

B. PERIOD OF GRANT

The effective date of this Grant is the date of the cover letter. The expiration date of this Grant is December 31, 1990.

C. METHOD OF PAYMENT AND AMOUNT OF GRANT

1. AID hereby obligates the amount of \$1,200,000 for the purposes of this Grant. It is anticipated that A.I.D. will obligate up to a total of \$2,386,458 for purposes of this Grant subject to the provisions of this Agreement, the mutual agreement of the parties and the availability of funds. The total estimated cost of this program is \$10,362,774. CARE will share the cost of this program in the amount of \$6,760,000 by raising funds from other donors and through its own contributions. The Government of Mozambique will contribute \$952,774. CARE, through USAID/Mozambique, has requested A.I.D.'s Bureau for Food and Voluntary Agencies to finance a further \$263,542.
2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, Additional/Standard Provision No.1 entitled "Payment - Letter of Credit".
3. Documentation required by the payment provision noted above shall be submitted to:

**Agency for International Development
Office of Financial Management (M/FM/PAFD)
Room 623 SA-12
Washington, D.C. 20523**

D. BUDGET

Table I below provides the budget under this grant to be financed by A.I.D. The total estimated cost of this project is \$10,362,774. It is anticipated that, subject to the availability of funds, the mutual agreement of the parties and the conditions set forth in this Grant, A.I.D. shall provide \$2,386,458 for program expenditures as shown in Table 1 below over the period specified in Section B above. A more detailed budget breakdown including total project costs is provided in Attachment 2, Section VII entitled "Budget of DPCCN/CARE Logistical Support Unit Project". Revisions to this Budget shall be made in accordance with Mandatory Standard Provision No. 4 of this Grant entitled "Revision of Grant Budget".

TABLE 1
GRANT BUDGET

<u>LINE ITEMS</u>	<u>THIS OBLIGATION</u>	<u>ANTICIPATED A.I.D. TOTAL</u>
1. TECHNICAL ASSISTANCE	600,000	1,379,500
2. ADMINISTRATION	250,000	390,000
3. MATERIAL/OPERATION	255,000	430,000
4. PRIVATE TRANSPORT	0	0
5. INDIRECT COSTS	95,000	186,958
TOTAL	1,200,000	2,386,458

E. REPORTING AND EVALUATION

1. FINANCIAL REPORTING

Financial reporting requirements shall be in accordance with Additional Standard Provision No. 1 of this Grant entitled, "Payment - Letter of Credit", as shown in Attachment 3.

The original and two copies of all financial reports shall be submitted to:

Agency for International Development
Office of Financial Management (M/FM/PAFD)
Room 623 SA-12
Washington, D.C. 20523

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In addition, two copies of all financial reports shall be submitted to USAID/Mozambique addressed to:

Project Development Office
USAID MAPUTO (ID)
Dept. of State
Washington, D.C. 20521-2330

2. PROGRAM REPORTING

a. Monthly Updates

Monthly statistical updates, in a form to be agreed upon by the Parties, will be submitted by the CARE office in Mozambique to the USAID/Mozambique Project Development Office and will cover the following issues: the number of displaced and affected people by province; numbers of people immediately at risk; food needs by province; donor pledges and deliveries; domestic purchases and swaps for emergency distribution; stocks at a national, provincial and district level; tonnage transported by DPCCN, NGOs, air lift and private transporters by province; and actual deliveries to end beneficiaries by province. These statistical updates will be accompanied by a brief narrative describing major changes in the past month, highlighting problem areas (e.g. new or emerging critical situations), and summarizing whether receipts, stocks and deliveries reconcile.

b. Semi-Annual Reports

Semi-annual reports are required, at a time and following a format to be subsequently specified by USAID/Mozambique, which assess overall progress toward achieving project objectives, highlight problem areas, discuss measures being taken to address problems, and outline key issues and tasks to be addressed over the following six months.

c. Annual Report

The second semi-annual report will review progress achieved over the full year of the grant. CARE's customary annual report completed for its donors in Mozambique may be used for this purpose.

3. EVALUATION

A comprehensive evaluation of this grant and CARE's overall emergency assistance activities will be completed in April/May 1990 by an external evaluation team to be financed by USAID independently of the funds provided under this grant. The evaluation will assess whether the assistance being provided through CARE to DPCCN is effectively maximizing the contributions of donor, NGO, private sector and Mozambican resources toward addressing the emergency situation in Mozambique. A detailed scope of work will be agreed upon by DPCCN, CARE and

USAID/Mozambique, and all three of these parties will participate in the evaluation. The scope of work will consider CARE and DPCCN's roles in each of the substantive areas identified in Attachment 2 entitled "Program Description", particularly as specified in Section V, the "Project Description", of this Attachment. Recommendations from the evaluation will be the basis for follow on assistance to CARE.

F. OPTIONAL STANDARD PROVISIONS

Standard and Additional Standard provisions for U.S. Nongovernmental Grantees are appended as Attachment 3 to this Grant.

G. AUTHORIZED GEOGRAPHIC CODE

The authorized Geographic Code for procurement of goods and services under this Grant is 935 (Special Free World), which includes the United States, the Host Country, and other countries in the Free World. However, refer to Additional Standard Provision No. 7 for the order of preference for source, origin and nationality of goods and services procured under this Grant; provided that the order of preference in Provision 7(b)(1) shall apply to procurements under this Grant regardless of the amount of the procurement element.

H. OVERHEAD

Pursuant to Additional Standard Provision 13, "Negotiated Indirect Cost Rates - Provisional", a rate or rates shall be established for each of the Grantee's accounting periods during the term of the Grant. The provisional rates for the initial period shall be 8.5%.

I. TITLE TO PROPERTY

Title to Property procured under this Grant with United States Government funds shall vest in the Grantee, subject to the condition of Additional Standard Provision 20 entitled "Title to and Use of Property (Grantee Title)".

J. CLOSEOUT PROCEDURES

This section prescribes uniform closeout procedures for this Grant.

1. The following definitions shall apply for the purpose of this section:

a. Closeout. The closeout of this grant is the process by which A.I.D. determines that all applicable administrative actions and all required work of the grant have been completed by the grantee and A.I.D.

b. Date of Completion. The date of completion is the date on which work under this grant is completed or the date on the award document, or any supplement or amendment thereto, on which A.I.D. sponsorship ends.

c. Disallowed Costs. Disallowed costs are those charges to the grant that A.I.D. or its representative determines to be unallowable in accordance with the applicable Federal cost principles or other conditions contained in the grant. The applicable cost principles for this Grant are outlined in OMB Circular A-122.

2. A.I.D. closeout procedures include the following requirements:

a. Upon request, A.I.D. shall make prompt payments to a grantee for allowable reimbursable costs under the grant being closed out.

b. The grantee shall immediately refund any balance or unobligated or unencumbered cash that A.I.D. has advanced or paid and that is not authorized to be retained by the grantee for use in other grants or agreements.

c. A.I.D. shall obtain from the grantee within 90 calendar days after the grant agreement all financial, performance, and other reports required as a condition of the grant. A.I.D. may grant extensions when requested by the grantee.

d. The grantee shall account for any property acquired with A.I.D. funds or received from the Government in accordance with Attachment N of OMB Circular A-110 entitled "Property Management Standards"

e. In the event a final audit has not been performed prior to the closeout of the grant, A.I.D. shall retain the right to recover an appropriate amount fully considering the recommendations on questioned costs resulting from the final audit.

K. SPECIAL GRANT PROVISIONS

No United States Government funds provided under this Grant shall be used for the procurement, spraying or transport of pesticides, nor for the procurement of fertilizer or chemicals of any kind.

(END OF SCHEDULE)

II. Background

A. Emergency Situation in Mozambique

Since Mozambique gained independence in 1975, the country has been victimized by a brutal guerilla war which has resulted in large scale destruction of human life and property. Insurgents and the self-proclaimed "Mozambican National Resistance" have been successful in destabilizing Mozambique through terror and destruction. Their actions have been aimed predominantly at the rural population, local production, commercial and economic targets, social, health, and education facilities, and the transportation infrastructure of the country. Since 1981, as many as 400,000 persons may have died as a result of the war.

Mozambique, like much of the rest of sub-Saharan Africa also has been severely affected by drought conditions prevailing from 1981 through 1985. Adverse climatic conditions and the cumulative effects of successive failed harvests, depletion of seed stocks, and the displacement of rural dwellers had resulted in almost one-half of Mozambique's population of 13 million being affected by drought conditions in 1983-84. While exact figures are not available, it is estimated that as many as 100,000 people may have perished when drought and starvation conditions were at their worst in the first half of 1984. Post-drought rehabilitation has been frustrated by difficulties of access to affected persons, interruptions of movement of food and agricultural materials, and lack of security in much of the countryside.

In addition, Mozambique has suffered the effects of a disastrous decline in its economy. Its very inadequate transport and logistical infrastructure is beset with problems of insufficient transport capacity, lack of spare parts, inability to procure fuel, and lack of skilled management. Until late 1984 when, at the request of the Government of Mozambique, CARE established the Logistical Support Unit within the Department for the Prevention and Control of Natural Calamities (DPCCN), these limitations precluded an effective response to emergency needs of the population affected by drought and civil strife.

Despite some initial optimism due to reduced drought conditions and marginally improved climatic conditions in 1985, Mozambique has remained subject to hardship and starvation due to the escalating military conflict. The official DPCCN figures of affected population (those persons who are unable to provide food sufficient for their consumption) showed a downward trend from 2,146,300 in November 1985 to 1,598,000 by May 1986. However, in September 1986, that number had increased to 3,448,100 due to the insurgency. At the present time, due to the displacement of approximately 1.8 million rural-based persons from their land, DPCCN estimates that up to 3.9 million persons remain dependent on international food and non-food aid.

B. DPCCN

The Department for the Prevention and Control of Natural Calamities (DPCCN) was established on September 13, 1980 in order for the GOM to respond to the needs of people affected by natural disasters. At that time, emergency conditions resulted primarily from cyclical drought and floods, systematically affecting the majority of the country's ten provinces by 1984. The Government of Mozambique estimates that 100,000 persons died during this period.

In 1984, the GOM requested CARE to assist in the strengthening of DPCCN's logistical capacity. The request was made due to the war, which previously had not affected the population on a major scale. Due to the escalating conflict, provinces which were relatively unaffected by natural calamities now were being declared emergency areas. CARE and DPCCN responded with the formation of the Logistical Support Unit (LSU), which was to become the operational component of the Emergency Program. DPCCN has grown from having no provincial representation in 1982, to being active in all ten provinces by mid 1987. The transport fleet which delivers relief goods to the affected areas has been built from 10 to an operational fleet of 301 heavy vehicles at present. In 1988 DPCCN, with CARE assistance, cleared and stored 197,899 tons of emergency food and non-food relief items.

Confirmed commodity deliveries to the district level was 112,000 tons. However, CARE estimates that an additional 25% of commodities is received at the district level without going through provincial warehouses or appearing in DPCCN/LSU log books. In 1987, only 40% of all commodities received and distributed by the DPCCN actually were entered into DPCCN/LSU log books due to a lack of understanding and compliance with accounting and reporting systems in place at the district level. In 1988, that figure was raised to 75%. Thus, the estimated distribution totals for 1988 was 112,000 tons plus the 25% which was distributed but not reported at the national level, raising the total to 140,000 tons. CARE/LSU will continue its logistics training program to facilitate increased consistency concerning estimated and actual delivery statistics.

In 1987, the Council of Ministers established the National Executive Commission for the Emergency (CENE). CENE is designed to coordinate both the short term emergency response measures as well as long-term rehabilitation and development activities. It is envisioned by the GOM that CENE become functional at the provincial level also, in order to assist in coordinating the response to the Emergency on a local level. CENE is responsible to coordinate the activities of the Ministries of Commerce, Cooperation, Health, Education, Agriculture and Transport as they relate to the Emergency. DPCCN is a member of CENE and is the executive and operational agent for relief activities. DPCCN is responsible for the

gathering of information regarding numbers of affected persons in each province, and calculating what commodities are required to meet each province's particular needs, and finally for the delivery and reporting as is required.

The central DPCCN office is located in Maputo, with the National Directorate encompassing the Administration and Finance Division, the Information and Planning Division, the Operations Division (LSU), and the Monitoring and Auditing Division. This structure exists also in each of the DPCCN provincial offices. An organizational diagram pertaining to the above can be found as annex I.

C. CARE/LSU

CARE signed a Basic Agreement with the GOM on 9 February 1984 and the two parties subsequently signed a project agreement for the establishment of a Logistical Support Unit within DPCCN on 13 October 1984. The objective of this project, as taken from the Basic Agreement, stated, "The Logistical Support Unit (LSU) will be created with the objective of obtaining a high degree of efficiency in the organization and execution of the logistics functions related to the distribution of food and basic necessities for the survival of the victims hit by calamities and natural disasters. The functions performed by members of the LSU are of specialized and technical nature. Everyone of these functions will, in the foreseeable future, be performed by Nationals of Mozambique: Accordingly, intensive on-the-job training of National Counterparts in every discipline is required for the successful operations of the LSU is to be regarded as an integral part of the activities envisaged under the LSU project".

The initial project agreement was for a one-year period although the GOM's request, and CARE's intention, was that efforts to fully realize the project would be of a four year duration. Subsequent to these initial agreements a continuing project agreement was signed between CARE and DPCCN for the period from 1 October 1985 to 31 March 1987. By mutual agreement CARE has extended its technical and material assistance through 1 October 1989. At this time, the conditions for an additional extension are being arranged with DPCCN. The reasons for this extension will be outlined in the next section.

From October 1984 to the present, in accordance with the project agreement, CARE has established an operational Logistical Support Unit within DPCCN to provide technical and material assistance to the GOM to enhance its capability to plan for, receive, warehouse, transport, distribute, and report upon emergency relief materials. All such assistance is intended for free distribution to the victims of natural calamities and war.

In order to assist DPCCN in establishing an operational logistics capacity to respond to the escalating emergency situation, from 1984 through 1986, CARE placed logistics officers in the provincial capitals of Tete, Inhambane, Gaza, Sofala, Manica and Zambezia. In 1987 CARE expanded its representation to include Niassa and Nampula. By March 1988 CARE became operational in nine of the country's 10 provinces with the addition of a logistics expert in Maputo Province. The LSU head office in Maputo has grown from four CARE staff members in 1984 to nine in 1988. Along with the expansion of CARE personnel, DPCCN has risen to approximately 1500 employees and has representation in 10 provinces.

In 1988 CARE/DPCCN handled 561 separate consignments from 61 donors totaling 197,899 tons with an estimated value of USD \$50 million. In 1989 DPCCN expects to receive and be responsible for approximately 225,000 tons of food and over 200 containers of various non-food materials such as clothes, blankets, soap, tools, seeds, medical supplies, etc.

D. CARE Development Programming

In September, 1987 CARE initiated a project research and development program in order to expand its presence within Mozambique. By January 1988, CARE had researched and prepared four documents which outlined potential projects. Two of these were connected with the Ministry of Health, one with the Ministry of Agriculture, with the final document outlining ways in which CARE could assist emergency operations outside of the LSU through the development of Private Transporters in the country.

Three of these documents received donor encouragement sufficient for further research. Each of these has been developed into completed project proposals and are at various stages of implementation. The first was designed to assist in the training and social reintegration of disabled persons in Nampula Province. CARE proposed to collaborate with the International Committee of the Red Cross, which opened a prosthetics workshop in May 1989. The project offered appropriate job skills training to amputees fitted with prosthesis, and then to assist them in beginning to live more independently. This project was terminated in March 1989 due to financial difficulties on the part of the project's donor.

The second, scheduled to begin by October 1989, will assist the Inhambane Department of Health to upgrade and develop its program of preventative health care in rural locations throughout the province. A water supply component will complement this project, providing clean water to approximately 30,000 persons over the project's four-year duration. The four year budget is approximately \$1.9 million of which \$108,400 has been requested in local currency from USAID for the first year of operation.

The third project will assist the Inhambane Provincial Department of Agriculture to develop its agricultural extension/education program. The project will provide similar support in training farmers, and assist the provincial agricultural extension worker's training center. The budget for this project's four-year time frame is approximately \$1.7 million of which \$118,200 has been requested in local currency from USAID for the first year of operation. Approval for this project is expected by March 1990.

In the former two projects, CARE is presently working with communities in order to shape the relationship between project staff and the project's participants. In each project, the first year will be spent conducting more intense research and needs assessments. The actual implementation will occur during years two, three and four.

The fourth project, developing private transporters, is outlined in section H of the Project Description.

III. Problem Statement

Unfavorable climatic conditions and the on-going guerilla war in rural areas have resulted in the mass disruption of the population in Mozambique. Current official GOM figures of the displaced and affected population by province, which were presented at the United Nation's Emergency Appeal in March 1989, are as follows:

<u>PROVINCE</u>	<u>TOTAL POP</u>	<u>DISPLACED</u>	<u>AFFECTED</u>	<u>% OF TOTAL</u>
Maputo	1,596,000	173,300	44,980	13
Gaza	1,197,000	38,500	131,560	14
Inhambane	1,289,500	187,900	85,000	21
Manica	744,000	125,000	39,000	16
Sofala	1,209,000	93,000	29,500	14
Tete	983,000	97,000	25,000	12
Zambezia	2,988,100	538,900	72,980	20
Niassa	613,000	200,500	107,180	36
Nampula	2,865,900	199,300	23,860	11
C. Delgado	1,104,000	36,000	15,880	5
TOTAL	14,589,500	1,689,400	574,940	16

Due to the extent to which the population is affected by emergency conditions, it is imperative that DPCCN increase its skills and capacity to effectively address the needs of the Mozambican people.

CARE's purpose for assisting the LSU, however, does not directly address the above stated problem. Instead, CARE's objective within the LSU project is to assist DPCCN to attain the capacity to effectively address these problems.

At the start of CARE's involvement with the Logistical Support Unit, DPCCN national staff was not skilled in commodity allocation, calling forward, port and customs clearance, warehousing, distribution, fleet management, nor reporting to donors. However, by the end of 1987, DPCCN staff had the capacity to fulfill most of the non-technical daily tasks described above with a fair degree of competence.

The primary problem which CARE faces in the LSU project is the transportation of commodities to affected areas. This problem stems from two major points; lack of transportation resources, and the security and inaccessibility of districts.

DPCCN has 301 operational vehicles. In 1988, LSU/DPCCN transported more than 140,000 tons of commodities to the district level. An additional 100 trucks have been pledged for 1989 to increase DPCCN's capacity. However, the amount of commodities is expected to increase to 225,000 tons causing the fleet capacity again to be insufficient. Due to security conditions and poor roads, CARE estimates that the average life span of a new truck is three years. At any given time, approximately 25% of the truck fleet is inoperable due to maintenance and repair requirements.

In order to alleviate the fleet's limited capacity, DPCCN contracted 8,000 tons of commodities to private transporters for delivery from port to warehouse, provincial capital to district, or district capital to the locality level in 1988. DPCCN has sufficient financial resources to increase this total. However, the process of contracting private transporters is not clearly understood by provincial DPCCN structures. CARE has developed systems through which DPCCN's ability to contract private transporters will be maximized. CARE will also continue to encourage budgeting increases for this purpose within DPCCN .

The second cause of transportation difficulties are security and poor road conditions. The majority of districts are not accessible without armed military escort. DPCCN must negotiate with the military to arrange security, and thus cannot transport commodities until convoys are organized and prepared. Although delays caused by convoy formation are known in advance and can be planned for, breakdowns of military vehicles and fuel shortages on their part can further delay the departure of loaded DPCCN trucks.

In addition, due to bridges which have been blown up and the general disrepair of roads, many provinces and districts are not directly accessible. LSU/DPCCN must arrange alternative routes or transport modes. A description of CARE's activities in addressing these problems can be found in section H of the Project Description.

A second problem which CARE continues to address is DPCCN's lack of qualified personnel at district and provincial levels to conduct needs assessments of the population. DPCCN's credibility and effectiveness depend on its ability to anticipate food shortages before a crisis develops. DPCCN has neither the trained personnel at the district level nor the communication capacity to consistently address this need at the present time. A related issue is the lack of qualified staff to assume technical logistics functions at all levels. Skills of national Mozambican staff are relatively low when compared to job requirements. A cause relating to this problem is that the Mozambican government is not able to offer remuneration comparable to that of other NGO's, U.N. agencies and foreign government offices. DPCCN management is aware of the problem and must address the government's salary structure.

CARE will conduct, on a continuing basis, formalized logistics and management training, aimed at the formulation of reports and population statistics, supervisory skills, planning and time management. Also, in 1988 CARE began the installation of district based radios, to be located in districts with DPCCN representation. Currently 17 district based radios have been installed and by the end of the project year CARE will have increased that number to 76.

IV. Purpose

CARE's long term purpose in its LSU project is to strengthen the institutional capacity of DPCCN in order to enhance its ability to coordinate and manage GOM, donor, NGO and private sector resources and thereby maximize their contributions toward addressing the emergency situation in Mozambique.

Background Information

In 1986, CARE designed and obtained approval for its Master Plan of Operations (MPO). This plan consists of documentation which DPCCN uses in accounting for and reporting on commodities from reception to distribution. All waybill and commodity control sheets used by DPCCN were designed by LSU. The MPO also outlined the phases of DPCCN's development regarding the process of institutionalizing procedures at every level of the operation.

In 1988 CARE designed the Manual of Operations to further standardize and train DPCCN staff in logistics procedures according to the MPO. Included are complete job descriptions and functions for all logistics staff, detailed processes and procedures for commodity flow and reporting, and a description of every aspect of DPCCN's emergency operation including: customs, warehousing, transport and commodity planning, end use reporting and distributions.

Project Year Purpose

By January 31, 1990 CARE will establish management standards and a system for measuring competency levels of DPCCN/LSU staff according to procedures in the Manual of Operations. During the project year, CARE will evaluate progress made by DPCCN internally, based on these standards, in order to establish a calculated schedule by which the need for direct CARE expatriate involvement in the future operations of DPCCN might be diminished. In addition, CARE will continue its training emphasis to allow staff to reach set standards.

V. Project Description

The Logistical Support Unit, located within and as an operational department of DPCCN, is represented in Maputo and in nine of the 10 affected provinces, excluding Cabo Delgado, although this province will be added to the program during the upcoming year. CARE project staff provide technical and material assistance toward the establishment of a permanent disaster management and response capability within DPCCN. The LSU is composed of professional CARE technical, logistical and managerial staff, each complemented by Mozambican counterparts who are increasingly assuming tasks and responsibilities previously undertaken solely by CARE personnel.

CARE will provide 13 expatriate Provincial Logistics Advisors; one to be based in each of the country's ten provincial capitals, with two being assigned to both Beira and Zambezia. The final one will be a rotating Provincial Logistics Advisor who will ensure constant coverage during vacations, transfer overlaps, etc. In addition, CARE will provide 14 technical advisors in Maputo to coordinate on-the-job and formalized training of national LSU and provincial DPCCN staff, ensuring that established commodity and transport systems ranging from reception to end use reporting are understood and adhered to. CARE also will provide the LSU with material assistance consisting of spare parts, fuel, trucks, warehousing, workshop equipment, office supplies, etc.

The LSU project receives funding assistance from a variety of donors including:

- USAID through CARE USA
- ODA through CARE Britain
- CIDA through CARE Canada
- AIDAB through CARE Australia
- NORAD through CARE NORGE
- Federal Republic of Germany through CARE Deutschland
- EEC through various European CARE member countries, and
- GOM counterpart funding

The total annual DPCCN operational budget is in excess of USD \$20 million, of which approximately USD \$9.6 million is received through one of the CARE International member countries. Total requirements and the portion financed by USAID's Bureau for Food and Nutritional Assistance and other United Nations Voluntary Agencies are provided in Section VII.

A. Planning

The planning process for emergency distributions begins at the local level. The Administrator of a "locality" or a displaced person's accommodation center documents the number of affected persons in his zone. The DPCCN district representative coordinates this information and transmits it to the provincial office of DPCCN, which presents it to the Provincial structure of CENE (CPE). These figures are approved by CPE, and sent to Maputo to be presented to CENE's Food Aid Sub-committee. Displaced and affected population figures are officially updated annually by CENE in conjunction with the United Nation's Emergency Appeal.

The above process is the ideal. In reality, problems exist concerning inaccurate statistics and the communication of this information. Information concerning affected population and commodity stocks at times is not up to date, causing planning problems and inconsistencies. Also, reports generated at the district level arrive late due to lack of communication and transportation resources. Finally, procedures which are outlined in LSU's Master Plan of Operations are not clearly understood at the district level. CARE's logistics training, and district based radio programs are being utilized to raise the accuracy level of the national planning process.

Individual ration levels are set by the Government, and do not vary unless commodity stocks are not sufficient for the province or locality. In this case, DPCCN calculates the ration levels in order to ensure that food stocks are depleted on a gradual basis coinciding with stocks in the pipeline. CARE plays an advisory role in the process. Other NGO's and donors are generally not directly involved, other than their participation in CENE and the Food Aid Sub-committee. However, CARE encourages increased participation on the part of Donors and NGO's in the distribution planning process through the CENE forum. CARE also encourages more frequent updating of population figures throughout the year to better reflect the changing nature of the Emergency.

B. Appeals, Call Forward and Receipt of Commodities

Each week, in CENE's Food Aid Sub-committee meetings, LSU presents information regarding stock levels, planned arrivals and potential short-falls for each province. These figures are used to calculate commodity needs, based on CENE's population figures and commercialized food requirements and

availability and the financial resources in the province. For example, DPCCN-Niassa contracts none due to the unavailability of private transporters, while DPCCN Nampula has increased its use of private transporters to approximately 60%.

Under normal conditions, warehouse stocks are dispatched in the order received. However, the LSU may alter shipping plans when necessary due to commodity requirement or condition.

E. Deliveries to District Levels

With the installation of the district based radio network in the 78 districts in which DPCCN currently has representation, advanced notice of shipments has become increasingly regular. CARE will complete this project during the upcoming year.

Transportation constraints are poor road conditions and security problems. Some districts are in fact not accessible by road. In inaccessible districts where there exists high concentrations of affected persons, air lifts are utilized using LAM, Air Serv, or private aircraft. While air lifts allow DPCCN to gain access to affected areas, they are extremely expensive. In 1988, approximately USD \$6 million was spent to transport 8,000 tons to the district level.

CARE designed LSU Management Information Systems (MIS) serve the primary accountability functions at the national level. Documentation produced as part of the Master Plan of Operations is used to account for commodities as they are received, transported, stored, and distributed. These forms are audited by the LSU to track commodity flow. During the upcoming year, with intensified training of district representatives, compliance concerning the procedures and use of the documentation will become increasingly consistent.

F. Distribution

Distribution planning occurs at the district level and includes government authorities from displaced persons accommodation centers and affected localities. Administrators submit their respective plans to the DPCCN district delegate, who coordinates the information and presents it to the district Administrator and to the district based arm of CENE (CDE), where the plan is approved and authorized. Documentation is signed on receipt of the shipment by the DPCCN representative, and this form can then be checked against the distribution reports which must be filed monthly. Provincial based CARE/LSU staff visit districts when possible to assist in the verification of figures and reports, and to provide training concerning commodity accountability procedures.

Donors and NGO's have established increasingly more comprehensive internal delivery systems which substitute or supplement DPCCN's delivery processes in certain districts of Maputo, Sofala, Manica and Zambezia Province. In instances where entities do not coordinate their activities with CARE/DPCCN, it is certain that confusion concerning food stocks, population figures, and deliveries will result. CARE actively encourages these organizations to coordinate and report their activities to CENE and to CARE/LSU. However, these organizations are not obligated to report to CARE/LSU at this time. CARE will continue to negotiate with NGO's and donors for increased coordination. With improved coordination, organizations will assist DPCCN to address the affected population.

G. Transportation and Maintenance.

DPCCN is responsible for the maintenance and planning of the existing truck fleet. CARE, in coordination with other NGO's, has set up workshops which are staffed with expatriate technicians in each of the provinces. These technicians, employed through the United Nations and succeded to the LSU, train DPCCN mechanics, coordinate spare parts needs, and supervise all workshop activities. CARE also advises donors on the model, type, capacity and destination of trucks to be donated.

In 1988, DPCCN/LSU received and managed 197,435 tons of relief commodities. Of that amount, DPCCN/LSU transported more than 140,000 tons from the provincial to district level. DPCCN contracted 8,000 tons to private and state owned transport companies in 1988, a portion of which was contracted to private boat owners for transport along coastal areas. DPCCN uses coastal vessels to transport to the districts of Buzi, Machanga, Chinde, Pebane, Inhassunge, and Macuzi.

Information based on pledges from the United Nation's Emergency Appeal projects that the LSU will be responsible to move approximately 225,000 tons of emergency cargo during 1989. DPCCN is scheduled to receive an additional 100 trucks donated by Italy, Sweden, Great Britain, and Canada in order to address the increased transport requirements. CARE/DPCCN require 400 trucks, with a net hauling capacity of 4,500 tons to meet present needs, assuming that 15% of the total tonnage can be contracted to private transporters.

With CARE encouragement, DPCCN has included a budget line item which allows for the transport of 30,000 tons of commodities through private transporters. Due to rate fluctuations and the fact that the calculation is based on only 100 kilometers, CARE estimates that this line item is sufficient for 15,000 tons. However, provincial directors are not familiar with this line item, nor are they aware of private transport resources. CARE has developed contract documentation and

procedures to increase DPCCN 's capacity to utilize private transportation. In the upcoming year, CARE will continue to develop these procedures as well as clarifying the status of finances which have been allocated. Also, CARE will advise provincial directors in the utilization of private transporters to haul DPCCN commodities.

Through research, CARE is aware that private transportation resources are low. Major contracting efforts by DPCCN could exhaust this resource, thus making it unavailable to other entities. CARE believes that increased emphasis needs to be placed on the rehabilitation and development of private truck fleets.

H. Private Transportation Development

During the upcoming year, CARE will pursue a program to enhance the private transportation network to indirectly assist DPCCN operations. CARE considers a program of this nature to be essential to DPCCN. However, based on the mandate of DPCCN operations, CARE feels that private transportation development is not a function of DPCCN, and thus should be addressed through the establishment of a separate CARE program.

A private transport enhancement project will not be designed for moving commodities directly. DPCCN/LSU is responsible for moving cargo, and are thus potential contractors of private transporters. A development program initiated by CARE would make additional private transporters available to DPCCN.

During the upcoming year, CARE will continue to research private transportation resources, and implement a program to rehabilitate privately owned trucks which are not operating at their potential capacity. CARE will assess the repairs which are needed, and will supply necessary spare parts which require foreign currency. An agreement will be signed where transport companies, or truck owners, will repay the spare parts loan through transporting DPCCN cargo.

DPCCN will contract these services using the procedures described in the previous section. CARE will continue to institutionalize the contracting procedure both nationally and provincially. CARE also ensures that DPCCN is updating LSU reporting processes to account for commodities transported by private companies according to the Manual of Operations.

I. Training

Training is a major component of the LSU project. CARE's formalized training program is composed of two sections, logistics and management. Each section is staffed by CARE personnel who are training national counterparts to conduct needs assessments and training programs.

Logistics Training

For the first three years of the LSU project, CARE has used on-the-job training in the area of logistics. In 1988, CARE established a formal logistics training section in order to complement and intensify the ongoing program. The objective of the logistics training program is to improve understanding and user compliance with the approved Manual of Operations, which is the base for all logistics training. Plans for 1989 - 1990 encompass two phases.

Phase I provides training at the provincial and district levels to improve and institutionalize reporting and accountability procedures. The logistics training coordinator and his Mozambican counterpart will travel to each of the provinces to complete this phase by December 31, 1989. In each session, district representatives are brought to the provincial capital where they and provincial logistics staff participate in the following program: A pre-test concerning points of the Manual of Operations; a training plan is immediately formulated based on the results; training courses are then carried out depending on the specific needs of each province. Following the training, a post-test is given to evaluate the session, and to suggest possible reassignment of staff who are clearly not qualified to fill the positions which they now hold. Reassignment is done by the Provincial DPCCN Director with assistance from the training coordinator and the CARE provincial logistics technician in order to place quality staff in appropriate sections of the provincial DPCCN.

Phase II encompasses the implementation of regional workshops to promote increased understanding of the Manual of Operations by higher level provincial DPCCN staff. Included in these workshops are section heads from the departments of logistics, commodities and transport, in addition to Provincial Directors. CARE plans three such workshops during the upcoming year.

Additionally, CARE continues to utilize its logistics experts to conduct on-the-job training in commodity management and accountability, and systems monitoring by DPCCN. This is to support the effects of training sessions conducted.

Management Training

CARE's formal management training program was also initiated in 1988. Its goal is to increase management and supervisory skills of upper and middle level management within DPCCN (includes from the National Directorate: Directors, section heads, and assistants. From provincial offices: Directors, section heads and assistants). Management training activities are separated into four phases, each lasting approximately three months. Each course described is facilitated by the Mozambican management training counterpart, under supervision of the CARE coordinator. Each course described below will be conducted several times in order to maintain a lower number of

participants in each session, maximizing group participation.

Phase I focuses on Principles of Management for approximately 90 Section and Departmental Supervisors at both the provincial and national levels. Included in this course are concepts of planning, organizing, leading and controlling staff. The objective is to assist upper and middle level DPCCN managers to be more effective and to better supervise and manage their staff.

Phase II addresses the same managers and encompasses Skills of Supervision. The focus will be to teach the concepts of effective meetings, time management and negotiating skills.

Phase III targets approximately 120 assistants to Section and Departmental Heads throughout the country focusing on Basic Supervision Skills. The principles of this course are the same as in Phase I. However the material is modified to address the needs of lower level managers.

Phase IV encompasses Advanced Management Principles and targets approximately 90 top and middle level managers both nationally and provincially. The objective of this course, which will run through November 1990, begins the process of instituting performance appraisal systems within DPCCN.

VI. Reporting

Monthly Updates

CARE will provide USAID with monthly reports to present current government figures regarding numbers of displaced and affected population by province, donor pledges, deliveries, domestic purchases for distribution and swaps, existing stocks, and the estimated population immediately at risk. Accompanying the statistical updates will be a brief narrative description concerning problem areas and potential emergency situations, in addition to summarizing whether receipts, stocks and deliveries reconcile.

Semi-Annual Reports

CARE will continue to provide semi-annual reports to USAID to assess overall progress toward achievement of project objectives, and to discuss measures being taken to address problem areas. This report also will summarize objectives for the following six months.

Annual Report

The second semi-annual report will review progress achieved over the full year of the grant. CARE will use its customary annual report for this purpose.

VII. Budget

ESTIMATED BUDGET OF CARE/LSU OPERATION
15, AUGUST 1989 - 31, DECEMBER 1990
(Represented in U.S. Dollars)

DESCRIPTION	DFA	FFP	TOTAL
Technical Assistance Personnel			
1. International Staff Salaries (25 staff)	533,000	--	533,000
2. International Staff Benefits (Social security, R&R, Post Adjustment, etc.)	349,500	--	349,500
3. International Staff Quarters Allowance and Transfer Costs	270,000	--	270,000
4. National Staff Salaries/Benefits (Including Watchment for Staff Houses)	202,000	--	202,000
5. International Travel/Lodging	25,000	--	25,000
Sub Total	1,379,500	--	1,379,500
Office Administration			
1. Office Supplies/Printing forms (Includes districts and provinces) and Communications (FAX, Telex, Telephone, DHL, Postage, etc.)	175,000	--	175,000
2. FF&E (Includes districts and provinces) House Packs for two International Staff	70,000	--	70,000
3. Office Rent/Utilities and Maintenance (Including maintenance of staff housing)	50,000	--	50,000
4. Maintenance of Light Vehicles (Spare parts, repairs, insurance, etc.)	75,000	--	75,000
5. Miscellaneous	20,000	--	20,000
Sub Total	390,000	--	390,000

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VII. Budget

ESTIMATED BUDGET OF CARE/LSU OPERATION
15, AUGUST 1989 - 31, DECEMBER 1990
(Represented in U.S. Dollars)

DESCRIPTION	DFA	FFP	TOTAL
II. Materials/Operations	B.F. 1,769,500	--	1,769,500
1. Light Vehicles (4 Land Cruisers, 6 Sedans)	140,000	--	140,000
2. Air Transport for DPCCN Personnel	25,000	--	25,000
3. Air Transport for LSU Operations (Monitoring, Provincial Visits, Training of District/Provincial Delegates)	240,000	--	240,000
4. Consultant Fees	25,000	--	25,000
Sub Total	430,000	--	430,000
Commodity Management			
1. Spares for Private Transport Including Transit Fees to Malawi and Zimbabwe (400 Trucks)	--	192,900	192,900
2. Warehouse Repairs/Equipment	--	50,000	50,000
Sub Total	0	242,900	242,900
Total Direct Costs	2,199,500	242,900	2,442,400
Indirect Cost Recovery (8.5% of total)	186,958	--	186,958
Total Project Costs Requested from USAID	2,386,458	242,900	2,629,358

The total estimated cost of this program is \$10,362,774. A.I.D. is requested to provide \$2,386,458 through its Development Fund for Africa (DFA), and \$242,900 through Food for Peace (FFP) for program expenditures during the project period set forth in the preceding budget and in the Grant Budget below. CARE will share the cost of this program in the amount of \$6,760,000 through the governments of CARE member countries. The GOM will share the cost of the program in the amount of \$952,774 (this amount represents only LSU operational expenses and does not include national and provincial DPCCN office expenditures).

<u>Description</u>	<u>USAID</u>	<u>FFP</u>	<u>CARE</u>	<u>GOM</u>	<u>TOTAL</u>
Personnel	1,379,500	-----	300,000	82,774	1,762,274
Administration	390,000	-----	-----	104,000	494,000
Material/Operation	430,000	-----	600,000	616,000	1,546,000
Private Transport	-----	242,900	-----	-----	242,900
Commodity Movement	-----	-----	5,070,000	150,000	5,220,000
Training	-----	-----	790,000	-----	790,000
Indirect Cost Rec.	<u>186,958</u>	-----	-----	-----	<u>207,600</u>
Grand Total	2,386,458	242,900	6,760,000	952,774	10,362,774

2,4