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14 JUN 1984

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: AFR/RA, *[Signature]* William H. Naylor, Jr.

SUBJECT: Extension of the West Africa Remote Sensing
Project (698-0420)

Problem: The West African Remote Sensing Project, for which the current PACD is March 31, 1984, requires an additional 33-month extension to maintain momentum while a follow-on project is designed.

Background: The project was authorized in 1977 and was originally envisioned as a five-year, two-phase project. Phase One (1978-1979) called for the establishment of a regional remote sensing center (CRTO) in Ouagadougou to train Africans and to provide user assistance services. Phase Two (1980-1982) was to continue activities begun during Phase One while construction of a ground station was accomplished with financing by the French and the Canadians. The A.I.D. commitment was for training and development of a photo lab and did not include construction of a ground station. At present it is not clear whether the ground station will be built. The project also suffered numerous delays during the first two years in the recruitment of technicians and procurement of commodities.

The rationale for the extension of the PACD to March 31, 1984 was to keep the CRTO going at a reduced level while the Bureau undertook further review of an evaluation of the project carried out in March-April, 1983. This evaluation found that much had been accomplished in terms of the establishment of the photo lab and the training of Africans and that for the most part, the Phase One goals had been achieved. As a direct result of the project, two national remote sensing centers were established in Benin and Cameroon. On the other hand, there are still insufficient numbers of African staff recruited for the center and there is no assurance that CRTO will ever be financially viable without donor support. The evaluation suggested a partial solution in the form of a three-year extension during which U.S.-provided technical assistance would concentrate on increased marketing of CRTO's services and a more business-like approach to operations. On November 18, 1983, a project committee met to review the proposal set forth in the evaluation and consider a course of action concerning the CRTO. The committee concluded that the lack of assurance for the long-term financial viability of the CRTO was a serious consideration; African member states have not maintained expected levels of financial support and revenues from the product line are not at the magnitude which they could be. While CRTO is a focus of French political, technical and commercial interest, the photo lab has been, and remains, a purely U.S. operation. U.S. technology in this area is state of the art and the U.S. has predominate capability in photo engineering. Since the photo lab is central to CRTO's functions, CRTO's reputation and ability to operate would suffer severe damage if U.S. assistance were withdrawn. Without a continuously operating photo

lab the region would lose a valuable resource in support of a wide variety of development projects, and the major source of training for national programs would disappear. The U.S. might also bear the onus for the rapid deterioration of the CRTO. On the other hand, CRTO has yet to gather about it the necessary permanent staff to execute its functions and consequently must rely on expensive expatriate technical assistance.

The view of the project committee was that terminal assistance should be provided, in order to give CRTO time to search for an alternative source of technical expertise to operate the photo lab. However, at a meeting of senior Agency and Bureau officials held during the recent African Mission Directors Conference in Kigali, the importance of continuing support for remote sensing centers in LDCs was emphasized: at the Williamsburg Economic Summit the USG had stated a policy of continued support to these facilities. In the face of increasing demand for remote sensing technology on the part of African countries, the remote sensing centers in Africa remain the only accessible and cost-efficient sources of imagery.

Finally, we understand that the EEC, as part of a larger study of Sahel development issues, will be considering the role of CRTO in that context. The EEC expects to be able to speak to the potential future role of CRTO in a meeting planned for 1985, to which donors will be invited. It would be useful, therefore, for A.I.D. to extend the current project until the general framework for donor assistance to CRTO and a follow-on project becomes apparent.

Considering all of these factors, we believe that the best course of action would be to continue to support CRTO. The photo lab would receive the services of one technician and a limited amount of operational funds for a period of 33 months, contingent upon the assignment of a permanent African counterpart to the photo lab. The technician, a photo engineer, would assure the continued survival of CRTO by maintaining the high quality of the lab's product and the training function. Also a management expert would be provided to CRTO to upgrade business practices and billing procedures, contingent upon CRTO filling other critical, but presently vacant positions.

FPR Temporary Regulation 75, implementing P.L. 98-72, will require that the institutional contract for twenty-four months of services for both the photo engineer and the management expert be let competitively unless there is justification for a non-competitive procurement. Since a hiatus in the operation of the photo lab while this procurement occurs would prove critical to the survival of CRTO, 6-9 months of personal services of a photo engineer will be required for the interim period. It is estimated that the total endeavor would cost \$850,000 of FY 1984 funds.

PP Supplement

The following are supplemental to budgetary and implementation planning in the approved PP, as amended.

I. Budget (March 31, 1984 - December 31, 1986)

Personnel		\$674,000
Photo lab technician (9 mos)	80,000	
Photo lab technician (24 mos)	275,000	
Management expert (24 mos)	275,000	
Short-term consultants (9 weeks)	44,000	
Training		\$ 74,000
5 photo lab technicians	10,000	
Advanced applications workshop		
4 (3 mos) workshops x 8 students		
X \$2,000 =	64,000	
Commodities		\$ 32,000
Zoom Transferscope	12,000	
Microprocessor and software	20,000	
Other Costs		\$ 50,000
Materials/support (chemicals, paper)		
Contingencies		\$ <u>20,000</u>
TOTAL		\$850,000

II. Method of Implementation and Financing

<u>Method of Implementation</u>	<u>Method of Finance</u>	<u>Approximate Amount</u> <u>(U.S. \$000)</u>
TA - AID PSC	Direct Pay	80
AID Inst. Contact	Direct Pay	<u>614</u>
		694
Training - HC reimbursement	Direct Pay	74
Commodities - Inst. Proc. Agency	Direct Pay	<u>82</u>
	TOTAL	850

This method of implementation meets the requirements established by a memorandum dated 12/30/83, "Payment Verification Policy Implementation Guidance."

III. Implementation Schedule and Conditions Precedent

Because it is expected that procurement of an institutional contractor (required for commodity procurement and provision of short-term consultancies as well as provision of long-term technical assistance) will take a 6 - 9 month period, it is planned that USAID/Ouagadougou will arrange for the short-term services of an expert through a Personal Service Contract to maintain the operational capacity of the photo lab during that time.

In order to assure that the long-term technical assistance planned under this project will make a contribution to the institutional viability of CRTO through the development of qualified counterparts, the following conditions precedent will be incorporated into the grant amendment.

- a. Prior to any disbursement or the issuance of any commitment documents under the grant to finance long-term technical assistance in photo-engineering, the Grantee will furnish to A.I.D., in form and substance satisfactory to A.I.D.: (1) Evidence that the Centre Regional de Teledetection de Ougadougou ("CRTO") has hired and assigned to the project a full-time photo-engineering technician satisfactory to A.I.D.; and (2) A financial management plan for the succeeding five-year period, setting forth the financing of CRTO, based upon accurate projections of revenue from member states and other sources.
- b. Prior to any disbursement or the issuance of any commitment documents under the grant to finance the management expert, the Grantee Country will furnish to A.I.D., in form and substance satisfactory to A.I.D., evidence that the CRTO has filled vacancies in its authorized staffing plan.

If the foregoing conditions precedent have not been met by September 30, 1984, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate the grant by written notice to the Grantee.

Also, a covenant will testify to CRTO's intention to undertake a campaign of publicity and marketing in order to (1) increase the financial contributions of member states and (2) enhance revenues from the product line through an increased workload. These conditions precedent and covenants are not included in the authorization.

IV. Amendments to the Logical Framework

A review of the original logical framework (Annex C of the PP), based upon experience since the inception of the project, suggests that while for the most part the framework remains valid and appropriate, modifications at the Purpose level are necessary.

1. The Project Purpose should be amended by deletion of the intent to establish a satellite data reception station for real time coverage of West Africa. When this purpose was established, the U.S. Landsat program had over 10 years to run; today Landsat V has projected life of only 3 years and there are no plans for future U.S. satellite programs. The French Spot system is not yet operational. Additionally, the estimated cost of establishing a reception station has risen by about 200 percent; authorization of this increased cost over the three-year lifespan of Landsat V would be unreasonable. Special acquisition of real time data from Landsat V could be accomplished from U.S. sources when required. We believe that, despite the possibility of other donor interest in a reception station, AID should not associate itself with any such program.
2. Also at the Purpose level, the assumption is made that West African nations will be able to pay the high assessments levied for CRTO support. This has proven to be an unrealistic assumption, as highlighted by the 1983 evaluation of the project which pointed toward major critical financial shortfalls, stemming in large part from the inability of number West African nations to maintain an adequate level of funding support. Remote Sensing Centers by nature are not self-sufficient and while more efficient management and increased revenues will ameliorate to a limited degree CRTO's financial plight, it is clear that over the long-term, continued donor support for operational costs will be required if CRTO is to remain viable.

The responsible project officer is Val Mahan, AFR/RA.

Congressional Notification:

Congress was notified on March 16, 1984, of AID's intention to increase the LOP cost, extend the PACD and to obligate \$850,000 in FY 84. Congress initially objected to the notification; however on May 15, 1984, the objection was withdrawn.

Recommendation: That you sign below to extend the PACD from March 31, 1984 to December 31, 1986 and that you sign the attached Project Authorization Amendment to increase the authorized level of funding for this project by \$850,000 from \$2,525,000 to \$3,375,000.

Approved: Mark Sallman

Disapproved: _____

Date: 6 15 84

Attachments: Eight Amendment to Project Authorization
Project Data Sheet

Clearances:

DAA/AFR:ARLove	<u>14/1/84</u>	Date	<u>6/7/84</u>
GC/AFR:BBryant		Date	
AFR/RA:WSherwin		Date	<u>6/4/84</u>
AFR/RA:MSebsibe	(draft)	Date	<u>6/4/84</u>
AFR/PD:GHazel	(draft)	Date	<u>3/28/84</u>
AFR/DP:GCauvin		Date	
AFR/TR/SDP:MWard	(draft)	Date	<u>3/30/84</u>
AFR/PMR:TRattan	(draft)	Date	<u>3/28/84</u>
S&T/FNR:WFeldman	(draft)	Date	<u>3/30/84</u>
S&T/FNR:CPaul	(draft)	Date	<u>3/23/84</u>
PPC:APrintz	(draft)	Date	<u>3/23/84</u>
CM/ROD/AFR:SDean	(draft)	Date	<u>3/30/84</u>

AFR/RA:VMahan:rcj:02/28/84:0667Y:632-6951:revised 3/20/84:revised 5/16/84
Revised:5/31/84:rcj (M)