

PD-ABB-241

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 <u>1</u>	DOCUMENT CODE <u>3</u>
2. COUNTRY/ENTITY Italy	3. PROJECT NUMBER <u>145-81-01</u>		
4. BUREAU/OFFICE Bureau for Near East	5. PROJECT TITLE (maximum 40 characters) <u>S. Italy Earthquake Reconstruction</u>		
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY <u>04 30 85</u>	7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY <u>82</u> B. Quarter <input type="checkbox"/> C. Final FY <u>82</u>		

8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 82			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	47,765		47,765	47,765		47,765
(Grant)	(47,765)	()	(47,765)	(47,765)	()	(47,765)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country		9,500	9,500		9,500	9,500
Other Donor(s)						
TOTALS	47,765	9,500	57,265	47,765	9,500	57,265

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) IDA*	930	690		45,765		2,000		47,765	
(2)									
(3)									
(4)				45,765		2,000		47,765	
TOTALS									

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

13. PROJECT PURPOSE (maximum 480 characters)

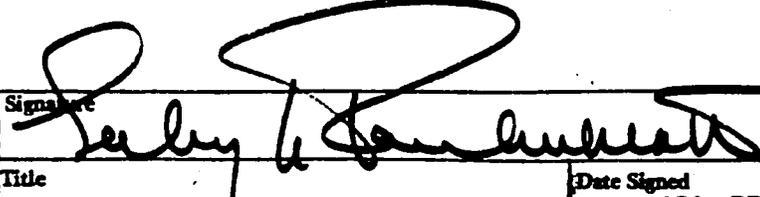
To assist Italy in its reconstruction efforts related to the damage done by the Nov. 23, 1980 earthquake that devastated a widespread area in Southern Italy. The project funds the reconstruction of school buildings and related facilities together with other services in Southern Italy including the Provinces of Avellino, Potenza and Salerno.

* International Disaster Assistance.

14. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify)
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 7 page PP Amendment.)

This amendment provides an additional \$2 million for the construction of an additional school under the project in the town of Calabritto, province of Avellino.

17. APPROVED BY	Signature:  Title: Director, NE/PD	Date Signed MM DD YY <u>09 22 82</u>	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY <u>09 17 82</u>
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PROJECT PAPER AMENDMENT

ITALY: EARTHQUAKE RECONSTRUCTION ASSISTANCE

I. SUMMARY AND RECOMMENDATION

Grantee: The Government of Italy (GOI), including the Provinces of Avellino, Potenza and Salerno.

B. Implementing Agency: Agency for International Development, Washington, D.C. and the A.I.D. Representative Office, Southern Italy.

C. Amount: U.S. \$47.765 million. (This amendment adds the sum of U.S. \$2 million to the already authorized \$45.765 million.)

D. Project Purpose: To assist Italy in its reconstruction efforts related to the damage done by the November 1980 earthquake that devastated a wide area of Southern Italy. The project funds the reconstruction of school and related facilities together with other services, in Southern Italy including the Provinces of Avellino, Potenza and Salerno.

E. Project Description: To finance the cost of reconstruction of destroyed school buildings in the Avellino, Potenza and Salerno provinces of Southern Italy. This amendment adds a school in Calabritto in the Province of Avellino.

F. GRANTEE CONTRIBUTION: The Italian Parliament enacted an earthquake reconstruction law in March 1981 which established the legal base and financial means to start reconstruction. By the end of the period 1981 - 1983 a sum of 8,000 billion lire (approximately U.S. \$6 billion at exchange rate of \$1 to 1350 lira) will have been used for clearing and developing the lands struck by the earthquake. This amount is to be provided by the Italian State budget, the proceeds from foreign loans and from community funds.

The direct Italian contributions to the A.I.D. supported school reconstruction project will consist of construction of access roads; provision of the hookups for sewerage, water, electricity, and other utilities as needed. The direct Italian contribution is estimated at \$9.5 million.

G. State Dept, Views: The Department of State supports this grant and recommends its approval.

H. Statutory Requirements: While Sec. 495 of the FAA exempts the program from usual statutory requirements, the program will provide for adequate planning and cost estimates and prudent expenditure of U.S. Government funds.

I. Recommendation: Approval of a grant of \$47.765 million to finance reconstruction of facilities destroyed by the November 1980 earthquake in Southern Italy.

II. Project Description

A. Background

1. This proposed \$2.0 million amendment to the Southern Italy Earthquake Reconstruction Program (SIERP) is to fund one additional school to be located in Calabritto, Avellino Province. The need for additional educational facilities in the Southern Italy Earthquake zone still remains critical. The project description (background, purpose and strategy) remains as presented in project paper "Italy: Southern Italy Earthquake Reconstruction Program, project No.145-001 (81)" presented April 1981.

2. A school in Calabritto not only meets all the selection criteria established in the FY 81 Project Paper, but the town of Calabritto appears to have suffered more damage than many other towns in the region. Ninety percent of the buildings were severely damaged. Also, from a population of 3,100 inhabitants, 98 were killed and over 300 injured. As of September 1982, approximately 2,700 persons are still living in prefabricated houses and containers (i.e. 87 percent of the town population).

Schools are high on the list of reconstruction activities for the town of Calabritto. The earthquake destroyed, not only a kindergarten and the IPSIA (Istituto Superiore per L'Industriae Artigianato) mentioned in Annex E of the original PP, but also a 14-classroom elementary school as well as a junior high school. The junior high school has been replaced with a prefabricated school donated by the city of Milan; however, it has no outdoor sport facilities and can serve only the middle level students. All elementary grade students presently are attending school on double shift basis in containers and prefab houses.

4. Reconstruction efforts in Calabritto to date have been concentrated upon improvement to public utilities such as development of a new electric distribution system, new and expanded water and sewer systems, street repair and some home improvements. The local government assigned first priority to infrastructure development to assure the town would have the means to continue its economic viability

III Project Analysis

The following amends and amplifies Sections III A through D of the PP:

Calabritto was identified in Annex E of the original PP as one of the towns suffering destruction of school buildings by the November 1980 earthquake. The criteria for selection of school locations established in the PP (Section III.B) was used to justify this recommendation for an AID-financed elementary school in Calabritto. The detailed analysis per criteria set forth therein is as follows:

1. Damage - Damage was severe throughout the immediate area. The community of Calabritto suffered unusually heavy damage including loss of 98 lives, 90 percent damage to buildings and the loss of four schools.
2. Economic Base - The community appears to have an adequate economic base to continue a viable existence. With the recent election of a dynamic new mayor it is apparent that this community has a real desire for survival.
3. Management Talent - The mayor appears to have adequate management skills and a strong interest in reconstruction. He has demonstrated his strong desire to cooperate closely with A.I.D. and has already identified a construction site for the school. The above provides an excellent indication that the community will assist in making sure we have timely and successful implementation.
4. Destroyed Schools - This proposed project is for reconstruction of a destroyed 14 classroom elementary school. The elementary school presently serves approximately 350 students from Calabritto and the nearby small community of Quaglietta. The proposed new school will be slightly larger than the old building to adequately accommodate students from both communities. The proposed school will have between 16 and 18 classrooms, subject to an A/E study which will confirm the actual classroom space requirements. In addition, the building will include the necessary administrative space, a cafeteria, assembly hall, custodian quarters, outside sport facilities and if appropriate and there are sufficient funds available, solar heating facilities.
5. Priority - As discussed under "Background", school construction is high on the list of Calabritto reconstruction activities. The community considered that reconstruction of public infrastructures had first priority to assure economic survival, but this should not be viewed as deeming school construction unimportant. Also, temporary housing absorbed a considerable portion of available funds. Therefore, the community is looking to outside sources for assistance in school construction.
6. A.I.D. Management Concern - This community is situated within the general area of the other 12 schools and, therefore, should not add too much of an extra workload to the present USAID staff commitment. The school is larger than the minimum size proposed by the original PP for it will serve two communities.

7. Visibility - This proposed site fully meets the established criteria. First, the proposed physical site is highly visible on an open piece of ground near the junior high school and adjacent to a bypass road tying the old and new communities together. The non-physical aspects are equally well met. The town officials have already demonstrated a willingness to cooperate and make the USG efforts known within the community.

E. Technical Feasibility - Basically the same as presented in the PP.

F. Economic Feasibility - Same.

G. Administrative Feasibility - This section of the PF stressed the need for A.I.D. supervision of the project implementation. This reasoning proved sound, and no intermediary organization similar to the Alpini group used in the Friuli program could be identified. A.I.D. has assumed full implementation responsibility. The A.I.D. organization proposed in the original PP, Section III G, and fully discussed in Section V, Implementation Plan, remains as originally proposed. The A.I.D. implementation organization proposed in that document has been finalized. For further discussion see section V Implementation Plan below.

IV Financial Plan

A. Cost Estimate - USG Funding. Based upon the experience in Friuli presented in the original PP together with recent construction cost quotations on two SIERP Schools we find that the PP cost figures are still valid. Adjusting the 100 million Italian Lira per classroom figure to a realistic exchange rate of \$1 to 1350 Lira, a classroom in 1981 dollars would equal \$77,000. This figure escalated at a 15 percent to a mid-construction period of 1984 equals approximately \$115,000 per classroom:

- 16 classrooms at \$115,000	\$1,840,000
- A/E Services	\$ 160,000
- Total	\$2,000,000

We recognize that the figure of \$2.0 million includes contingency funds, but given the limitation on the availability of FY 82 funds, the construction cost will be maintained within overall program limits through a shift of excess funds from earlier obligation, if necessary or by a reduction in school size if no additional funds are available. Likewise, if the A/E estimate after completion of design indicates sufficient funds exist, this school could be increased by 1 or 2 classrooms, depending upon the A/E findings on classrooms space needs.

B. Host Government Contribution - The figure of \$33,000 per classroom from the PP is used for an approximation of community contribution for a total of \$0.5 million. The only change to the original PP is that we now plan to shift the soils investigation requirement to the A/E contract to insure that total design responsibility rests with the A&E Firm.

C. Project Cost -

- USG Contribution	\$2,000,000
- Local Contribution	\$ 500,000
- Total	\$2,500,000

V. Implementation Plan.

A. Implementing Agency - No suitable intermediary was found similar to the Alpini group used by A.I.D. in the Friuli project. For this reason it was decided that USAID will implement the entire project using direct supervision and construction contracts. The A.I.D. U.S.D.H. staff consists of a full-time representative, an engineer and a project officer. Starting October 1982, the staff will be a full complement. The in-country staff will be supported by at Regional Legal Advisor (RLA) and a controller located in Tunisia and a Regional Contracting Officer (RCO) located in Morocco. Additional in country assistance will be obtained through PSC's for secretarial, engineering and other support requirements.

B. Obligation of Funds - The project agreement is being prepared by the RLA. The grant will be negotiated and executed by the Campania Region, Avellino Province and the mayor of Calabritto cosigning as parties of the agreement. Conditions Precedent to disbursement will be similar to those in the original grant except the responsibility for soils investigation will become the responsibility of the design engineer.

C. School Design - It is proposed that design of this additional school be carried out by one of the two A/E consortiums presently under contract with A.I.D. for the first 12 schools. Selection will be made by the USAID/Naples Committee based upon the proposal submitted by each consortium. Criteria for selection will be based upon the ease and speed of adapting an existing school design to this new site with the resulting savings in time to start construction. Consideration also will be given to the aesthetics of design and any proposed cost savings techniques. Following selection of the A/E, the RCO will be requested to immediately negotiate a contract amendment. All other aspects of the project will follow the procurement set-forth for the on-going SIERP.

D. Terminal Dates - The Project Assistance Completion Date (PACD) will be April 30 1985. This date coincides with the PACD for the previous obligation.

E. Implementation Schedule - The following is a proposed implementation schedule:

1. Request Design Proposals	In Process
2. A.I.D. Authorize Project	9/27
3. PROAG Signed	9/29
4. Design A/E Selected	9/29
5. Design Contract Signed	10/11
6. IFB Approved for Issuance	2/15/83
7. Construction Contract Award	4/1