

FD: A BF-057 8031

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

C A = Add
C = Change
D = Delete

Amendment Number

2

DOCUMENT CODE

3

3. PROJECT NUMBER
656-0217

4. BUREAU/OFFICE
Africa

5. PROJECT TITLE (maximum 40 characters)
PVO Support Project

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
09/30/96

7. ESTIMATED DATE OF OBLIGATION
(Under "B" below, enter 1, 2, 3, or 4)

A. Month FY 90 B. Quarter C. Fiscal FY 93

8. COSTS (\$000 OR EQUIVALENT \$) =

A. FUNDING SOURCE	FIRST FY 90			LIFE OF PROJECT		
	B. FY	C. L/C	D. Total	E. FY	F. L/C	G. Total
A.I.D. Appropriated Total						
(Grant)	(6,500)	()	(6,500)	(50,000)	()	(50,000)
(Loan)	()	()	()	()	()	()
Other						
U.S.						
Host Country						
Other Donors						
TOTALS	6,500		6,500	50,000		50,000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPRO- PRIATION PURPOSE CODE	B. PRIMARY TECH. 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) DFA	200	210		18,542		27,965		46,507	
(2) PSSE				1,300		1,820		3,120	
(3) DAA						373		373	
(4)									
TOTALS				19,842		30,158		50,000	

10. SECONDARY TECHNICAL CODES (maximum 8 codes of 4 positions each)

010 300 510 920

11. SECONDARY PURPOSE CODE

760

12. SPECIAL CONCERNS CODES (maximum 2 codes of 4 positions each)

A. Code RR PVOH WHTK PART
B. Amount 50,000 45,000 25,000 45,000

13. PROJECT PURPOSE (maximum 400 characters)

To reduce vulnerability to absolute poverty, induced by the rural insurgency, within targeted population groups in Mozambique.

14. SCHEDULED EVALUATIONS

MM YY MM YY MM YY
11/92 08/94 08/96

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 901 Local Other (Specify) 935 DFA

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of 27 pages of amendments)

The existing categories of possible A.I.D. funding are being expanded to include a) greater attention to the affected population's need for drinking water and sanitation, b) concern for alleviating the increased pressures which the insurgency and the drought have placed upon semi-urban and urban centers, c) increasing participation of Mozambican nongovernment organizations (including grants to qualified national NGOs) in providing assistance to meeting human, social welfare and economic needs within a civil society. Revised LOP \$50 million; revised PACD — 09/30/96.

17. APPROVED BY

Signature: John M. Miller
Title: Acting Director, USAID/Mozambique
Date Signed: 09/09/96

18. DATE DOCUMENT RE-
BY AID/W, OR FOR A-
MENTS, DATE OF DISTRIBUTION

MM DD YY

ACTION MEMORANDUM FOR THE ACTING DIRECTOR, USAID/MOZAMBIQUE

From: Sidney Bliss, PDO

Subject: PVO Support Project (656-0217): Project Paper Supplement, Amendment No. 2.

I. Proposed Action: Your approval is required to approve and authorize Amendment No. 2 to the PVO Support Project. The amendment authorizes life-of-project funding up to \$50 million, and extends the Project Assistance Completion Date to September 30, 1996. The next planned FY92 obligation is \$17.708 million.

II. Discussion:

A. Background. The PVO Support Project was approved and authorized by Mission Director Julius Schlotthauer on June 6, 1990 for a life-of-project total of \$19,850,000; the PACD was set at March 31, 1994.

B. The Project. Under this amendment the PVO Support Project will maintain its original purpose which is to reduce vulnerability to absolute poverty, induced by the rural insurgency, within targeted population groups within Mozambique. The project will also retain its approach which is to support private voluntary organizations (PVOs) in their efforts to assist Mozambicans to develop their capacity to manage and provide basic humanitarian assistance to destitute and needy persons and to facilitate the transition from dependence on food aid to self-provisioning.

C. Progress to Date. To date, over two full years of implementation, the Project is able to give account of a full range of activities which have been undertaken by PVOs. At present, nine grants have been awarded to seven different PVOs, each one an A.I.D.-registered U.S. PVO. Total earmarks as of June 30, 1992 exceed \$19 million, of which approximately \$18 million has been committed through grants, and \$1 million via other instruments to provide for Project management and monitoring services.

While no formal Project evaluation has been made at this point (one is scheduled in FY 1993), several of the PVO grantees have undertaken internal reviews and assessments of activities currently in progress. Preliminary indications from these assessments and regular reports which are submitted to A.I.D. by the PVOs are positive, and confirm the Project's strategy to utilize PVOs as an effective means of assisting Mozambicans to improve their capacity to participate and lead in planning and dispensing humanitarian aid and development assistance.

The Project Paper was first amended on July 30, 1990 in order to broaden the methods of obligating project funds so as to include obligating funds with the Government of the Republic of Mozambique, in addition to obligating funds to selected PVOs or under direct A.I.D. contracts for technical assistance, commodities, evaluation or audit, and any goods and services necessary to achieve the project purpose.

D. Need for Amendment. If there had only been a continuation of the insurgency and an attendant prolongation of the misery of the affected population, that fact would in itself argue persuasively for an expansion of the Project, at least in terms of an increased funding level and an extended Project completion date. Instead, in addition to the devastation wrought by the insurgency, an unexpected natural phenomenon, a prolonged period of drought, has heightened the needs of displaced populations and instigated a new round of appeals for humanitarian assistance from A.I.D. and other donors. The needs now extend into peri-urban and urban areas where rural populations have taken refuge. Moreover, the special needs imposed by the drought call for greater emphasis on assistance to the water and sanitation sector. Fortunately, a growing number of Mozambican associations appear ready and able, within limits, to join PVOs in responding to the needs with short- and long-term programs.

E. Target Population. The Southern African drought is threatening Mozambique with the worst disaster in living memory, putting the lives of millions of Mozambicans at risk. The loss of crops, lack of drinking water, and the virtual decimation of livestock all increase the vulnerability of people already debilitated by insurgency and suffering from chronic bare-survival conditions. Those most affected are among the project's target population. The target group has grown as conditions have become worse. The target group now resides in peri-urban and urban areas, as well as in rural areas, either at home or on the run.

F. Continued Conformity with Mission Strategy. The Project purpose addresses efforts to reduce the vulnerability of Mozambicans to absolute poverty, induced by an insurgency whose effects continue to this day, aggravated now by the drought. The Mission's CPSP makes two points in this regard: "First, as long as the war continues, the standard of most Mozambicans is extremely sensitive to the levels of general donor support. Second, the advent of peace would substantially change the nature of the country's problems, but those problems would still require very high levels of assistance for a long time to come."

G. Use of DFA Funds. The Project maintains the list of activities eligible for funding. In conformance with guidance contained in 90 State 116710, DFA funds authorized under this amendment will be used for long-term development. While some activities to be funded will alleviate short-term needs related to the drought, these funds and activities will have a longer

term development impact, e.g., in providing water and sanitation systems to be sustained over the long term. DFA funds will not be used to finance costs which normally can be borne by P.L. 480, nor will they be used for internal distribution costs except in instances when the distribution of commodities is an integral part of the implementation of a project-funded activity.

H. Use of Other than DFA Funds. The Project has also received an allocation of funds in FY 1992 (\$1,820,000) from A.I.D.'s PSSE (Section 106) account, specifically designated for use among children who are disadvantaged due to the devastation of war and civil strife. Code 000 is the authorized procurement code for these activities, and source/origin/nationality waivers will be required, except as other provisions of A.I.D. regulations and Congressional legislation may allow.

The Mission has received funds so designated in the past, and has been able to successfully obligate these funds for useful programs which address the special needs of children affected by the insurgency. The drought adds new twists to the problems encountered by these children and their families. Project management expects to be able to program these funds as requested.

In addition, an allocation has been received in FY 1992 from the Section 517 DAA appropriations in the amount of \$372,781. These funds also fall under the procurement rules which govern Code 000.

I. Modifications: Amplified Activities. The drought and continued unsettled conditions imposed by the daily realities of the insurgency mean that for the foreseeable future, the greatest number of activities funded under the Project will be from Categories I and II, humanitarian assistance and social welfare. The drought has obliged A.I.D and PVOs to think in terms of a broadened target group (including rural populations which have fled to peri-urban and urban areas), of assigning a particular priority to developing water supply systems, and to begin to consider ways that a development base can be laid which will have a longer term impact. Two longer term-type activities which will receive increased attention are environmental management and family planning. The increased participation of local nongovernment organizations in Project output delivery is expected to open a range of opportunities to provide funding for activities which focus on the progressive involvement of Mozambicans in the process of creating and maintaining a democratic civil society in this country.

J. Modifications: Expanded List of Grant Recipients. In order to facilitate the achievement of Project objectives, particularly in encouraging Mozambicans to develop the capacity to handle assistance, the Project will promote growing relationships between U.S. PVOs and Mozambican NGOs. Grants may be made to Mozambican NGOs but require A.I.D.'s formal standards of

accountability and "grant worthiness." Grants to Mozambican NGOs will be preceded by a process of local registration of nongovernment organizations according to standard A.I.D. registration procedures.

K. Modifications: Financial Plan. Of the new planned life-of-project funding total of \$50,000,000, approximately \$44,505,000 (89%) will be made available for grants to PVOs/NGOs. Approximately \$3,565,000 will be used for Project management purposes (personal service contracts, air travel and support commodities). \$1,360,000 are planned to be used for short-term technical assistance; \$570,000 for Project evaluation and audit.

L. Obligations. The Project already has \$19,841,936 of obligated funds. Mission operating year budget plans call for an additional \$17,708,000 to be obligated over the remaining months in FY 1992; the final tranche, \$12,450,000, is currently programmed for obligation in FY 1993. Total life-of-project funding is \$50,000,000 authorized in 92 State 197610. Although 92 State 197610 authorized an LOP of \$50 million, the arithmetic to arrive at that figure (\$28.85) was in error. In fact, the LOP needs to be increased by \$30.15 million to reach the authorized LOP of \$50 million.

M. Project Management. The assumption by the Project of additional responsibilities, as anticipated by this amendment, specifically in facilitating A.I.D.'s response to the drought raises the requirement for additional Project management. Long-term qualified technical assistance will be recruited, as required, in the areas of local nongovernment institution development and in rural recovery and rehabilitation.

N. Environmental Impact. The anticipated increased number of activities which will address the issue of water supply required the Mission to take a new look at possible environmental impacts. Maputo 3558 responded to the Africa Bureau Environmental Officer's (BEO) request (State 197610) for information on possible negative environmental impacts of activities carried out to date. Based on the Mission's response (Maputo 3558), a new or revised Initial Environmental Examination is not required for this amendment. But per State 282370, the Mission Director has been given authority to approve IEEs for individual PVO grants, with the concurrence of the Regional Legal Advisor and Regional Environmental Officer if at any time in the design, review or approval of the activity the Mission determines that the activity does have a significant environmental impact. A copy of State 282370 is included as Annex B to the Project Paper Supplement.

O. 611(e) Certification. The likelihood that total project capital expenditures for water supply activities, including

possible use of drilling equipment, concrete-lined hand-dug wells and boreholes and the installation of hand and electrical pumps, will exceed \$1 million required the Mission to prepare a 611(e) certification as to the capability of the country (both financial and human resources) to effectively maintain and utilize the project, taking into account, among other things, the maintenance and utilization of projects in Mozambique previously financed or assisted by the United States. Documentation sufficient to meet the concerns of the Foreign Assistance Act on this point was drafted within the Mission in the form of an Action Memorandum, with the clearance of both the Regional Environmental Officer (REO), REDSO/ESA and the Regional Legal Advisor (RLA), and was signed by you on August 23, 1992 for submission to the A.I.D. Assistant Administrator for Africa for her consideration. On August 28, 1992, the Acting AA/AFR took the position of the Mission into favorable consideration. The certification and the Acting AA/AFR's approval are found in the Project Paper Supplement, Annex F.

P. Congressional Notification. The Congressional Notification waiting period for the Project Amendment expired without objection on July 14, 1992 (State 231923). An obligation can be incurred "once Mission has completed necessary documentation," and allowances are processed.

III. Project Review and Approval.

The Mission Project Review Committee met to review the Project Paper Supplement on July 1, 1992. The Committee was comprised of Mission members who fill the positions of Program Officer, Supervisory Food for Peace Officer, Health/Population and Nutrition Officer, Engineer Officer, Project Development Officer and the Acting Controller. A short-term contractor in hydrology also attended. The meeting was chaired by you, then the Mission Deputy Director.

Two issues were raised and instructions given to make the appropriate modifications to the draft PP Supplement. In the first case, the need to include the Project's proposed increased water supply activity as part of the Mission's discussions with interested PVOs and the Mozambican government's rural water supply agency (PRONAR) was stressed so as to help guarantee a proper work setting within which environmentally sound water works activities could be carried out successfully. Secondly, members of the Committee stressed the need to clearly state that the Project plans to support Mozambican NGOs, according to carefully defined regulations, and in the measure feasible, in their gradual assumption of responsibilities within a Mozambican civil society. The NGOs role may be as deliverers of goods and services provided to vulnerable war and drought-affected populations, and also as participants in a local and provincial recovery and rehabilitation effort which is initiated at a grassroots level, and which is driven by considerations conducive

to the growth of participatory democracy. The PP Supplement incorporates these suggestions.

In addition, State 197610, dated June 20, 1992 raised two issues to be considered in the development of the proposed Project amendment. One, the requirement of an IEE, is dealt with above (II.N.). The other issue acknowledges the immediate role the drought in Southern Africa played in the Mission's decision to amend the Project at this time, but requested that "the Project amendment should note that activities under the Project will have a long-term developmental impact as well as short-term drought mitigation effects." Design of the Project Paper Supplement has addressed this issue head-on. For example, the Mission has used the occasion of the Amendment to win from the government concessions on the possible role of private contractors, heretofore excluded by policy, to carry out drilling operations in a water supply program in Mozambique. Similarly, the government rural water supply agency has agreed to permit PVOs to use local Village Water Teams to dig wells, instead of communities always having to wait for state-run water crews to make the rounds. The involvement of an efficient private sector and of interested local communities in water resource supply activities bodes well for reducing costs and increasing proper well, pump and latrine use and maintenance. Other activities which will be funded under the Project carry similar features (such as the progressive privatization of internal transport of food aid; stimulation of agricultural marketing in areas where crop surpluses are possible; involvement of Mozambicans within an informal network to identify children without homes and to expedite their return to a family unit; the large scale expansion of local seed multiplication of improved varieties of cereal and root/tuber crops, etc.). As indicated above in II.G., funded activities will have a long-term development impact even though they may also address short-term needs related to the drought. A.I.D./W's concerns have been satisfactorily addressed.

IV. Your Authority: Per State 197610 dated June 20, 1992, the "Acting AA/AFR hereby delegates authority to the Mission Director, USAID/Mozambique, or to the person acting in that capacity, to approve and authorize an amendment to the PVO Support Project (656-0217) in the amount of \$28.85 million, for a new authorized LOP of \$50 million. This ad hoc delegation of authority shall be exercised in accordance with all the other terms and conditions of DOA 551, except for the dollar amount limitation, and in accordance with the Mission's proposal per refuels." (Maputo 2297 and Maputo 1798)

Per DOA 551, revised, you also have the authority to approve extensions of the Life of a Project, provided that the extension does not result in a new total Life of Project of more than ten years. The Project was originally approved and authorized on June 6, 1990. The extension of the PACD from March 31, 1994 to September 30, 1996 is well within the ten year limitation.

V. Recommendation: That for the reasons outlined above you approve and authorize the Project Paper Supplement, Amendment No. 2 to the PVO Support Project (656-0217), increasing the project LOP funding to \$50,000,000, extend the PACD to September 30, 1996, and indicate your approval of such actions by a) signing below, and b) signing the attached Amendment No. 2 to the Project Authorization, and the Project Data Sheet, Amendment No. 2 for the Project Paper Supplement. The PACD extension will be effective upon signature by you and the GRM of Amendment No. 3 to the Project Grant Agreement.

Approved: _____

Disapproved: _____

John M. Miller
Acting Director, USAID/Mozambique

Date: 9/9/92

attachments: - Amendment No. 2 to the Project Authorization;
- Project Data Sheet, Amendment No. 2 for the PVO Support Project Paper Supplement.

drafter: ~~SA~~ SS, PDO 08/17/92

clearances: CMcCarthy, PRM AMC 9/9/92
PARGO, ENG (draft 09/04/92)
GJenkins, CONT (draft 09/04/92)
TRiedler, RLA (draft 08/26/92)
BDodson, A/DDir (draft 09/07/92)

E:\PVO.MEM

SECOND AMENDMENT
TO THE
PROJECT AUTHORIZATION

Cooperating Country: Mozambique
Project Title: PVO Support Project
Project Number: 656-0217

1. Pursuant to the Foreign Assistance Act of 1961, as amended, the Foreign Operations, Export Financing and Related Programs Appropriations Act, 1989, as amended, Africa Bureau Delegation of Authority (DOA) No. 551, as amended, and the authority delegated under 90 State 116710, the PVO Support Project (the "Project") for the Republic of Mozambique was authorized on June 6, 1990. That authorization was amended on July 30, 1991 and is hereby further amended as follows:

a. Paragraph 1 is amended to read in its entirety:

"Pursuant to the Foreign Assistance Act of 1961, as amended, the Foreign Operations, Export Financing and Related Programs Appropriation Act, 1989, as amended, the Africa Bureau Delegation of Authority (DOA) No. 551, revised, and the authority delegated under 90 State 116710, I hereby authorize the PVO Support Project (the "Project") for the Republic of Mozambique, involving planned obligations not to exceed Fifty Million United States Dollars (\$50,000,000) in grant funds to come from the following accounts: Development Fund for Africa (DFA), \$46,507,219; PSSE, \$3,120,000, and Section 517 DAA, \$372,781 over a four year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. Except as A.I.D. may otherwise agree in writing, the project assistance completion date is September 30, 1996."

b. Paragraph 2 is amended to read in its entirety:

"The purpose of the project is to reduce vulnerability to absolute poverty, induced by the rural insurgency, within targeted population groups in Mozambique. To achieve this purpose, the project will support private voluntary organizations (PVOs), international nongovernment organizations (NGOs), and Mozambican NGOs which are duly registered with A.I.D. in their efforts to assist Mozambicans to develop their capacity to manage and provide basic humanitarian assistance to destitute and needy displaced persons and to facilitate the transition from dependence on food aid to self-provisioning. All project

9

funds will be obligated under direct grants to selected PVOs and direct A.I.D. contracts for technical assistance, commodities, evaluation and audit, and any related goods or services necessary to achieve the purpose of the project."

2. The authorization cited above remains in full force and effect except as hereby amended.



John M. Miller
Acting Director, USAID/Mozambique

9/9/92

Date

drafted: ^{TJB} SB1998, PDO 08/18/92

clearances: CMCCarthy, PRM ^{dlc 9/9/92}
BDodson, A/DDir (draft 09/07/92)
GJenkins, CONT ^{A-4M}
TRiedler, RLA (draft 08/25/92)

E: PR.AUT

10

PVO Support Project
Project Paper Supplement
USAID/Mozambique

Contents

	<u>Page</u>
Executive Summary	1
I. Background	1
A. The Project	1
B. Project Progress to Date	4
II. Drought	5
A. The Dimensions of the Problem	5
B. The Response	7
III. A.I.D. Strategy	9
A. Overview	9
B. Sectors	11
1. Water	11
2. Health	13
3. Logistics	13
4. Agriculture	14
5. Nongovernment Organizations	14
IV. Project Modifications in this Supplement:	15
A Summary	
A. Increased Funding	16
B. Amplified Activities	17
1. Broader Target Group	18
2. Water Supply	19
3. Longer Term Impact	19
C. Expanded List of Eligible Grant Recipients	20
D. Augmented Project Management	21
E. Extended PACD	25
V. Initial Environmental Examination	25
VI. Revised Procurement Plan	25
VII. Revised Financial Plan	25

PVO Support Project

PP Supplement

Annexes

- A. PVO Support Project - summary of grants awarded through June 30, 1992
- B. Initial Environmental Examination - 92 State 282370
- C. New Project Description: PVO/NGO Project Support - USAID/Mozambique FY 1994 ABS
- D. Scopes of Work (draft): A. Local Institutions Specialist
B. Recovery and Rehabilitation Specialist
- E. Drought Assessment Team preliminary report: 92 Mbabane 1973
- F. 611(e) Certification

PVO Support Project
(656-0217)

Modifications to the FY 1990 Project Paper

Executive Summary

This second supplement to the PVO Support Project (656-0217) Paper describes revisions to project activities and financial plans. The project purpose of reducing vulnerability to absolute poverty, induced by the rural insurgency, within targeted population groups in Mozambique remains unchanged. The life-of-project funding is increased from \$19.850 million to \$50 million. The Project Assistance Completion Date (PACD) is changed, and is extended from March 31, 1994 to September 30, 1996.

In order to enable A.I.D. to respond to the effects of a continuing destructive insurgency, aggravated by two successive years of drought conditions across most of Mozambique's southern and central provinces, the existing categories of possible intervention of A.I.D. funding are being expanded to include a) greater attention to the affected population's need for water and related sanitation, b) concern for alleviating the increased population attendant pressures which the insurgency and the drought have placed upon semi-urban and urban centers, particularly as rural-based people take refuge in these relatively "safe" areas, and c) increasing incorporation of Mozambican nongovernment organizations (NGOs) in the process of providing assistance to meeting human, social welfare and economic needs within a more open, liberalized Mozambican civil society.

Revisions to the project are necessary to finance an expanded range of activities, and to include Mozambican NGOs as part of a reinforced strategy to contribute significantly greater resources over a longer timeframe towards the achievement of project objectives within the context of the Mission's overall country program.

I. Background

A. The Project The PVO Support Project was approved and authorized on June 6, 1990 to provide A.I.D. finance for the efforts of selected U.S. Private and Voluntary Organizations (PVOs) working in Mozambique to assist Mozambicans to develop their capacity to manage and provide basic humanitarian assistance to persons most seriously affected by the insurgency, and to facilitate the transition from emergency to rehabilitation. As such, it represented the USAID Mission's initiative in moving from a purely emergency response using Office of Foreign Disaster Assistance (OFDA) funds, to a strategy and instrument which is more developmentally oriented.

13

The project authorized a life-of-project amount of \$19,850,000; the PACD was set at March 31, 1994. This level of funding over almost four years was intended to continue the USAID role of encouraging PVOs to respond to the Government of Mozambique's Emergency Appeal (April 1990) to direct humanitarian assistance to displaced persons, but also to address the need to move towards rehabilitation by including health and sanitation, agriculture recovery, infrastructure rehabilitation and education/training among priority needs. These are the types of activities which have been funded under the PVO Support Project to date.

Initially, per a Memorandum of Understanding between A.I.D. and the Government of Mozambique, USAID obligated funds directly to each of the implementing entities -- PVOs -- through direct agreements. Per Amendment No. 1 to the project, on July 30, 1991, A.I.D. obligated funds instead with the government, and now submits a list of potential grantees and activities to the government for concurrence prior to awarding any grants.

The Mission's Country Program Strategic Plan (CPSP), reviewed and endorsed by A.I.D./Washington in March 1990, specifically mentioned the use of PVOs and this project as the key component which contributes to the Mission's second strategic objective of reducing, among target groups, external dependence on food aid to meet subsistence requirements. A.I.D./Washington recognized the Mission's strategy of building upon grassroot knowledge and experience that PVOs have developed in Mozambique in initiating activities that will support the transition from emergency relief to rehabilitation and long-term development.

The initial set of activities undertaken by the project since its inception in June 1990 has focussed on a defined rural target population and has been limited to three main categories of eligible assistance. The target population for assistance under the project has been, and will continue to include persons displaced or otherwise severely affected by the ongoing insurgency. Within this broad outline, two specific groups have been and will continue to be targeted -- those in receipt of food aid, and those in a position to move from total dependency on emergency assistance towards some form of self-sufficiency. Due to the nature of the affected communities, beneficiaries of the project to date have been primarily rural inhabitants.

Three main categories for funding were defined as a result of discussions with the responsible authorities of the Government of Mozambique (GRM), an analysis of prior funded A.I.D. PVO activities in Mozambique (OFDA), and an examination of the documented experience in the issues of food security and vulnerability to poverty. These three categories contain the range of assistance within which this project has functioned to date. These categories will continue to set the framework within

which this project supplement will initiate selected additional activities which respond to the increased needs of a growing target population.

The first category covers relief efforts, in the context of longer term development assistance, and aims to ensure more efficient and timely distribution of food and emergency supplies. Funding is made available for PVOs to provide logistical support to the GRM's emergency assistance agency, DPCCN, or to work in conjunction with local government entities. The activities include:

- a) Those which assist to develop the capacity of Mozambicans to manage needs assessments and undertake priority planning;
- b) Those which promote private sector involvement in transport and distribution of emergency supplies (not only to ensure delivery, but also to rehabilitate the rural transport network, so as to permit people to respond to their own food needs).

Categories two and three concentrate on the transition from relief to rehabilitation and are more developmental in focus. Category two activities somewhat deal with the social welfare needs of displaced persons and include:

- a) Those which increase coverage of preventive health care, nutritional status, family planning and child survival;
- b) Those which increase the availability of basic services such as clean water and adequate sanitation which have a considerable impact on the target population;
- c) Those which provide access to rehabilitation from trauma, particularly in the case of children.

There are activities which address the economic needs of a target population which is vulnerable to absolute poverty. Category three activities include:

- a) Those which promote agricultural production, either food (subsistence) or cash crops, in that agricultural activity is the preferred coping strategy employed by displaced persons, and is essential if any movement towards self-sufficiency is to take place.
- b) Those which increase employment or cash income among target groups in order to alleviate poverty, contribute to the regeneration of market activity, and promote

self-reliance. Infrastructure rehabilitation using labor intensive methods is among these activities.

c) Those which save time and labor, particularly in the case of women.

B. Project Progress to Date

To date, over two full years of implementation, the project is able to give account of a full range of activities which have been undertaken by PVOs. The original life-of-project funding (\$19,850,000) is fully obligated. At present, nine grants have been awarded by A.I.D. to seven different PVOs, each one an A.I.D. registered U.S. PVO (Annex A). Total earmarks as of June 30, 1992 amount to almost \$19 million, of which approximately \$18 million has been committed through grants, and \$1 million via other instruments to provide for project management and monitoring services. Currently, all activities funded under the grants are due to be completed by the PACD, March 31, 1994.

While no formal project evaluation has been made at this point, an evaluation is scheduled within FY 1993. However, several of the PVO grantees have undertaken internal reviews and assessments of activities presently in process. Preliminary indications from these assessments and regular reports which are submitted by the PVOs are positive, and confirm the project's strategy to utilize PVOs as an effective means of assisting Mozambicans to improve their capacity to provide and manage basic humanitarian assistance to those most in need, and to facilitate the transition from an emergency mode of operation to a methodology which focuses on individual, family and community rehabilitation and recovery.

Given the speed with which most PVOs have been able to become field operational and implement a full range of planned activities, and taking into account the ongoing insurgency and the continuing needs of the affected populations, USAID and several of the grantees have already begun to anticipate future year requirements to sustain and possibly build upon the current levels of funding assistance. Most of the PVOs are already looking at planning cycles which will take them beyond the current PACD and outside of currently awarded grant levels. In addition, several other PVOs which have recently expressed an interest in establishing long-term assistance programs in Mozambique are beginning to approach USAID to discuss possible collaborative funding of new activities which are within the range of assistance that this project is committed to fund.

If there had been only a simple continuation of the insurgency, with perhaps illusory and uncertain prospects for its end, and of an attendant prolongation of the misery of affected populations, that prospect would in itself already argue strongly for an

Agricultural recovery is extremely difficult under the conditions which made the Emergency Program necessary. The drought has made these difficulties intolerable and wiped out what agricultural recovery had taken place in many communities.

The Mozambican government's Emergency Program for 1992/93 already included 1.8 million people displaced by the insurgency who were scheduled to receive free food assistance. The severity of the drought and the scale of crop losses is such that, to prevent mass starvation, the numbers of Mozambicans who will need to receive free food have risen sharply. Based on data from surveys carried out by the Provincial Emergency Commissions, combined with data from field visits by various agencies, the estimates of the number of people in Mozambique in need of food distribution has increased by 1.3 million, to a total of 3.1 million Mozambicans living in this country.

The number of people receiving food supplies through the market network is about 5.9 million. However, because of the drought, the degree of self-sufficiency estimated for people living in district capitals and the rural areas has fallen. The population of district capitals is now considered to be highly dependent on the market, while those in rural areas retain an overall estimated 20% of self-sufficiency.

A joint FAO/WFP mission visited Mozambique in early April 1992 to assess the drought situation and confirmed the almost total loss of the main cereal crops in the center and south of the country, concluding that substantial amounts of extra food aid are needed. An A.I.D.-sponsored multidisciplinary Drought Assessment Team visited affected areas in Manica, Sofala and Gaza provinces and met with numerous NGOs, international organizations and government representatives at the same time. They concluded that "[i]t is clear that the drought in Mozambique is severe and that massive starvation will result if the international donor community does not move quickly to support the government's request for assistance." [Southern Africa Drought Assessment Country Report/draft, May 15, 1992]

The anticipated food shortages resulting from drought are expected to aggravate the already poor nutritional state of the population. The supply of food and nutritional products to sustain therapeutic and supplemental feeding programs has not been constant. Without question the effect of the drought will worsen both the need and the supply.

The drought is also causing people to move from the interior towards provincial and district seats, the coastal areas and towards government controlled security centers. This movement is particularly noted along the Beira and Limpopo corridors, but also occurs along rivers and coastal communities in Inhambane, northern Sofala and south-eastern Zambezia Provinces.

The drinking water supply is severely affected. Perennial rivers and wells are drying up and the water table is becoming precariously low in many areas. Water will be increasingly scarce until the next rain season, which should begin in November. There are already long queues for water, putting heavy pressure on existing wells and piped water supply systems. There is clear evidence that ground-water levels are dropping and water sources are drying up or becoming saline. Where water supply systems have become contaminated, cholera has broken out, causing deaths and debilitation.

The survival strategies which have been developed among rural populations are beginning to wear thin, and traditional support systems are all but exhausted. Some farm communities have been obliged to move to areas around district and provincial capitals, or to military protected zones. Urban dwellers are also going to experience some of the effects of the drought in terms of reduced or even contaminated water supplies, higher prices for preferred locally produced goods such as white maize, increasing incidence of malnutrition from the comparatively high cost of traditionally used fruits and vegetables, and greater exposure to infectious diseases which are easily transmitted in crowded, less than sanitary conditions.

Perhaps the most difficult problem hampering the ability of the Mozambican government, donors and NGOs to intervene in a timely and efficient manner, is the need to guarantee safe and sufficient passage of goods and services to those in need. Serious improvements to logistics management and the capacity and means to contract local haulers are indispensable to an adequate effort to alleviate the enormous human suffering caused by the drought and the rural insurgency.

Although the Mozambican government's institutional coordination structures provide a sufficient framework for a heightened level of resources to respond to the current need, government agencies suffer from an acute shortage of skilled and experienced staff and resources. Government capacity to coordinate, manage and implement the donor response is widely judged inadequate to meet the demands that will be created by the anticipated delivery of 1.2 million metric tons of cereal food aid and other assistance. To ensure effective utilization of resources which are mobilized to respond to the current drought, additional technical assistance will be needed. These resources can be best provided with short- and mid-term operational assistance, and by using the energies and ground-level knowledge and skills of international and national NGOs.

B. The Response

The USAID Mission in Mozambique has closely followed the rapidly degenerating climatological conditions and the attendant and

growing human suffering across the central and southern sections of the country. A broad network of partners within the government's Ministries of Cooperation, Health and Agriculture, and extending to PVOs working in all the provinces severely affected by the drought, in addition to field observation in the course of monitoring trips, has provided the Mission with a series of observations, statistical information and substantive analytical reporting upon which the Mission can make decisions related to the issues of food security. The PVO Support Project awards grants to PVOs which are or will implement activities to reduce vulnerability to poverty in zones considered "difficult in which to operate" due to the insurgency. Some of the PVOs have been operating in certain rural areas for six to eight years, with initial funding from their own sources and OFDA, and, as of 1990, grant funding under the PVO Support Project.

Following the visit to Mozambique of the OFDA-organized Drought Assessment Team (March 21-26, 1992), Mission officers responsible for emergency assistance, health and nutrition, and project development of PVO activities met on April 2, 1992 with representatives of nine PVOs to discuss their findings and recommendations (many of which had already been incorporated in the team's preliminary report -- Mbabane 1973 of April 2: Annex E), related to what was apparent to all as a very serious drought. USAID requested that PVOs active in Mozambique, in consultation with their home offices, consider what activities they might want to propose for possible A.I.D. funding as part of the Mission's response to the drought.

The PVOs were given some general guidelines in the formulation of these proposals. Special attention was to be given to the area south of the Zambezi River, although pockets of drought were reported in Zambezia and northern Tete provinces. Given the quick and effective response required, PVOs were requested to focus on but not be restricted to the geopolitical zone in which they are presently working, concentrate activities in technical sectors (agriculture, health, water supply/sanitation, logistics, etc) in which they are currently engaged, and attention was to be limited to safe areas accessible by land. Rather than becoming involved in beginning new activities, the emphasis was placed on increasing the delivery and input of the type of goods and services already programmed, through existing or appropriately expanded systems. This approach has the advantage of maintaining the project within the development focus of the Africa Bureau's Development Fund for Africa (DFA).

Subsequently, USAID/Mozambique has requested and received from AID/Washington the necessary authorities to modify the Mission's Operating Year Budget and proceed with obligation of additional funds. The dominant factor in the Mission's request for changes (Maputo 1789 dated April 24, and Maputo 2297, dated May 22) is the negative effect of the drought. Expanding food aid, amending

both the Primary Health Care Services Project (656-0226) and the PVO Support Project (656-0217) and obligating additional funds are perceived by the Mission as the quickest response USAID/Mozambique can provide to the drought.

In drawing up the Mission's plan of action for the drought response, USAID met and consulted with experts in program response, strategic planning, logistics and certain technical specialties, such as health and water interventions, and seed supply. In addition to consulting with the PVOs, the Mission has relied somewhat on national and regional expertise which has been forthcoming from the Mozambican government, the FAO, WFP, UNDP (and UNDRO), UNICEF, ICRC and SADCC. However, the Mission's plan of action most reflects the draft proposals of PVOs which are A.I.D. grantees under the PVO Support Project, as well as the findings and recommendations of the A.I.D.-sponsored Drought Assessment Team. These suggestions and recommendations are grouped around the major problem areas presented by the drought, and are also within the programmatic and manageable interest of the Mission and A.I.D. grantees to accomplish. Those areas of concentration and the recommended courses of action for which this Project Paper Supplement provides are outlined as follows.

III. A.I.D. Strategy

A. Overview: Because of the difficulties created by the prolonged insurgency, of all the people in the region, Mozambicans -- particularly rural populations -- are probably the best prepared, at least in terms of survival strategies, to cope with the effects of the drought.

On the other hand, the Mozambican government and the institutions it has created to deal with crisis management, in spite of nearly ten years of experience in implementing an ongoing Emergency Program, are unable to offer little more than a framework of coordination and mobilization.

The international NGOs in Mozambique, have found their resources strained by a constant stream of requests for assistance while their participation and effectiveness have been curtailed by government inaction, has expressed an intention to expand its capacity to meet the challenge of the drought. Some government restrictions, i.e., on imports, have been relaxed, at least for the items tagged for free distribution during the drought emergency.

Donors met in early June for a conference in Geneva which was called to consider the plight of Southern African countries. They pledged generous levels of assistance in response to the Mozambican government's Emergency Drought Appeal. The record of the past decade shows that actual delivery is not always equal to the promises, at least not within the preferred timeframe. Given

the state of the world economy and the multiple crises bidding for the donors' attention, it is not clear that all of Mozambique's drought needs will be met when most needed.

The A.I.D. response has been three-fold. Greatly increased levels of imported foodstuffs, principally yellow corn, for both commercial sales and free distribution, are the first and most evident examples of assistance. Secondly, the Office of Foreign Disaster Assistance (OFDA) has designated funds for airlifting food to remote or difficult to reach sites in Mozambique where an ongoing security problem is aggravated by the drought, and increased numbers of food aid recipients are now more vulnerable than ever. Thirdly, the Mission in Mozambique has made a decision to meet the increased demands on food security brought on by the drought by reprogramming funds within its current operating year budget (FY 92 OYB). This latter initiative has been approved by A.I.D./Washington, and has been reinforced with additional funds which A.I.D./Washington has chosen to shift from other programs, in and out of Africa, towards the priority of the Southern African drought.

As USAID/Mozambique reviewed resources and interventions which Mozambique needs in order to respond to the drought, it became very clear that substantial additional resources would be needed. The planned FY92 OYB for an important new start within the Mission's portfolio, the Market Recovery and Development Program (MRDP), has been reallocated, at least partially due to the drought. USAID's principal bilateral DFA vehicles for responding to the drought are the Primary Health Care Support Project (656-0226) and the PVO Support Project (656-0217). Of the \$22.45 million originally budgeted for MRDP, \$2.5 million are now allocated to the PHCS project; \$1.9 million are now allocated to the PVO Support Project. In addition, the Mission has received from DFA funds allotted for the Southern Africa drought \$4.5 million for the Primary Health Care Support Project, and \$10 million for the PVO Support Project. A special allocation of \$1,820,000 has been made to the project in FY 1992 from the PSSE account for children displaced by war and drought. (This is the second such special allocation: in FY 1991, the project received \$1,300,000.) Finally, the Mission received for FY 1992 obligation under the project an allocation of \$372,781 from the Section 517 DAA appropriation.

The Mission believes that it is in the best immediate and long-term interests of the A.I.D. program in Mozambique to respond to the effects of the drought in this manner. The proposed activities are related to ongoing Mission priorities and objectives. The USAID strategy in responding to the drought is guided by the terms of the Action Plan of A.I.D.'s Development Fund for Africa (DFA) account, and of the Mission's own CPSP. The allocation of significant new levels of funding in this fiscal year to the Primary Health Care Support and PVO Support

Projects ought to be seen and understood within the context of periodic adjustment to the Mission's program in the course of a long-term strategy to help Mozambicans meet their food security requirements. The Mission remains convinced that food security is at the very base of and a building block within Mozambique's economic and social future. It also has important ramifications for the political environment within which Mozambicans may make several important decisions this year, related to a peace accord and future elections.

This image of a building block is particularly appropriate in a country that has seen so much destruction of infrastructure and damage to people's lives. The activities for which this PP supplement is intended to provide the basis of funding are to be firmly rooted in the notion that they will contribute substantially to creating the base for longer term human and physical development. While immediate needs may be met also, the intention of A.I.D.'s support of PVOs and NGOs is to undergird ongoing efforts and new initiatives which will help to provide the foundation for rehabilitation of the social and economic fabric of the country's most needy inhabitants, within the specific target areas covered.

B. Sectors: In drafting the Mission's response to the drought, the recommendations of PVOs active in Mozambique and the OFDA-organized Drought Assessment Team were given first priority. The specific findings and recommendations of the Drought Assessment Team are significant in providing a framework within which the Mission plans to expand both the Primary Health Care Support and PVO Support projects. Specifically, and by sector:

1. Water: Population movements can be expected to increase in the coming months if water (and food) are not provided to people where they live in rural areas. The dropping water tables provide a rare opportunity to deepen existing wells not only to augment existing supplies, but also to make them "drought-proof" whenever the water table drops again. Hand-dug wells provide an opportunity for food-for-work or "Village Water Teams", but in the event that water tables are especially deep, the urgency of providing water to population where they are now may make drilling boreholes a necessity. It would be best if water systems could be developed without causing further dislocation of the population, if communities could be involved in developing these water resources, and if both the installed systems and the self-help methods contribute to forming the basis of longer-term development in the area. Recommendations include:

Rural Water Supply:

- Donors have pledged to meet the financing requirements that are within the well drilling and hand digging capacity of the national water company (PRONAR). USAID, through

the Primary Health Care Support Project, will fund a major portion of PRONAR's Emergency Program requirements.

- The PVO Support Project ought to consider activities that will deepen existing hand-dug wells;

- Well digging, either new wells or deepening and otherwise improving existing wells, can be undertaken on a food-for-work basis or by "Village Water Teams". Wells with concrete liners provide a long-term benefit, and become part of the development infrastructure within a community;

- Drilling of boreholes may be necessitated in the event that sub-soil is either too rocky or sufficient quantities of water are at too great a depth for hand-digging.

- The project ought to consider the feasibility (degree of capacity filled, cost-effectiveness, maintenance implications, systems integration within a community, government regulations) of contracting with a private engineering firm (either Mozambican or outside) to implement part or all of a program of drilling boreholes and installing appropriate pumps.

- While emphasis is on digging wells, the installation of workable, maintainable handpumps is encouraged. Replacing nonworking pumps with reliable working pumps is appropriate. Pump installation is necessary on boreholes.

- Community groups can be mobilized to dig pit latrines both as a short-term health precaution, and as a longer term measure in community health promotion.

- A standard process ought to be used in siting new wells and boreholes. The process that is currently used by the GRM National Water Direction (DNA) and its rural water program (PRONAR), appears adequate. That process includes considerations related to the community's involvement, to the environment, and to maintenance.

Urban Water Supply:

- The large number of the rural population which has taken refuge in towns and cities argues for some greater attention to increased problems of peri-urban and urban water supply and waste disposal.

- Neighborhood-level "self-help" low-cost sanitation programs can be an effective way to reach large communities, and lay the foundation for community-level involvement in health and family planning.

- There may be a role to play in increasing the

effectiveness and usefulness of peri-urban water supply through improved neighborhood distribution systems, training and participation in maintenance programs.

- The water supply systems of peri-urban areas around Xai Xai, Chokwe, Inhambane, Chimoio, Beira, and Quelimane appear to merit particular attention.

2. Health: The current severe drought has added a greater burden to an already overburdened health care system. Due to population migration, food and water shortages, as well as the ongoing consequences of the insurgency, the health care system is in crisis. Even though this additional burden represents a smaller incremental increase in health care problems in comparison with other countries of the region affected by the drought, it presents yet a different set of problems: on the one hand, Mozambique has more experience and systems to cope with hardship; on the other hand, the Mozambican family is in a more vulnerable state of health and nutritional status, and can ill withstand another major stress such as the drought. The Primary Health Care Support Project will address many of the material needs that have been identified. Recommendations for the PVO Support Project to consider include:

- There is room for improvement in the nutritional status of affected populations, particularly children, through nutrition education, clean water and adequate sanitation. Assistance to children is one of the surest ways to address the issue of long-term development impact.

- Reinforcement of nutrition monitoring, as part of a general program of monitoring community health status, as an increased priority.

- Support to government and nongovernment institutions to accelerate ongoing and new efforts to improve the quantity and quality of water supply.

- Expand the project's family planning activities. Appropriate methods and materials can be used to reach a greater percentage of the target population which, under the insurgency and the drought, is vulnerable to threats to family health, including closely spaced births.

3. Logistics : Internal distribution of commodities, particularly food aid for distribution, is problematic, given the additional tonnages and delivery requirements. The drought has created the need for 1.2 million metric tons of cereals to be transported over the period June 1992 - April 1993, more than 2 times the normal amount of traffic. The ability of the Mozambican authorities and government rolling stock to handle the anticipated food commodities has been questioned. The government

emergency agency, DPCCN, with the technical support of CARE (recipient of a grant under the PVO Support Project) is working more intensively with private truckers to expand and improve the distribution network. Recommendations for project and PVO interventions include:

- Reinforce A.I.D. assistance to the road and rail logistics effort.

- Facilitate and accelerate the transition from DPCCN control of the distribution system to greater involvement with private transporters. This may require additional operational officers situated at critical management points.

- Expand airlift support of seeds and tools to inaccessible areas, particularly in Sofala, Zambezia and Manica provinces.

4. Agriculture: The effects of the drought on domestic production will cause farmers who normally provide for themselves to enter the domestic market and may well cause the supply of locally produced commodities to the commercial markets to be reduced by up to 50% nation-wide and up to 90% in the southern provinces. The number of persons dependent, and the degree of their dependency, on imported food commercial markets will then increase, particularly in urban areas. As people abandon their farming communities because of intensified or resurgent insurgency or due to drought, they tend to bunch along corridors or in peri-urban areas. Given access to rain-fed or irrigated land, some of these displaced people can grow some crops. They will certainly require crops and farming tools when they prepare to return to pacified homelands or when a regular rain regime is established, hopefully beginning in October and November 1992. Consequently, NGOs will:

- Help to re-establish agricultural production with the provision of appropriate seeds and tools, combined with the extension of improved agricultural practices.

- Help establish a base for recuperating a physical environment that has been ravaged by the effects of both the insurgency and the drought.

5. Nongovernment Organizations: The GRM cannot respond to all of the needs of people who are vulnerable due to insurgency and drought due to lack of financial, material and human resources. The role of NGOs, both international and national, in identifying and delivering assistance to needy populations in Mozambique is critical to the success of any intervention. There is an extensive, if embryonic, network of NGOs, both international and to a lesser extent national, working in all accessible regions of the country and in all sectors (water, health, logistics and

agriculture). NGOs generally work closely with government structures to plan and implement their programs. Much of the coordination takes place at the provincial and district level. Recommendations for the project:

- Encourage international and national NGOs to work together wherever feasible, and to coordinate efforts especially on a provincial and district level. Cooperation will increase efficiencies and help lay the ground work for community support systems which can be counted upon as agents of longer term development.

IV. Project Modifications in this Supplement: A Summary:

Given the multiple life-threatening effects of the drought which has occurred in Southern Africa as a result of severely deficient rainfall across principally central and southern regions of Mozambique, and given the increased level of the U.S. Government response channeled through private and voluntary organizations, both international and national, in order to reduce the vulnerability of affected population and to begin to lay the ground work for longer term development, it is clear that the PVO Support Project needs to be amended in order to:

A) Provide increased funding to finance additional efforts of selected PVOs to assist Mozambicans to develop their capacity to manage and provide basic assistance to persons most seriously affected by the insurgency and the drought, and to facilitate the transition from emergency to rehabilitation.

The supplement will raise the authorized life-of-project level from \$19,850,000 to \$50,000,000.

B) Amplify and expand the options within the three main categories of activities which are defined as eligible for funding under the project to include:

- interventions in peri-urban and urban areas, particularly as the activities apply to rural populations who have taken refuge in urban or urban out-lying areas because of the drought, or as the presence of rural refugees has provoked shortages of supplies and reduction of services;

- greater involvement in the development of water and sanitation systems, in rural and peri-urban and urban areas, by implementing a wide range of activities that include drilling boreholes, hand-dug wells, mobilization of "Village Water Teams", installation of hand-operated pumps, as appropriate, and construction of family and community-based latrines.

C) Open the list of eligible recipients of A.I.D. grants to include the possibility of:

- PVOs holding grants under the project to negotiate and award sub-grants to Mozambican nongovernment organizations which are duly registered in Mozambique, in order to implement activities which are eligible under the project, including activities related to alleviating the effects of the drought;

- A.I.D. awarding, on the basis of proven performance and capability, grants directly to Mozambican nongovernment organizations which are also duly registered with A.I.D. according to the procedures outlined for local private and voluntary organizations (LPVOs), in order to implement activities which are eligible under the project.

D) Augment Project Management to include provision for additional long-term technical assistance to help in the management of the expanded assistance to Mozambican nongovernment organizations, that is, to assist national NGOs to implement activities which help to carry out the objectives of the project.

E) Extend the Project Assistance Completion Date (PACD) by thirty months from the current date, March 31, 1994, to September 30, 1996.

A. Increased Funding: The project paper supplement will raise the authorized life-of-project total from \$19,850,000 to \$50,000,000. USAID/Mozambique believes this increase is both warranted and justified, and can be reasonably and readily absorbed by PVO (and NGO)-led activities which a) provide assistance to those persons most seriously affected by the drought -- on top of the insurgency, b) address the social welfare needs of displaced persons -- facilitating the move from emergency to rehabilitation, and c) begin to deal with the evolving economic needs of groups of people.

To date, the PVO Support Project has been the source of nine grants to seven different U.S. PVOs. A.I.D. has signed agreements with PVOs which in the aggregate anticipate life-of-project funding in excess of the authorized project total, subject to the availability of funds. In approximately two years of project implementation, virtually all of present funding has been "spoken for" to cover specific activities that are due to be completed by March 31, 1994, the present PACD. A listing of the PVOs and a short description of each of the presently funded PVO Support Project activities can be consulted in Annex A of this supplement. Many of the PVOs have reached the half-way point in implementing their activities, and have already or are expected to conduct internal assessments or evaluations of progress being made in achieving activity objectives. In many cases, the evaluations will be a vehicle for making mid-course corrections in implementation, and will begin to sketch the outline of follow-up and follow-on activities.

The first two years of project implementation has continued the USAID role of encouraging PVOs to assist the GRM to assess needs, to improve logistics and commodity accountability and to develop and implement procedures to utilize the private sector in program implementation. It has supported the Mission's objectives of promoting food security by helping to address the causes of food insecurity among target groups, and assist people to reduce dependency on free food aid and move towards self-reliance. Many of the PVO activities which are being presently funded under the PVO Support Project have their origins in more strictly emergency relief activities which were undertaken in the mid-1980's with significant funding from OFDA. The emergency relief aspects of USAID assistance today are limited almost exclusively to airlifts, and continue to be funded from OFDA. The terms of the Development Fund for Africa have helped to bring PVO involvement in Mozambique well within the scope of the Mission's approved Country Program Strategic Plan. A.I.D./W's endorsement of the Mission strategy to build upon the grassroots knowledge and experience of PVOs in strictly emergency situations has opened the door for increased PVO involvement in implementing activities which support the transition to rehabilitation and development.

As a result, several additional PVOs have submitted concept papers to USAID in anticipation of jointly exploring the possibilities of future collaboration in project assistance. The Mission expects to receive several proposals from PVOs which are current recipients of A.I.D. grants under the project, as well as from certain PVOs which have made a decision to establish long-term operations in Mozambique. The Mission maintained a relatively small number of active grants in the first two years of project implementation in order to maximize the impact of limited resources, and also because of the importance of monitoring and evaluating funded activities. Both because of increased resources becoming available -- in large part due to the A.I.D. response to the drought -- and because of a largely positive Mission assessment of the initial success of PVO activities in meeting targets and contributing meaningfully towards fulfilling project objectives, this project paper supplement is designed to bring A.I.D. resources in line with what A.I.D. believes can be accomplished with PVO and Mozambican NGO involvement.

B. Amplified Activities: The project paper defined three categories for funding based on discussions with the GRM, with PVOs, a Mission analysis of the situation which prevailed at the time (early 1990) in Mozambique, and a consideration of the available literature on matters of food security and vulnerability to poverty. The three categories are reviewed above (Section I.A.). Under the terms of the PF, the Mission is to decide on an annual basis which emphasis should be given to each of the three categories of eligible activities, based on an assessment of the evolving situation in country. In order to

promote increasing self-reliance on the part of Mozambicans, the PP intends that emphasis be shifted from Category I to Category II and III activities as soon as feasible.

In the course of project implementation over the first two years of the project, there has been, as expected, a concentration of activities within Categories I and II. Humanitarian assistance and social welfare assistance to displaced persons, vulnerable to the effects of the insurgency, has continued to permeate the activities in which PVOs are involved under this project, as well as the activities of most international NGOs and the growing participation of national NGOs. There is at least one important and hopeful sign of movement within these two categories away from the involvement of central government and away from total reliance on external food aid to "drive" the PVO activities. Alternatives are beginning to appear in both cases along the road to rehabilitation and self-reliance. Only tentative moves have been made by any PVO to date in activities covered by Category III. Continued unsettled conditions imposed by the daily realities of the insurgency have not permitted possible longer term economic opportunities to be explored yet.

The drought has harshly served to interject another compelling reason for staying principally within Category I and II-type activities. The needs remain basic and life-supporting. Two slight modifications or clarifications to the Categories, however, are advisable if USAID is to be able to encourage PVOs to meet the new challenges posed by the drought. What the drought has done is to push A.I.D. to think in terms of a broadened target group, to assign a special priority to developing water systems, and to begin to consider ways that a development base can be laid which will have a longer term impact.

1. Broader Target Group: The project paper almost limits beneficiaries of the project to rural-based people, but ascribes the reasoning for such a distinction to "the nature of the affected communities". The Mission position is that the nature of the affected communities has changed, particularly on account of the drought, and needs to be addressed. Even before the onset of widespread drought, many rural people exhausted or frustrated by the years of insurgency, began to gravitate towards a semi-urban environment, or almost created one as they congregated along protected transport corridors. The drought has accelerated that flight, with the result that many rural areas are almost abandoned and the areas around cities have been invaded. The present situation, at least until rains return, and perhaps until there is a favorable resolution of the insurgency, is that increasing numbers of rural-based people are in desperate straits away from their own resources -- now withered and dry. And what is more, the quality of life of the urban dwellers, never high by any standard, has begun to deteriorate rapidly now that there is

29

so much pressure for the dwindling resources and services that had been available to some degree in cities.

Consequently, this supplement allows for an expansion of the target area to include those residents of a city, or of the area around a city, who have been deprived of basic services such as clean water and adequate sanitation which has a considerable impact on their health and well-being.

2. Water Supply: The project paper includes access to clean water and adequate sanitation among activities eligible for funding. However, nothing of the scope of the problem of a virtual lack of water for any purposes was ever envisaged. The drought has raised the water availability issue to the fore, and this supplement provides the rationale for making it one of the priority activities for PVO involvement. There is a great demand for constructing additional water systems to meet current demand. The PVO community has been identified as a possible supplementary or alternate source of implementing appropriate water system construction. Moreover, greater PVO involvement in water supply may provide a linkage to the introduction of a private sector partner, instead of relying solely on more inefficient and costly government or parastatal operations.

The development of water supply systems and adequate sanitation facilities ought to be considered on a priority basis by PVOs, whether these systems are situated in rural or peri-urban and urban environments. However, both the methodologies used in developing water resources or in preparing latrines, and the nature of the installation -- large or small, must have potential for long-term development within a community, and conform with all the requirements of A.I.D.'s environmental regulations (see discussion of the Initial Environmental Examination, Annex B.)-

3. Longer Term Impact: The prolonged insurgency and a two-year drought have also served to underscore the need for initiating interventions that besides helping to address immediate needs, also have longer term implications for re-establishing the physical and human resource base of Mozambican development. Most of the activities funded under the PVO Support Project to date have helped to alleviate the effects of the insurgency on the daily lives of a vulnerable, absolutely poor group of people. This need continues, and the project thrust is still very much in this direction.

At some point in an external assistance program, however, it is incumbent on both the donor and the recipient to begin to consider ways in which a development base can be laid by both parties which look beyond immediate needs, and begin to concentrate on actions which will have a longer term impact, particularly those activities that require few external inputs and can be implemented and sustained by local initiative. Both

the human and physical environment in Mozambique have been severely damaged by the insurgency and the drought. The recovery process can include activities in at least two sub-sectors, family planning and environment management. Both are building blocks in development and contribute to achieving the project purpose of reducing the vulnerability of Mozambicans to absolute poverty.

C. Expanded List of Eligible Grant Recipients: The project paper clearly envisages that all funds will be channeled to U.S. PVOs or to international PVOs which are registered with A.I.D.. A further requirement set out in the PP is that the PVOs have Country Agreements with the GRM. At the time the PP was signed, Mozambican nongovernment organizations of any kind were neither recognized by A.I.D., nor did any "law of association" exist in Mozambique which would allow them to function as an NGO. Mozambican organizations were considered for overall project management, but "[no] indigenous PVO with the administrative and financial capability to handle the sums of money could be found".

Until recently, there have been few nongovernmental organizations in Mozambique with whom A.I.D. could pursue discussions leading to consideration of project proposals for grant funding. There was very little scope for active associational life outside of government-controlled groups. Only some religious organizations were tolerated and retained an independent existence. Trade unions, business organizations and professional associations have been very limited and/or heavily influenced by government. With the introduction of a new constitution in late 1991, the GRM began to move to limit its control over such organizations. The simple de-linking has not in itself created a viable nongovernment sector. But it did acknowledge a movement that was already underway. Beginning in mid-1990, several groups made tentative, officially unrecognized attempts to organize associations which represent various interests and now have varying degrees of legal standing under old and new legislation.

In 1990, USAID began to collaborate on an operational plane (no direct grants and only one sub-grant through an international organization) with a Mozambican NGO in the health sector. The Prosthetics Assistance Project channels assistance to four PVOs, Health Volunteers Overseas, the International Committee of the Red Cross, Handicap International and Save the Children/US. Under the terms of the project, Handicap International, a French NGO, in turn, sub-grants to ADEMO, a Mozambican NGO, now in its third year, which is organized by and for physically handicapped individuals, including those who have been maimed as a result of the insurgency. For the moment, the Handicap International sub-grant only defines a program relationship, and does not sub-grant responsibility for handling project funding. Financial responsibility remains with Handicap International. This model has worked reasonably well to date, although improvements are

being considered.

In order to facilitate the achievement of project objectives, particularly in encouraging Mozambicans to develop their capacity to handle assistance, the PVO Support Project will promote this type of a limited relationship. U.S. PVOs will be able to broaden their scope of action to include a sort of "twinning" relationship, or a tutoring role which permits some resources to flow through national NGOs, provide for adequate monitoring, and serves to strengthen the implementation capacities of the emerging organizations. Grants made directly to Mozambican NGOs which require A.I.D.'s standards of accountability and "grant-worthiness" may come later within the life of this project as the organizations gain in experience in implementation and financial accounting requirements. Actual grant making will be preceded by the initiation of procedures which can lead to the local registration of a Mozambican nongovernment organization (in A.I.D. parlance, a Local Private or Voluntary Organization, LPVO). Standard A.I.D. registration procedures for LPVOs will apply (88 State 402756).

Given the cool reception which national NGOs were receiving in Mozambique in early 1990, at the time the PVO Support Project Paper was framed, it is understandable that the project design limited access to U.S. PVOs. Besides, the transfer of several PVO activities from the OFDA account to the DFA, almost assured that the life-of-project funding, then set at \$19,850,000, would be "spoken for" almost exclusively by PVOs then in-country with ongoing projects. Those circumstances have changed substantially since 1990. Today, the government openly encourages the creation of nongovernment associations, without seeming to exercise its influence in the matter. The government is bound to cast some cautious and even anxious regards in the direction of NGOs during this transition period, particularly as some organizations may have, to one extent or another, some ties or sympathies with one or another of the emerging political parties in preparations for multiparty elections. But there is a feeling of confidence among most nascent NGOs that they are here to stay, and that they intend to remain outside of "politics" and the political process, albeit weighing in on matters of interest to their members and certain segments of the population. The participation of NGOs in urgent programs that are implemented in response to the drought, and particularly in those programs which are helping to lay the foundation for longer term development (and civil society), is a legitimate tie to the objectives of the PVO Support Project.

D. Augmented Project Management: The project paper provides for both long- and short-term technical assistance for implementation and monitoring of the project from the perspective of the A.I.D. Mission. Specifically, provision is made for three personal service contractors to handle the grant and overall management process, to ensure smooth field level implementation of grants,

and to track progress of the various activities towards fulfilling overall project objectives. All three planned positions have never been filled at the same time, and that of the monitor not at all.

1. Long Term: The Mission has recently recruited two project personnel, a Project Manager and a Rural Development Specialist. An Activity Monitor is expected to be recruited locally shortly. This team, once assembled and after an initial accelerated period of orientation, is expected to be able to handle the load of work and responsibility that falls to the management of this project. A well-functioning management team will also be able to relieve the USAID Project Development Officer, presently assigned as Project Officer, from day-to-day implementation tasks, and allow that Officer to exercise other roles both within the project and the Mission.

The assumption by the project of additional responsibilities, as anticipated under this supplement, specifically in making a broad response to the drought and related issues, has raised the question of requirements for additional management. At least two significant elements in the project, those of Mozambican nongovernment organization participation, and the continuing concern of the Mission and NGOs with agricultural recovery, are of sufficient importance to the Mission's strategies with regard to democratic institutions and food security that additional, special and devoted attention is warranted. The Mission's interests and project objectives are well-served with the addition to the project management team of two specialists in local nongovernment institutional development and in recovery and rehabilitation.

a. Local Institutions Specialist: A qualified local institutions specialist will assist the Mission and U.S. PVOs to identify and ease the incorporation of local nongovernment organizations into the project's recovery and rehabilitation program. That process will start immediately with the inclusion of Mozambican NGOs in some A.I.D.-funded (albeit, initially expected to be PVO-directed) activities which help to meet the needs of those affected by the drought. The Local Institutions Specialist will be an important link to the eventual involvement of these NGOs in more classically development-oriented activities, as well as in local activities which tend towards strengthening a broad-based support for a participatory civil Mozambican society. The specialist will also enable the Mission to gain a much better appreciation of the role and the capacity of NGOs to take on direct grants or sub-grants from A.I.D. under the project, and will undertake to assist credible Mozambican NGOs to register with A.I.D. and, thereby, qualify for funding assistance. The specialist will be able to share skills in NGO institution building, where needed, or be able to assist the project to call on appropriate assistance to conduct training

for NGOs which qualify (and/or for qualified individual Mozambicans who work within PVOs and NGOs). Finally, the specialist will serve as a valuable link to the formulation of an anticipated project new-start in FY 1994 (see Annex C: FY94 ABS New Project Description, PVO/NGO Support Project, 656-0228). A draft scope of work for the Local Institutions Specialist can be found in Annex D.

If provision for the participation of local institutions is a new feature of the project which requires the aforescribed particular attention, then there is also a familiar ongoing aspect of A.I.D. assistance under the project which also requires reinforcement, given its continuing importance -- that of providing the opportunity for Mozambicans to undertake the long and arduous task of recovery and rehabilitation. Any scenario which covers the mid- and long-term rehabilitation and development needs of Mozambique inevitably includes food issues. In an environment of either continued insurgency or post-war rehabilitation; in the case of either millions of dislocated or recently returned farm families; in years of sustained drought or with the reappearance of a more regular regime, the food issue dominates. Food supply cuts across all sectors and affects the country's political, economic and social viability. In addressing this issue, the USAID country program recognizes the necessity of paying parallel attention to the emergency and to the absolute necessity to regenerate productive infrastructure and activities. Mozambique must, through whatever means available, feed its people, yet also must begin to develop a dynamic and efficient private production and marketing sector capable of ensuring future food security for its population.

b. Recovery and Rehabilitation Specialist:

USAID/Mozambique's long-term program goal is to ensure access for all Mozambicans at all times to sufficient food for a healthy and productive life. The Mission's program approach has been to concentrate resources on developing competitively functioning food markets rather than promoting large scale welfare programs as food security "interventions." At the same time, the USAID program seeks to provide, where needed, an efficient and effectively targeted food security safety net in ways that do not distort the market or undermine the larger efforts to get normal supply and demand factors functioning. The Mission is continuing to explore ways to ensure that emergency relief programs, including food aid, and such other Mission activities as PVO support grants for agriculture recovery, health/child survival/water and sanitation, and training activities can complement and supplement the broader and longer-term food security objective.

PVOs with grants under the PVO Support Project are already playing an important role in the food security equation. This project paper supplement confirms that role and serves to

heighten its importance in terms of assisting Mozambicans to create the preconditions for recovery from the effects of the drought. It also provides the rationale for increased participation by PVOs in the supply, as well as the traditional demand side, of the food security equation. To this end, PVOs will become increasingly involved in activities which will help to stabilize consumer prices of basic staples by stabilizing supply, strengthen competitive markets and stimulate increased private sector investment.

An experienced recovery and rehabilitation specialist will be recruited by the project and serve as a program advisor to the Mission in its discussions with PVOs which are involved, or which become increasingly involved in agriculture recovery programs which are conducted on an intra- and inter-provincial level. The specialist will have the responsibility of drawing up guidelines based on USAID's country program which will be useful to PVOs in conceiving their strategies and implementing their workplans in promoting agricultural production and marketing activities which lead to long-term gains in food security. The specialist will be able to assist the Mission in its continuing efforts to address the issue of intersectoral food security by exploring the mix of options available to the GRM and collaborating donors and implementing agencies. The specialist will be able to advise the Mission and PVO grantees on the best use of USG resources (dollar grants, free food imports, monetarized food imports, local procurement of food commodity), as well as the agreed use of GRM-owned local currency. A draft scope of work for a Recovery and Rehabilitation Specialist can be found in Annex D.

2. Short-Term: The need for short-term technical assistance under the project will be expanded somewhat from the current provisions (42 person months). Already, the Mission has called on the PVO Support Project to help meet requirements related to PVO involvement in the drought, and to offer advice to the emerging NGO system in Mozambique. To date, project management has availed itself of short-term assistance in the form of a special technical consultant in hydrology who has been engaged to take a special look at the water sector as part of the Mission's drought response. On the one other occasion in which short-term assistance has been used, the Mission retained consulting services to assist a Mozambican NGO to determine the feasibility of creating a foundation for community development in country. The ongoing and projected needs of short-term assistance will continue to focus in these two areas: specific technical inputs to project management to enable it to work out programs with PVOs and Mozambican NGOs, as the case may be; consulting services to the Mozambican NGO community at large in strengthening its capacity to become a full and effective partner with USAID in providing assistance, and to facilitate the transition from emergency to rehabilitation. Both technical and institutional issues have to be addressed along the road of

decreased dependency and increased capacity and initiative.

E. Extended PACD: The project paper never really discusses the issue of an assistance completion date. Over a decade of human misery in Mozambique, and the lack of a timetable for this misery to end, provides an element of uncertainty to project planning. The project purpose addresses efforts to reduce the vulnerability of Mozambicans to absolute poverty, induced by the insurgency. That insurgency continues to this day, and the level of absolute poverty is now aggravated by the drought. The Mission's CPSP makes two points in this regard: "First, as long as the war continues, the standard of most Mozambicans is extremely sensitive to the levels of general donor support. Second, the advent of peace would substantially change the nature of the country's problems, but those problems would still require very high levels of assistance for a long time to come." Thus, extension of the PACD to September 30, 1996 is consistent with the Mission's and this project's objectives and is essential for meeting the immediate needs occasioned by the insurgency and the drought, and the ongoing needs in a period of recovery and rehabilitation.

V. Initial Environmental Examination. Per State 282370, the Bureau Environmental Officer (BEO), with the clearance of GC/AFR, has delegated authority to the Mission Director, USAID/Mozambique to approve Initial Environmental Examinations for individual PVO grants, with the concurrence of the regional environmental and legal officers. A copy of State 282370 is included as Annex B.

VI. Revised Procurement Plan.

With reference to Chapter J. Procurement Plan, Section 6. Source/Origin/Nationality Issues of the original Project Paper, certain activities of the amended project will be financed from the PSSE appropriation. Consequently, for activities funded under this appropriation, DFA rules will not apply. Accordingly, Code 000 is the authorized procurement code for these activities, and source/origin/nationality waivers will be required, except as other provisions of A.I.D. regulations and Congressional legislation may allow. All other terms and provisions of the Procurement Plan of the Project Paper remain in effect.

VII. Revised Financial Plan.

The original project paper budget allotted funds in four categories: project management, PVO grants, short-term technical assistance, and evaluation and audit. Table 1 below provides a summary of the actual allocation of initially authorized funding. Table 2 provides the illustrative financial plan for the additional funding authorized under this project paper supplement. Table 3 represents Mission's planned obligation schedule for the project over present and future years.

Table 1

A. Unilateral Obligations outside of the Project Grant Agreement:

<u>Item</u>	<u>\$U.S. x 000</u>
1. Project Management and Technical Assistance	667
2. PVO Grants	5,733
Total A	<u>6,400</u>

B. Bilateral Obligations under the Project Grant Agreement, as amended (through June 30, 1992):

<u>Item</u>	<u>\$U.S. x 000</u>
1. Project Management	715
2. PVO Grants	12,297
3. Technical Assistance	360
4. Evaluation/Audit	70
Total B	<u>13,442</u>

C. Total Project Obligations through July 30, 1992

<u>Item</u>	<u>\$U.S. x 000</u>
1. Project Management and Technical Assistance	1,742
2. PVO Grants	18,030
3. Evaluation/Audit	70
Total A & B	<u>19,842</u>

31

Table 2

Illustrative Financial Plan, showing past and anticipated obligations under this Project Paper Supplement (by totals in project categories).

<u>Item</u>	<u>\$U.S. x 000</u>		
	Authorized Funding Thru 6/30/92	Additional Authorized Funding	Total Authorized Funding
1. Project Management	1,382	2,135	3,517
2. PVO Grants	18,030	26,523	44,553
3. Technical Assistance	360	1,000	1,360
4. Evaluation/Audit	70	500	570
Total	<u>19,842</u>	<u>30,158</u>	<u>50,000</u>

Table 3

Illustrative Financial Plan of this Project Paper Supplement (by FY of obligation).

<u>Item</u>	<u>\$U.S. x 000</u>		
	FY 1992	FY 1993	Total
1. Project Management	1,000	1,135	2,135
2. PVO Grants	16,278	10,245	26,523
3. Technical Assistance	300	700	1,000
4. Evaluation/Audit	130	370	500
Total	<u>17,708</u>	<u>12,450</u>	<u>30,158</u>

U.S. Private and Voluntary Organizations which are currently involved in the PVO Support Project, and ongoing activities.

CARE, International. The capacity of the Logistical Support Unit of the government's disaster coordination agency (DPCCN) to plan, coordinate and manage external resources has been the object of A.I.D. funding since 1986. Since that time, CARE has received a series of grants to provide logistical, and management ground support and training. Currently, CARE is assisting DPCCN in increasing efficiency of services which are devoted to handling emergency supplies, facilitating an orderly transfer of DPCCN's responsibilities to private transporters and non-government organizations, and to prepare DPCCN for its intended role as disaster information advisor and relief coordinator.

Adventist Development and Relief Agency. ADRA is undertaking a rural rehabilitation activity in Northern Inhambane Province, in furtherance of the PVO Support Project's objective of promoting increased rural employment, production capacity and cash income among intended beneficiary groups. ADRA's program comprises emergency assistance, food for work activities, and agricultural recovery. The activity focuses on the provision of agricultural inputs, such as seeds and tools, to displaced and otherwise seriously affected persons, and the training of extension workers.

Africare. Rural rehabilitation in certain priority areas of Sofala Province has been the object of Africare's attention for several years. The current activity focuses on well construction inputs, both shallow hand-dug, and boreholes. New wells are being outfitted with a handpump; existing, but non-functioning wells, are being repaired and brought back into service. The activity includes a well component fabrication center which produces concrete well liners.

Food for the Hungry International. FHI's rural rehabilitation program in Sofala Province is facilitating increased total family farm production for self-sufficiency and marketing in nearby communities, and thereby assisting those communities to reduce dependency on external assistance and move towards self-provisioning and self-reliance. Activities center on agricultural recovery, including the training of an effective group of extension workers, and assistance to the beginnings of microenterprise activities for income generation.

Save the Children (USA). SCF/USA is undertaking a program of rural rehabilitation in Gaza Province which includes particular attention to children, in fulfillment of the PVO Support Project's objective of promoting increased coverage of preventive health care and availability of basic health services. The activity promotes increased immunization coverage, greater numbers of women who are able to use oral rehydration therapy, and more potable water and sanitation facilities in the areas of concentration. In addition, the activity's project's provision of seeds and agricultural tools enables area farm families to appreciate quick gains in production, with consequent increases in nutrition, particularly among children.

Save the Children (USA). SCF/USA has undertaken the lead in assisting Mozambican children who are traumatized and displaced by the insurgency. The program includes efforts to reunite orphans with their families, wherever located, or placing them with surrogate families, provide counselling to these children and their families, and train Mozambican counterparts in counselling and reunification techniques. The program covers the entire country (with the exception of Zambezia Province, where SCF/UK has similar operations), and has been extended to include neighboring zones within Malawi and Zimbabwe where Mozambican refugees are sheltered.

World Vision Relief and Development, Inc. WVRD is actively involved in the implementation of a broad program of child survival and agricultural recovery in Tete and Zambezia Provinces. Health related activities are concentrated on nutrition, malaria control and increased immunization coverage. Training of community health workers is an important link to community mobilization, information dissemination and in data collection. Agricultural recovery focuses on the provision of agricultural inputs. WVRD has played an important role in developing the "ag-pac" which facilitates distribution of essential agricultural inputs to the farm family. The activity includes training and effective use of local extension workers, which seeks to improve agricultural practices.

Mozambique Health Committee MHC has initiated a series of activities to enable cooperating community organizations and associations, as well as local government health and sanitation services in selected areas of Manica Province, to plan and deliver appropriate, low-cost primary health care services so as to measurably improve community health and improve the quality of life. The program objective is to contribute towards improving the productive capacity of household members to assume greater responsibility for individual and community health care, and towards lessening their dependence on external emergency assistance.

PVO.IEE 08/18/92

Annex C

USAID/Mozambique FY 1994 ABS: New Project Description

Project Title: PVO/NGO Support Project

Project Number: 656-0228

Project Funding Level: \$20,000,000

Major Development Problems Addressed: Under both Portuguese colonialism and the post-independence single political party, until recently there has been little scope for active associational life outside of government controlled groups. There is evidence that civil society is beginning to exercise a greater development role. In recent years, the government has become more tolerant of religious organizations. The government is no longer able to wield the heavy influence and control that it used in the past on trade unions, business organizations and professional associations. In 1991, the government legislated freedom of association and a recent count yielded over eighty associations which have been formed at the national or provincial level. These newly created associations are undeveloped and inexperienced, albeit anxious to be about the business of civil society. The newness and present weakness of the nongovernmental sector provides constraints in shifting from a state-centered development strategy to an environment in which the initiative comes from broad participation of the population.

In the exercise of their new-found rights, Mozambican nongovernment associations have organized a national seminar to consider the options available to them in acquiring the competence, capacity and articulating their convictions so as to play an effective role in moving the national development agenda forward. Some are considering models from other African countries, others advise turning inwards to develop a strictly indigenous model. The role of international (northern) NGOs (among them, U.S. PVOs) in the transition period is undefined and ambiguous, given their overwhelming presence during the past decade of war and drought. The national NGOs are seeking a partnership that goes beyond dependency and offers prospects for "indigenizing" the current reforms and addressing the country's many development problems.

The ongoing PVO Support Project is responding to the challenge of effectuating a transition from relief to rehabilitation while reducing the dependency of Mozambicans on external and government resources. The project counts almost entirely on the efforts of U.S. PVOs to deliver assistance, and also aims to develop the capacity of Mozambican individuals, families and local informal groups to develop their own capacity to build upon humanitarian assistance to facilitate the move from dependency. However, it does not provide for direct assistance in the development of the efforts of Mozambicans to undertake these tasks themselves.

42

Project Purpose: To enable national nongovernment organizations (NGOs), NGO associations, and community groups, with U.S. PVO assistance, to plan design and carry out sustainable development activities which contribute to a social and economic environment in which civil society can grow.

The encouragement of emerging national NGOs will enlist the will and the services of a broad spectrum of Mozambicans to engage in activities which mitigate the worst effects of the emergency brought on by the war and disasters which are aggravated by the effects of the war, and, where security permits, to begin the transition towards self-reliance. Specifically, national NGOs can begin to assume a fair share of the responsibility of promoting food security, as outlined in the Mission's CPSP sub-goals: to meet subsistence food and basic health requirements, and to increase food supplies to meet domestic consumption requirements. More directly, the project will be a major contributor to the Mission's second Strategic Objective.

Project Description: The project will have two major elements linked both conceptually and operationally: (1) institutional support to NGOs and NGO associations, and (2) sub-grants to U.S. PVOs and Mozambican NGOs working collaboratively in sustainable development activities which contribute to a social and economic environment in which civil society can grow.

The project may be managed through a NGO Liaison Group that will receive management and technical support from a competitively selected U.S. PVO or PVO consortium, preferably in collaboration with a national NGO or association of NGOs. The Liaison Group will provide a range of institutional and technical assistance, financial management, training, monitoring and organizational support. National NGOs or local interested private firms will provide required services in the measure possible.

The NGO Liaison Group coordinating committee may include representatives of national and international NGOs (including U.S. PVOs), the government, and USAID. The coordinating committee will provide policy guidance to the Liaison Group, review progress towards attaining objectives, review all sub-grants and approve sub-grants over \$200,000, and offer a forum for the NGO community, private firms, the government and donors.

The project will provide long- and short-term technical assistance (both U.S. and Mozambican); training to enhance the institutional capacity of NGOs, NGO associations and community groups; sub-grants to NGOs, NGO associations and community groups, and to U.S. PVOs working in Mozambique for local level rehabilitation and development activities; limited commodities and equipment to support the NGO Liaison Group and as part of subproject activities such as monitoring and evaluation, and provision to fulfill USAID's managerial responsibilities.

43

Scope of Work (draft)

A. Local Institutions Specialist

Background: In order to expedite the achievement of project objectives, particularly in encouraging Mozambicans to develop their capacity to handle assistance, the PVO Support Project will facilitate a working relationship between PVOs and national NGOs.

Purpose: Within the PVO Support Project, assist USAID/Mozambique and PVOs to identify and facilitate the incorporation of local nongovernment organizations into the project's recovery and rehabilitation program.

Specifically:

- Update the Mission's information on the capacity, the appropriateness and the interest of Mozambican nongovernment organizations to collaborate with PVOs in providing assistance to meeting human, social welfare and economic needs within a more open, liberalized Mozambican civil society;

- Determine the opportunities which PVOs with A.I.D. grants in Mozambique may have to contribute towards the achievement of project objectives by increasing their effectiveness, efficiency of operations and improving the chances of sustainability of activities implemented and skills acquired by collaborating with Mozambican NGOs at the national, provincial or local level.

- Draft a strategy and implementation plan for the incorporation of Mozambican NGOs as partners of PVOs in the conception, implementation and monitoring of activities funded under A.I.D. grants to PVOs. Obtain A.I.D. approval and the consent of specific PVOs and NGOs to implement the plan.

- Oversee, monitor and report on the progressive implementation of such a plan within PVO and NGO structures.

- Help to identify areas of required assistance within both PVOs and NGOs in the implementation of collaborative programming and field-level implementation. Help to bring appropriate resources available from within (or without) the project into play in addressing problem areas.

- Conduct required training programs for institutions or individuals or, in concert with PVOs and NGOs, arrange for such training programs to be conducted either by the PVOs and NGOs, or by outside technical assistance, or by attending short- or long-term training programs in-country, in third-countries (within the region), or exceptionally, in the U.S..

44

- Assist, as appropriate, in the assessment of, and then the registration of qualified Mozambican NGOs to receive direct A.I.D. grants, according to standard A.I.D. registration procedures for Local Private or Voluntary Organizations.

- Participate with PVO Project Support technical assistance management team and program design officers of USAID/Mozambique, in the development of future A.I.D. planned assistance to PVOs and NGOs in Mozambique.

Qualifications: Experience in working with PVOs and NGOs, particularly in Africa, is required. Familiarity with the issues surrounding the organization, institutionalization, management and operation of national NGOs, with particular reference to cooperation with U.S. PVOs, registration as LPVOs (according to A.I.D. registration requirements) for receipt of A.I.D. grants. Expertise in institutional and individual training needs assessments, including for development of skills in programming, implementation, financial accountability, monitoring and evaluation. Familiarity with the issues which concern Mozambican NGOs, such as participation in emergency relief efforts, collaboration with international NGOs, local and provincial reconstruction programs, the development or promotion of and education about democratic institutions, intra-NGO cooperation, etc. Particular familiarity with the resources that A.I.D. can bring to bear in support of a nongovernment network of organizations which begin to make up a civil society. Good management and organizational skills, as well as facility in written and spoken means are essential to being able to communicate ideas. Master's degree in an appropriate social science; Portuguese language facility a necessity. Basic automatic data management skills are required. Willingness to travel throughout Mozambique is essential.

Terms of Service: Two years U.S.-hire personal services contract, with possibility of extension up to an additional two years. To begin o/a January 1993.

45

B. Recovery and Rehabilitation Specialist

Background: Food supply cuts across all sectors and affects Mozambique's political, economic and social viability. Medium and long-term rehabilitation and development needs of Mozambique inevitably include food issues. The A.I.D. country program, and the PVO Support Project, recognizes the necessity of paying parallel attention to urgent food distribution needs and to the absolute necessity to regenerate productive infrastructure and agriculture recovery activities. PVOs can increasingly participate in a broad range of activities which will help to add to food security.

Purpose: Within the existing and new grants to PVOs and national NGOs, to explore ways to ensure that PVO/NGO conducted programs can become actively involved in complementing and supplementing USAID's broader and longer term food security objectives.

Specifically:

- Draft guidelines based on USAID country program which will be useful to PVOs in conceiving a strategy and workplan to promote agriculture production and marketing activities which lead to long-term gains in food security.

- Assist Mission efforts to address the issue of intersectoral food security by exploring the available mix of options which PVOs can contribute.

- Work with PVOs which are involved in intersectoral food security issues to ensure that their management and implementation staff is thoroughly versed in Mission food related policy initiatives so as to provide for coordination of inputs in the measure possible.

- To advise the Mission and PVOs as to the best use of USG food related resources (dollar grants, free food imports, monetarized food imports, local procurement of food commodity) as well as the agreed use of GRM-owned local currency.

- To work with appropriate GRM entities (i.e., National Planning Commission, National Emergency Commission), PVOs and PVO liaison groups, individual Mozambican NGOs and liaison groups, and bi- and multilateral donor groups to advise the Mission and PVOs within the PVO Support Project as to opportunities for coordination of program inputs, particularly with regard to agriculture recovery and rehabilitation programs.

- To stimulate, and where appropriate and necessary, to take the lead in organizing ad hoc or formal institutionalized fora for the purpose of addressing recovery and rehabilitation issues, particularly as they touch on intersectoral food security issues, action plans and collaborative efforts on the part of PVOs and NGOs to get agriculture moving.

46

Qualifications: Experience in reconstruction and rehabilitation programs, preferably those with PVO (and local NGO) involvement, and preferably in Africa, is essential. Familiarity with the issues surrounding the re-establishment of rural and peri-urban communities within a broad participatory framework, stemming from local initiative and supported by government, private sector, donors and PVOs. Particular knowledge and experience in helping to determine the role that PVOs, with A.I.D. grant assistance, can play in re-establishing the social and economic framework which favors the growth of an open economy based on market principles, with all due respect and concern for individual, family and community needs for well-being. Particular first-hand familiarity with assessing and recommending the best mix of a variety of possible A.I.D. resources in helping PVOs and NGOs to contribute meaningfully to addressing the intersectoral issues of the USAID Mission's food security objective. Master's degree in an appropriate social science. Several years of experience working with A.I.D. relief and development programs which are channeled through PVOs and NGOs. Written and spoken skills are required. Portuguese language proficiency is essential. Basic computer familiarity/proficiency is required. Willingness and availability to travel throughout rural Mozambique is necessary.

Terms of Service: Two-years U.S. hire personal services contract with possibility of extension up to two additional years. Salary commensurate with experience and earnings history. To begin o/a January 1993.

AGENCY FOR INT'L DEV.
TELECOMMUNICATIONS CENTER

TELEGRAM

PAGE 02 OF 02 MBABAN 01973 00 OF 02 030540Z 4329 00193 AID5739
0 AFTER THE REVISED CROP FORECAST, THE GRM WILL LAUNCH
A REVISED APPEAL FOR FOOD AID FOR COMMERCIAL AND FREE
DISTRIBUTION THIS SHOULD BE AVAILABLE BY THE END OF
APRIL DONORS WILL NEED TO BETTER COORDINATE THEIR
RESPONSE FOR BOTH FOOD AID AND ITS COSTS IT MAY BE
EASIER FOR SOME DONORS TO PROVIDE FOOD AID WHILE OTHER
DONORS COULD PROVIDE ITS COSTS ROGERS

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-49-

SECTION 611(e) CERTIFICATION

AMENDMENT TO THE PVO SUPPORT PROJECT (656-0217)

I, John M. Miller, Acting Director and Principal Representative for the Agency for International Development in the Republic of Mozambique, hereby certify, based on the considerations listed below, that the Republic of Mozambique has both the financial and human resources capability to effectively maintain and utilize the additional wells and pumps being provided under this project.

1. Southern Africa is now experiencing one of the worst droughts of the century, with southern Mozambique and Zimbabwe the two hardest-hit countries in the region. Rainfall for the 1990-91 and 1991-92 rainy seasons has been well below average throughout Mozambique. Particularly hard hit are the southern provinces of Manica, Sofala, Inhambane, Gaza, and Maputo. A large portion of Tete Province has also been severely affected by the drought.
2. With technical assistance support from the United Nations Children's Fund (UNICEF), the National Directorate of Water (DNA) has compiled a well-developed planning document, the Emergency Plan of Action-Drought 1992 (hereinafter referred to as the Emergency Plan), to assist in addressing the immediate short-term problems of the water supply sector, as best can be predicted. The USAID Mission in Mozambique's Environmental Officer has reviewed the Emergency Plan and the field implementation by PRONAR (National Program for Rural Water) and has found it to carry adequate measures for safe-guarding the environment.
3. While the National Directorate of Water (DNA) and the National Program for Rural Water (PRONAR) do not have the resources to construct, install, and maintain water points, wells and pumps without external assistance, their capacity is being improved through ongoing donor training and technical assistance programs. Programs funded by UNICEF, the Dutch and Swiss are directed specifically at improving contracting procedures for construction, introducing appropriate technologies, and enlisting village participation in the construction and maintenance cycles.
4. The Government of Mozambique (GRM), and its agents in the water supply sector, DNA and PRONAR, are committed to improving their capacity to deliver and maintain water systems for the population. To this end, the GRM has changed the standards for hand pumps to simplify and improve the methodology for future maintenance.

In the past 10 years, India Mark II hand pumps have been installed as the standard pump in Mozambique. They require a centralized maintenance system, which thus far has been unresponsive, resulting in a very high percentage of hand

pumps becoming inoperative, often for want of a relatively inexpensive replacement part.

By government mandate all hand pumps to be installed under this and future PRONAR programs must be VLOM-type (Village Level Operation and Maintenance). The GRM introduced the VLOM pump concept two years ago under a pilot project. All of the pumps installed to date have been tremendously successful and well received by the villagers, particularly the women. Maintenance requirements are extremely simple, requiring only one basic tool. Under the Emergency Plan, the hand pump of choice is the Afridev which uses the VLOM concept. A training program will be given to all communities receiving VLOM pumps, so that they will be able to maintain their systems and solve 90 percent of any problems arising. DNA and PRONAR have the capacity and infrastructure to address the remaining problems.

5. During this time of drought, with emergency interventions being planned, the rural component of the Emergency Plan calls for 43 percent of the new sources to be machine-drilled boreholes. This is technically appropriate because the deeper boreholes are much less susceptible to the effects of drought and are less likely to fail should the drought continue past the next expected rainy season.
6. In response to the Emergency Plan, donors have met the well drilling and hand digging capacity of the DNA and PRONAR. Through activities funded under the USAID Primary Health Care Support Project, a major portion of the Emergency Plan will be met. The PVO Support Project will:
 - * Consider activities that will deepen existing hand dug wells;
 - * consider well digging to be undertaken on a food-for-work basis or by "Village Water Teams";
 - * encourage the installation of simple, maintainable VLOM-type pumps on all wells;
 - * encourage the mobilization of community groups to dig pit latrines both as a short-term health precaution, and as a longer term measure in community health promotion;
 - * focus increased attention on the problems of peri-urban and urban water supply and water disposal caused by the increased pressures from the rural populations which have taken refuge in towns and cities.
7. The GRM, through DNA and PRONAR, have implemented a program whereby nongovernment organizations (NGOs), Private Voluntary Organizations (PVOs) and private sector

51

contractors can assist in the implementation of water point development and equipment installation. This additional capacity, which the PVOs will provide by contracting with private drilling companies for borehole construction and/or, establishing Village Water Teams for well rehabilitation and maintenance, etc., will help to ensure that the goals and objectives of the GRM Emergency Plan can be met.

8. The PVO Support Project, Amendment No. 2 will provide A.I.D. finance for efforts of selected U.S. PVOs working in Mozambique to assist Mozambicans to develop their capacity to manage and provide humanitarian and development assistance to persons most seriously affected by the insurgency and to facilitate the transition from emergency to rehabilitation. The project is being amended in FY 1992 to increase life-of-project funding to \$50 million, and use approximately \$4 million of this total amount for the renovation or construction of up to 300 wells and the supply and installation of a like number of hand pumps and five electric pumps to help mitigate some of the more deleterious aspects of the current drought.
9. USAID's analysis indicates that the GRM has the combined local and external management and financial capability to implement an immediate response to the drought. Furthermore, the GRM has taken the necessary steps to ensure that appropriate and maintainable technology will be installed for pumping capacity. The GRM has further indicated its commitment to deliver water resources to needy populations by inviting the participation of the private sector and PVOs in the development and installation of additional water points. PVOs, NGOs and the private sector water supply companies/contractors are coordinating their activities with the GRM's National Directorate of Water, and have included the crucial steps of technological and social siting, community education in use and maintenance and in related health and sanitation issues within their proposed programs.


John M. Miller
Acting Director, USAID Mozambique

Date: August 23, 1992

52

Draft: PARGO, ENG 08/10/92 ,
Clearances: SBliss, PDO
BRose, REDSO/ESA (draft 08/14/92)
TRiedler, RLA (telcon 08/21/92)
BDodson, A/Dir

Doc: E:\PHCAM.WPF

53

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: AFR/SA, Keith E. Brown *KEB*

SUBJECT: Mozambique - 611(e) Certification for the Mozambique PVO Support Project Amendment (656-0217)

Problem: You are requested to take under favorable consideration the FAA Section 611(e) certification signed by the Mission Director, USAID/Mozambique, that the Government of Mozambique (GRM) has both the financial and human capacity to utilize and maintain the additional wells and pumps being provided under this project.

Discussion: The PVO Support Project supports the efforts of selected U. S. Private and Voluntary Organizations (PVOs) working in Mozambique to assist Mozambicans to develop their capacity to manage and provide humanitarian and development assistance to persons most seriously affected by the ongoing insurgency, and to facilitate the transition from emergency to rehabilitation activities. The project is being amended in FY 1992 to increase life-of-project funding to \$50 million, and use approximately \$4 million of this amount for the construction or renovation of up to 300 wells and the supply and installation of a like number of hand pumps and five electric pumps to help mitigate some of the more deleterious aspects of the current drought.

The project plans to continue to fund three types of PVO activities as described in the Project Authorization. These are 1) relief activities which provide basic humanitarian assistance to destitute and needy displaced persons; 2) activities that address the social welfare needs of displaced and "affected" persons; and 3) activities which address the economic needs of targeted groups vulnerable to absolute poverty. The provision of potable water in response to the drought affecting much of southern Mozambique will be a much greater activity within some of the ongoing and new PVO grants.

With technical assistance from the United Nations Children's Fund (UNICEF), the GRM, through its technical agents in the water supply sector (the National Directorate for Water -- DNA, and the National Rural Water Supply Program -- PRONAR), has compiled a well-developed planning document, the Emergency Plan of Action -- Drought 1992 (hereinafter referred to as the Emergency Plan), to assist in addressing the immediate problems of the water supply sector, as best can be discerned and predicted. The Emergency Plan is designed to deliver the proposed water supply relief interventions within the government's existing institutional framework.

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The needs assessment developed within the Emergency Plan is to be based soundly upon considerable field investigation and substantial cooperation with provincial authorities. The location of affected rural populations, the separation of secure and non-secure areas is well defined in the presentation of priority needs. This distinction has been successful in attracting a reasonably quick donor assistance response.

In May 1992, consultants under the USAID-funded Water and Sanitation for Health (WASH) Project reviewed the Emergency Plan. In addition to commenting on the interventions specifically addressing the drought, the WASH report also covered the institutional capacity of the National Program for Rural Water (PRONAR), the National Directorate of Water (DNA), and the Provincial Rural Water Supply Workshops (EPAR) and their respective financial and human resources available for this effort. The WASH report concluded that the Emergency Plan would stretch the government-based production capabilities. Given the urgent need for water points, WASH recommended that the FVO/YGO community manage the production of 50 to 100 boreholes by private drilling contractors. The Mission Environmental Officer has reviewed PRONAR's program for implementing the Emergency Plan and finds it contains adequate measures for safe-guarding the environment.

Since 1985, UNICEF has been working with PRONAR to provide substantial technical assistance to the rural water supply sector. During that time, production rates for newly-developed water sources have dramatically improved. Delivery of new sources peaked in 1989 with a total of 1,066; last year 886 new sources were developed. As a result of UNICEF technical assistance, a more integrated approach to water supply and sanitation has been developed whereby social and economic issues are woven into the technical delivery process.

The ratio of machine-drilled boreholes to total borehole production for the last three years is at a reasonable level, i.e., roughly 25 percent. Under normal development plans, this ratio allows for 75 percent of the water sources being developed to be established using a less expensive technology, such as hand-dug and hand-drilled wells. However, during this time of drought, with emergency interventions being planned, the Phase 1-a rural component of the Emergency Plan calls for 43 percent (288 of 675) of the new sources to be machine-drilled boreholes. This is technically appropriate because the deeper boreholes are much less susceptible to the effects of drought and are less likely to fail should the drought continue past the next expected rainy season.

The plans to change technologies for the type of hand pump used is a sound one. In the past 10 years, India Mark II hand pumps have been installed as the standard pump in Mozambique. They

55

require a centralized maintenance system, which thus far has been unresponsive, resulting in a very high percentage of hand pumps becoming inoperative, often for want of a relatively inexpensive replacement part.

- Under government mandate, all hand pumps to be installed under PRONAR programs in the future must be VLOM (village level operation and maintenance)-type. VLOM-type pumps are the functional equivalents of the India Mark II, but installation and maintenance are much easier. Under the Emergency Plan, the VLOM-type hand pump of choice is the Afridev, which is imported from India. Together with village-level training, the Afridev pump will allow recipients to maintain their pumps so as to solve 90 percent of any operational problems. The GRM introduced the VLOM-type pump two year ago as part of a pilot project. All of the pumps installed to date have been well-received by the villagers, particularly women. Maintenance is extremely simple, requiring only one basic tool.

The GRM has recently encouraged the entry of PVOs and NGOs into water source and supply development. Non-governmental organizations, acting under the overall guidance and direction of DNA and PRONAR, will enhance the productive output of water source development through (a) contracting additional drilling capacity through the private sector, (b) the formation of Village Water Teams to enlist the participation of communities in construction, operation and maintenance of the water systems, and (c) the education of the communities in related public health activities.

- PVOs which are operating in Mozambique and which are likely to submit proposals for water supply activities to be funded under the PVO Support Project, have developed comprehensive plans for the siting, digging/drilling, training in maintenance and repair, and health education in related water and sanitation issues. The active field-level participation of PVOs with prior experience in hand dug well construction and borehole drilling, and the close working relationship that is developing between PVOs, national NGOs and government rural agencies is of additional value in assessing the capabilities of Mozambican organizations to maintain and utilize water supply infrastructure.

Authority: The Mozambique Mission has submitted a 611(e) certification for the Mozambique PVO Support Project. FAA Section 611(e) provides that prior to furnishing any capital assistance in excess of \$1 million, the head of the Agency shall have

"received and taken into consideration a certification from the principal officer of such agency in the country in which the project is located as the capability of the country (both financial and human resources) to effectively maintain

and utilize the project taking into account among other thing the maintenance and utilization of projects in such country previously financed or assisted by the United States."

- Delegation of Authority No. 404, as amended, delegates to the applicable regional administrators, without authority to redelegate, the authority to receive and take into consideration this certification.

The Acting Mission Director in Mozambique has executed the attached certification that, based on the facts set forth therein, the Republic of Mozambique has the financial and human capacity to utilize and maintain the capital elements of this project.

Recommendation: That, by signing below, you favorably take into consideration the certification of the Acting Director, USAID/Mozambique, that the Republic of Mozambique and its agents (DMA, PROMAR, and EPAR) as advised by technical assistance from UNICEF, selected NGOs and FVOs, and private water supply contractors, as well as community residents, have the financial and human capability to ensure the effective maintenance and utilization of the new wells and pumps to be provided under the FVO Support Project.

Approved: _____

[Handwritten Signature]

Disapproved: _____

Date: _____

8/28/92

57

611(e) Certification for the Mozambique PVO Sup
Amendment (656-0217)

Clearances:

AFR/SA:Rharber (draft)
GC/AFR:ESpriggs [Signature]
DAA/AFR:RCobb [Signature]

USAID/Mozambique/ENG:Pargo:AFR/SA:DM [Signature]son:s/
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* based upon mission certificate that US. SI:

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