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UNCLASSIFIED

MOZAMBIQUE

PVO SUPPORT PROJECT

656-0217

PROJECT PAPER

USAID/MOZAMBIQUE
June 1990

UNCLASSIFIED

Action Memorandum for the Director

From: Aileen Marshall, *AM*

Through: David Mutchler, Deputy Director *DM*

Subject: PVO Support Project (656-0217)

A. Problem: Your approval is required to authorize the PVO Support Project (656-0217) in the amount of \$19,850,000. The PACD is March 31, 1994.

B. Discussion:

i. The Project. The PVO Support Project is intended to finance the efforts of selected 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 represents the Mission's attempt to move from a purely emergency response using Office of Foreign Disaster Assistance (OFDA) funds, to one which is rather more developmental in nature.

ii. Eligible activities. Three main categories of activities are defined as eligible for funding under the project. These encompass a) those which provide basic humanitarian assistance to those persons most seriously affected by the insurgency; b) those which address the social welfare needs of displaced persons; and c) those which address the economic needs of targeted groups. Purely emergency activities such as air lifts will continue to be funded by OFDA.

iii. Conformity with Mission Strategy. The PVO Support Project is the key component of the program contributing to the Mission's second strategic objective of reducing, within target groups, external dependence on food aid to meet subsistence requirements. USAID's March 1990 Country Program Strategic Plan (CPSP) clearly sets forth the Mission's strategy to build upon the experiences and skills of PVOs to help communities reestablish their productive capacity. AID/Washington has approved the CPSP and endorsed the PVO Support Project as an appropriate vehicle for assistance.

iv. Use of DFA Funds. Activities which have been defined as eligible for funding are consistent with DFA objectives. In conformance with guidance contained in 90 State 116710, DFA funds will not be used to finance costs which normally can be borne by PL480, 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.

v. Obligation Mechanism. Funds will be obligated on an annual basis through direct grants to PVOs, rather than through the Government of Mozambique (GOM) or through an intermediary. It

was felt that direct management was preferable given the nature of potential activities and the centrality of the project to the Mission strategy.

vi. Financial Plan. Of the \$19,850,000 life of project funding, approximately \$17,290,000 will be made available for grants to PVOs. \$1,710,000 will be used for project management purposes, to cover costs of air travel, commodities and the project management team. \$850,000 will be used to contract for short term technical assistance, and for evaluation and audit of the project. \$6,500,000 is planned for obligation in FY1990, and \$6,675,000 planned for obligation in both FY1991 and FY1992. These planned levels will be drawn down upon as required, and actual funding levels will be determined in the course of developing the Mission annual obligation schedule. The planned obligation of \$6,500,000 in FY 1990 is based on the assumption that an additional \$2,500,000 will be made available through a supplementary Congressional appropriation. Should this not be the case, \$4,000,000 will be obligated in FY 1990, and future year obligations adjusted accordingly.

vii. FY 1990 Funds. FY 1990 funds will be obligated in support of ongoing programs to PVOs already established in Mozambique which were previously recipients of OFDA funding. Future funding will be available to other PVOs, provided that they are in receipt of Country Agreements with the GOM.

viii. Project Management. The project will be managed by a project management team, assisted where appropriate by Mission technical staff. Project funds will be used to contract for the services of the management team, and to pay for costs associated with such services. The project management team will comprise a unit housed in the General Development Office.

ix. Services/Commodities Procured using Project Funds. Project funds will be used to procure air flying time for assessment and monitoring of project funded activities, computers and other office equipment and supplies, and a vehicle for the purposes of adequate project management. The Regional Legal Advisor confirmed with GC on June 5 that there is no need for reimbursement of the project from OE funds in instances when direct hire staff utilize project-funded air charters, so long as there is no additional cost imposed on the project because of such direct hire travel. Project funds will also be used to contract for technical assistance to help PVOs deal with analytical issues outside their normal realm of expertise, and also to ensure that adequate mechanisms for project monitoring, evaluation and impact measurement are established.

x. PVO Contribution and Registration. The normal 25% PVO contribution to funded activities will be required under the project, unless it is the determination of the Mission that this requirement be waived in individual, specific circumstances pursuant to the guidance in Policy Determination No. 16. Funding will be provided only to PVOs that are registered with A.I.

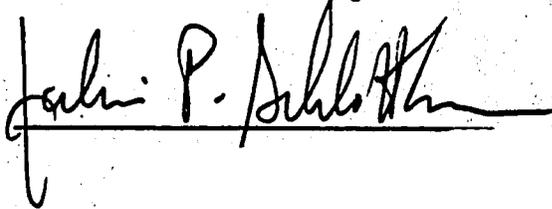
- xi. Role of the GOM. As funds are not being obligated to the GOM under this project, a Memorandum of Understanding (attached) concerning general principles will be signed to ensure that the GOM fully concurs with project activities and that PVOs need not pay taxes and duties.
- xii. Waivers. No additional waivers are required for the project at this juncture.
- xiii. Women in Development. Women in development and gender issues have been addressed to the extent possible in the project paper, and technical assistance will be provided to PVOs to ensure that these issues are addressed in funded activities.
- xiv. Environmental Impact. An Initial Environmental Examination recommending a negative determination and categorical exclusion was approved by the Africa Bureau Environmental Officer in March 1990.
- xv. Small and Disadvantaged Businesses. The Project will principally finance grants to PVOs, and there are no major contracts to be considered for small and disadvantaged businesses. USAID will make every effort to fund minority PVOs, but this depends on their interest in working in Mozambique. Africare, which is currently the only minority PVO working in Mozambique, is likely to submit a proposal for FY1990 funds. PSC contracts for the management team will be competitively awarded. USAID will review all short term technical assistance requirements for the possibility of utilizing small and disadvantaged business contractors.
- xvi. Congressional Notification. The project Congressional Notification waiting period expired April 4, 1990. (State 90 139241). This CN was for \$4,000,000. A Technical Notification for \$2,500,000 would have to be submitted if there is a supplementary appropriation. Appropriate CNs will be submitted prior to future year obligations.

C. Approval: The PVO Support PID was approved in AID/Washington on January 26, 1990. Guidance contained in 90 State 116710 has been incorporated into the project paper. This guidance cable raised concerns as to whether the end of project status could be achieved. Both the CPSP and the PP clearly indicate that the targets presented are generic, and that specific targets will be identified in individual grants. This approach was approved in both the CPSP and the PP reviews. The guidance cable also expresses concern that Agency and Bureau interests such as private sector development and child survival may not have been sufficiently addressed during the project design. These topics are explicitly included in Category II and III eligible activities. Provisions will be included in individual grant agreements to permit the suspension of support for activities should it be determined by the Mission that the security situation warrants such action. The final PP review held in the Mission, May 30, 1990, recommended approval of the Project.

D. Your Authority: State 116710, dated April 12, 1990 delegated authority to the Mission director, USAID/Mozambique, to approve and authorize the PVO Support Project (656-0217) without the requirement to conduct a preliminary review within or to obtain concurrence from the Director, REDSO/ESA. Furthermore, State 143941, dated May 5, 1990, accorded USAID/Mozambique Schedule A status. Africa Bureau DOA 551 gives you, as Mission Director, authority to approve and authorize projects under \$20 million.

E. Recommendation: That, for the reasons outlined above, you approve and authorize the PVO Support Project (656-0217), in the amount of \$19,850,000 through March 31, 1994, and indicate such approval by a) signing below, and b) signing the attached Project Authorization and Project Data Sheet.

Approved:



Disapproved: _____

Date:

6/6/90

Drafted: Aileen Marshall, PVO AM, date 5/27/90
Cleared: MRocha, Cont. MR, date 6-6-90
CPascual, Prog. CP, date 5/31/90
BDodson, FFP BD, date 6/5/90
TRiedler, RLA TR, date 6/6/90

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, 1990, Africa Bureau Delegation of Authority (DOA) No. 551, as amended, and the authority delegated under 90 State 116710, I hereby authorize the PVO Support Project for the People's Republic of Mozambique, involving planned obligations of not to exceed Nineteen Million Eight Hundred and Fifty Thousand United States (\$19,850,000) in grant funds from the Development Fund for Africa (DFA), over a three-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 March 31, 1994.

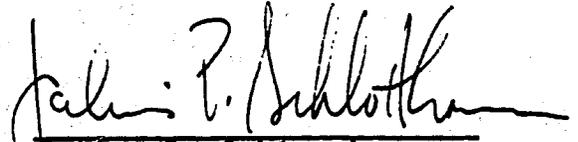
2. The purpose of the project is to reduce vulnerability to absolute poverty, induced by the rural insurgency, within targeted population groups in Mozambique. To achieve this purpose, the project will support private voluntary organizations (PVOs) in their efforts to assist Mozambicans to develop their 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 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.

3. The grants and contracts, and any other obligation instruments, which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

Source and Origin of Commodities, Nationality of Services

The source and origin of commodities and nationality of suppliers of commodities and services financed under the project shall be in accordance with Africa Bureau DOA 551, Section 5F. Accordingly, commodities financed by A.I.D. under the project shall have their source and origin in Mozambique, the United

States or any other country included in A.I.D. Geographic Code 935, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have Mozambique, the United States or any other country included in A.I.D. Geographic Code 935 as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on a flag vessel of the United States. Procurement of commodities and services shall be from the U.S. to the maximum practicable extent.



Julius P. Schlotthauer
Director
USAID/Mozambique

06/06/90
Date

Clearances: D. Mutchler, DD JEM
C. Pascual, PROG CS

^{TGS}
Draft:TRiedler:daa:TR086:4/18/90

PROJECT DATA SHEET

1. TRANSACTION CODE A = Add C = Change D = Delete
 Amendment Number _____ DOCUMENT CODE **3**

COUNTRY/ENTITY: **MOZAMBIQUE**
 BUREAU/OFFICE: **AFRICA**
 3. PROJECT NUMBER: **656 - 0217**
 5. PROJECT TITLE (maximum 40 characters): **PVO Support Project**

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM DD YY **01 31 94**
 7. ESTIMATED DATE OF OBLIGATION (Under "B" below, enter 1, 2, 3, or 4)
 A. Initial FY **90** B. Quarter **3** C. Final FY **92**

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FISCAL FY 90			LIFE OF PROJECT		
	B. FY	C. L/C	D. Total	E. FY	F. L/C	G. Total
AID Appropriated Total						
(Grant)	6,500			19,850		19,850
(Loan)						
Other: L						
U.S. 2						
Host Country						
Other Donor(s)						
TOTALS	6,500			19,850		19,850

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE	D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
			1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) DFA 200	200	210						
(2)								
(3)								
(4)								
TOTALS								

10. SECONDARY TECHNICAL CODES (maximum 8 codes of 3 positions each): **010 300 510 920**
 11. SECONDARY PURPOSE CODE: **760**

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
 A. Code: **RR PVOH NUT PART**
 B. Amount: **19,850 18,000 10,000 18,000**

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: Initial MM YY **11 09 91** Final MM YY **02 93**
 15. SOURCE/ORIGIN OF GOODS AND SERVICES: 000 941 Local Other (Specify) **935**

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

17. APPROVED BY: **JULIUS SCHLOTTHAUER**
 Title: **DIRECTOR**
 Signature: *Julius P. Schlotthauer*
 Date Signed: MM DD YY **06 06 90**
 18. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY **06 21 90**

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I. Program Factors

A. Conformity with Recipient Country Strategy/Programs

The Government of Mozambique (GOM) currently operates a major emergency food and relief supply distribution system through the Ministry of Cooperation's Department for the Prevention and Control of Natural Calamities (DPCCN) under the coordination of the National Executive Committee for the Emergency (CENE). DPCCN, which was established in 1980 to provide assistance in times of natural disasters, had its role and area of operation expanded in response to the insurgency, and currently is responsible for collecting information on numbers of affected persons in each province, estimating needs, ensuring delivery of emergency supplies and reporting. CENE, founded in 1987, coordinates short term emergency measures with longer term rehabilitation and development strategies.

In order to obtain pledges of assistance, the GOM has made four emergency appeals to the international donor community whereby an update on the emergency situation is presented, together with the GOM's proposed strategy to address the problems and any constraints which have been identified. The current GOM strategy for dealing with the emergency, as stated in the 1989/90 Appeal, has evolved from meeting short term, acute emergency requirements to a more carefully planned and necessary linkage of emergency and rehabilitation activities. The GOM objective in so doing is to use aid to directly address some of the structural causes of the emergency, and thus lay the foundation for future development by alleviating poverty and strengthening infrastructure, promoting self-sufficiency and increasing local production.

In response to the 1989/90 appeal, pledges of \$279,360,665 were received against a requirement of \$361,790,640. The U.S. is usually the largest donor of food aid. The GOM has encouraged the use of PVOs and NGOs in the emergency, recognizing the role that they can play at a grassroots level to target assistance and support an overloaded and understaffed government system. UNDRO estimated that in 1989 fifty-three NGOs were working on emergency programs, including at least seven PVOs registered with A.I.D.

While seeking to address emergency needs, the GOM has also implemented a major economic rehabilitation program since 1987. During this time, the exchange rate has been devalued by over 95% and is adjusted regularly to maintain a constant real value. Recourse to bank credit also fell substantially over this time, and the ratio of bank financing to GDP has declined from over 12 percent in the year prior to the rehabilitation program to the current 1.7 percent. The number of controlled

commodity prices has also dropped to 20 from 46 in 1987, and the GOM has cut the number of products subject to administrative allocation from 43 to 15 as of January, 1989. Agricultural farmgate prices have been increased to a level approaching border parity. These measures have helped reverse eight years of negative growth rates and achieve 4 percent gains in GDP from 1987 to 1989.

At the November, 1989, Consultative Group meeting in Paris, the GOM explicitly identified the importance of integrating rehabilitation into the context of the emergency and structuring emergency programs in such a way that would not decrease economic incentives. To this end poverty alleviation has been incorporated into the economic rehabilitation program, and the GOM is seeking to concentrate resources on those areas where it might be possible to facilitate the transition towards self-provisioning and stem problems such as urban migration and overcrowding on marginal lands around urban centers. The government has also recognized the need to develop a food aid strategy that supports development objectives while addressing continuing emergency needs. Non-governmental organizations, because of their grassroots involvement, will play a central role in both the transition process and the reorientation of emergency activities.

Most recently, the GOM's 1990-1991 Emergency Appeal held in April 1990 gave primary emphasis to direct humanitarian assistance to displaced persons, but also addressed the need to move towards rehabilitation by including health, infrastructure rehabilitation, education and provision of clean water as priority needs. These are the types of activities to be funded under the PVO Support Project. The Appeal documented emergency requirements totalling over \$135 million, excluding marketed food needs. This was a conservative estimate based on perceived implementation capacity, which is far below the level of real needs. Donor pledges in response to the Appeal are estimated at \$120 million as of May 1990, with most of the shortfall coming in the area of rehabilitation activities. The real demand for project financing as expressed by the Appeal therefore far outweighs the amount of financial assistance provided under the PVO Support Project.

B. Relationship to Mission Strategy Statement

The United States is one of a wide range of donors providing assistance to Mozambique. It is also one of the largest, after Italy, Sweden, the EEC and the U.N. system (including the World Bank and the IMF). It is the single largest donor of food assistance.

A.I.D.'s objectives in Mozambique are to promote food security, improve access to basic health interventions for those most at risk, and support SADCC efforts to reduce dependence on South Africa for transport and port services. To achieve these objectives, USAID has initiated programs focussed on increasing agricultural production, creating stable food supplies, improving relief distribution, promoting child survival, and improving rail transport. PVOs have played an important role in increasing the effectiveness and efficiency of emergency programs, promoting community participation and training local officials. Throughout the portfolio, the Mission has strived to program food aid, project assistance and regional funds to maximize complementarity and impact.

To compensate for production shortfalls during the security crisis, A.I.D. has supplied food aid for emergency distribution and market sales. In FY 1989, USAID and the GOM defined a multi-year strategy to utilize PL480 Section 206 resources to create a safety net for the poor by strategically targeting subsidies to commodities with a low income group market. The GOM, in turn, has gradually liberalized consumer prices for domestically produced food. A.I.D. will provide approximately \$40 million in food aid and ocean transport in FY 1990 to continue the second phase of the market sales program. A further \$21 million in Title II food and ocean freight aid will support emergency programs which provide free food for displaced families who do not have the resources to participate in the market.

The PVO Support Project will continue the USAID role of encouraging PVOs to assist the GOM to assess needs, to improve logistics and commodity accountability, and to develop and implement procedures to utilize the private sector in program implementation. It will support Mission objectives of promoting food security by helping address the causes of food insecurity among target groups, and assist people to reduce dependency on food aid and move towards self-provisioning. The project will also support aspects of the strategy of the present CARE Logistics Support Project (USAID/Mozambique, 1989), including the greater use of private transport and NGOs in relief activity, while shifting the role of DPCCN to more of a planning, coordinating, and monitoring agency.

The Country Program Strategic Plan, reviewed by AID/Washington in March 1990, specifically outlined the use of PVOs and this project as the key component of the program contributing to the Mission's second strategic objective of reducing, among target groups, external dependence on food aid to meet subsistence requirements. AID/Washington approved the CPSP and the four

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strategic objectives defined by the Mission. In particular, AID/Washington endorsed the Mission strategy of building upon the grassroots knowledge and experience PVOs had developed in Mozambique through emergency activities to begin introducing projects that will support the transition to rehabilitation and development.

II. Project Description

A. Background.

Mozambique currently suffers from the compound effects of years of underdevelopment, lack of human and financial resources in the years following independence, intermittent but severe drought, unsuccessful economic policies, and a prolonged insurgency which has displaced massive numbers of people and rendered normal life impossible for millions more. Of all these factors, the insurgency remains the key obstacle to recovery, and the prime cause of food insecurity and vulnerability to absolute poverty.

In spite of massive donor assistance and the gains made during the GOM's Economic Rehabilitation Program since 1987, Mozambique remains one of the world's poorest countries, with a per capita income of less than \$150 per annum. Food aid currently provides nearly 90 percent of marketed grains. Exports provide only 15 percent of the cost of imports, with the remainder being financed by donors. Donor support covers nearly half of budgetary expenditures. The forecast for the foreseeable future is bleak. Even with official grants, net new lending and extraordinary balance of payments support estimated at almost \$900 million for 1989 and projected to average \$930 million through 1993, Mozambique will have an annual financing gap of \$420 million per year. Taking debt rescheduling into account, current estimates indicate that the GOM will need on average additional external assistance of \$110 million per year to meet its financial requirements under the Economic Rehabilitation Program. Very little will be possible without continued substantial donor support.

The quality of life of most Mozambicans has worsened as access to employment, education, basic health and other social services has declined. Controllable diseases and sickness such as diarrhea, measles, malaria and intestinal parasites are rife. Given the constraints imposed by the security situation, accurate data are difficult to obtain, but an estimated 50 percent of all households are food insecure (World Bank, 1989). Infant mortality has been estimated at 200 per 1000 live births and under five mortality at over 300 per 1000, among the

highest rates in the world (UNICEF, 1988). Approximately 35 per cent of the population depends on foreign aid to meet subsistence requirements. Population growth is estimated at 2.6 percent per year. Half the population is under the age of 18.

The duration, extent and particularly destructive nature of the insurgency have presented problems in assisting those affected by it. Some of the consequences have been hunger, food insecurity, trauma, the breakdown of societal and family structures, loss of shelter, possessions and livelihood, and almost total lack of access to basic services in certain areas. An estimated 2.0 million people have been displaced internally, and another 1.8 million are "affected" in some way by the insurgency. Another 1.0 million or so are refugees in surrounding countries. In addition to the general devastation and suffering, there are an estimated 16,000 civilian amputees in Mozambique, and countless more children and adults whose physical disabilities are the indirect result of the war, in that they had no access to medical care.

The instability of the security situation in itself presents a constraint to providing assistance, as access to areas and people cannot be guaranteed.

In an attempt to meet the survival needs of those most severely affected by the insurgency, the GOM has established temporary accomodation centers for displaced persons in certain secure areas. Donors have provided emergency assistance predominantly in the form of food aid, and to a lesser extent seeds and other basic commodities to both these centers and population clusters throughout the country. Such relief programs have helped avert mass starvation and disaster, but by definition do not provide the necessary and sufficient conditions to reduce vulnerability to absolute poverty, or create a base for long term sustainable development. Additionally, relief efforts, if continued over time, can inculcate a sense of dependency and reduce the capacity for self-reliance of beneficiaries. This is the situation currently faced by many who have been placed at risk by the insurgency, and who could easily slip from transitory into chronic poverty and food insecurity. Recognizing this danger and the consequences for the economic rehabilitation of Mozambique, the GOM has recently begun to emphasize alleviation of poverty as a policy measure as well as integrate rehabilitation into its donor-funded relief efforts.

Substantial emergency assistance will be necessary until there is some settlement of the conflict, and in the initial years of reconstruction. Without peace, there is little chance to end dependency and growing poverty, but efforts to move toward rehabilitation are essential to prevent the situation from

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worsening. Considerable donor assistance both in the form of money and technical assistance will be required if the GOM is to adequately implement its strategy of poverty alleviation. Having inherited an 82 percent illiteracy rate at independence, Mozambique still lacks human resources and managerial infrastructure. An average of 15-20 percent of total donor support is in the form of technical assistance, and current estimates indicate some 10,000 foreign staff in managerial, technical and professional positions.

U.S. PVOs supported under this project will complement the efforts of approximately 46 other PVOs and NGOs currently working in Mozambique in undertaking similar small scale projects related to the emergency and in meeting humanitarian needs. Although there are many PVOs and NGOs working throughout the country, overall needs are so great that there is little chance of duplication of effort, or indeed, of meeting most objective needs.

B. Problem

The GOM is faced with the challenge of effecting a transition from relief to rehabilitation while reducing the dependency of Mozambicans on external and government resources. In the near term, however, the Government must continue to provide emergency assistance to those most in need. The Government must provide the policy framework necessary for economic growth and at the same time develop strategies to meet humanitarian needs, improve access to basic services, and revitalize the rural agricultural base.

Emergency provision of food aid is a necessary first response to address destitution and dire need. The major task is ensuring that food supplies are delivered as efficiently and effectively as possible to target populations. However, the logistical difficulties in ensuring timely food deliveries are enormous, given the security situation and inadequate road and transport networks. Some areas are accessible only by air or coastal vessels, while others require convoys with military escort. The GOM frequently lacks the military vehicles and personnel to guarantee protection. Roads, always inadequate, are now generally in poor condition, making rapid delivery impossible.

The sheer volume of food and other commodities to be moved, and the number of locations requiring it, present organizational and planning problems which are compounded by late arrivals of some donor pledged commodities. Distribution planning is made more difficult by the instability of the security situation. Many areas are often inaccessible except by emergency airlift. Shifting populations also complicate needs assessments.

Provision of basic social services is an essential second phase in the transition from relief to rehabilitation as food insecurity and poverty are inextricably linked with access to land, clean water, shelter, health and education. The prolonged insurgency has resulted in the destruction of health and education facilities, and rendered many areas without access to any service. From 1982 to 1987, 822 health units were either destroyed or rendered inoperable, while in the same period 2,629 primary schools and 22 secondary schools were lost. The security situation also has disrupted provision of water and sanitation facilities, so that current coverage of water supply in rural areas is less than 17 percent.

Lack of access to clean water and sanitation along with overcrowding lead to disease. Malnutrition and lack of preventive health care increase maternal and infant morbidity and mortality. Under these conditions the single most important health intervention is provision of some measure of food security.

A third transitional phase involves restoration of the subsistence and farm economy and regeneration of the rural marketing system. The process is complicated by the security situation, the resulting breakdown in rural trading and transport networks, and the limited economic base provided by generally poor, displaced people. For most displaced persons lack of access to land and inputs are major constraints to increased agricultural production, either for self-provisioning or sale. Overcrowded camps for the displaced also contribute to land degradation. Communities seriously affected by the insurgency are constrained in their ability to increase production, because they often do not have safe access to their land, and because they often cannot get produce to market or obtain necessary inputs.

There is also a need to generate employment and income from non-agricultural sources in order to promote sustained economic growth, although this is a longer run problem. At the household level, additional income would alleviate poverty and stimulate markets, while increased employment and income would contribute nationally to greater productivity and a more stable economy. Recognizing this, the GOM is encouraging projects which generate employment and income, and is also considering labor intensive public works schemes. However, lack of production incentives and insufficient labor pose major constraints to increased productivity, whether in the agricultural or non-agricultural sectors. GOM reforms address the problem of incentives. Seasonal labor scarcity, and

particularly pressures on female workload require careful analysis. Where possible projects should include interventions which save time, for example improving access to water or providing fuel efficient stoves.

C. Goal and Purpose.

The Development Fund for Africa (DFA) Action Plan (particularly the strategic objective of improving food security) provides the overall framework for A.I.D. assistance in Mozambique. USAID's Country Program Strategic Plan for FY 1990-1992 focuses on improving food security through four strategic objectives: (1) sustaining an effective food safety net for the urban poor and those displaced and severely affected by war; (2) reducing, among target population groups, dependence on external food aid to meet subsistence requirements; (3) establishing a policy environment conducive to private agricultural production and marketing; and (4) increasing the role of the market in allocating productive resources to private producers. The PVO Support Project, by funding activities through PVOs that will help communities reestablish their productive capacity, will contribute to the second strategic objective of reducing dependency on food aid. Each grant funded under the project will clearly define how specific food security targets will be addressed, and how these activities will be monitored to ensure that established benchmarks are met.

1. Goal

The goal of the project, which corresponds to the Mission's overall goal in Mozambique and to the fourth strategic objective of the DFA, is to improve the food security and wellbeing of those most seriously affected by the insurgency. Other Mission activities such as the Private Sector Support Program, the PL480 Section 206 Program, and the economic policy measures negotiated with the Government thereunder also contribute to this goal.

2. Purpose

The purpose of the project is to reduce vulnerability to absolute poverty, induced by the rural insurgency, within targeted population groups in Mozambique. Quantifiable indicators and means of measuring them will be developed for each grant.

The GOM has defined absolute poverty in Mozambique as the level of income below which growth faltering in children is common or at which the cost of the basic monthly food ration (60-70% of caloric requirements) accounts for 50% of per capita income. Using this definition the GOM estimates that approximately 65%

Vulnerability to absolute poverty can be defined as characterizing those families living in a situation whereby a small shift in income or seasonal fluctuation of production could result in absolute poverty. Generally speaking, those families without regular income or access to a productive plot of land are regarded as vulnerable to absolute poverty. Most at risk are those persons who have been displaced and are thus dependent on food aid. Returning refugees and other persons affected by the insurgency may or may not fall into the category of the absolutely poor, but they are certainly vulnerable to absolute poverty, at least initially.

It is difficult to measure poverty and to assess impact of interventions to address it. However, poverty among population groups affected by the insurgency has certain identifiable characteristics for which indicators can be defined and in some way measured. These characteristics include:

- a) poor nutritional status with high incidences of infant and maternal mortality and morbidity;
- b) lack of income, or a disproportionate amount of family income spent on food;
- c) inadequate housing and high population density per dwelling;
- d) lack of access to basic services such as preventive health, sanitation and education;
- e) high proportion of female-headed households, often with a shortage of labor or skills;
- f) lack of social support or family networks.

However, in spite of such identifiable characteristics, the poor are not an homogenous group, and there is a need for careful analysis of characteristics and coping strategies employed by each community in order that its needs can be adequately addressed. Such initial analysis under each grant will also provide the basis for assessing the impact that activities have on the lives of participants.

D. Project Outline

1. Administrative Mechanisms

a. Project Management

The Project will be primarily managed by a team comprised of a project development officer, rural development specialist and an activity monitor. Project funds will be used to contract

for these services. (See Section II, E. Technical Assistance Requirements and Annex F, Analyses, for further details; see Annex G for job descriptions of these positions.)

b. Project Committee

Although the project management team will be responsible for the design and implementation of the project and individual grants, general funding recommendations will be made by a project committee made up of project management personnel and senior Mission staff. The project committee will review proposals, comment, and then make general funding recommendations at an annual project committee meeting.

c. PVO Issues Committee

A PVO Issues Committee comprised of interested members of USAID staff will meet every two months to discuss issues of interest and relevance raised both by the project and by individual funded activities. This Issues Committee will also facilitate coordination and complementarity between project activities and PVO initiatives funded by other sources such as PL480 or OFDA.

d. Direct Grants

Funding will be through incrementally funded direct grants to a limited number of PVOs registered with A.I.D. who have Country Agreements with the GOM. In the first year of the project, funds will be made available to PVOs in support of their ongoing programs. A solicitation for applications from PVOs will be issued towards the end of the first fiscal year. The Mission proposes to maintain a relatively small number of active grants in order to maximize the impact of limited resources, and also because of the importance of monitoring and evaluating funded activities. As discussed in Section II, H. Summary of Analyses, 1. Administrative/Institutional Analysis, funds will not be obligated to either a single PVO for subsequent disbursement or to the Government. Grants will conform to Handbook 13 regulations.

e. Administrative Schedule

Project implementation has been divided into two phases. Phase 1 essentially corresponds to FY 1990, during which PVOs already in receipt of funding from OFDA will be invited to submit proposals. Evaluation criteria and a suggested format for proposals (see Annex H) will be provided.

Proposals will be reviewed by the Project Committee in May 1990. The Committee will make general funding decisions, identify problem areas or specify additional information requirements.

An ad hoc version of the project management team specified above will work closely with selected PVOs to refine and develop grants. Mission technical staff will be drawn upon as required to ensure proposals are technically sound. The Mission will attempt to make all FY 1990 grants to individual PVOs in June/July, 1990.

Each grant will contain monitoring, data collection and evaluation components. Project management staff will work closely with PVOs and monitor project progress throughout the year. They will also liaise with appropriate GOM entities to ensure that funded activities remain consistent with overall GOM objectives.

Individual funding levels will be determined based upon analysis of progress of activities funded under each grant, problems encountered, and proposed methods of addressing outstanding issues.

The management team positions will be advertised in June 1990, and are expected to be filled by December 1990.

Phase 2 of the project will essentially be FY 1991 and FY 1992. A request for applications from PVOs will be issued by the Regional Contracts Officer in June 1990, and proposals will be received from September through March 1991. The Mission will then follow the procedures outlined above for Phase 1 implementation. Incremental funding decisions will be made as early in possible in the fiscal year when grant amendments to add funds will be executed. Should sufficient funds be available, a limited number of new proposals will be accepted and reviewed, and grants negotiated each fiscal year. All new funding decisions will be made in March, and grants will be awarded by June. No grants can be awarded to PVOs which do not have an agreement with the Mozambican Ministry of Cooperation and GOM approval for the proposed activity.

The PACD for the project is March 1994. This is to allow grants which fund three years of activities to be awarded in FY 1991, and for incremental funding to be provided in FY 1992. Any new awards made in FY 1992 could only cover activities through FY 1993. A close out period of six months is then included. FY 1992 funds are allocated to fund the project management team and air transport through the life of the project. A detailed implementation schedule is presented below in Section II, H. Project Implementation.

2. Target population and areas

The sheer size of the problem and the extent of human suffering in Mozambique far outweigh project resources. The target population for assistance under this project will include persons displaced or otherwise severely affected by the insurgency. Within this broad category two specific groups will be targeted -- those in receipt of food aid from the GOM, and those in a position to move from total dependency on emergency assistance towards some form of self provisioning. The latter will be selected based on discussions with the GOM, the security situation, and prior experience of PVOs. Even with such targeting the numbers who would qualify for assistance are enormous, and far beyond the range of the project. In order to maximize the impact of limited resources, individual PVOs will further select population subgroups or small communities to work with.

Due to the nature of the affected communities, beneficiaries of the project will primarily be rural based people, or people who, although living in a semi-urban environment, have a predominantly rural based experience and skills. This project, the target population and eligible activities constitute a transition from supporting relief efforts with OFDA financing to funding general rehabilitation and developmental activities from the DFA. Explicitly emergency activities, such as airlifts of food, will continue to be funded by OFDA.

Eligible activities

Three main categories for funding have been defined as a result of discussions with the GOM, analysis of the situation in Mozambique, and study of available literature on food security and vulnerability to poverty.

The first category covers relief efforts and aims to ensure more efficient and timely distribution of food and emergency supplies. It corresponds to DFA targets concerned with emergency humanitarian needs and malnutrition.

The other two categories concentrate on the transition from relief to rehabilitation and are more developmental in focus. They address the needs of persons who have been rendered vulnerable to absolute poverty by the insurgency but who do not currently require emergency relief assistance. Activities which facilitate employment and income generation address DFA targets of increasing production, improving agricultural capacity and strengthening the economy in order to stimulate growth. Activities which deal with the social welfare needs of displaced persons address DFA targets of health and child

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survival, but also attempt to help people overcome psychological trauma and social dislocation caused by the insurgency.

PVOs must be willing to work in conjunction with relevant GOM entities at the national, provincial and district levels under a mutually agreed upon country agreement. PVOs will be responsible for obtaining the necessary endorsement(s) from counterpart officials before USAID approval of grant funding.

The Mission will decide on an annual basis what emphasis should be given to each of the categories of eligible activities, based on its assessment of the situation within Mozambique. In order to promote self-reliance, it is intended that emphasis be shifted from Category I to Category II and III activities as soon as is feasible.

Category I

Activities which provide basic humanitarian assistance to destitute and needy displaced persons. Funding will be available for PVOs providing logistical support to DPCCN, or working in conjunction with local government entities. Eligible activities are:

- A) Those which assist to develop the capacity of Mozambicans to manage needs assessments, consolidate local planning or assess donor requirements in order to improve targeting of emergency supplies to areas and populations, and to help anticipate and respond to crisis situations.
- B) Those which promote private sector involvement in transport and distribution of emergency supplies, not only because such activities will enhance the timely delivery of essential commodities, but also because the revitalization of private transport and trading networks are essential to the rehabilitation of rural areas and the ability of people in such areas to reduce their dependence on food aid.

Category II

Activities which address the social welfare needs of displaced and other seriously affected persons, primarily basic health care, including family planning, and provision of water and sanitation facilities in order to improve the quality of life and hence the productive capacity of household members of target groups. Illustrative activities are:

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A) Those which increase coverage of preventive health care, nutrition information, family planning and child survival strategies in order to decrease maternal and child morbidity and mortality rates, encourage adequate birth spacing, reduce the number of low birth weight babies, and improve the nutritional status of target populations.

B) Those which increase coverage of availability of basic services such as clean water and adequate sanitation, which should have a considerable impact on the health and wellbeing of the target population.

C) Those which provide access to rehabilitation from trauma, particularly in the case of children, in that without such access the effects of psychological trauma, social dislocation and the brutality of their experiences will seriously impair the ability of such children to adjust to a greater degree of normalcy, or lead a productive life.

Category III

Activities which address the economic needs of targeted groups vulnerable to absolute poverty. For the most part these should help restore subsistence agricultural production, generate employment, improve the productive capacity of target populations or otherwise facilitate income generation in order that the causes of poverty might be addressed. Illustrative activities are:

A) Those which promote agricultural production of either food (subsistence) or cash crops because agricultural activity is by and large the preferred coping strategy employed by displaced persons, and is essential if any transition towards self-provisioning is to take place. Apart from land, the major constraints to agricultural activity have been defined as lack of access to appropriate inputs and technologies. Funded activities could address the problem of inputs and technologies, although the issue of land allocation remains dependent on the GOM. Both food and cash crops are necessary due to their complementarity, and the fact that cash crops can provide income which both reduces dependency on one resource, and also, provided consumer goods are available, stimulates markets.

B) Those which increase employment or cash income among target groups in order to alleviate poverty, contribute to the regeneration of the marketing system and promote self reliance. Projects which are designed to rehabilitate roads and health facilities or otherwise rebuild the infrastructure using labor intensive methods would be eligible for funding.

C) Those which save labor and time as both of these are often a constraint to increased productivity, particularly in the case of women. Illustrative activities are projects which reduce the workload of women such as improving access to water, or use of fuel efficient stoves.

4. Evaluation of Proposals

The following criteria will be used to evaluate PVO proposals. The criteria will be supplied to PVOs when proposals are requested.

a. PVO Experience

- i) Registered as a PVO with A.I.D. by the time that grants are scheduled to be awarded.
- ii) Successfully managed A.I.D. or other donor funds.
- iii) Ability to contribute other resources to the funded activity.
- iv) Operates in a priority area, or has the proven expertise to do so.
- v) Able to draw upon sufficient technical expertise to design and implement proposed activities.
- vi) Proven record of successful project implementation in Mozambique or other countries in comparable situations.

b. Philosophy and Approach

- i) Commitment to working with community groups, organizations and indigenous NGOs.
- ii) Attention to involving potential beneficiaries at all stages and levels of activity design and implementation.
- iii) Commitment to enhancing local capabilities.
- iv) Plans to hand over activities to community organizations at such time as it becomes feasible to do so.
- v) Willingness to liaise with GOM departments.
- vi) Utilization of and support for private sector.

c. Sensitivity to Social Factors

- i) Understanding of and attention to gender issues.
- ii) Understanding of the socio-economic and cultural environment in which the proposed activity will take place.
- iii) Awareness of environmental issues.

D. Project Design

- i) Attention to collection of baseline data and monitoring of impact of proposed activities.
- ii) Understanding of strategies which people themselves have adopted.

- iii) Simplicity and practicability of implementation approach.
- iv) Sensitivity to environmental and gender issues and constraints.
- v) Attention to actively alleviating poverty, and ensuring more equitable access to services.
- vi) Indication of feasibility of proposed activity within constraints of security situation.
- vii) Adherence to economic and financial principles discussed in Section II, G. 2. Economic Considerations.
- viii) Responsiveness to A.I.D. priority areas eligible for funding under this project, particularly child survival, preventive health, and natural resource management.

Once proposals have been evaluated, and preliminary funding decisions made, the project management team will be responsible for developing the proposals with prospective grantees, and for ensuring that such proposals include adequate benchmarks and monitoring and evaluation plans.

E. Technical Assistance Requirements

Both short and long term technical assistance is required for design, implementation and monitoring of the project

1. Short term technical assistance is required to:

- undertake social analysis and design baseline data collection questionnaires and studies;
- work with PVOs to ensure that local staff are trained in data collection methods, and understand the need for accurate impact monitoring;
- assist with monitoring and evaluation of the project in order to assess the impact funded activities have had on the communities they were designed to assist;
- assess the viability and progress of specific activities in agriculture and health, and possibly small scale enterprise sectors; and

ensure that data are disaggregated by gender.

Where possible, the project will draw on Mission staff, REDSO/ESA and A.I.D./Washington expertise to meet these short term requirements, but project funds will also be utilized to contract for such assistance, principally through IQCs or buy-ins to central and regional projects. A total of 42 person months of short term technical assistance have been budgeted.

2. Long term technical assistance is required to provide a project management team, composed of a project development officer to be responsible for overall design and implementation activities, a rural development specialist to work with PVOs providing support to relief operations and monitor the progress of such efforts, and an activity monitor to be primarily responsible for field monitoring of funded activities. (Annex H for draft job descriptions). The Mission will use Personal Services Contracts to contract for the project management team. The positions will be advertised in June 1990, in the anticipation that they will be filled by December 1990.

F. Expected Achievements/Accomplishments

The PVO Support Project represents the Mission's conversion of assistance from a purely emergency mode to a more developmental basis in keeping with the GOM's emphasis on poverty alleviation and the Mission's strategy as defined in the 1990 CPSP. Given the project's limited resources in relation to need, and the constraints under which it must operate, the impact of the project should be seen in terms of the contribution it makes to increasing rural employment, production capacity and cash income, and increasing coverage of preventive health and availability of basic services among target groups.

Specific targets normally associated with the end of project status will be defined under each grant executed under the project. This approach of specifying targets at the grant rather than the project level was outlined in the CPSP and approved by AID/Washington. Such targets will be consistent with activities eligible for funding under the three priority defined under the project, as well as contribute to general program benchmarks defined in the Mission's strategy:

Category I

- increased regularity and timeliness in emergency food aid distribution;
- reduced year to year instability in district level food supplies; and
- improved targeting of food aid.

Category II

- percentage increase in immunization coverage in target areas;
- percentage increase in numbers of women able to use ORT in target areas; and

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- higher ratio of latrines and/or clean water per number of families in target areas.

Category III

- increased number of households with cash incomes in target areas;
- increased number of households with full- or part-time wage earning family members in target areas; and
- increased total household agricultural production for own consumption or sale in target areas.

G. Summary of Analyses

(Analyses are presented in Annex F)

1. Administrative/Institutional Analysis

This analysis assesses the administrative and institutional capability of USAID/Mozambique, those PVOs likely to receive grants in FY 1990, and Mozambique Government agencies associated with proposed activities to be funded under the Project.

Several options for project management were reviewed including management by (a) a contractor, (b) the Government of Mozambique (GOM), (c) a PVO, and (d) Mission management. The Mission decided against channelling funds to an already overburdened Government apparatus. No indigenous PVO with the administrative and financial capability to handle the sums of money could be found, and it was decided that it would be difficult to engender a constructive working relationship with prospective grantees if one U.S. PVO were selected to receive and administer funds. The Mission also felt that direct management was desirable given the nature of potential activities and the centrality of the project to the Mission strategy and GOM policy. A Mission Project management team consisting of a project development officer, a monitoring specialist, and a rural development specialist will be staffed with personnel hired under personal services contracts (PSCs).

Primary implementation responsibility for the project will lie with the PVO Project Management team described above, which will be part of the General Development Office. The project will, however, draw upon the technical expertise of other Mission staff, and the services of the Regional Legal Advisor

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and the Regional Contracts Officer as necessary. As indicated in Section II, D. 1. Administrative Mechanisms, b. Project Committee, general funding recommendations will be made by a project committee. USAID/Mozambique has gained considerable experience over the past several years in managing Office of Foreign Disaster Assistance (OFDA) grants to PVOs involved in emergency relief activities (See Annex I for further details).

In the first year of the project, funds will be made available to U.S. PVOs in support of their on-going programs which were previously funded using OFDA funds. All of these PVOs are registered with A.I.D. and have Country Agreements with the GOM.

A review by a REDSO/ESA staff member of the PVOs likely to be recipients of funds in FY 1990 concluded that the PVOs had adequate staff, sufficient administrative capability, and home-office support to be considered potential grantees under this Project. The Mission will further verify the applicants administrative capability as part of the proposal review process.

A Memorandum of Understanding (See Annex E) relating to this Project will be entered into by USAID/Mozambique and the GOM. Mission staff will liaise with relevant GOM Ministries during project implementation, and PVOs will be responsible for obtaining appropriate Provincial and District level concurrence with proposed activities before funding can be made available for such activities.

2. Economic Considerations

a. Benefit/Cost Characteristics of Activities

The general cost efficiency of PVO activities has been suggested in specific A.I.D. policy guidance. Benefit/cost analysis of individual PVO activities, on the other hand, may not be practicable given the difficulty of quantifying the value of some project outputs and the capabilities of individual grantees. Moreover, it may unnecessarily bias project selection toward fewer, larger scale, and more conservative activities.

By contrast, the project emphasizes a broad distribution of benefits, diversification of risks among projects, institution building, innovation, and the development of indigenous capability. Selection of projects with the highest cost/benefit ratio or IRR, even if it were possible, would involve development and analysis of standard "shell proposals". Rather, the project's preferred methodology is to: begin implementation immediately but gradually, build

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institutional capability through early project activities, monitor and evaluate results as the grants progress, learn from mistakes, and make necessary corrections and adjustments to improve allocation and return on funds at each stage of project implementation.

Certain characteristics of PVO activities in general will contribute to raising the overall benefit/cost ratio of the project:

- PVO projects tend to be labor-intensive with emphasis on employment of local personnel, sometimes on a volunteer basis.
- PVO projects, in situations of scarce foreign exchange, often make use of locally available materials and equipment to reduce operational and maintenance costs.
- PVO projects often employ technologies which are simple, cost effective, and appropriate to local community skills and available resources.
- PVO projects can often mobilize additional community resources; such community involvement may lead to cost efficiencies and to effective maintenance of capital inputs.
- PVO projects preferentially benefit the poor members of society where needs for additional income or new services are palpably the highest.
- PVO projects are frequently small in scale making them easier to manage, to sustain, and to replicate.

b. Economic Guidelines for Project Activities

Individual project grants will incorporate to the extent possible basic principles underlying benefit/cost analysis in order to better estimate the value of individual projects. Although PVOs do not always have the personnel and resources to produce rigorous benefit/cost analysis, and some PVO projects may not be susceptible to such analysis, small scale activities with high rates of return share certain characteristics which can be utilized as the basis for project design and selection. The preliminary economic guidelines provided below summarize some of these characteristics based on USAID's own experience and A.I.D. experience in other African countries.

i. Benefits

- a. Project participants are members of the poorest groups or communities in targeted rural areas.

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- b. The project contributes to greater self-reliance on the part of the beneficiaries, thereby reducing dependency on food aid.
- c. The project, whenever possible, generates saleable outputs capable of recovering project costs.
- d. The project responds to highly valued requirements which are widely recognized by the participant community, and which may be identified in part by the willingness of participants to share in coverage of recurrent costs.

Start-up period before project benefits begin to show is short.

ii. Costs

- a. The project has low capital costs (relative to labor costs and to total project funding), minimizing the use of imported inputs, particularly of capital equipment.
- b. The project has low labor costs, minimizing the use of expatriate personnel, and maximizing the use of volunteer labor.
- c. The project utilizes simple technology appropriate to the skill levels of project participants.
- d. The project has low operating and maintenance costs compared to expected benefits.
- e. Where feasible the project has a system to recover at least part of the recurrent costs from participants, leading to careful use of project inputs.
- f. The project does not introduce completely new activities in cases where improvements to already existing activities would be sufficient.

3. Social Considerations

Sociocultural context

Mozambique is currently in a situation where vast numbers of people have been displaced or otherwise affected by a rural insurgency which has greatly contributed to the devastation of

the rural economy and rendered normal life impossible for the majority of Mozambicans. Many Mozambican families in both urban and rural areas face chronic food insecurity and devastating poverty. In spite of remarkable adherence to economic adjustment programs and achieving economic growth of around four percent per annum, Mozambique remains one of the world's poorest countries, with a per capita income of less than \$150 per year. Currently, exports account for only 15 percent of the cost of imports, and donated food aid provides nearly 90 percent of marketed food grains. The human resources gap is also extraordinarily high, with very few Mozambicans benefitting from any sort of higher education.

Recent World Bank estimates suggest that as many as two-thirds of the country's population of 15 million people lives in absolute poverty, and the level of food insecurity is largely unquantified. The most apparent devastation caused by the war, apart from the almost wanton destruction of infrastructure, has been the displacement of massive numbers of people. Displaced people have been completely uprooted, often on a number of occasions. Affected people remain in their traditional areas, but have lost their means of livelihood. While there are no official estimates of the composition of displaced and affected populations, observation indicates that about 75 percent are women and children.

The continuing emergency has produced a dependence on food aid, as communities have been unable to engage in subsistence agriculture or other productive activity. Although provision of food aid is a necessary first response to emergency needs it can, over time, inculcate a sense of dependency and reduce capacity for self reliance. The GOM and donors realize that dependence on external assistance cannot continue indefinitely, and that displaced and otherwise affected persons must be assisted to become more self reliant.

Sociocultural Feasibility

The sociocultural feasibility of the project depends on the extent to which PVOs understand the economic, political and sociocultural situation of communities with which they are working, and how far funded activities respond to the self defined needs of the communities themselves. PVOs should also be aware of the constraints to the success of funded activities, and should be realistic about what the objectives of such activities are, and what they might achieve.

Three main categories of activity which are intended to assist in the provision of basic humanitarian assistance to those most seriously affected by the insurgency, and to facilitate the transition from dependence on food aid to self provisioning, have been defined for funding under the project.

The first category covers relief efforts and aims to ensure more efficient and timely distribution of food and emergency supplies. Beneficiaries of Category I activities will be those persons who receive food aid, whose food security and well being are improved by such assistance. Additional beneficiaries will be those persons who would face increased suffering should emergency assistance not be delivered in a timely manner. This type of activity is obviously socioculturally feasible in the short term, in that it is intended to prevent suffering and avert potential disasters. However, care must be taken to ensure that needs are accurately assessed, and that people are assisted to move towards self provisioning, in order to avoid inculcating a sense of dependency, and further reducing the self reliance of target communities. The fluctuating security situation and logistical difficulties will obviously affect the overall impact this type of activity can have.

The other two main categories of activity prioritized for funding under the project focus on the transition from relief to rehabilitation. One category is related to increasing agricultural production, and generating income and employment, while the other is concerned with the social welfare of target communities, and focuses on activities such as improved coverage of preventive health care and increased access to safe water.

Beneficiaries of these two categories of activities will be those persons in target communities who participate in projects. Indirect beneficiaries will be those persons and communities who benefit from the improvement in the situation of target areas.

Such activities are socioculturally feasible in that they are intended to assist people to become more self-reliant and less dependent on external assistance, and also to improve the food security and general well being of target communities. However, the actual feasibility of such activities depends on the extent to which beneficiaries are participants in their design and implementation, and also the extent to which PVOs understand both formal and informal community structures, cultural mores which affect access to and control of resources, and the role of local government in target communities.

PVOs will be expected to undertake a baseline survey of the communities with which they will be working in order to obtain a better understanding of a) the composition of the target population and b) the problems and constraints which will affect implementation of the proposed activity. They will also be expected to coordinate with local Government authorities and other PVOs working in the same area. Project monitoring and evaluation plans will be defined for each grant. As the security situation precludes any major data collection effort, spot checking will be the norm, complemented where feasible by longitudinal tracking of small samples.

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H. Project Implementation

1. Implementation Plan

The implementation plan for this project has been divided into two phases. Phase 1 will run through FY 1990, and Phase 2 will run from FY 1991 through the end of the project. Phase 1 consists principally of start up activities and initial grant designs. As indicated in Section II, D.1.e. Administrative Schedule, FY 1990 funds will be obligated to PVOs which have ongoing activities previously funded by OFDA. A request for applications will be issued during Phase 1 for proposals which will be considered for funding using FY 1991 and FY 1992 funds. Phase 2 consists primarily of activities which will be repeated on an annual basis. The discussion of management responsibilities below differentiates between overall project management responsibilities and grant-specific responsibilities.

A. Project Management

Project management will be undertaken primarily by the project management team, as previously discussed. In addition, PVO Issues Committee Meetings will take place every two months. Membership of these committees will be open to all interested members of USAID staff. Specific topics and general issues and progress will be discussed at these meetings. A Project Committee will be responsible for making funding decisions on an annual basis. The project management team will be responsible for producing an annual design and implementation schedule and a monitoring and evaluation plan. This schedule and plan will update the general schedule and plans described in this section.

B. Grant Management

Grantees will be responsible for managing the activities for which they are funded. All grants will contain implementation schedules, and reporting requirements. Grantees will produce both annual workplans and monitoring plans, and will submit required reports to USAID.

USAID project staff will be primarily responsible for ensuring that funded activities proceed as planned.

C. Roles and Responsibilities

a. USAID

As previously discussed, USAID project staff will have primary

responsibility for project implementation.

Project staff will be responsible for reviewing PVO proposals and all pre-award discussions with prospective grantees and site visits to projects. USAID technical staff will also review proposals and visit project sites, as required. Funding Committee members will be responsible for making funding decisions. Project staff will prepare descriptions of activities to be funded under each grant and forward these with PIO/Ts to the Regional Contracting Officer in Swaziland for incorporation into grant documents. Grants will be signed by the Mission Director, USAID/Mozambique, or the person acting in the capacity of Mission Director. The Controller, USAID/Mozambique will be responsible for ensuring that grant funds are obligated and that A.I.D./Washington is informed of changes to Grantee Letters of Credit.

Project staff will be primarily responsible for project implementation. In addition, USAID/Mozambique technical staff will assist with project implementation as required, and REDSO/ESA assistance will be drawn upon if necessary. The USAID/Mozambique Commodity Management Officer will provide technical assistance and advice on matters relating to procurement of goods using project funds.

b. Regional Contracting Officer

The Regional Contracting Officer (RCO) will be responsible for issuing the request for applications, and for final negotiations with proposed grantees. The RCO will also be responsible for all contracting actions for U.S. project management staff.

c. Regional Legal Advisor

The Regional Legal Advisor will be responsible for providing legal advice to USAID staff as required for the project, and for providing legal clearance of project and grant documents.

d. PVOs

PVOs will be responsible for negotiating Country Agreements with the Government of Mozambique. Grants will only be entered into with those PVOs who have a Country Agreement. Additionally, PVOs will be responsible for ensuring that appropriate Provincial or District level concurrence with proposed activities is obtained.

PVOs will be responsible for developing project proposals and for implementing and monitoring funded activities. PVOs will

ensure that reports are completed and submitted to USAID in accordance with grant requirements. PVOs will also be responsible for managing all funds provided under grants, and for ensuring that grant funds are expended and funded activities implemented in accordance with the terms and conditions of each grant and in compliance with A.I.D. regulations.

During the course of project implementation, USAID will continue to host the round table discussion sessions already begun during the project design. At least one session every six months will serve as an informal review, whereby PVOs will be invited to come to discuss their projects and share experiences with each other. During such discussions PVOs will be encouraged to concentrate their efforts in areas of proven expertise, and to ensure that planned activities are sufficiently focussed to have a direct impact on the beneficiaries. They will also be encouraged to develop networks with local government entities and other organizations, and the need for projects to remain flexible, dynamic and responsive to the needs of the participants will be stressed.

The importance of community involvement at all stages, and the need to collect information, quantitatively measure the impact of activities, and actively develop local capabilities will also be emphasized. Throughout discussions, the need to consider gender and the necessity to disaggregate data will be stressed, and PVOs will be encouraged to discuss how they hope to ensure the equal participation of women, and also how they have analyzed gender issues in the design of funded activities.

In addition to the review sessions, such round table discussions will also be held on issues of specific interest or relevance as suggested by PVOs. Topics to be covered initially will include, but not be limited to, Women in Development/Gender Issues; Procurement Using A.I.D. Funds; Financial Record Keeping and Reporting; PVO Involvement in Child Survival and Health; and Social Analysis and Impact Indicators.

e. Technical Assistance

Short term technical assistance will be contracted as required to ensure successful implementation of the project. Such technical assistance will be obtained through IQCs, centrally funded projects, or PSCs as appropriate.

f. The Government of Mozambique

USAID/Mozambique and the Government of Mozambique (GOM) will

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enter into a Memorandum of Understanding (see Annex E). USAID project staff will liaise with Government officials as necessary during the course of project implementation. The GOM will enter into general Country Agreements with PVOs, and GOM Provincial or District level concurrence with proposed activities will be required before funds can be available.

g. A.I.D./Washington Africa PVO Initiatives Project

USAID will liaise regularly with the PVO Initiatives Project to obtain information on lessons learned throughout Africa on working with PVOs, and to contribute lessons from Mozambique to the overall body of knowledge. The PVO Initiatives Project may also be drawn upon for short term technical assistance.

2. Implementation Schedule

<u>Action</u>	<u>Timeframe</u>	<u>Agent</u>
A. <u>Phase 1</u>		
I. <u>Project Management</u>		
a. Review of PID	March 1990	A.I.D./W
b. PP Guidance	April 1990	A.I.D./W
c. PP Authorized	May 1990	USAID
d. Management positions advertized	June 1990	RCO
e. Management team recruited	December 1990	USAID; RCO,
f. Commodities purchased	July 1990	USAID
g. Air time contracted	July 1990	RCO
h. PVO Issues Committees	Every two months	USAID Staff

<u>Action</u>	<u>Timeframe</u>	<u>Agent</u>
II. <u>PVO Grants*</u>		
a. FY 1990 Proposals received**	April-May	USAID Staff
b. FY 1990 proposals reviewed	April-May	USAID Staff
c. Visits to project Sites	April-May	USAID Staff
d. FY 90 funding decisions made	May-June	Project Committee
e. FY 90 Grants negotiated	June-July	RCO
f. FY 90 Grants awarded	June-July	USAID Director
g. Request for PVO applications issued***	June	RCO
B. <u>Phase 2</u>		
I. <u>Project Management</u>		
a. Issues Committees	Annually, every 2 months	USAID Staff
b. Action Plan	Annually, October	Project Staff
c. Monitoring and Evaluation Plan	Annually, October	Project Staff
d. Design and Implementation Schedule	Annually, October	Project Staff
e. Project Implementation reports	Annually, April; November	Project Staff
g. Implementation Review	Annually, March; September	Project Staff; Project Committee

<u>Action</u>	<u>Timeframe</u>	<u>Agent</u>
h. Project Progress Review	October, 1991	USAID Staff; REDSO/ESA; TA
i. Evaluation	February 1993	IQC
j. Audit	February 1993	IQC
II. <u>PVO Grants*</u>		
a. PVO Proposals received	Annually, Sept-March	USAID
b. PVO proposals reviewed	Annually, Sept-March	USAID staff
c. Funding decisions made****	Annually, March	Project Committee
d. Grants negotiated	Annually, March-May	RCO
e. Grants awarded	Annually, March-May	USAID Director
f. Site Visits	Annually, one per month	Project Staff
g. PVO Discussions	Annually, every month	Project Staff
h. Round tables	Annually, every quarter	PVOs; USAID staff
1. Review of Grantee progress reports	Annually, every quarter	Project staff
†. Review of Grantee financial reports	Annually, every quarter	Project staff

* Each grant will contain an implementation plan which will indicate the timing of progress reviews, evaluations and audits.

** As indicated earlier, a limited number of PVOs with ongoing programs will receive funding in FY 1990 in support of such programs.

*** This request for applications will be issued in FY 1990 to solicit proposals for funding using FY 1991 and FY 1992 funds.

**** Incremental funding actions will be taken earlier in the fiscal year whenever possible.

I. Monitoring and Evaluation

USAID/Mozambique and the PVOs receiving grants under this project will be responsible for monitoring and evaluation in order to:

- track the progress of individual grant-funded activities;
- assess overall project progress;
- assess the impact of the project on participant communities;
- understand problems which affect project progress and attempt to address such problems;
- revise activities or plans should such revision be necessary in the light of changed circumstances;
- ensure that the project and the activities remain sufficiently flexible to respond to the prevailing situation and attempt to meet the needs of the participants.
- increase understanding within the Mission and PVOs with regard to the nature of issues affecting target communities, their self-defined needs and priorities, and the potential process for grassroots development within Mozambique.

1. Monitoring and Evaluation of Project

USAID project management staff will be responsible for ongoing monitoring and evaluation of the project, in conjunction with relevant technical staff, the Mission evaluation officer, and REDSO/ESA assistance where required.

a. Reporting

Monitoring and evaluation activities will be included in the annual action plans to be produced by the PVO project management team. Project implementation reports will be produced on a semi-annual basis by the project management staff.

b. Mid-term review

A mid-term project review will be conducted in October 1991 by project staff, technical officers and REDSO/ESA staff (as needed). The purpose of this review is to assess the validity of design

assumptions, eligible activities and impact indicators; review progress towards meeting objectives; and make recommendations for the next phase of project implementation. Project staff will be responsible for producing a report which will be presented to the PVO Issues Committee and Mission Management.

c. Evaluation

An evaluation will be conducted at the end of the third year of the project, after all proposed grants have been made, and when no new grants are expected to be made unless the project is extended and additional funds made available. This evaluation will be conducted by an IQC contractor, and if possible, a member of the PVO Initiative Project staff. The terms of reference for the evaluation will be developed by the project management staff and reviewed at a PVO Issues committee meeting.

d. Audit

In compliance with A.I.D. regulations, an external audit of the project will be conducted in the final year of the project after grants have been awarded.

2. Monitoring and Evaluation of Funded Activities

PVOs receiving grants under the project will be responsible for the monitoring and evaluation of funded activities. USAID project staff will have regular meetings with grantees and both project staff and technical officers will make site visits. A trip report will be produced following each site visit.

All PVOs will be expected to collect initial baseline data in projects areas which would be monitored during project implementation to assess changes in the target population. Such information would probably include data on low birth weight babies, infant and child mortality, household income and expenditure, nutritional status, agricultural production, and access to basic services. The Mission will contract for a short term sociologist/anthropologist to work with PVOs to design questionnaires, and to ensure that data collection methodology is understood. Data so collected would not be very elaborate, but would be sufficient to determine trends and assess impact in limited areas. To the extent relevant, all data would be gender disaggregated.

a. Reporting

PVOs will be required to produce annual workplans which should include monitoring and evaluation activities to be undertaken during the period. Specific impact indicators and benchmarks will be established for each grant.

Each grantee will submit quarterly progress and financial reports. Progress reports will indicate progress towards meeting objectives, problems encountered during the reporting period, proposed actions to address such problems and activities to be undertaken during the next period. Financial reports should indicate expenditure of funds according to budget line items. Such reports may contain additional narrative information as appendices. USAID project management staff will be responsible for reviewing reports and addressing concerns raised by them with grantees.

b. Progress reviews

An internal mid-term progress review will be scheduled in each grant, reports of which should be made available to USAID. The purpose of such mid-term reviews is to re-analyse the viability of funded activities, assess the impact such activities have had on beneficiaries, and plan the next phase of implementation.

In addition to the mid term progress reviews, USAID will host round table sessions in which grantees can discuss progress, share experiences, and build on lessons learned. One such round table will be held at least every six months. PVOs will be invited to attend, but will not be funded for so doing.

c. Evaluation

Funds will be included in each grant for a final evaluation of grant activities. PVOs will be responsible for developing a scope of work for the evaluation, and for contracting, in accordance with A.I.D. regulations, for assistance to conduct the evaluation.

d. Audit

In compliance with A.I.D. regulations, funds will be included in each grant for an audit of funded activities. Audits will be scheduled to take place in the final year of each grant.

J. Procurement Plan

Procurement under this project will be through A.I.D. grants to PVOs, and direct A.I.D. contracts for technical assistance, commodities, evaluation and audit. Such grants and contracts will be handled directly by A.I.D., either USAID/Mozambique; the Regional Contracting Officer, USAID/Swaziland; or A.I.D./Washington in the case of work orders under existing IQCs.

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1. PVO Grants

a. Selection Method

PVOs will be selected as grantees following the selection procedures described in Section II, D. 4. Evaluation of Proposals and in accordance with Chapter 2 of Handbook 13. As indicated in Section II. D. 1. e, only those PVOs already in receipt of a grant funded by OFDA will be eligible for funding in FY 1990, but a request for proposals will be issued for the rest of the project life. Grant documents will be prepared by the Regional Contracts Office. Grants will be signed by the Director, USAID/Mozambique.

b. Procurement of Goods and Services Under Individual Grants

All PVOs must be registered with A.I.D. prior to receiving funds under this project. As procurement systems will have been reviewed and approved as part of the registration process, and all registered PVOs are subject to annual audits, there will be no need to review each grantee's procurement system prior to award, unless a preaward evaluation is required under Handbook 13, 4F5. Each approved grantee proposal must contain a procurement plan for goods and services to be financed using A.I.D. funds. Each grantee will be responsible for the execution of its own procurement in accordance with appropriate Standard Provisions. USAID/Mozambique will, through a Memorandum of Understanding with the Government of Mozambique, obtain duty and tax free status for materials and services purchased by grantees using A.I.D. funds.

2. Technical Assistance Procurement Method

Long term managerial assistance will be obtained by means of personal services contracts. These will be competed and awarded in accordance with A.I.D. regulations by USAID/Mozambique, with assistance from the RCO, USAID/Swaziland, as necessary. Short term technical assistance will be obtained as required using IQCs, personal services contracts, or purchase orders. Personal services contracts and purchase orders will be competed and executed in accordance with A.I.D. regulations by USAID/Mozambique. IQC work orders will be executed by MS/OP in A.I.D./Washington. Air transport services will be obtained through a contract with an air service company which will be executed by the RCO, USAID/Swaziland.

3. Commodities Procurement Method

Computers will be purchased for the long term managerial assistance team through direct A.I.D. contracts executed by MS/OP/COMS or purchase orders if the value of the procurement is less than \$25,000. Project vehicle or vehicles will be purchased according to A.I.D. regulations by USAID/Mozambique.

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4. Evaluation Procurement Method

Evaluation services will be obtained either through work orders under existing IQCs, or by competition and award of contracts. MS/OP in A.I.D./Washington will be responsible for IQCs. USAID/Mozambique, with assistance from the RCO, USAID Swaziland, will be responsible for all other contracts which will be competed and awarded in accordance with A.I.D. regulations.

5. Audit Procurement Method

All PVO grantees are required to conduct annual audits of their overall operations, including funds provided by A.I.D. Any services required for non-federal audit of the project will be obtained through IQCs executed by MS/OP in A.I.D./Washington or REDSO/ESA.

6. Source/Origin/Nationality Issues

All activities under this Project will be financed from the DFA appropriation. Procurement will be in accordance with DFA rules. Accordingly, Code 935 is the authorized procurement code. Therefore, no source/origin/nationality waivers will be required, though goods and services will be procured from the U.S. to the maximum extent practicable. As required by DOA 551, and Africa Bureau Instructions dated April 4, 1988 (88 State 105351), a brief summary of the DFA procurement plan will be cabled to AFR/PD, and the following procurement limitations will apply to the project.

With respect to procurement under the individual PVO grants, the order of precedence of first Code 000, then the host country, then Code 941, then Code 935 will apply, regardless of the amount of the procurement. With respect to ocean shipping of commodities procured by PVOs and air travel and transportation, the standard grant provisions regarding these matters will apply. However, as provided in the blanket transportation source waiver for Mozambique approved on January 26, 1989, no U.S. flag source is available from non-U.S. ports to ports in Mozambique, and thus grantees may need to obtain a determination of non-availability from MS/OP/TRANS for any shipments of commodities to Mozambique from non-U.S. ports.

With respect to A.I.D. direct procurement, the following limitations apply. Long-term technical assistance will generally be from U.S. sources. All A.I.D.-financed air transportation and travel to and from the United States will be limited to U.S. flag

carriers, subject to documented exceptions, which will be made sparingly. No U.S. flag carriers fly into Mozambique, so U.S. flag carriers will be used to the nearest point on usually travelled routes. U.S. manufactured vehicles cannot meet the needs of the project, because of required specifications, including the need for right hand drive vehicles not available from the U.S., and spare parts and maintenance capabilities within Mozambique. Therefore, non-U.S. vehicles from Code 935 countries will be procured.

With respect to the Cargo Preference Act, all computers purchased through MS/OP/COMS will be shipped via U.S. flag vessels if from the U.S., though as indicated above for grantee procurement, U.S. flag vessels will not be available for shipment of vehicles from non-U.S. ports to ports in Mozambique.

K. Estimated Cost and Method of Financing

1. U.S. Dollar Funding

The project budget allots funds for project management, PVO grants, short term technical assistance, evaluation and audit. A summary budget is given in Table 1 below. Following is a brief rationale for each budget item.

As discussed in Section II.E, a total of 136 person months of long-term technical assistance is budgeted for the project management team for the life of the project. This includes 48 p.m. for the project officer, 42 p.m. for the rural development specialist and 42 p.m. for the activity monitor.

The PVO grant budget partially replaces OFDA's previous funding level for PVOs in Mozambique. OFDA is expected to continue some emergency grant activities, but the combined level will be less than the \$10 million pledged at the three international donor conferences on the Mozambican emergency. Given the enormous community level needs that exist throughout the country, it is impossible to develop a grant budget based on specific requirements. The Mission, instead, has opted to base its grant budget on demonstrated implementation capacity. Legislative requirements for adequate planning before the obligation of funds will be met by ensuring that each PVO grant, and the Mission's guidelines for grant development, address all necessary technical and financial issues. For example, proposals will be reviewed to ensure the cost estimates in financial plans are reasonable and reasonably firm and resources available are adequate to complete the activities within the appropriate time.

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USAID proposes to allocate approximately \$18 million over three years for PVO grants. From FY 1985 through FY 1988, OFDA assistance in Mozambique averaged approximately \$6.05 million annually. In FY 1989, the combined OFDA and bilateral Mission budget for PVO activities was over \$6.4 million. In FY 1990, USAID proposes to obligate \$6.5 million based on expectations of a supplemental appropriation of \$2.5 million. Should this not be the case, \$4 million will be obligated. The authorized balance will be utilized in future years, or not drawn down at all if not required. Annual budgets for PVO grants will be formulated in the course of developing the Mission annual obligation schedule. AID/W will have the opportunity to review each year's grant budget in the course of reviewing and approving the annual OYB. In the event of a settlement of the conflict in Mozambique, or a significant reduction in hostilities, it is likely that the life of project funding level would be increased, and the PACD extended, in order that additional assistance might be channelled through the project.

Short-term technical assistance requirements are difficult to anticipate given the wide range of issues and problems that might be encountered by PVOs in the transition process from emergency to rehabilitation and development oriented assistance. For preliminary budget purposes, USAID has estimated four technical assistance teams annually over three years, each composed of two individuals. This results in a total of 24 p.m. of short-term technical assistance.

A mid-term project progress review and a final evaluation are scheduled under the project. The project progress review team will be comprised of Mission staff, REDSO/ESA staff if required, and representatives of PVOs. If required, technical assistance from the PVO Initiatives Project, the Genesys Project or other centrally funded projects will be sought, and 6 person months of funding have been budgeted for this purpose. It is probable that the close out evaluation team will be contracted for under an IQC, and assisted by Mission staff and representatives of the PVOs. Six p.m. have been budgeted for this evaluation. Funds are also included for overall project audits; individual grants will also have audit provisions.

The proposed method of financing would be direct A.I.D. contracts, IQC contracts or Mission buy ins to appropriate S&T/RD or S&T/Health cooperative agreements or contracts for technical assistance, and direct grants or cooperative agreements with PVOs for funded activities.

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Table 1
Illustrative Financial Plan

<u>Item</u>	<u>US\$ X 1000</u>			<u>Total</u>
	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>	
1. Project Management				
a. Personnel	70	300	750	1,120
b. Commodities	50	-	-	50
c. Air Travel	120	120	300	540
Subtotal (1)	<u>240</u>	<u>420</u>	<u>1050</u>	<u>1,710</u>
2. PVO Grants	3,100	6,095	5,165	17,290
3. Technical Assistance*	160	160	160	480
4. Evaluation/Audit**	-	70	300	370
Total	<u>6,500</u>	<u>6,675</u>	<u>6,675</u>	<u>19,850</u>

* This is for short term technical assistance. As previously indicated, a total of 24 person months at an average cost of \$20,000 per month have been budgeted. Such short term technical assistance has been apportioned equally over the three years of the project for illustrative purposes only. Funds will be expended as required.

** This also includes funds which may be required for outside assistance for the mid-term progress review.

Project Management Illustrative Financial Plan (Breakdown)

<u>Item</u>	<u>US\$ x 000</u>			<u>Total</u>
	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992**</u>	
1. Personnel*				
a. Project Development Officer	60	120	300	480
b. Rural Development Officer	-	120	300	420
c. Activity Monitor	-	40	100	140
d. Admin Asst/Secretary	10	20	50	80
Subtotal (1)	<u>70</u>	<u>300</u>	<u>750</u>	<u>1,120</u>
2. Commodities				
a. Computers	20	-	-	20
b. Vehicle	25	-	-	25
c. Other equipment/furniture	5	-	-	5
Subtotal (2)	<u>50</u>	<u>-</u>	<u>-</u>	<u>50</u>
3. Air Travel	120	120	300	540
Total	<u>240</u>	<u>420</u>	<u>1050</u>	<u>1,710</u>

* Due to the design schedule, only the project development officer will be working on the project during FY1990. The other positions will be advertised during FY 1990, but personnel will not be in place until FY 1991.

** As grants will be made in FY 1992, the final year of funding for the project, it is necessary to maintain project staff through the life of the project (March 1994). Therefore, funds are apportioned to FY 1992 to fund PSC contracts through FY 1993 when funded activities will be ongoing, and also for six months into FY 1994 to cover project close out. Funds are also included in the FY 1992 air travel budget line-item for forward funding of the air travel contract through the life of the project.

B. Proposed Methods of Implementation and Financing

<u>Item</u>	<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>Amount (\$ x 000)</u>
1. Project Management			
a. Personnel	PSCs	Direct Payment	1,120
b. Commodities	Purchase Orders	Direct Payment	50
c. Air Travel	Contract	Direct Payment	540
2. PVO Grants	Direct Grants	LOC/Periodic Advance/Cost Reimbursement*	17,290
3. Technical Assistance	PSCs/IQCs	Direct Payment	480
4. Evaluation/Audit	PSCs/IQCs	Direct Payment	370

* Where PVOs are already in possession of Letters of Credit, this mechanism will be used. In instances where PVOs are not in receipt of Letters of Credit and are not eligible for such receipt, payment will be made by periodic advance or cost reimbursement in accordance with A.I.D. regulations. Decisions on which funding mechanism to employ will be made by project staff and the Controller USAID/Mozambique, following discussions with prospective Grantees. In instances where the PVO is not in possession of a Letter of Credit, or where no financial review has been conducted, the Controller or person or persons designated by the Controller will conduct a financial review of the prospective Grantee's financial books and records to determine grant worthiness prior to any award being made.

2. Local Currency Requirements

In FY 1989, USAID and the Ministry of Finance began allocating an agreed portion of local currency generations from food aid and commodity import programs for PVO activities in Mozambique. Since the GOM owns this local currency, A.I.D. solely reviews the proposals and endorses them for funding. The actual local currency funding agreements are between the GOM and the individual PVOs. This helps ensure that local currency funding for PVOs is accounted for within the monetary targets established with the IMF.

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PVOs which apply for foreign exchange funds under the proposed project will also be advised of the possibility of local currency funding through agreements with the Ministry of Finance. It will be each PVO's responsibility to develop a proposal for and pursue such funding with the Ministry of Finance. Should a PVO's proposal for a local currency grant to the Ministry of Finance be related to the dollar grant being evaluated by USAID, the Mission will consider the dollar portion of the grant, taking into account whether the PVO has adequate funding from all other sources to ensure the project's viability. Procedures relating to local currency funding of projects will be formalised in a Mission Order, and communicated to PVOs.

L. Recommended Environmental Threshold Decision

An Initial Environmental Examination and Categorical Exclusion was approved by the Africa Bureau Environmental Officer in March 1990, and is included as Annex D.

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Annex A

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ORIGIN AID-80

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ORIGIN OFFICE AFPD-04
INFO AFEA-03 AFSA-03 AFDP-06 AFCD-02 AFTR-05 AAAF-03 AFPE-07
PPMF-01 BIFA-01 SAST-01 PDPR-01 PPPB-02 GC-01 GCAF-02
GCCM-01 FVA-01 FVPP-01 IT-06 PVC-02 OFDA-02 PRE-06
STHE-03 POP-04 STAG-02 STFN-02 SEOP-01 SETH-01 SEOS-02
FMAD-02 FFP-09 SERP-01 SECS-02 HHS-09 RELO-01 AMAD-01
FMAO-01 /102 AB 12/02002

INFO LOG-00 AF-00 CIAE-00 EB-00 OODE-00 /003 R

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AID/AFR/PD/SA: CROZELL (DRAFT) AID/AFR/DP/PPE: RHYNES (DRAFT)
GC/AFR: MAKLEINJAN (DRAFT) FVA/FFP/AFR: MBROADY (DRAFT)

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TAGS:

SUBJECT: MOZAMBIQUE PVO SUPPORT PROJECT (656-0217):
PID REVIEW

1. AN ISSUES MEETING FOR REVIEW OF THE SUBJECT PROJECT PROPOSAL WAS HELD ON FRIDAY 26 JANUARY 1990 AND ATTENDED BY MEMBERS OF THE PROJECT COMMITTEE: AFR/PD/SA (CHAIR), GC/AFR, AFR/TR/ANR, AFR/DP/PPE, AFR/SA, FVA/PVC, FVA/FFP/AFR AND AFR/MDI. SEVERAL DRAFT ISSUES WERE FULLY DISCUSSED BY THE COMMITTEE, AND EACH WAS RESOLVED TO THE EXPRESSED AND UNANIMOUS SATISFACTION OF ALL PRESENT. FURTHERMORE, THE COMMITTEE AGREED THAT GIVEN THAT NO ISSUE DISCUSSED PRESENTED A CASE FOR CONSIDERATION BY A BUREAU EXECUTIVE COMMITTEE REVIEW, THE PID SHOULD BE APPROVED AND FINAL PROJECT PAPER DESIGN SHOULD PROCEED, SUBJECT TO THE GUIDANCE OUTLINED BELOW.

2. APPROPRIATENESS OF CERTAIN PROJECT ACTIVITIES FOR DFA FUNDING: THE PROJECT COMMITTEE DISCUSSED WHETHER THE CATEGORY 1 ACTIVITIES AS DELINEATED IN THE PID FULFILLED THE DFA REQUIREMENTS FOR SUPPORT OF LONG-TERM DEVELOPMENT, OR WHETHER THEY WERE INSTEAD RELIEF

ACTIVITIES MORE APPROPRIATE FOR DISASTER RELIEF FUNDING. THE COMMITTEE CONCLUDED THAT THE PP NEEDS TO LAY OUT CLEARLY THE LONG-TERM DEVELOPMENT RATIONALE FOR ALL ACTIVITIES, PARTICULARLY THOSE IN SUBCATEGORIES 1A AND 1B. SINCE THIS IS AN UMBRELLA ACTIVITY, THIS COULD BE DONE THROUGH THE ESTABLISHMENT OF APPROPRIATE CRITERIA IN THE PP, WITH SUPPORTING EXPLANATION. THE RATIONALE NEEDS TO GO BEYOND THE SIMPLE PROVISION OF FOOD OR OTHER RELIEF SUPPLIES, OR SIMPLY MAINTAINING A POPULATION SO THAT REHABILITATION/RECONSTRUCTION COULD BE ACCOMPLISHED LATER OR SEPARATELY, TO INCLUDE PROGRESS TOWARDS INSTILLING SOME KIND OF CAPACITY FOR SELF-SUFFICIENCY. IT ALSO NEEDS TO BE MADE MORE SPECIFIC THAN A GENERAL GPRM OBJECTIVE OF INTEGRATING RELIEF WITH SELF-HELP. AS PART OF THIS, SUBCATEGORIES 1A AND 1B WOULD PROBABLY NEED TO BE REPHRASED. PER

PASCUAL/KLEINJAN CONVERSATION, ONE WAY TO DO THIS WOULD BE TO PHRASE SUBCATEGORY 1A ALONG THE LINES OF QUOTE ACTIVITIES WHICH ASSIST TO DEVELOP THE CAPACITY OF MOZAMBIKANS TO MANAGE . . . END QUOTE, AND DROP SUBCATEGORY 1B.

FYI, WE ASSUME THAT DFA FUNDS WILL NOT BE USED FOR COSTS WHICH NORMALLY ARE OR CAN BE BORNE BY PL-480; THE COMMODITY PROCUREMENT SUBCATEGORY 1B AS CURRENTLY PHRASED APPEARS TO ALLOW USE OF DFA FUNDS FOR FOOD PROCUREMENT. WE ALSO ASSUME THAT DFA FUNDS WOULD NOT BE USED FOR COSTS THAT ARE BEST FINANCED BY THE HOST COUNTRY (E.G. INTERNAL DISTRIBUTION COSTS.)

3. PROJECT DESIGN METHODOLOGY; SUBACTIVITIES APPROVAL PROCEDURES: THE ESTABLISHMENT IN THE PP OF CRITERIA AND PROCEDURES FOR SELECTION OF SUBACTIVITIES (E.G. SPECIFIC PVO GRANTS) RATHER THAN DEFINITELY DELINEATING EACH GRANT, IS AN ACCEPTED MEANS OF PLANNING THE OVERALL PROJECT. THE PP ALSO NEEDS TO EVIDENCE A DEMAND FOR GRANTS AT LEAST EQUAL TO THE AMOUNT AUTHORIZED, EVEN THOUGH THIS NEED NOT BE MADE GRANT-SPECIFIC.

THE TWO-STEP APPROACH TO FINAL ACCEPTANCE AND FUNDING SPECIFIC PVO ACTIVITIES, DURING THE COURSE OF THE PROJECT IS ALSO REASONABLE. WE RECOGNIZE THAT SOME A.I.D. ASSISTANCE TO/CONSULTATION WITH THE PVO'S DURING ONE OR BOTH STAGES OF THE PVO'S OWN DESIGN PROCESS IS USEFUL AND NECESSARY. WE ASSUME THAT FOR MOST GRANTS

THE MISSION WILL WANT TO RETAIN THEIR OPG CHARACTER (INITIATED AND DESIGNED BY THE PVO), AND NOT HAVE SO MUCH A.I.D. INVOLVEMENT SO AS TO UNDERCUT THIS. THE COMMITTEE IS PLEASED WITH THE ADEQUACY OF THE ARRANGEMENTS THAT HAVE BEEN PLANNED SO AS TO PROVIDE REASONABLE ASSURANCES THAT THE PROCESS WILL EFFECTIVELY ALLOW FOR DESIGN IMPLEMENTATION AND MONITORING/REVIEW OF A NUMBER OF PVO ACTIVITIES.

THE COMMITTEE ALSO ENDORSED THE MISSION'S PLAN TO COMPETITIVELY AWARD THE GRANTS WHICH WILL BE FINANCED FROM THIS PROJECT. THE SELECTION AND AWARD CRITERIA APPEAR REALISTIC.

GUIDANCE: FINAL DESIGN OF THE SUBACTIVITIES AND SELECTION OF PROPOSALS OUGHT TO EMPHASIZE THE IMPORTANCE OF REAL DEMAND FOR PROJECT FINANCING. THE GPRM'S REPORT ON REHABILITATION RELEASED IN LATE JANUARY, WHICH PROVIDES AN INVENTORY OF GEOGRAPHIC AREAS AND THE TYPES OF ACTIVITIES WHICH IT HOPES WILL BE UNDERTAKEN, IS ONE PLACE TO START SO THAT ACTIVITIES WILL TAKE PLACE IN THOSE AREAS OF GREATEST NEED. THE IMPLEMENTATION CAPACITY OF THE GRANTEEES AND THE PARTIES WITH WHICH THEY WILL WORK MUST BE CLEARLY DEMONSTRATED.

4. PROJECT MANAGEMENT: THE PROPOSAL STATES THAT DIRECT MANAGEMENT OF THE PROGRAM BY USAID STAFF IS PREFERABLE GIVEN THE NATURE OF THE POTENTIAL ACTIVITIES, THE NEED FOR CLOSE MONITORING AND EVALUATION, AND THE FACT THAT THE ACTIVITIES ARE SO CENTRAL TO THE MISSION STRATEGY AND LINKED TO GPRM POLICY. THE MISSION SEEMS TO HAVE RECOGNIZED THAT MANAGEMENT OF THIS PROJECT IS GOING TO REQUIRE CONSIDERABLE ATTENTION AND EXPERTISE. CONSEQUENTLY, THE PROPOSAL REITERATES IN SEVERAL FORMULATIONS, THE MAKE-UP, THE QUALIFICATIONS, AND THE VARIOUS MANAGEMENT RESPONSIBILITIES WHICH ARE TO BE ASSUMED BY A MISSION-BASED TEAM. IN SUM, THE MISSION SEEMS TO QUALIFY MUCH OF PROPOSED PROJECT IMPLEMENTATION AS A HAND-HOLDING OPERATION. WE ASSUME THAT MOST IF NOT

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ALL OF THE OPG'S WILL BE PROVIDED AS GRANTS NOT COOPERATIVE AGREEMENTS, AND FOR GRANTS, A.I.D. SHOULD NOT BE INVOLVED IN THE DAY TO DAY MANAGEMENT OF THE PROGRAM. GIVEN MISSION'S INTENTION TO COMPETITIVELY AWARD GRANTS TO A.I.D.-REGISTERED PVO'S, THERE IS NO REASON WHY MISSION INVOLVEMENT SHOULD BE INTENSIVE. THE COMMITTEE HOPES THE MISSION IS NOT PROPOSING TO TAKE AN

APPROACH TO SUBACTIVITY MANAGEMENT THAT IS MORE INTENSIVE THAN APPROPRIATE FOR THE GRANT FORM OF ASSISTANCE.

GUIDANCE: THE COMMITTEE ACKNOWLEDGES THE UNUSUALLY HIGH PROFILE THAT CERTAIN OF THE PROPOSED ACTIVITIES ARE LIKELY TO HAVE, GIVEN THE MISSION'S RECENT EXPERIENCE. BUT THAT CONSIDERATION IS NOT OF ITSELF SUFFICIENTLY WORRISOME TO PERMIT THIS PROJECT TO ADOPT A HANDS-ON APPROACH TO SUBACTIVITY MANAGEMENT. THE PID'S PROPOSED THREE-PERSON A.I.D. MANAGEMENT TEAM APPEARS NECESSARY AND SUFFICIENT TO CARRY OUT THE REQUIREMENTS OF EXECUTING AND MONITORING EACH SUBACTIVITY. BECAUSE THEY ARE TO BE GRANTS, MISSION SHOULD NOT HAVE TO ASSUME RESPONSIBILITY FOR APPROVING WORK PLANS OR SUBORDINATE AGREEMENTS, OR BE INVOLVED IN SELECTING KEY PERSONNEL OR OTHER TYPES OF JOINT COLLABORATION OR PARTICIPATION ONLY APPROPRIATE WHEN COOPERATIVE AGREEMENTS ARE THE ASSISTANCE INSTRUMENTS.

FINALLY THE FINAL DESIGN SHOULD CLEARLY IDENTIFY THE ON PROJECT OFFICER RESPONSIBLE FOR SUPERVISING THE MANAGEMENT TEAM; PRESUMABLY THE PSC WILL BE A PROJECT MANAGER NOT PROJECT OFFICER.

5. PROJECT LOGICAL FRAMEWORK: THE OVI'S STATED AT THE GOAL LEVEL ARE INAPPROPRIATE. AT THE PURPOSE LEVEL, IT CAN BE ARGUED THAT THE EOPS AS PRESENTED IN THE LOGICAL FRAMEWORK ARE OVERLY AMBITIOUS AND BECAUSE OF THEIR SOMETIME IMPRECISE (QUANTITATIVE OR QUALITATIVE) WORDING COULD RAISE QUESTIONS AND DOUBTS AS TO WHETHER THEY COULD EVER BE ACHIEVED.

GUIDANCE: THERE'S A GENERAL RULE OF THUMB TO APPLY WHEN LOOKING AT LOGFRAMES THAT MIGHT BE APPROPRIATE IN THIS CASE: GOALS OUGHT TO BE WITHIN THE MANAGEABLE INTERESTS OF ALL PARTIES PARTICIPATING IN THE DEVELOPMENT PROCESS; PURPOSE LEVEL OBJECTIVES HAVE TO BE WITHIN THE MANAGEABLE INTERESTS OF THE MISSION; OUTPUTS MUST BE CONSONANT WITH THE MANAGEABLE INTERESTS OF PROJECT IMPLEMENTORS (PVO GRANTEES IN THIS CASE).

GIVEN THAT FRAMEWORK, COMMITTEE REQUESTS THAT MISSION WORK WITH THE DESIGN TEAM SO AS TO REFLECT THE STRATEGIC OBJECTIVES AND TARGETS (AS WELL AS ACTION PARTIES) SET OUT IN THE RECENTLY DRAFTED CPSP. SINCE THE LOGFRAME

WILL ALSO SERVE AS A BASIC EVALUATION TOOL, INDICATORS (OVI'S) MUST BE PRECISE BOTH QUANTITATIVELY AND QUALITATIVELY.

6. REQUIRED CONTRIBUTION OF PVO'S: NOTHING IS MENTIONED ABOUT THE CONTRIBUTION OF THE RECIPIENT PVO'S. DO WE ASSUME THAT THE NORMAL A.I.D. REQUIREMENT FOR A 25 PERCENT PVO CONTRIBUTION FOR OPG'S WILL BE APPLIED? WE ASSUME THAT AT A MINIMUM, LARGE U.S. PVO'S SHOULD BE REQUIRED TO CONTRIBUTE SOME SUBSTANTIAL PORTION TO THE PROJECTS THEY PROPOSE.

GUIDANCE: THE COMMITTEE WAS FIRM AND UNITED IN ITS STANCE ON THIS POINT: THE CONTRIBUTION OF EACH PVO (AND CERTAINLY THE LARGER ONES) OUGHT TO BE CONSIDERED IN

ASSESSING THE GRANT PROPOSALS, AND SHOULD BE PART OF THE CRITERIA UPON WHICH SELECTION IS BASED. ALL CONTRIBUTIONS DO NOT NECESSARILY HAVE TO BE MONETIZED, BUT ALL SHOULD BE REAL, QUANTIFIABLE AND SUBJECT TO A.I.D. MONITORING AND AUDIT. THE MISSION DIRECTOR HAS THE AUTHORITY TO EITHER WAIVE IN WHOLE OR IN PART THE REQUIREMENT OF A CONTRIBUTION BUT IT SHOULD BE NOTED THAT THE CONTRIBUTION OF A PARTICIPATING PVO CAN CONTRIBUTE HEAVILY TO ITS STAKE IN THE RESULTS OF THE PROJECT AND THUS THE SUCCESS OF THE ACTIVITY.

7. ATTENTION TO AGENCY AND BUREAU CONCERNS: REGULAR A.I.D. PROGRAMMING PAYS CONSIDERABLE ATTENTION TO SUCH MATTERS AS GENDER ISSUES, NATURAL RESOURCES, CHILD SURVIVAL, POPULATION, ETC. SOME OF THESE CONCERNS ARE ALSO TRADITIONAL AREAS OF INTEREST FOR PVO'S. BUT OTHERS ARE NOT AS WELL EMPHASIZED OR OBSERVED. THE PROJECT DESIGN AS PRESENTED BY THE MISSION PLACES STRONG EMPHASIS, CORRECTLY, ON ATTENTION TO GENDER ISSUES. OTHER CONCERNS RECEIVE MUCH LESS ATTENTION. THE COMMITTEE CONSIDERED WHETHER STRATEGIES SHOULD BE DEVELOPED IN THE PROJECT DESIGN SO THAT MORE ATTENTION WOULD BE PAID TO OTHER CONCERNS SUCH AS, FOR EXAMPLE NATURAL RESOURCES MANAGEMENT, OR COOPERATION WITH THE PRIVATE SECTOR.

GUIDANCE: IN DESIGNING THEIR PROPOSALS FOR GRANT ASSISTANCE, PVO'S MUST TAKE THE SAME CARE IN CONSIDERING ADVERSE IMPACTS, FEASIBILITY, ECONOMIC FEASIBILITY, ETC. AS DOES A.I.D.. ALSO, IN PROVIDING INSTRUCTIONS TO PVO'S AND EVALUATING PROPOSALS, MISSION MAY WISH TO

INCORPORATE PROVISIONS WHICH WILL ENCOURAGE ACTIVITIES IN SECTORS OF IMPORTANCE TO MISSION STRATEGY (CHILD SURVIVAL AND PRIVATE SECTOR DEVELOPMENT). OTHER A.I.D. SPECIAL CONCERNS SHOULD BE ADDRESSED AS APPROPRIATE.

TO DEAL WITH ANALYTICAL ISSUES RELATED TO AREAS OUTSIDE THEIR TRADITIONAL AREAS OF EXPERTISE, PVO'S SHOULD BE PREPARED TO ENSURE THAT APPROPRIATE EXPERTISE IS SOUGHT. FOR EXAMPLE, GIVEN THE ANTICIPATED IMPORTANCE OF PRODUCTION OF BASIC FOOD STUFFS, AS WELL AS CASH CROPS, IN THE PROJECT PROPOSAL, THE COMMITTEE SUGGESTS THAT PVO'S SEEK EXPERTISE IN BUSINESS DEVELOPMENT AND CASH CROP SELECTION, AND USE OF TECHNOLOGIES WHICH PROMOTE NATURAL RESOURCE DEVELOPMENT. THEY SHOULD ALSO SEEK TO INCORPORATE LOCAL SKILLS AND RESOURCES IN ENTERPRISE DEVELOPMENT.

10. VENUE FOR PROJECT PAPER REVIEW AND AUTHORIZATION: AT THE MOMENT THIS GUIDANCE IS DRAFTED, THE A.I.D. MISSION IN MOZAMBIQUE OPERATES UNDER THE PROVISIONS OF DOA 551 AS IT APPLIES TO SCHEDULE B MISSIONS. SCHEDULE B MISSIONS CAN ONLY AUTHORIZE A PROJECT ABSENT REDSO CONCURRENCE, WITH AN AD HOC DELEGATION OF AUTHORITY FROM THE AA/AFR. THE AA/AFR HEREBY DELEGATES AUTHORITY TO APPROVE AND AUTHORIZE A PVO SUPPORT PROJECT (656-0217) IN MOZAMBIQUE TO THE DIRECTOR, USAID/MOZAMBIQUE, WITHOUT THE REQUIREMENT TO CONDUCT A PRELIMINARY REVIEW WITHIN OR OBTAIN CONCURRENCE FROM THE DIRECTOR, REDSO/ESA. THE MISSION IS ENCOURAGED TO CONSULT REDSO STAFF DURING THE DESIGN PROCESS, ESPECIALLY IN THOSE AREAS WHERE REDSO ASSISTANCE MAY BE REQUIRED FOR IMPLEMENTATION. LIKEWISE, IF ASSISTANCE WILL BE REQUIRED FROM USAID/SWAZILAND. MISSION IS REMINDED THAT A COPY OF THE AUTHORIZED PROJECT IS TO BE FORWARDED TO THE DIRECTOR, AFR/PD, WITHIN TWO WEEKS OF PROJECT AUTHORIZATION.

8. USE OF U.S. PVO'S AS OPPOSED TO INDIGENOUS PVO'S OR NGO'S: THE MISSION IS ON SOLID GROUND IN JUSTIFYING THE

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TELEGRAM

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USE OF SEVERAL U.S. PVO'S FROM THE STANDPOINT OF A.I.D. POLICY. HOWEVER, THE PROPOSAL ALSO VOICES CONCERN ABOUT THE COMMITMENT OF THE U.S. PVO'S TO WORKING WITH CAPABLE LOCAL ORGANIZATIONS WITH AN EYE TOWARDS TRAINING AND AN EVENTUAL TRANSFER OF RESPONSIBILITIES. THE DFA IS JUST AS STRONG IN COMMITTING A.I.D.'S RESOURCES TOWARDS STRENGTHENING INDIGENOUS ORGANIZATIONS. THE COMMITTEE CONSIDERED WHETHER U.S. PVO'S SHOULD BE REQUIRED TO WORK WITH LOCAL PVO'S (NGO'S).

GUIDANCE: GIVEN THE NASCENT AND FRAGILE NGO STRUCTURE WITHIN MOZAMBIQUE AT THE PRESENT TIME, IT SEEMS IMPOSSIBLE TO INSIST THAT EACH PVO GRANTEE COOPERATE WITH AN INDIGENOUS NGO AS A PRECONDITION TO THE AWARD OF A GRANT. HOWEVER, U.S. PVO'S OUGHT TO BE ENCOURAGED TO LOOK FOR OPPORTUNITIES TO WORK WITH INDIGENOUS NGO'S WITH THE EXPRESS PURPOSE OF STRENGTHENING THEM AND HELPING TO PREPARE THEM TO BECOME EVENTUAL FULL PARTICIPANTS IN LOCAL AND NATIONAL DEVELOPMENT ACTIVITIES. THIS SHOULD BE PART OF THE CRITERIA FOR COMPETITIVE AWARD.

9. SECURITY CONSTRAINTS: THE MISSION BELIEVES THAT THE PROPOSED PROJECT IS FEASIBLE GIVEN THE SECURITY SITUATION AND IS AWARE THAT SHOULD THE SITUATION DETERIORATE IN ANY PARTICULAR AREA, ACTIVITIES MAY HAVE TO BE SUSPENDED OR TERMINATED. HOWEVER, IMPORTANT QUESTIONS OUGHT TO BE DEALT WITH EARLY ON SO AS TO PROVIDE A FRAMEWORK FOR RESOLUTION OF PROBLEMS, IN THE EVENT THEY ARISE DURING PROJECT IMPLEMENTATION. WHAT DEGREE OF LATITUDE CAN BE ACCORDED TO A PVO IN THE DECISION TO REMAIN IN OR PULL OUT FROM A PARTICULAR ZONE? HOW ARE THE CONCERNS OF THE USG, A.I.D., THE PVO'S AND THE GPRM ALL TAKEN INTO ACCOUNT, PARTICULARLY IN CASES OF DISAGREEMENT? THESE CONCERNS RELATE TO THE STANDARD GRANT PROVISION CONCERNING SUSPENSION AND TERMINATION SO THE MISSION SHOULD CONSULT WITH THE RCO AT AN EARLY POINT AND, IF NECESSARY, WITH M/PPE.

GUIDANCE: MISSION SHOULD ENSURE THAT APPROPRIATE CLAUSES ARE CONTAINED IN THE GRANT AGREEMENTS WHICH ALLOW A.I.D. TO WITHDRAW SUPPORT FROM ACTIVITIES IN HIGH RISK AREAS.

10. ANY COMMENT RE USDH USE OF PROJECT-FUNDED TRANSPORT WILL FOLLOW REFTEL.

11. IEE: THE IEE WAS APPROVED BY THE BUREAU ENVIRONMENTAL OFFICER AND CLEARED BY GC/APR.

12. COPIES OF THE APPROVED PID WILL BE POUCHED TO ADDRESSEES. BAKER

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Annex B

Narrative Summary

Verifiable Indicators

Means of Verification

Assumptions

Goal

To improve the food security and wellbeing of those most seriously affected by the insurgency.

- Statistics on agricultural production disaggregated by food and cash crops, production subsectors and province.
- Statistics on emergency food requirements by province.
- Trends in donor food

- National production statistics.
- UNDP/DPCCN food appeals.
- UNDP donor reports.

Purpose

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

- Increased regularity and timeliness in emergency food aid distribution.
- Increased reliance on local production and markets, rather than emergency food aid, to meet food requirements

DPCCN records; PVO reports.

PVO surveys in target areas; DPCCN records.

- Reduction in growth faltering rates.

PVO surveys; MOH records; UNICEF records.

- Donors comply with pledges. Security situation permits access.

- Sufficient land and labor exists. Security situation permits markets to exist.

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Narrative Summary

Verifiable Indicators

Means of Verification

Assumptions

Outputs

- Improved food aid planning and logistics capability.

- Increased percentage of displaced persons eligible for food aid who receive nationally approved ration 100% of the time.

DPCCN and CARE records.

- Security situation permits.

- Increased percentage and tonnage of emergency food aid contracted to private transporters.

DPCCN and CARE records.

- Increased coverage of preventive health care and availability of basic services among target groups

- Percentage increase in immunization coverage.

PVO surveys; MOH records.

- Percentage increase in number of women able to use ORT.

PVO surveys; MOH records.

- Higher ratio of latrines and/or clean water per number of families.

PVO surveys; UNICEF records.

- Increased rural employment, production capacity, and cash income among target groups.

- Increased number of households in target areas with cash income.

PVO surveys in target areas.

- Able to assess changes in socioeconomic status despite population movements in rural areas.

- Increased number of households with full- or part-time wage-earning family members in target areas.

PVO surveys in target areas.

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Narrative Summary

Verifiable Indicator

Means of Verification

Assumptions

- Increased total household agricultural production for own consumption or sale in target areas.

PVO surveys in target areas.

Inputs

PVO Grant Fund of \$18,000,000 over three years.

- Individual Grants to PVOs for eligible activities.

USAID financial records.

- PVOs can continue to work in both relief and rehabilitation activities.

Technical Assistance:
96 person months long term;
24 person months short term.

Individual contracts.

USAID financial records.

Individual contracts.
IQC work orders.

USAID financial records.

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5C(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable to: (A) FAA funds generally; (B)(1) Development Assistance funds only; or (B)(2) the Economic Support Fund only.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FY 1990 Appropriations Act Sec. 569(b). Has the President certified to the Congress that the government of the recipient country is failing to take adequate measures to prevent narcotic drugs or other controlled substances which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully?

2. FAA Sec. 481(h); FY 1990 Appropriations Act Sec. 569(b). (These provisions apply to assistance of any kind provided by grant, sale, loan, lease, credit, guaranty, or insurance, except assistance from the Child Survival Fund or relating to international narcotics control, disaster and refugee relief, narcotics education and awareness, or the provision of food or medicine.) If the recipient is a "major illicit drug producing country" (defined as a country producing during a fiscal year at least five metric tons of opium or 500 metric tons of coca or marijuana) or a "major drug-transit country" (defined as a country that is a significant direct source of illicit drugs significantly affecting the United States, through which such drugs

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are transported, or through which significant sums of drug-related profits are laundered with the knowledge or complicity of the government): (a) Does the country have in place a bilateral narcotics agreement with the United States, or a multilateral narcotics agreement? and (b) Has the President in the March 1 International Narcotics Control Strategy Report (INSCR) determined and certified to the Congress (without Congressional enactment, within 45 days of continuous session, of a resolution disapproving such a certification), or has the President determined and certified to the Congress on any other date (with enactment by Congress of a resolution approving such certification), that (1) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to satisfy the goals agreed to in a bilateral narcotics agreement with the United States or in a multilateral agreement, to prevent illicit drugs produced or processed in or transported through such country from being transported into the United States, to prevent and punish drug profit laundering in the country, and to prevent and punish bribery and other forms of public corruption which facilitate production or shipment of illicit drugs or discourage prosecution of such acts, or that (2) the vital national interests of the United States require the provision of such assistance?

N/A

3. 1986 Drug Act Sec. 2013. (This section applies to the same categories of assistance subject to the restrictions in FAA Sec. 481(h), above.) If recipient country is a "major illicit drug producing country" or "major drug-transit country" (as defined for the purpose of FAA Sec 481(h)), has the President submitted a report to

Congress listing such country as one:
(a) which, as a matter of government policy, encourages or facilitates the production or distribution of illicit drugs; (b) in which any senior official of the government engages in, encourages, or facilitates the production or distribution of illegal drugs; (c) in which any member of a U.S. Government agency has suffered or been threatened with violence inflicted by or with the complicity of any government officer; or (d) which fails to provide reasonable cooperation to lawful activities of U.S. drug enforcement agents, unless the President has provided the required certification to Congress pertaining to U.S. national interests and the drug control and criminal prosecution efforts of that country?

N/A

4. FAA Sec. 620(c). If assistance is to a government, is the government indebted to any U.S. citizen for goods or services furnished or ordered where:
(a) such citizen has exhausted available legal remedies, (b) the debt is not denied or contested by such government, or (c) the indebtedness arises under an unconditional guaranty of payment given by such government or controlled entity?

No

5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including any government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?

No

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FAA Secs. 620(a), 620(f), 620D; FY 1990 Appropriations Act Secs. 512, 548. Is recipient country a Communist country? If so, has the President: (a) determined that assistance to the country is vital to the security of the United States, that the recipient country is not controlled by the international Communist conspiracy, and that such assistance will further promote the independence of the recipient country from international communism, or (b) removed a country from applicable restrictions on assistance to communist countries upon a determination and report to Congress that such action is important to the national interest of the United States? Will assistance be provided either directly or indirectly to Angola, Cambodia, Cuba, Iraq, Libya, Vietnam, South Yemen, Iran or Syria? Will assistance be provided to Afghanistan without a certification, or will assistance be provided inside Afghanistan through the Soviet-controlled government of Afghanistan?

No

7. FAA Sec. 620(i). Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property?

No

8. FAA Sec. 620(l). Has the country failed to enter into an investment guaranty agreement with OPIC?

No. An OPIC agreement was signed on July 28, 1984.

9. FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made?

No.

10. FAA Sec. 620(g): FY 1990 Appropriations Act Sec. 518 (Brooke Amendment). (a) Has the government of the recipient country been in default for more than six months on interest or principal of any loan to the country under the FAA? (a) No
(b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the FY 1990 Appropriations Act appropriates funds? (b) No
11. FAA Sec. 620(s). If contemplated assistance is development loan or to come from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget and amount of the country's foreign exchange or other resources spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) N/A
Contemplated assistance is not a development loan, nor will it come from ECF
12. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No.
13. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the A.I.D. Administrator in determining the current A.I.D. Operational Year Budget? (Reference may be made to the "Taking into Consideration" memo.) Any arrearages have been taken into account by the Administrator at the time of approval of the Agency FY1990 OYB. See also "Taking into Consideration" memo.

14. FAA Sec. 620A. Has the President determined that the recipient country grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism? No
15. FY 1990 Appropriations Act Sec. 564. Has the country been placed on the list provided for in Section 6(j) of the Export Administration Act of 1979 (currently Libya, Iran, South Yemen, Syria, Cuba, or North Korea)? No
16. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures? No
17. FAA Sec. 666(b). Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA? No
18. FAA Secs. 669, 670. Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.) No

19. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device?

No.

20. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on Sept. 25 and 28, 1981, and did it fail to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the "Taking into Consideration" memo.)

Yes. This factor has been taken into consideration by the Administrator in approving the FY 1990 OYB for Mozambique. See also p. 6 of G.C. "Taking into Consideration" Memo dated November 9, 1984.

21. FY 1990 Appropriations Act Sec. 513. Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance?

No.

22. FY 1990 Appropriations Act Sec. 539. Does the recipient country fully cooperate with the international refugee assistance organizations, the United States, and other governments in facilitating lasting solutions to refugee situations, including resettlement without respect to race, sex, religion, or national origin?

Yes

**FUNDING SOURCE CRITERIA FOR COUNTRY
ELIGIBILITY**

1. **Development Assistance Country Criteria**

a. **FAA Sec. 116.** Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

No.

b. **FY 1990 Appropriations Act Sec. 535.** Has the President certified that use of DA funds by this country would violate any of the prohibitions against use of funds to pay for the performance of abortions as a method of family planning, to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilization as a method of family planning, to coerce or provide any financial incentive to any person to undergo sterilizations, to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

No.

2. **Economic Support Fund Country Criteria**

a. **FAA Sec. 502B.** Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest?

N/A

b. **FY 1990 Appropriations Act Sec. 569(d).** Has this country met its drug eradication targets or otherwise taken significant steps to halt illicit drug production or trafficking?

N/A

SC(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

Yes.

Yes.

A. GENERAL CRITERIA FOR PROJECT

1. FY 1990 Appropriations Act Sec. 523: FAA Sec. 634A. If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified?

Yes. CN
Waiting period
expired 4/3/90.

2. FAA Sec. 611(a). Prior to an obligation in excess of \$500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes.

3. FAA Sec. 611(a)(2). If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?

N/A

4. FAA Sec. 611(b); FY 1990 Appropriations Act Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? N/A
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No
7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. The transition from emergency relief to more developmental activities will encourage local production, commerce and international trade. It will also facilitate the development of indigenous NGOs and Community organizations.
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). U.S. PVOs will be major implementing agents of the project, and procurement under the project will be from U.S. sources to the maximum extent practicable.

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9. FAA Secs. 612(b), 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?
11. FY 1990 Appropriations Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?
12. FY 1990 Appropriations Act Sec. 547. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?
13. FAA Sec. 119(g)(4)-(6) & (10). Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other

Assistance is provided directly to PVOs, not the Government of Mozambique and thus there is no host country contributi.

Assistance is not for production of commodities for export.

wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

No.

14. FAA Sec. 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)?

Not a Sahel project.

15. FY 1990 Appropriations Act, Title II, under heading "Agency for International Development." If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?

All PVOs funded under the project will be required to be registered with A.I.D. and therefore in receipt of at least 20% funding from other sources.

16. FY 1990 Appropriations Act Sec. 537. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.?

Any PVO funded under the project must be registered with A.I.D. and comply with audit requirements.

17. FY 1990 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?

N/A.

18. State Authorization Sec. 139 (as interpreted by conference report): Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).
- N/A
19. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2. Does the project use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate?
- Yes
20. FY 1990 Appropriations Act, Title II, under heading "Women in Development." Will assistance be designed so that the percentage of women participants will be demonstrably increased?
- Yes.
Women in development gender issues have been incorporated into the project design.
21. FY 1990 Appropriations Act Sec. 592(a). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies, has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?
- Assistance will be channelled through PVOs, not through the Government of Mozambique.

Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

N/A

Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

N/A

If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

N/A

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FY 1990 Appropriations Act Sec. 546 (as interpreted by conference report for original enactment). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

b. FAA Sec. 107. Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

c. FAA Sec. 281(b). Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

Yes. Activities funded under the project are expected to use appropriate technology.

Project funded activities are expected to be designed based upon the needs, desires and capacities of target population groups.

d. FAA Sec. 101(a). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

e. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will: (1) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries.

f. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Does the project fit the criteria for the source of funds (functional account) being used?

g. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Have local currencies generated by the sale of imports or foreign exchange by the government of a country in Sub-Saharan Africa from funds appropriated under Sub-Saharan Africa, DA been deposited in a special account established by that government, and are these local currencies available only for

The project is intended to build capacity for self-reliance and to facilitate the transition from emergency assistance to self-provisioning.

(1) The project is targeted at the poor and is intended to assist people become less dependent on external assistance.

(2) Community development and the encouragement of private and local governmental institutions are a key component of the project.

(3) The project builds on self-help efforts of target communities.

(4) Women and gender issues are an area of focus of the project.

use, in accordance with an agreement with the United States, for development activities which are consistent with the policy directions of Section 102 of the FAA and for necessary administrative requirements of the U. S. Government?

N/A

h. FAA Sec. 107. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

Yes

i. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

N/A

j. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

Although institution building of the Government of Mozambique is an objective of the project, the primary focus is on assisting the poor majority.

k. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

Project funded activities are expected to be designed based on the needs, desires and capabilities of target population groups.

l. FY 1990 Appropriations Act, under heading "Population, DA," and Sec. 535. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No

Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?

Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services?

Yes, to the extent that any family planning activities are funded under the project.

In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning?

No

Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

No

m. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes

n. FY 1990 Appropriations Act Sec. 579. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and

private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

Maximum portion practicable under the circumstance:

o. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a

Yes

N/A

N/A

condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; and (11) utilize the resources and abilities of all relevant U.S. government agencies?

p. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project: (1) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (2) take full account of the environmental impacts of the proposed activities on biological diversity?

N/A

q. FAA Sec. 118(c)(14). Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas?

No

r. FAA Sec. 118(c)(15). Will assistance be used for: (1) activities which would result in the conversion of forest lands to the rearing of livestock; (2) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (3) the

No

colonization of forest lands; or (4) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

s. FY 1990 Appropriations Act

Sec. 534(a). If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

N/A

t. FY 1990 Appropriations Act

Sec. 534(b). If assistance relates to energy, will such assistance focus on improved energy efficiency, increased use of renewable energy resources, and national energy plans (such as least-cost energy plans) which include investment in end-use efficiency and renewable energy resources?

N/A

Describe and give conclusions as to how such assistance will: (1) increase the energy expertise of A.I.D. staff, (2) help to develop analyses of energy-sector actions to minimize emissions of greenhouse gases at least cost, (3) develop energy-sector plans that employ end-use analysis and other techniques to identify cost-effective actions to minimize reliance on fossil fuels, (4) help to analyze fully environmental impacts (including impact on global warming), (5) improve efficiency in production, transmission, distribution, and use of energy, (6) assist in exploiting nonconventional renewable energy resources, including wind, solar, small-hydro, geo-thermal, and advanced

biomass systems, (7) expand efforts to meet the energy needs of the rural poor, (8) encourage host countries to sponsor meetings with United States energy efficiency experts to discuss the use of least-cost planning techniques, (9) help to develop a cadre of United States experts capable of providing technical assistance to developing countries on energy issues, and (10) strengthen cooperation on energy issues with the Department of Energy, EPA, World Bank, and Development Assistance Committee of the OECD.

N/A

u. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA" (as interpreted by conference report upon original enactment). If assistance will come from the Sub-Saharan Africa DA account, is it: (1) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (2) being provided in accordance with the policies contained in section 102 of the FAA; (3) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (4) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take

1) Yes

2) Yes

3) Yes

4) Yes

into account, in assisted policy reforms, the need to protect vulnerable groups; (5) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

5) Yes

v. International Development Act Sec. 711, FAA Sec. 463. If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (1) the world's oceans and atmosphere, (2) animal and plant species, and (3) parks and reserves; or describe how the exchange will promote: (4) natural resource management, (5) local conservation programs, (6) conservation training programs, (7) public commitment to conservation, (8) land and ecosystem management, and (9) regenerative approaches in farming, forestry, fishing, and watershed management.

N/A

w. FY 1990 Appropriations Act Sec. 515. If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

N/A

2. Development Assistance Project Criteria
(Loans Only)

N/A

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

c. FAA Sec. 122(b). Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

3. Economic Support Fund Project Criteria

N/A

a. FAA Sec. 521(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?

b. FAA Sec. 521(e). Will this assistance be used for military or paramilitary purposes?

c. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

and negotiate their Government agreement. Any new PVOs intending to start a program in Mozambique would be well advised to complete the negotiation process with the Ministry of Cooperation prior to starting field activities.

While all of the PVOs initially came to Mozambique in response to the GOM request for assistance with emergency relief, most are also interested in moving toward more traditional rehabilitation and development programs. Save the Children, Africare, ADRA, World Vision, CARE, and Food for the Hungry have all operated successful development programs in other African countries. They have the expertise and institutional capability to do the same in Mozambique. Based on discussions with the PVOs concerning their future plans (period 1991-1993), PVOs will likely be requesting funding from USAID in the range of \$5 to \$7 million per annum for rehabilitation and development activities. The PVOs also expect to receive between \$3 to \$5 million per annum in funding from non-A.I.D. sources.

Activities funded under the PVO Support Project will also have access to local currencies generated from the PL-480 Program. PVOs interested in accessing these funds would should approach the Food for Peace Office for guidance.

Owing to the insurgency and the emergency nature of most the PVO programs in Mozambique, the environment in which PVOs operate is somewhat less than stable. To compensate for this in terms managing program activities, PVO must be able to modify their strategies and make the necessary operational adjustment to accommodate the constantly changing environment in which they operate. The frequency of making these adjustments varies among PVOs, however, for the purpose of planning under the PVO Support Project, Grantees will be requested to prepare annual workplans specifying the activities, locations, timeframe, and resources required. Quarterly financial and progress reports will be submitted to USAID/Mozambique measuring outputs against the annual workplan.

Annual workplans will enable PVOs to make corrections and adjustments in their programs based upon their current implementation experience within the overall timeframe of their grant. This will also facilitate on-going USAID reviews of grantee activities and subsequent changes if required in project focus and resource levels.

PVOs indicate that staff recruitment of expatriate staff has generally not been a constraint. However, there was a general feeling that local hire professional staff was in short supply and often applicants for vacant positions came from persons already involved in relief or development activities with either the Government or another international agency.

The PVO program director is generally an expatriate with other

technical and managerial positions being a mix of expatriate and local hire staff. Most administrative and support positions are host country nationals. Portuguese language capability was considered essential for most positions. Finding suitable expatriate candidates with adequate language skills has caused some delays in filling PVO positions. Current staffing levels are given in the following table.

Table 1 - Staff Levels for OFDA Funded PVOs

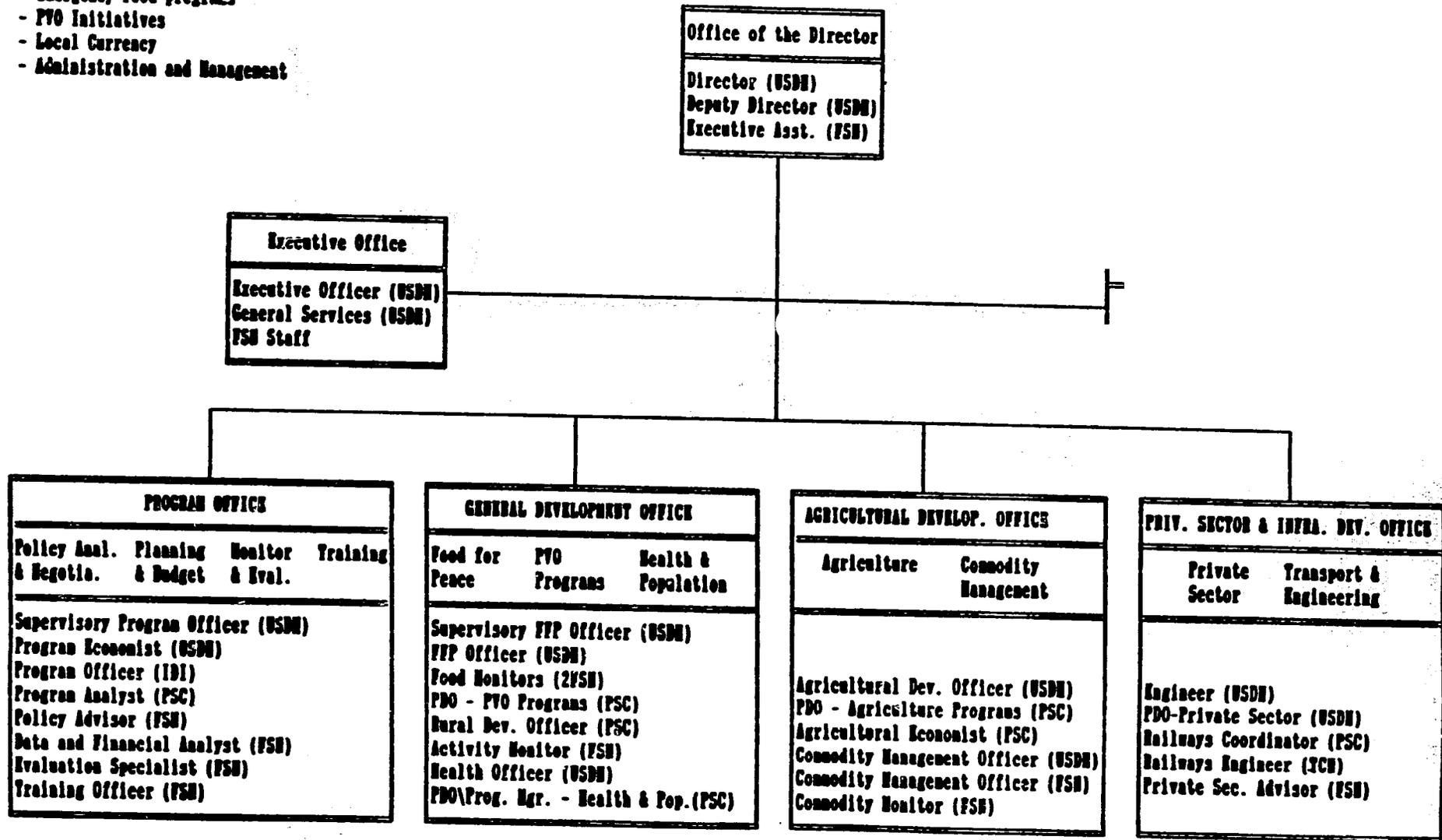
	Program Management		Technical/Professional	
	Expatriate	Local Hire	Expatriate	Local Hire
CARE	3		30	6
World Vision	2		16	30 (1)
Food/Hungry	2		3	9
ADRA	1		1	16
SCF	1	1	6	13
Africare	1			2
AirServe	1		24 (2)	
Total	10	1	81	75

- Notes: Local support and semi-skilled staff not included.
 (1) Estimated 30 professional with 93 given for total professional and non-professional staff.
 (2) Pilots and Mechanics - no information on local staff.

All of the PVOs interviewed indicated that they were experienced in using a Letter of Credit to access AID funds and this was the method that they preferred. This method does have advantages for the Mission as well in that it reduces the workload in reviewing and preparing vouchers, however it also place the onus on the PVO to comply with A.I.D regulations and procedures especially in the area of allowable costs. Subsequent audits may identify disallowable costs for which the PVO will be held responsible. For smaller PVOs with less experience with A.I.D. grants, the Mission may want to provide an initial advance of funds with periodic reimbursement based on the submission of payment vouchers. This procedure would serve as an ongoing review of PVO expenditure and thus reduce PVO risk of non-compliance.

- Issues Committees:**
- Food and Agriculture
 - Donor Coordination
 - Commercial Food Programs
 - Emergency Food programs
 - PVO Initiatives
 - Local Currency
 - Administration and Management

**USAID\MOZAMBIQUE
ORGANIZATION CHART**



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SOCIAL SOUNDNESS ANALYSIS

SOCIOCULTURAL CONTEXT

Introduction

This Project focuses primarily on assistance to benefit rural people who have fled their homes because of the insurgency, as well as those who have otherwise been severely affected by the conflict. The Project will finance three types of activities: i) those which provide basic humanitarian assistance to destitute and needy displaced persons through the emergency relief program, ii) activities which address the social welfare needs of the target population, and iii) activities which focus on the economic needs of the intended beneficiary population.

Economic and Political Environment

Most Mozambicans are agriculturalists. In 1980 91% of the population lived in rural areas. Besides growing crops for domestic consumption, in normal times many family farm households produce surplus food, cash crops and non-food items for exchange and cash sales. Employment in South African mines also provides income for rural households. During the past decade, however, opportunities for self provisioning through sale of labor and produce and through home production have been severely eroded.

The Government's previous economic policies have undergone major changes in the past six years. The number of commodities subject to price controls has been reduced and the remaining fixed prices have been increased considerably, stimulating production. Nevertheless, several factors affect the ability of households to meet their basic needs.

First, the war of destabilization which has been waged by RENAMO (the Mozambican National Resistance), with foreign backers and begun in 1977, intensified during the 1980s. (The Gersony Report discusses the absence of a Renamo policy or program to establish political control over the areas it physically controls.) The shifting, hit and run nature of the insurgency adds to the general insecurity. As Map 1 indicates, in February 1989 access to almost all areas north of the Beira corridor, with the notable exception of Cabo Delgado, was threatened by RENAMO attacks. Since then attacks have intensified in the southern part of the country.

The potential for sale of crops and other items produced on the farm has been sharply reduced because of the scarcity of

rural shops due to destruction by RENAMO, and insecurity in moving commodities. Concomittantly, this affects people's access and ability to purchase basic agricultural inputs such as tools and consumer goods.

Moreover, thousands of people have fled their homes. Others have been severely affected by the insurgency losing their crops, tools, animals and other assets. Many have lost family members, further depleting labor supplies.

Second, revision of hiring policies by the South African Government and the Chamber of Mines since 1985 has significantly reduced employment of Mozambicans in that country. This has particularly effected households in the arid southern provinces from which many miners have historically been recruited. Available data show that between 1985 and 1986 employment fell by about 15%, to just under 48,000 recruits and the number continues to decline, as a result of South African policy. Moreover, since 1986 there has been an increase in the expulsion of Mozambican agricultural workers by the South African authorities.

Third, the combination of drought and insurgency has seriously depleted livestock holdings in the southern provinces and parts of Tete, where the rural population has traditionally relied on income from cattle raising. The number of cattle is estimated to have fallen from 1.4 million in 1980 to 750,000 in 1986, and to continue to decline. The animals which remain are grouped within safe areas. Cattle, goats, sheep and chickens are noticeably absent from most rural areas

Fourth, liberalization of prices for several commodities and higher official prices for certain food commodities has a positive potential effect on those who can produce and market such crops, but a negative impact on those who are dependent on the market to meet a significant portion of their food requirements from an inadequate income base.

Social Landscape

Current economic problems are compounded by a poorly educated population. At independence semi-skilled, skilled and professional positions were filled almost exclusively by the Portuguese and people from other countries. Fewer than 1,000 black Mozambicans had a secondary school education at the time of independence in 1975. Only 20 percent of the population were literate in 1980. Over the past ten years, Renamo has targetted teachers, health workers and other government personnel who have been prime targets for killed, mutilated or kidnapped in large numbers.

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The transport network inherited at independence was constructed primarily to connect Mozambique with neighboring countries. There were few links from northern Mozambique to the southern portion of the country.

Northern Mozambique is inhabited by ethnic groups which are matrilineal and matrifocal. In these societies when a couple marry they reside in or near the homestead of the wife, and the wife's brothers or sister's sons are important in terms of authority and inheritance. The northern coastal zone is inhabited primarily by Islamic families which are patriarchal. The southern portion of the country contains groups which are patrilineal and patrilocal.

Portuguese officials and ethnographers have divided Mozambique's people into 10 ethnic groups based on supposed commonalities of language, culture and history. The exact number of independent languages spoken in Mozambique is not well established, but there are at least nine. Macua-Lomue, however, is spoken by about 37% of the population. Of the 10 ethnic groups only two - the Macua-Lomue in the northeast and the Tsonga in the south - include populations of substantial size. Furthermore, only in a few cases have any of these groups been historically marked by political or social cohesion and those who were lost that cohesion by the mid 19th century (Nelson, 1984).

During the pre and post independence period, FRELIMO tried to forge a nation and to downplay communal, ethnic and racial cleavages by raising class consciousness (Bienen 1983). The Frelimo Government sought to eradicate such traditional features as bride price, indigenous healers, child betrothal and lineage organization. Traditional leaders who had been agents of the colonial government were dismissed. Such policies alienated large segments of the rural population. Some of those who lost power and status, including chiefs and traditional healers, voluntarily joined RENAMO and other insurgencies.

BENEFICIARIES

Introduction

The displaced and others severely affected by the insurgency form the primary target population. Almost all are in a state of absolute poverty or extremely vulnerable to poverty. The project objective is to reduce their vulnerability to food insecurity and poor health.

The GOM has defined absolute poverty as the level of income below which growth faltering in children is common or at which the cost of the basic monthly food ration (60-70% of the calorific requirements) accounts for 50% of per capita income.

Using this definition the GOM estimates that some 65% of the population are in absolute poverty, with the vast majority of these residing in rural areas. The magnitude of poverty requires AID and U.S. PVOs to focus assistance and to coordinate with other donors and non governmental organizations.

In addition to assisting the displaced and otherwise severely affected, activities which address the health and economic needs of this main target group may include working with other local inhabitants who are in a state of absolute poverty or vulnerable to poverty. A third and smaller direct beneficiary group will be Mozambican government or private sector personnel and PVO employees who are trained under the project to provide services to the target groups.

For purposes of this Project and the activities which it funds, the following definitions will apply:

Displaced people: those who have fled their homes due to insurgency and natural disasters such as drought and floods, and those who have escaped from RENAMO controlled areas and who currently have neither farm land (once land is obtained, they move out of this category) nor productive employment

Severely affected: those who have lost most of their means of production (tools, seeds), basic household goods such as clothing and cooking pans, and their houses or other structures damaged and have not yet replaced most of their losses of these basic items; and those families with children who have acute and severe malnutrition as a result of the security situation or drought. For site assessment, communities with severe malnutrition rates of over 25% and acute malnutrition rates of over 7% are considered severely affected.

Absolutely poor: households unable to meet 60% of their food needs through production or the market.

Vulnerable to poverty: households with low labor power relative to household size and with poor access to employment or land and therefore unable to meet 80 percent of their food needs through production or the market.

The social and economic activities which will be funded by the Project will be undertaken largely in rural areas and towns.

Distribution of the Population

Table 1 provides population estimates by province in terms of current food status. It reveals that about 17% of the

population now reside in urban and peri-urban areas. The number of displaced people number some 1.688 million, whereas those "affected" by the war number some 2.874 million. Another 8.353 million or 55% of the population reside in rural areas or towns and are assumed to be self provisioning in terms of meeting their food requirements.

Table 1 Distribution of Population and 1989-90 Estimates on Distribution of Food ('000)

Province	Total Pop	(1) Urban & Peri Urban	(2) Rural Employees	(3) Displaced	(4) Affected
Maputo	1,850	1,246	198	173	225
Gaza	1,200	91	87.5	38	658
Inhabane	1,310	197.5	152	188	425
Sofala	1,242	255.3	142.5	125	195
Manica	764	53	38	93	147
Tete	1,010	49.3	138.2	97	125
Zambezia	1,078	227.8	191.2	539	365
Nampula	2,943	330	209.2	200	536
Niassa	635	80	30	199	119
Cape Delgado	1,134	60	6	36	79
TOTAL	15,166	2,599.4	1,192.6	1,688	2,874

(1) Assumed 100% dependent on commercial market purchases.

(2) Assumed 60% self-sufficient. Other 40% to be provided by Food Bank.

(3) Assumed 30% self-sufficient. Other 70% to be provided free by DPCCN.

(4) Assumed 40% self-sufficient. Of remaining 60%, 80% assumed purchased in market and 20% to be provided free by DPCCN.

Source: The World Bank, Mozambique Food Security Study, July 3, 1989.

Socioeconomic Patterns

Almost all Mozambicans are agriculturalists. Only a small portion have ever benefitted from the services of agricultural extensionists or have received formal training in agriculture. Traditionally most utilized a system of crop rotation combined with periods of fallow, but this practice has ceased in areas where population pressure on the land hinders use of extensive cultivation practices.

In general over 4.5 million rural people (30% of the population), who in normal conditions would be expected to be fully self provisioning in most years are now dependent on free food distribution under the emergency program or on commercial

channels for up to 60-70% of their needs (WB 1989).

An assessment of food needs is made annually by the Food Security Department of the Ministry of Commerce. Specific assumptions are made about the degree of self-sufficiency of the different population groups. For the displaced rations are calculated at 400 grams or 1400 kilocalories per capita per day for 255 days, assuming that they are 30% self sufficient. The severely affected are considered 40% self sufficient and hence receive full rations for 220 days.

At the final distribution point however two factors affect receipt of food aid. First, often for ease of distribution each household receives the same amount, irrespective of the number of members. Second, the amount of food received at a given distribution point is often inadequate and the supply irregular because of factors affecting availability and access, such as transport and other logistical matters. Thus, most eligible recipients do not appear to be psychologically dependent on the food aid, since its supply is not reliable and the amount is often inadequate. One finds that the displaced and severely affected people, as well as other impoverished persons, have been very resourceful in attempting to meet their food needs. They rely on local nuts, fruits, roots and leaves, and when possible sale of labor or goods.

Most of the displaced are settled in camps or interspersed with local inhabitants around safe towns, district headquarters and provincial capitals. (Others have settled in peri-urban areas with relatives and friends in hope of finding employment and thus are not part of the official statistics on the displaced.) The GOM policy is to locate displaced people where they are able to grow at least some of their own food and not be dependent on urban services. However, in many areas there is an artificial land shortage due to the security situation. Moreover, often the better quality land is claimed which leads to the displaced being allocated marginal lands, from which there is little potential to becoming self-provisioning.

When an area from which the displaced have fled is considered secure, often the GOM help the people to resettle in or near their original farms. In other cases, they are allocated farm land in a new site. As the GOM disinvests of some of its state farms, there may be the possibility of settling the displaced on these sites which usually contain good farm land.

Health Profile

In the early 1980s the infant mortality rate was estimated between 114 and 120 per 1,000 live births (Nelson, 1984). Current estimates place the overall infant mortality rate at 200 per 1,000, based on certain hypotheses about the effects of the war. For the age range of 1 to 4 the mortality rate is between 31 and 44 per 1,000 per year (see GOM/UNICEF, 1989 for more

**Initial Environmental Examination
and
Categorical Exclusion**

Country: Mozambique
Project Title: PVO Support
Project Number: 656-0217
Funding: FY90 \$6,500,000
LOP \$19,850,000

Environmental Action Recommended: Positive Determination
Negative Determination X
Categorical Exclusion X

Discussion: The PVO Support Project will fund three types of PVO activities: (1) Relief activities which provide basic humanitarian assistance to destitute and needy displaced persons; (2) activities which 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. It will also finance short and long term technical assistance to support program implementation.

(1) Categorical Exclusion

A Categorical Exclusion is recommended for:

- Type 1 activities which will provide technical assistance for food needs and logistics planning and do not directly affect the environment (i.e. not involving the construction of facilities, water supply systems, waste water treatment, etc.). Such activities are excluded under 22 CFR Section 216.2(c)(2)(i). Other Type 1 activities may involve nutrition or health care and are excluded under Section 216.2(c)(2)(viii).

- Type 2 activities which are nutrition, health or family planning oriented and do not directly affect the environment (i.e. not involving the construction of facilities, water supply systems, waste water treatment, etc.). Such activities are excluded under Section 216.2(c)(2)(viii).

-Type 3 activities that involve education, technical assistance or training programs, such as agricultural promotion and labor saving training activities, and do not directly affect the environment (i.e. not involving the construction of facilities, water supply systems, waste water treatment, etc.). Such activities are excluded under Section 216.2(c)(2)(i).

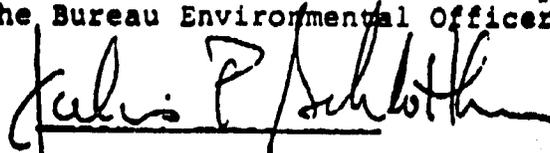
- Technical assistance to support project implementation and conduct studies, which is excluded under Section 216.2(c)(2)(i) and (iii).

(2) Negative Determination

Some Type 1 activities may involve the procurement, transport, storage and distribution of food, clothing, medicines and other emergency relief supplies. Some Type 2 activities may involve small scale construction or rehabilitation of water supply or sanitation systems. Funding for such small scale activities will be limited, and is expected to be no more than \$100,000 under any particular grant. Some Type 3 activities may involve limited, small scale infrastructure rehabilitation, such as the rebuilding of roads or health facilities, or the construction of water supply systems, or the promotion of agricultural production. Again, limited funding for any such single activity under a grant is not expected to exceed \$100,000. None of the foregoing activities constitute major activities significantly affecting the environment, and consequently a negative threshold decision is recommended, to the extent such activities are not excluded under a Categorical Exclusion discussed above.

Of course, at the present time PVO grant proposals have not yet been submitted to the Mission, and grant proposals submitted may contain activities not described above. In accordance with Section 216.2(c)(3) of Regulation 16, the procedures set forth in Section 216.3, including preparation of an IEE for review by the appropriate regional environmental officer, shall apply to any PVO Support Project activity proposed under a PVO grant, if at any time in the design, review or approval of the activity, such as during the Mission review of a PVO grant proposal, the Mission determines that the activity does have a significant environmental impact. Depending on the type and severity of the impact, the Regional Environmental Officer may require further review and approval by the Bureau Environmental Officer.

Action Requested By:



Julius Schlotthauer
Mission Director
USAID/Mozambique

Date: 15 Jan 1990

^{TCR}
Cleared By: Tim Priedler, RLA, USAID/Swaziland

Concurrence:

J. J. Gaudet

Bureau Environmental Officer,
John J. Gaudet

Date: 3/26/70

Clearance:

AFR/GC MA *Keweenaw* Date: 4/10/90

Draft
Memorandum of Understanding

between

The United States of America
Agency for International Development

and

The People's Republic of Mozambique

The United States of America, acting through the Agency for International Development ("A.I.D."), and the People's Republic of Mozambique, hereby enter into the following understanding concerning the substance and parameters of A.I.D.'s Private and Voluntary Organization (PVO) Support Project (656-0217):

I. The PVO Support Project

The PVO Support Project is in response to the Emergency Appeal made by the Government of the People's Republic of Mozambique (GPRM). The project is intended to assist in the provision of emergency humanitarian assistance to those most seriously affected by the insurgency, and to facilitate the transition from dependence on food aid to self provisioning. To this end, A.I.D. will provide assistance through PVOs which have Country Agreements with the GPRM. The following are the three main types of PVO activities that will be eligible for funding under the project:

- a. Those which provide basic humanitarian assistance to destitute and needy displaced persons. Funding will be considered for PVOs providing logistical support to DPCCN, and/or working in conjunction with local government entities.
- b. Those which address the social welfare needs of displaced persons, primarily basic health care, including family planning and provision of water and sanitation facilities.
- c. Those which address the economic needs of targeted groups vulnerable to absolute poverty. For the most part these should help restore subsistence agricultural production, generate employment, improve the productive capacity of target populations or otherwise facilitate income generation.

The project will target people displaced or seriously affected by the insurgency. PVOs will be responsible for selecting, with the concurrence of the GPRM, the areas and communities with which they work.

II. PVO Grants Fund

It is presently expected that the project will provide approximately \$18,000,000 over three years to PVOs which are registered with A.I.D. and have a Country Agreement with the GPRM to work in Mozambique. Such PVOs will undertake activities which conform to the eligible activity criteria previously described. Proposals from PVOs must demonstrate that the project for which funding is sought is financially, technically, socially and environmentally sound. PVOs will be encouraged to work with indigenous non governmental organizations (NGOs), and to develop the capabilities of communities with which they work to undertake activities themselves. Should additional funding become available for this Project, this Memorandum of Understanding would continue to apply.

III. Implementing Methods and Responsibilities

A. USAID/Mozambique will be responsible for the overall implementation of the project. Primary responsibility for implementing individual activities will lie with the PVOs. Each PVO will be expected to comply with the terms of the grant agreement entered into between it and USAID/Mozambique.

B. To be eligible for financing, PVOs must (1) have active country agreements with the GPRM which permit activities of the type proposed to be undertaken; and (2) provide assurances to USAID that appropriate Provincial or District level authorities concur with activities for which funding is proposed.

C. USAID agrees to forward a list of PVOs and activities funded under the project, along with a brief annual report outlining the status of the project and funded activities, to the Ministry of Cooperation or its designated representative at the close of each U.S. Government Fiscal Year.

D. USAID will obligate U.S. dollar funds directly to each of the implementing entities through direct agreements. None of these foreign exchange funds will be reflected in the GPRM's budget. The GPRM will not be in any way expected to finance any of the foreign exchange costs of the project.

E. GPRM-owned local currency generated by USAID/Mozambique food, commodity import or other programs may be used to co-finance PVO projects at annual levels to be agreed upon by USAID and the Ministry of Finance. PVOs will first submit



local currency financing proposals to USAID for review and concurrence. Those proposals endorsed by USAID will be forwarded to the Ministry of Finance for review, approval and funding using counterpart funds. The PVO and the Ministry of Finance will enter into an agreement for the use of such funds, as appropriate.

F. In the case of activities funded using local currency generations as well as U.S. dollars, USAID will include a summary of the status of such projects in the annual report which it will submit to the Ministry of Cooperation representative.

G. The GPRM agrees to exempt all commodities financed using funds provided under this project or other commodities brought into Mozambique and used in connection with this project, from all customs duties and sales, ownership, use, import or export taxes or other duties, taxes, tariffs or levies imposed under laws in effect in Mozambique.

H. The GPRM agrees to exempt from income tax and other social security payments or taxes all the income or other emoluments received by persons performing services contracted by USAID or PVOs using funds provided under this project.

I. The GPRM agrees to provide entry visas, work permits and residency permits to all persons working under this project for the duration of the project.

IV. Interpretation and Modification

This Memorandum of Understanding constitutes the Agreement of the Parties hereto with respect to the PVO Support Project. This Memorandum of Understanding may be amended in writing by mutual consent of the parties.

V. Term

This Memorandum of Understanding shall commence as of the last date of signature below and shall remain in effect until the PVO Support Project is terminated. The Project Assistance Completion Date (PACD) is currently planned as March 31, 1994.

The terms and conditions of this Memorandum of Understanding are hereby agreed to as of the date below by A.I.D. on behalf of the Government of the United States of America, and by the Ministry of Cooperation on behalf of the Government of the People's Republic of Mozambique:

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The United States of America

The People's Republic of
Mozambique

Julius Schlotthauer
Director, USAID/Mozambique

Jacinto Veloso
Minister of Cooperation

Date: _____

Date: _____

Annex F

Analyses

- A. Administrative/Social Analysis undertaken by Greg Wittala,
PDO, REDSO/ESA
- B. Social Soundness Analysis undertaken by Carolyn Barnes,
Social Science Consultant, Natchez

A. Administrative/Institutional Analysis

1. Introduction

The PVO Support Project will provide funding to PVOs to provide technical assistance and support to rehabilitation and development efforts among selected target populations in Mozambique. USAID will make approximately \$18 million available to PVOs over a three-year period. Local currency generated by other USAID programs will be available in support of PVO projects, subject to the agreement of the Ministry of Finance. It is anticipated that any additional funding from the Office of Foreign Disaster Assistance (OFDA) for emergency activities will be channelled through PVOs. It is also anticipated that U.S. PVOs will assist in the distribution of food aid valued at US \$10 million per annum during the life of this Project. These additional activities will be factored into the assessment of administrative capability and capacity of both the PVOs and the USAID Mission to implement the PVO Support Project.

This analysis first addresses policy issues raised by the PVO Support Project, then assesses the administrative and implementation capability of USAID/Mozambique and the PVOs likely to receive funding under the project in FY 1990. It also reviews potential GOM involvement in project implementation.

2. Policy Issues

A. Proposed Borrower/Grantee or Implementing Agent

PVOs registered with A.I.D. and in receipt of a Country Agreement with the GOM will be the proposed grantees under this project. All proposed activities must have the concurrence of appropriate local officials prior to execution of grants. Once funded, PVOs will be expected to liaise with relevant GOM officials at the national, provincial and district levels. For emergency activities, the DPCCN will be the principal PVO counterpart. As virtually all NGOs in Mozambique have started programs with an emergency focus, they are familiar with DPCCN and have already established working relationships.

The Department of Rural Development in the Ministry of Agriculture has been assigned primary responsibility for

coordinating relief and rehabilitation programs that will facilitate the transition from emergency to development assistance. Many PVOs, particularly those working with Agpak projects, have already established relations with this office. Recently, the Director of the Department of Rural Development participated in a USAID-sponsored conference on Agpaks that helped clarify more general parameters for GOM/PVO cooperation on relief and rehabilitation projects. Other Government agencies which may play an important role in PVO activities are the Ministry of Health for preventive health care and the Ministry of Construction and Water's National Department of Roads and Bridges for infrastructure rehabilitation.

Officials at the provincial and district levels, particularly provincial governors and district administrators, must be consulted in the course of designing and implementing specific PVO activities. The GOM, at the Fifth Party Congress in July 1989, endorsed increased decentralization of government decision making and a stronger role for regional and local government. Under the emergency, PVOs have found that close coordination with provincial and district authorities has helped them address a variety of problems quickly and facilitated local support for their efforts.

FY 1990 funds will be programmed to PVOs which already have a on going programs which were previously funded by OFDA. A solicitation document requesting applications will be placed in the CBD and other relevant publications in June 1990 in order that other PVOs might be eligible for funding in FY 1991 and FY 1992. Although any PVO will be able to submit a concept paper or proposal for review by USAID, only those PVOs registered with A.I.D. and which have a current Country Agreement with the GOM will be eligible to receive a grant.

B. Use of PVOs

The Use of PVOs is consistent with A.I.D. policy and with the DFA action plan. The GOM has also recognized the role which PVOs can play in emergency and rehabilitation efforts. It is desirable that U.S. PVOs work with local NGOs or community groups to ensure transfer of knowledge, and that they withdraw from projects at such time as sufficient local management and financial capability is available.

C. Direct Mission Management

Before proposing direct USAID management of PVO Grants, the Mission considered obligating funds to the GOM, an indigenous PVO, a Contractor, or a U.S. PVO which would then channel funds to implementing PVOs.

Although close involvement of the Government is essential for

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the success of the project, the Mission decided against channelling funds through an already overburdened Government apparatus, especially as a number of Ministries would have to be involved.

No indigenous NGO with sufficient administrative and financial capability to handle the amount of money involved could be found.

The use of a managing contractor was decided against due to the higher costs and lengthy contracting process associated with this arrangement and also due to the desire of the Mission to maintain a close working relationship with grantees.

Previous Mission experience with U.S. PVOs working in Mozambique led it to believe that it would be almost impossible to engender a constructive working relationship if one PVO were selected to be the recipient of funds and involved in the process of allocating funds to, and monitoring the activities of, other PVOs. Furthermore, possibilities for conflict of interest could arise in a situation where a PVO with a substantial field operational program was also involved in project implementation.

The Mission also felt that direct management was preferable, given the nature of the potential activities, the need for monitoring and evaluation, and the centrality of the project to the Mission's strategy and GOM policy.

3. Administrative/Institutional Assessment

A. USAID/Mozambique

1. Administrative Capability

USAID/Mozambique has acquired considerable experience in managing PVO projects through administering OFDA funded PVO emergency assistance to displaced persons. (See Annex K for further details of funded activities).

The Mission has recently increased its level of both direct hire and personal services contract (PSC) staff. Additional support to USAID/Mozambique is provided by the Regional Legal Advisor and Regional Contracting Officer based in USAID/Swaziland. Support is also available to the Mission from the REDSO/ESA.

As previously indicated, primary implementation responsibility for the proposed project will lie with the PVO Project management team, which will consist of a project development officer, a rural development specialist, and a project

activities monitor. (See Annex H for draft job descriptions for these positions). This project management team will be funded using project funds, and will be part of the General Development Office, under the supervision of the head of the office. The project will also draw upon the technical expertise of other Mission staff such as the health, population and nutrition officer, the food for peace officers and other USAID staff actively involved in monitoring agricultural development and program impact (e.g. the agricultural economist and end use monitor under the Private Sector Support Program).

Given the importance of the project to the overall Mission strategy, senior Mission staff will be kept closely apprised of project progress and issues or problems which occur, and will be responsible for determining general project direction. As previously indicated, funding decisions will be made by a Project Committee, although primary responsibility for assessing proposals and negotiating grant agreements will lie with the project management team. In addition, meetings of the PVO Issues Committee will ensure a wider input of Mission staff.

The types of service and assistance that would be helpful to PVOs were discussed during individual PVO interviews held by a REDSO/ESA project development officer. The PVOs were supported of having a project management unit established in the Mission, and considered a full-time project development officer to be essential for overall assistance with proposal preparation and general grant administration. They were also receptive to the idea of including an activity monitor and a rural development specialist to assist them develop methodologies to monitor progress and assist with the evaluation of funded activities. The rural development specialist will also provide additional expertise within the Mission to assess the technical merits of PVO proposals and field activities.

ii. Proposal Review

During the course of PID and PP preparation, discussions were held with PVOs in Mozambique to elicit their views and gain insights that would be useful in finalizing the PP. A meeting was held with representatives of the PVO at which guidelines for proposal preparation were discussed. USAID's proposal review process was also discussed. PVOs interested in submitting applications for funding under the Project are encouraged to discuss with the Mission their preliminary ideas concerning the development of their proposals. Guidelines were provided to the PVOs to assist them in preparing proposals. (See Annex I for sample guidelines).

Proposals submitted by PVOs will initially be reviewed by the project management team, and relevant technical officers. Proposals will then be reviewed by project committee members prior to the project committee meeting in which funding decisions will be made.

Once proposals have been reviewed by the project committee and funding levels agreed, PVOs will be informed in writing and invited to negotiate a grant agreement. The project development officer will be responsible for obtaining any additional information or clarification that may be required by the project committee, and for initiating discussions with PVOs and drafting the project descriptions for inclusion in grant documents. Grant agreements will be finalized by the Regional Contracting Officer and cleared by the Regional Legal Advisor. The Mission Director, in his capacity as the Grant Officer, will sign on behalf of A.I.D.

iii. Funding Mechanism

Funding can be made available to PVOs through grants, cooperative agreements, and contracts. Grants were used to provide OFDA funds to PVOs for emergency activities. Grants are the preferred method especially when limited Mission involvement is required and when funded activities are those traditionally undertaken by PVOs. In situations where strengthening host country institutions is the principal purpose of the PVO program, consideration should be given to using a cooperative agreement if it is deemed desirable to have greater Mission involvement particularly with respect to compliance with the Mission's overall program strategy.

Of the PVOs currently being funded, only that of CARE might be considered for both a cooperative agreement and a grant in that CARE plans to have two specific programs, one being a continuation of their efforts to strengthen the institutional capacity of DPCCN and training of Mozambican staff to carry out planning and logistical operations related to providing relief services and the other a field program working in rehabilitation and conventional development activities. At this juncture, it is necessary only to identify that both options are available to the Mission and a decision as to which would be the preferred option(s) can be made after proposal submission.

B. Mozambique Government

The Government of Mozambique (GOM) has invited international PVOs to assist government relief and rehabilitation efforts. Demands for increased government assistance as a result of both natural disaster and civil strife have placed an enormous burden on the limited resources of the GOM. The dramatic nature of the changes in administrative responsibilities resulting from a change from centralized emergency planning to one focusing on rehabilitation are placing a serious strain on Government administrative capability. The government system is clearly overloaded and understaffed and given the personnel and financial constraints that the Government is currently operating under, it is unlikely that additional resource will be forthcoming that could significantly expand Government services. International PVOs, including several from the U.S.A., were among the many agencies and organizations that responded to GOM requests for assistance.

The main GOM agency coordinating relief and emergency food assistance is the Ministry of Cooperation's Department for the Prevention and Control of Natural Calamities (DPCCN). This department collaborates with the National Executive Committee for the Emergency (CENE). The DPCCN's mandate has been extended to respond to relief efforts as a result of the insurgency. Much of the responsibility for coordinating rehabilitation activities now resides with the Department of Rural Development, Ministry of Agriculture. However, close consultations will still be required with several other offices.

PVOs currently operating field programs are expected to maintain close working relationships with appropriate provincial and district level offices of the Mozambican Government. This arrangement helps to improve coordination of PVO assistance with that of the government and other donors. While PVOs will need to work through the Department of Rural Development, they will still need to establish and maintain good relations with local GOM administrative and technical offices.

To become operational in Mozambique, a PVO must obtain approval from the Mozambican Ministry of Cooperation. PVOs not already having agreements with the Ministry of Cooperation will be required to negotiate an agreement as confirmation of an acceptable GOM agreement is a prerequisite to negotiating a grant agreement with USAID. The agreement must stipulate the rights accorded to the PVO and contain provisions that would enable the PVO to comply with the standard provisions of an A.I.D. grant. If not already on file with USAID, a copy of the PVO/GOM agreement should be attached to the proposal.

Some PVOs are currently in the process of re-negotiating their

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agreements with the GOM. Initial country agreements signed by the Ministry of Cooperation give PVOs the right to import commodities duty free. However, the Ministry of Finance has informed CARE that it is the Ministry authorized to grant PVO exemption from import duty on project commodities. In the case of CARE, an interim measure has been worked out by which government provided local currency is being made available to pay import duty for commodities brought in by CARE. The issue of duty-free importation of commodities under the Project needs to be examined further. This may require formal discussions between USAID/Mozambique and the Ministry of Finance to resolve issue relative to import duties that would impede Project implementation. This, along with other issues will be addressed in an Memorandum of Understanding between USAID and the GOM.

GOM concurrence with the PVO's program will be demonstrated through individual agreements with PVOs granting permission for the PVO to operate in Mozambique. The Project as designed takes into account limited resources available from Government and therefore makes minimal demands on the GOM to provide counterpart personnel or funding for PVO activity. The project will provide assistance to strengthen government departments as appropriate, such as is the situation currently with the DPCCN. Furthermore, individual PVO field activities will provide assistance to district and provincial level officials, (e.g. agricultural extension officers and health workers).

PVOs are expected to develop a collaborative working relationship with specific technical ministries in the field that they are working. Regular communications and visits should be maintained with the relevant technical ministries and the district or provincial level offices during PVO proposal preparation to ensure that what the PVO is proposing to do will be acceptable to the GOM.

C. PVOs

Visits were made to five PVOs by a REDSO/ESA project development officer to discuss administrative capability and issues related to constraints with implementation of their current OFDA grants. All of these PVOs had previous experience with the A.I.D. grant process in other countries.

All OFDA funded PVOs have existing protocol agreements with the Mozambican Ministry of Cooperation covering local program operations. Generally the PVO were satisfied with the working relationships that they have establish with GOM officials. There was a general consensus that GOM officials were accessible and good working relationships were easier to establish here in Mozambique as compared to some other countries in Africa in which the PVO has similar programs. The PVOs did acknowledge that it required some time to complete registration formalities

information).

As the Mozambican Food Security Study points out, the levels of malnutrition found in the MOH growth faltering data and information from small surveys conducted in selected rural and urban areas, are not unprecedented in sub-Saharan Africa, but they are at the highest end of the range. Also the study states that relief workers report that it is not unusual to find levels of acute malnutrition approaching 20-25% among displaced children newly arrived at resettlement camps, but provided adequate services are available to treat them many of these children soon recover to normal levels. The results of approximately 35 spot surveys conducted among security affected and drought affected populations in the first eight months of 1988 found the incidence of acute malnutrition (measured by weight for height) to be higher than 20% in 7 sites and in 17 sites the incidence of acute malnutrition was over 10% (World Bank, 1989).

Information from Lugela District of Zambezia Province which has been the site of refuge for people fleeing conflict zones, shows the serious nutritional and food problems of the newly displaced, which are indicative of those who newly enter the severely affected category when their area is liberated by government forces. In November 1988 17,000 new arrivals were added to the estimated 15,000 displaced people in Lugela District. While there is no mortality data for 1988, in the first six months of 1989 the average monthly mortality rate was 5% but by August-September the mortality rate averaged 1.5% a month, near the norm in Mozambique. (During the first half of 1989 a bridge was out and hence no food aid was distributed for three months.) (DWF, n.d.)

A retrospective study of nine camps of displaced people in Lugela District showed on average 36% of the children under 5 years old were malnourished, including 9% with acute malnutrition. Among this age group the mortality rate was 17.7%. The predominate cause of mortality was malnutrition (38%), followed by diarrhea (30%). Mortality was highest among those under two years old. In terms of access to land and food, 14% of the households had no land, and 56% had less than 500 square meters (DWF, 1990). While those with even small plots cultivate some crops, they only serve to supplement the actual need. Most are largely dependent on food aid.

Dietary Patterns

The "normal" Mozambican diet is well balanced from the standpoint of nutritional requirements and generally feeding practices related to young children are sound. In the southern part of the country the main food staples are maize (preferably white maize) and rice, while northern households rely mainly on maize and drought prone areas depend on sorghum and millet, for the bulk of their calories. A common supplement to these staples is cassava, eaten either boiled or made into dried flour for porridge. These staples are complemented by sauces based on

varied ingredients such as green leaves, beans, pumpkin leaves, groundnuts and dried fish, depending on local availability (World Bank, 1989). Use of oil, sugar and animal products depends on availability and purchasing power.

The emergency conditions have severely disrupted the normal diet of at least 38% of the population. The widespread problems of malnutrition are primarily related to problems of absolute food shortages, inadequate purchasing power, breakdown of marketing networks and dislocation rather than "normal" household dietary patterns and food consumption and allocation patterns (World Bank, 1989).

Host Country Commitment to the Project

The Government of Mozambique has encouraged and welcomed PVO involvement in emergency relief activities and rehabilitation and development activities. The extent to which the GOM will be involved in the individual PVO projects, however, will vary by the nature of the project and the geographic location. For example, in regard to reconstruction of health facilities if the PVO is not providing the services and supplies it will need to ensure a commitment from the GOM to provide these either directly or indirectly.

With regard to policies or practices which may interfere with the targetting of activities and hence the distribution of benefits to the intended recipients, the removal of people and communities from the list for distribution of free food needs attention. To date several observers have commented on the tendency of provinces and districts to keep communities on the list even when it appears that most of the households have regained their ability and capacity to meet their food needs. The stated policy is to provide free food for 18 months, which would enable a severely affected household to obtain at least two harvests. Power has devolved to the districts to make decisions about the allocation of free food, enabling them to respond to changing situations. However, local politics might also result in the reluctance of officials to discontinue food to a particular community. Under emergency relief activities funded by this Project, greater attention should be given to more careful targetting of free food aid.

PARTICIPATION

Under Individual Grants

This Project will fund a) activities which address the social welfare needs of displaced and severely affected people (listed as category II activities) and b) activities which address the economic needs of displaced and severely affected people (category III activities). The funding proposals should contain evidence of the involvement of the GOM or other organizations in the design of the project, and a description of

the contribution of male and female intended beneficiaries in project planning. Also the proposals are expected to indicate the PVO internal mechanisms for periodic review of monitoring data and of other types of feedback from participants and intended beneficiaries, and mechanisms for using this information to guide implementation. Requests for funding will be evaluated on several criteria, including a) the commitment to working with community groups, organizations and indigenous NGOs, b) willingness and evidence of commitment of liaising with GOM departments, and c) evidence of involvement of male and female members of the target group in project design and intent to utilize target group feedback in the evolution of implementation.

As indicated above, participation will be required at different levels to help ensure that activities undertaken meet local conditions and needs. It is important that Mozambican organizations, private and public, be associated with or directly involved in project activities. This will bring a local perspective to the activities, assist in strengthening and enhancing their ability to carry out such activities and help ensure the sustainability of the activities undertaken.

The input of men and women from the target population in the design of activities should help to ensure that the activities are socioculturally and socioeconomically acceptable and feasible. (The section on gender issues, in the following part, discusses the feasibility of this.) Local knowledge brought to bear on planning and implementation also should help to ensure that the reasonable targets are set that can be met within the life of Project.

If the activity is on-going in the community, then the PVOs ought to undertake an evaluation to solicit the opinions and perspectives of the target group. This could be done by holding regular group meetings to obtain feedback on the activity which could guide future implementation or identify more critical priorities.

Participation To Date

Some PVOs who have indicated their intent to submit proposals for Project funds have already begun the process of interaction with provincial and district officers and leaders in communities. Other PVOs who are already involved in certain geographic sites have requests from community leaders and government officials which they have been unable to meet and hence plan to use the Project as a means to responding to these requests.

To date the degree of participation by Mozambican public and private institutions and by intended beneficiaries has varied considerably among the American PVOs currently working in Mozambique. To a large extent this relates to the emergency nature of the activities in which they have been involved. In some provinces the officials have designated geographic areas in

which they wish the PVOs to operate, in order to coordinate and simplify the activities of the some 47 PVOs as well as bilateral donor assistance organizations and UN agencies currently operating in Mozambique.

In the development of this Project Paper the American PVOs currently involved in emergency activities with OFDA funds have been consulted. Drafts of the guidelines for PVO proposals, the criteria for the review of proposals and the types of eligible activities have been discussed with them. Also feedback was obtained from them on their willingness to work with a consultant to standardize the objectives and language for stating targets and benchmarks for similar or same activities, if they receive Project funds . This input has helped to ensure that the requirements and process for review of proposals is realistic.

SOCIOCULTURAL AND SOCIOECONOMIC FEASIBILITY

Ethnic Considerations

Consideration of ethnicity emerges at two levels: the participating or implementing staff, and the intended beneficiaries. Whether the staff involved in implementing the social and economic activities are GOM employees, members of local organizations or PVOs, or employees of the requesting PVO, a major consideration at the local level is language. Only a very small portion of the targeted population speak Portuguese and therefore communication with them must be carried out in their local language. As discussed in the section under leadership below, ideally people from the participating communities would be selected for training to assist in implementation. The trainer, however, must be knowledgeable in the local language. Also, to be able to monitor activities in communities, a PVO staff member should know the local language.

Related to the focal beneficiary group, the GOM policy related to camps for the displaced and to settlement of the displaced on agricultural land is to group people who come from the same or neighboring geographic areas. This policy, which tends to be carried out to the extent possible given physical realities, is intent on facilitating the use of former support networks. It permits people to reestablish their identity as a community.

When possible the displaced move in groups and to the safest area near their former homes. Thus many are within the same or a neighboring district. This implies that many are relocated in areas where the language is the same and there is some ethnic affiliation. However, this is not always the case.

There is evidence from some areas to indicate that the displaced are given lower priority to local facilities and services than the local inhabitants. When the demand for such facilities and services far exceeds their capacity or availability, this is not so surprising or unusual.

In many places the local population has been very accommodating and accepting. When available land in secure areas is relatively scarce, the displaced are often intermingled spatially with the local inhabitants.

To avoid the potential for conflict and to promote a social environment of acceptance, it is important that the local population not perceive the displaced people as having better opportunities and access than they do. Thus, care must be given in the design and targetting of the social and economic activities.

Category II activities address the social welfare needs of the displaced and severely affected population. The geographical siting and coverage of these ought to be carefully planned so that at least 70% of the potential direct beneficiaries are in this target group. The PVO funding proposal will be required to contain evidence that the activity will involve and reach this target group. When possible, household census data should be collected in the geographic area. Otherwise, information should be sought from community leaders, and cross checked with others. When the Project activity is not linked to a specific geographical base, the nature of the activity should be limited to the target group, such as activities which focus on the traumatized, on reunification of families and on those handicapped as a result of the war.

Category III activities which address the economic needs of displaced and severely affected population will require that at least 60% of the potential direct beneficiaries be from the target group. Evidence that this target will be met shall be provided in the funding proposal, which may be collected in the same way as suggested above. The PVO should specify how the others will be selected to ensure that they meet the criteria of absolute poverty or vulnerable to poverty.

It may be expected that there will be more eligible persons than opportunity places under the economic activities. Therefore, the funding proposal should state how people will be selected. In labor intensive projects a proportion (25 - 50%) of the jobs are expected to be designated for women in the target group and in the local community. Attention should be given to informing people that laborers will be hired and the criteria and qualifications required. Then the names of those who wish to be hired and are eligible could be recorded and then publicly drawn on a random basis, like a lottery. (This method has been used successfully in other African countries to avoid bias in hiring unskilled laborers on construction activities.) In terms of agricultural based activities, the PVOs will need to ensure that fairness is practiced and the selection process made public.

Certain ethnic groups, particularly in the southern portion of the country, appear to have had more opportunities for economic development, education and political positions than have people from other parts of the country. In terms of the ethnic distribution of Project benefits, it will be incumbent on the AID Project management team and review panel to help ensure that the activities funded by the Project are distributed within the different geographic areas of the country, with particular attention to those areas which have been neglected historically.

Local Level Leadership and Organization

Leadership and mobilization skills exist among many or most local communities as a result of FRELIMO activities in the pre- and post-independence period. Urban centers, periurban areas and towns tend to be organized, down to groups or cells of a small

number of households. This form of organization is much less evident in rural areas, but through the political party villages tend to be organized with committees, and sometimes subcommittees. The extent to which camps for the displaced and resettled areas are organized is impressive, although not uniformly so.

For example, the PP social analyst's impromptu trip to an area resettled by displaced people coincided with a community meeting. Men and women were gathered to discuss problems. Three men and three women were members of the village committee.

Observations at another site, a camp for the displaced, showed good organization in the distribution of food, although only one woman was among the some 10 people assisting with the process. In this case, since there was not enough food for all those eligible, it was distributed to those who had not received the previous time (3 weeks previously when again the quantity was insufficient). At this site people had to show photo identification cards and the name and number were scrutinized against the list of those eligible that day.

While the management and technical skills of the leaders are often weak, basic mobilization and organizational skills exist in most areas. When new camps or centers for the displaced are created to respond to new arrivals, it invariably takes some time for the basic organizational structure to be formed and the formal organization is invariably through the political party. It is likely that other but informal types of organizations exist among the displaced but information is not available on this subject.

It appears feasible and advisable for the PVOs to work with existing organizational groups and in the process to purposely enhance the leadership and organizational skill base within the communities. At the same time, however, it should establish guidelines and monitor to help ensure fairness. Particularly since the existing local leadership and organization centers around the political party - FRELIMO, the PVOs should be alert to the possible exclusion or subordination of members of the intended target population because of their political stance, or because they are from another ethnic group. Also the PVOs should be aware of the method by which the leaders are chosen and if the leaders themselves are from the displaced or severely affected population.

Gender Issues

Equality for women has been a cornerstone of Frelimo's policy and hence the GOM's policy is compatible with AID's emphasis on inclusion of women as participants and beneficiaries of projects. The Organization of Mozambican Women (OMM) was founded in 1973 and it has established branches in the provinces, districts and numerous local communities. In areas new

liberated from RENAMO, OMM often works with the severely affected population.

Currently it appears that OMM is more active in "social" activities such as health, child welfare and education than in "economic" activities. Also, there seems to be a tendency for the male decision makers at different levels to assign anything which aims at women to the "responsibility" of OMM rather than seeing that women are integrated into all activities, particularly those related to economic activities.

In spite of the possible bottlenecks, it appears feasible to expect that the activities financed under this Project directly and indirectly benefit women at least in approximate proportion to their proportion of the population, estimated at 51 percent. Although data are lacking, it is generally claimed that there are more women than men among the displaced persons and that more female than male headed households are absolutely poor (GOM/UNICEF, 1989). Therefore, more women than men appear in the main target beneficiary population.

To help ensure that women's priority concerns are addressed and that women do in fact directly as well as indirectly benefit from the Project, the PVOs should be alert to local dynamics between men and women. In some areas women do not speak up and voice their opinions in front of men, therefore joint meetings are not appropriate. Consultations with groups of women separate from those held with men are likely to yield better and more reliable information.

Under the emergency relief activities it is not feasible to expect that information on the recipients of emergency aid can be disaggregated by sex. Data are not available on the displaced by sex or age group and the number of indirect beneficiaries are too numerous to require that such information be provided.

In regard to direct beneficiaries who will receive on the job and possibly other types of training, PVOs undertaking emergency relief activities should estimate the number of participants disaggregated by sex and monitor the participation rate of women. Since the participants will be those who already hold certain positions and since Mozambican women tend to be less educated than men, it is unlikely that the PVOs can do much to increase women's participation rates. But, where there are targets of opportunity the PVOs are expected to take advantage of these.

The nature of most of the social activities eligible for Project funding implies that women and children will be the main focal group. Women more than men are responsible for child care, rearing and caring for the sick, consequently the assistance to children will indirectly benefit the women by decreasing the demands on their time and resources to care for sick children. Therefore it is reasonable to expect that women benefit directly and indirectly from Category II projects in

proportion to their traditional participation in the sector.

It is in regard to the economic activities that attention particularly needs to be given to ensure that women are direct participants and beneficiaries. Women comprise 60% of the agricultural workforce, with almost all of them in the family farm sector. Experience with cooperatives in the Green Zones near Maputo demonstrate that it is reasonable and feasible to expect that women be equal participants and beneficiaries of those activities which promote food or cash crop production (see Jrdang 1989 and GOM/UNICEF 1989 for the basis of this conclusion.

For those activities in which new land will be brought under production, such as in Green Zones or rehabilitation or establishment of irrigation schemes, it is feasible to expect that a portion of the plots be allocated to women headed households. In the matrilineal societies care will need to be given to the sociocultural dynamics in households with both the husband and wife present.

Moreover, since women do perform most of the agricultural labor and have their own economic responsibilities, it is important that activities which promote cash crops as well as those focused on food crops include measures to help ensure that women directly benefit from these activities and the labor which they provide to such activities.

Activities which are designed to rehabilitate or rebuild infrastructure will be required to target women to hold a portion of the jobs (25-50%) to be created. Women perform heavy labor in the fields and are capable of working as laborers on infrastructural projects. However, those responsible for recruitment and employment ought to take active measures to inform the men and women in the community that women will be employed, such as involving the OMM in communicating this information. If the recruitment process does not publicly convey that women will be employed, then in some areas the community might assume that the jobs are for men. While women do have many demands upon their time, particularly related to child care, experience from other African countries show that the women are able to make arrangements for child care, or that young women without children come forth for such jobs in order to financially assist their parents or other family members.

Attitudes and Values Related to Health

Many people still relate the cause of illness to some form of pollution or contamination caused by supernatural forces. Illness is believed to be sent by ancestral spirits to punish their descendants for having neglected certain rituals and ceremonies. For example, a child may be ill because of the family's failure to observe the proper rituals of purification

when somebody dies. Traditional practitioners have the power to discover the true source of the illness and to treat the illness, they believe (GOM/UNICEF, 1989). While immunization campaigns have been successful and aspects of pre- and post-natal care found acceptable, traditional beliefs ought to be taken into account when trying to design health activities.

The Project permits funding for clean water and sanitation activities, however, these should be undertaken only in areas with a high population density and hence greater vulnerability to epidemics. The reasons for this are as follows. First, in order to demonstrate that the people are actually using clean water, both the source of water and the intake point (e.g. stored water) must be free from contamination. This requires the capacity to analyze water samples, a strong health education component, and possibly assistance with water storage containers to help ensure that water does not become contaminated in the storage process. Secondly, several attitudes prevail which hinder the use of latrines, such as fear of children falling into them. Also, latrines are not necessarily built or maintained so as to provide a healthy environment. Given the difficulties of successfully implementing clean water and sanitation projects under "normal" circumstances, for both sociocultural and technical reasons, it is advisable not to undertake them in rural communities given emergency conditions in Mozambique and other demands for resources. However, high density settled areas of displaced people, or at public places such as health centers and schools can be justified since in these places the vulnerability is higher.

To provide potable water, however, can be justified on the basis of saving of time and labor (Category III activities). Also, protected wells or springs can assist in maintaining the quality of the water or diminishing the possibility of further contamination. There is evidence from the National Rural Water Program that it is feasible to expect community participation in the siting of the water source, provision of labor in the construction phase and help with maintenance afterwards. However, gender issues must be considered in terms of whether community meetings of men and women adequately elicit women's views or whether there should be separate meetings, and whether men and men work together or separately (GOM/UNICEF 1989).

Socioeconomic Feasibility

By funding economic activities the Project aims to move people from dependency on food and other types of emergency aid to a position of greater self-provisioning or a stage of rehabilitation. At the same time, the Project seeks to encourage financial, in-kind or labor contributions from the target group for social and economic activities. Those outside the primary target group - the displaced and severely affected - tend to be in a better position to make a contribution than those in the

target group. Thus, the PVOs will be required to seek creative ways to obtain contributions from the intended beneficiaries.

A major issue centers on the feasibility of the intent to assist people to move from a state of dependency on food aid and other forms of emergency assistance to a state of self-provisioning. Narrowly interpreted self-provisioning means being able to meet one's household food and other economic needs either from own production or from the market. The economic and social history of Mozambique indicates that a significant portion of the rural households were unable to meet their food requirements and hence there were high rates of malnutrition and child mortality. Nevertheless, these people were able to survive even under such conditions of absolute poverty.

It is expected that the economic activities undertaken with Project funds will help to restore households to their former state of being able to provide for themselves by providing them the crucial means such as access to land, tools and seeds, and skills through extension services. Such activities are "rehabilitative" in nature. Provision of infrastructure will facilitate economic rehabilitation. For example, provision of wells will lessen the amount of time women spend fetching water and rehabilitation of roads will facilitate transportation of essential commodities and the marketing of locally produced goods. Also, the social activities financed by the Project are intended to improve the health of target communities, and hence facilitate their ability to undertake economic activities.

Other economic activities are expected to be development oriented, that is they are expected to improve the economic position of the household vis a vis its status prior to the economic havoc of the 1980s. Because development activities tend to require more intensive inputs and a longer time frame, it is questionable whether self-provisioning will be accomplished within the short life of this Project. However, there should be evidence of the beneficiary population advancing towards this objective by the end of the Project.

While it is tempting to focus on development of agriculture among farm families rather than rehabilitation, many critical constraints influence the feasibility of the former. Increasing yields substantially in the family sector requires the availability of inputs such as fertilizer and pesticides, and a transportation and marketing system. In comparison, improvement in basic cultivation practices, such as more thorough weeding and land preparation, and intercropping, could significantly increase yields. This latter low cost method is recommended by the Food Security Study team and appears more appropriate to the socioeconomic and physical conditions within which this Project will be implemented. Interventions requiring dependency on periodic purchase of inputs may be considered problematic since sustainability would be questionable.

Particularly related to agricultural development activities with displaced people who have been settled on new land, attention should be paid to understanding the land use rights and obligations of the newly settled population. Under Mozambican law family farms are not individually owned, with title deeds, but as shown elsewhere in Africa individual titled land is less important than public information about inheritance rights and other such types of rules and regulations which govern its use. Therefore, the PVO should help ensure that the rights of those who are settled and who invest in the land are reasonable and clearly understood by the farmers, other local inhabitants and the authorities.

Another feasibility issue centers on access to seeds and tools. Under the emergency program, several PVOs have been involved in the distribution of these items. However, there is need for better targeting of the recipients and the kinds of seeds to be distributed. Opportunities exist in some areas for commercialization of seeds, and for local seed production. To date planners have seldom solicited input from the target audience on the kinds of seeds they want and need. This ought to be corrected, under rehabilitation activities.

Attention should be given to availability and access to transportation for crops and basic household goods. Even simple wheelbarrows with wooden wheels are absent from most communities of the displaced and the severely affected farm families. In stimulating micro and small enterprises, attention should be given to fairness and access to opportunities, within the context of private ownership.

Implementing Agencies

PVOs will be the main implementing agencies, although they are expected to involve either private or public sector organizations/institutions in implementing the Project. The feasibility of this rests upon the extent to which Mozambican organizations are expected to be involved, and other demands upon their personnel. The need for assistance to the displaced and severely affected population plus the rest of the population far exceeds the capacity and capability of the GOM. Some provinces have numerous bilateral donor assistance activities, UN projects and PVO activities, which place a heavy burden on officials in terms of coordination and management. Furthermore, the GOM is plagued at the mid and lower levels with relatively few staff and staff with low levels of education and training. Local PVOs are likely to face the same problems.

When possible and feasible, it is advisable for the PVO to assist in provision of focused and planned on the job training for GOM and other staff, and to involve them in Project implementation. Where this is not possible, the the PVO should make a concentrated effort to provide focused and planned on the job training to its Mozambican staff as well as key people in the target communities. This means holding formal training sessions.

It is assumed that the officers and staff in the implementing PVOs are aware of gender issues, are committed to ensuring that women are both participants and beneficiaries of their activities, and are committed to soliciting and using the contribution of Mozambicans in project decision making. There are several examples on which to base this assumption. The project management team and the review panel for the proposals will help to validate the assumption.

IMPACT

The activities funded by the Project ought to result in decreasing malnutrition and infant mortality in specific targeted sites of displaced and severely affected persons. Also, it should increase reliance of formerly displaced and severely affected households, in specific areas, on crops which they produce and on markets to meet their food requirements.

As a secondary result, the on the job training received by Mozambican staff and other personnel should result in enhancing their ability to sustain the activities after the life of project or to transfer their skills and knowledge to similar activities.

For example, the DPCCN personnel trained under the emergency relief activities should be able to utilize the training received to continue conducting food need assessments and predicting the availability of food within Mozambique which would help them to anticipate and respond to other types of crisis situations.

The methods and techniques used to organize and carry out labor intensive infrastructural activities should lead to identification of those which are suitable for replication. In regard to maintenance, staffing and supplies for infrastructure such as health facilities the PVO is expected to have established links with the appropriate government departments to help ensure that these may be forthcoming at least in the medium term, or to have made a commitment to assistance beyond the life of the AID Project.

Some of the social and economic activities because of their focus on rehabilitation are not expected to be continued after the life of the project. The level of rehabilitation is expected to be maintained by the individuals without assistance from outside the community.

While it is not possible now to state with any precision the number of people which will be reached by the Project, the individual grant proposals are expected to contain estimates of the number of men and women in the various beneficiary categories.

Project monitoring and evaluation plans will be included in the design of the individual grants so that the impact of the activities can be adequately assessed. Particularly since more

than one PVO may be undertaking the same type of activity (but in different regions) it is important that the stated objective and benchmarks used for assessing achievement of the objective be the same or similar. Therefore, any PVO receiving funds under this project should be willing to work in cooperation with other PVOs and a short term sociologist/anthropologist consultant to standardize the objectives, and the language used for targets and benchmarks for similar or same activities. The consultant will also be available upon request to advise PVOs on the collection and monitoring of other types of data considered useful for project management.

It is suggested that the names of potential consultants be solicited from the PVOs involved in first allocation of Project funds. From these and other sources the AID Project management team should short list two to three individuals and determine their availability. Then the PVOs should be requested to indicate their priority choice, and be provided the resumes of the candidates.

ISSUES

Data Requirements

An issue arises in terms of the feasibility of requiring data for both the individual project proposals, and monitoring and evaluating Project beneficiaries and impact. Because of the security situation, access to many areas is problematic in terms of mode of transport and length of time one can spend in a site. Moreover, security conditions tend to change and a Project site may be cut off or the population forced to flee.

Nevertheless, the American PVOs currently working in Mozambique have tended to establish geographic areas of concentration and over the years become more familiar with the focal target populations. The extent to which they have given attention to obtaining data, to targeting their activities to the neediest groups, and to assessing the results and impact of their activities has varied considerably.

Under this Project it is not considered feasible or desirable to request the PVOs to become engaged in a major baseline data collection, and monitoring and evaluation effort. Rather, it is considered prudent to limit the kinds and amount of information based on its utility and intended use. Furthermore, the methods to be employed should take into consideration both reliability and feasibility factors.

For the individual Project proposals for social and economic activities, the PVOs will be required to provide evidence that the activity will indeed involve and benefit the target group. Since both types of activities have a geographic, site dimension, information on the inhabitants can be collected by persons recruited from the area who speak the language and receive

training in carrying out the work. Either a household census can be undertaken or if the area is large, than on a random, cluster sample can be used. Questions centered on length of time resident in that area could help determine if the household members are displaced or previously displaced and recently resettled, while taking into account that marriage could account for recent arrivals. In regard to determining severely affected people, recent history of the area and ownership of certain basic goods could provide indicators. The primary and secondary sources of food supply, amount of farm land owned, and number of members engaged in wage or in-kind employment on a regular basis would provide additional indicators at the household level. Another way of obtaining similar information is to hold a series of meetings with male and female members of the community, or hold key informant interviews with various community leaders to draw up a list of all the households by key characteristics.

Monitoring can be done through a variety of techniques. Certain indicators, often process indicators, lend themselves to providing statistics on the entire "universe", whereas attention to cluster or other methods of sampling may be more expedient. Observations by PVO staff, key informant interviews and group interviews when done and recorded in a systematic manner are also valid methods for monitoring.

If data collection and analysis focus on the minimal data requirements and a variety of methods are used then it should be feasible, while at the same time the rehabilitation activities which this Project seeks to support ought to reach a significant number of people in the large target group.

Other Issues

The preceding analysis has raised various issues and discussed ways by which the Project should address them. It has also highlighted some issues which are beyond the scope of the Project to address but ones which the PVOs and Project management team ought to be aware. None of the issues appear to present a major bottleneck to successful implementation of the Project.

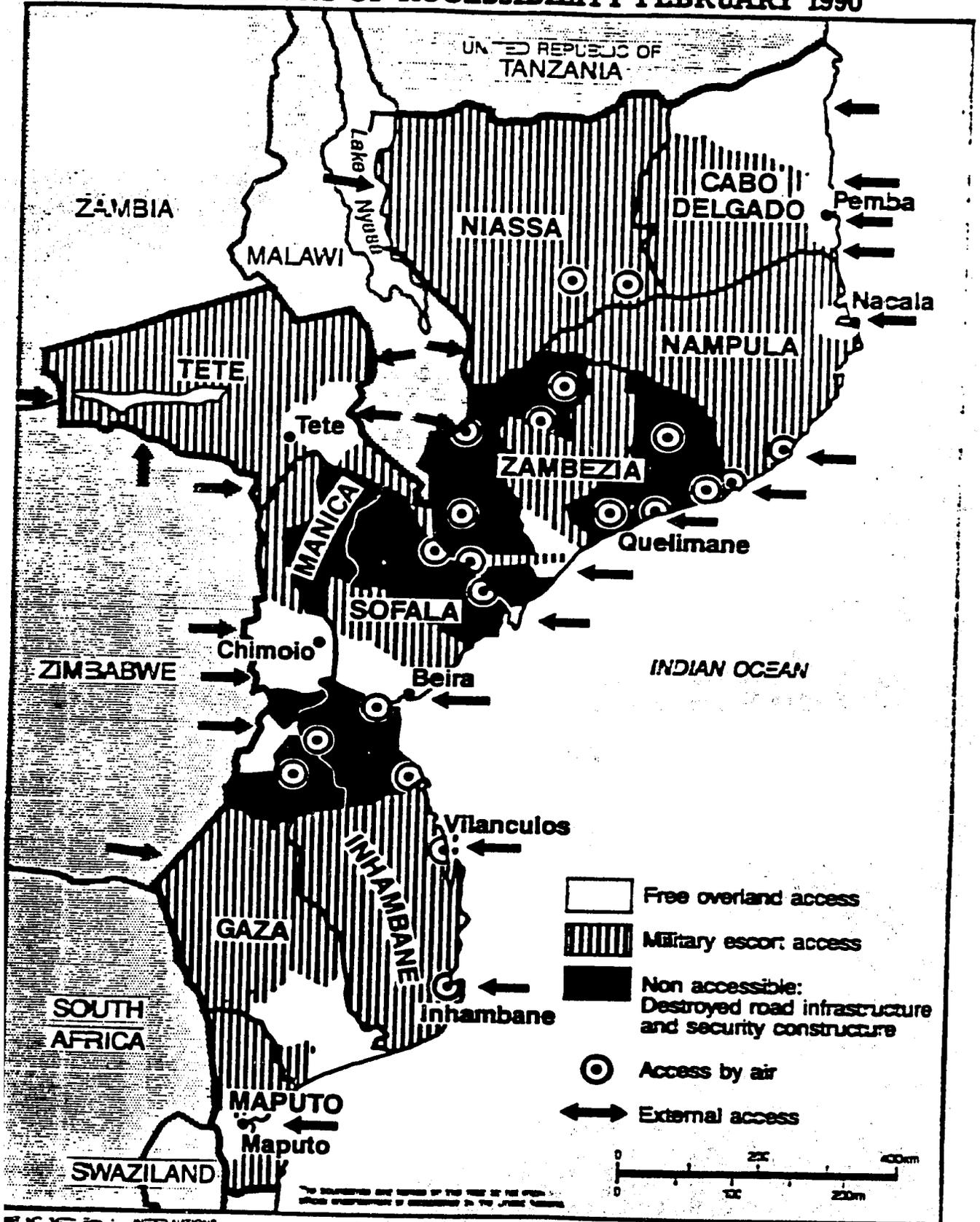
In summary the main issues raised are:

- The extent to which Mozambican private and public sector organizations/institutions can be expected to be involved in implementing the Project activities.
- The existence of local level leaders and organizations which represent the main target population, and through which the PVOs can work.
- The potential for ethnic tensions between the displaced population and the local population.

- The extent to which the households involved in the economic activities financed by the Project can become self-provisioning.
- Fairness in the distribution of Project benefits within communities and the target population.
- The feasibility of expecting that at least 51% of the Project participants and beneficiaries are women.
- The extent to which it is reasonable to expect that the local target population contributes to the design of the activities to be undertaken and to decisions about implementation.

MOZAMBIQUE

CONDITIONS OF ACCESSIBILITY FEBRUARY 1990



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PERSONS CONSULTED AND INTERVIEWED

Private Voluntary Organizations

Stephen Morrow, Food Programming & Monitoring Unit, CARE

Suzanna Allawardi, Food Programming & Monitoring Unit, CARE

Bob Laprade, Provincial Logistics Officer, CARE, Inhambane

Martin Ede, Program Coordinator, CARE

Tim Gothmann, Project Officer, CARE

Eduardo Telhano, Project Officer, CARE

John Salamack, Director, Save the Children (US)

L. Branamau, Operations Manager, World Vision International

Dwight Taylor, Director, ADRA

Sam Walsh, Director, Food for the Hungry

Chiara Cargitnigit, Bioforce

Dr. Oliver Cohen, Coordinator, Doctors without Frontiers (French)

United Nations Organizations

Kathleen Cita, Health Program Officer, UNICEF

Yvonne Madore, Emergency Program, UNICEF

Dr. Manuel Ipinza, Child Survival, UNICEF

Government of Mozambique

Mr. Merinko, DPCCN Representative, Vilanculos

Estevao Mucavele, District Administrator, Vilanculos,

DPCCN Representative, Maxixe

United States Agency for International Development

David Mutchler, Deputy Director

Aileen Marshall, Project Development Officer

Buddy Dodson, Food for Peace Officer

Charles Oliver, JHU sponsored epidemiologist,

GOM/USIAD Pilot Child Survival Project

Dina Esposito, Presidential Management Intern

Greg Wiitala, Project Development Officer, REDSO/ESA

Others

Committee members and villagers, resettlement village, Vilanculos
District

Committee members and villagers, Camp for Displaced People.
Maxixe District

13. Prepare scopes of work for short-term project consultants and provide supervision of consultants when in-country. Make necessary logistical arrangements.

Qualifications: Considerable previous experience in administering development assistance programs, preferably in Africa. Experience in managing USAID or USAID-funded projects, particularly USAID grant programs, and familiarity with A.I.D. procedures and regulations is required. Experience in working with non-governmental organizations, and with relief and rehabilitation programs is desirable. Good interpersonal communication skills are essential. Basic analytical skills for relief and development projects will be required. The ability to prepare well written concise reports is essential. Portuguese language proficiency would be an advantage. A masters degree, preferably in the social sciences, public administration, management or related subjects is required.

Activity Monitor

The activity monitor will be responsible for the following duties:

1. Prepare annual project monitoring plans and provide quarterly reports measuring achievement against the annual monitoring plan.
2. Monitor the submission to USAID of required reports (including activity, financial, end-use or other reports as may be deemed necessary) by the grantees.
3. Organize field surveys, site visits, interviews, and other methods as may be appropriate to monitor grantee progress in achieving grant objectives.
4. Participate in the review of PVO proposals.
5. Prepare site reports and maintain administrative records indicating grantee progress.
6. Participate in in-house reviews of grant and project progress.

Qualifications: Experience with relief and rehabilitation or development projects in Mozambique is essential. Knowledge of Mozambican government structures would be an advantage. Good organizational and interpersonal communication skills are required. Proficiency in both English and Portuguese. Willingness to travel extensively throughout Mozambique. A university degree in agriculture, rural development, or the social sciences would be an advantage.

Job Descriptions

Project Development Officer

The Project Development Officer will serve as the head of the Project Management Team. The Project Development Officer reports to the Chief of the General Development Office. Specific responsibilities include the following:

1. Supervise project design and implementation activities.
2. Prepare an annual detailed implementation plan including specific tasks for other members of the project management team.
3. Establishment, in conjunction with the Mission evaluation officer, of an evaluation plan for the project.
4. Review and reassess criteria for grants in the light of project experience.
5. Reassess strategies to facilitate the transition from emergency to rehabilitation and development.
6. Serve as the principal Mission contact person for Grantees. Serve as the liaison between the Grantee and Mission in addressing specific administrative, legal, or financial issues.
7. Coordinate reviews of PVO proposals including preparation of issues papers for proposal review and drafting Project Committee responses to proposals.
8. Schedule and chair PVO Issues Committee meetings.
9. Schedule periodic meetings with PVO directors to review status of Grantee's program. Visits to project activity sites will also be required. Tentative plans for site visits will be identified in the annual workplans.
10. Prepare project reports as required by AID/W and the USAID/Mozambique.
11. Represent the Mission when required at meetings concerning the project with the Government and other donors.
12. Coordinate the activities of other members of the project management team.

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Rural Development Specialist

The Rural Development Specialist will be responsible for the following duties:

1. Assist grantees with the design and implementation of monitoring and evaluation plans.
2. Monitor grantee progress in achieving quantifiable targets as stated in grant agreements.
3. Design and maintain data bases of information that would be useful for project evaluation.
4. Provide the Mission with necessary technical information to permit reporting on project progress.
5. Aggregate data obtained from grantees to provide Mission with analyses of the situation in Mozambique.
6. Participate in PVO Issues Committee Meetings; project progress assessments; and evaluation of PVO proposals.
7. Visit project sites on a regular basis, and advise PVOs and Mission on technical assistance requirements for purposes of project management.

Qualifications: Experience in monitoring and evaluating development activities, preferably in Africa is required. Ability to design and maintain basic MIS systems to track implementation activities and measure progress in achieving project outputs. Good management and organizational as well as good interpersonal communication skills are required. Ability to prepare reports and analyse information is essential. Masters or doctoral degree in rural development or one of the social sciences with appropriate training in data collection and analysis is preferred. Portuguese language necessary. Willingness to travel throughout Mozambique essential.

Guidelines for the Preparation of an
Operational Program Grant Proposal

The following guidelines provide PVOs with guidance in preparing Operational Program Grant (OPG) proposals for submission to USAID. This guidance provides PVOs with information as to what USAID missions require in order to review an OPG proposal. The degree to which a PVO is able to respond by including all required information in their proposal will significantly influence and expedite proposal review. The maximum length of the proposal should be 20 pages. Additional information may be attached as annexes.

The information presented in the proposal will be used by USAID in evaluating the request for funding. The review process may identify areas in which further information or additional explanations are required. Successful completion of the review will lead to negotiations between the PVO and USAID and culminate in a Grant Agreement. The Grant Agreement is the binding document which specifies the activities that are approved and eligible for USAID funding.

Summary Data Face Sheet

PVO Name:
Activity Title:
Activity Location(s):
PVO Country Director:
PVO Country Office (Address, Phone, Telex/Fax):
PVO Home Office/Headquarters (Address, Phone, Telex/Fax):
PVO Chief Executive:
Date Registered with AID:
Date of Approval Received from GOM to Operate in Mozambique:
Project Costs:
USAID Contribution: cash _____
PVO Contribution: cash _____ in-kind _____
Total Project Costs: cash _____ in-kind _____

Date of Proposal Submission: _____

Activity Starting Date: _____

Activity Completion Date: _____

A. Activity Purpose/Statement of Objectives

- Briefly state the goal and purpose of the proposed activity.

- What problems will be address by the PVO. Describe the geographical location of proposed activity and state why the location(s) were selected.

B. Rationale

- Explain why this project/activity is necessary and why the approach chosen was selected. Illustrate comments with data if available.

C. Background

- Provide a brief background of your organization including a statement as to your organizations philosophy related to the proposed activities.

- Explain how your organization became involved in the activity being proposed. How does this activity relate to other activities of your organization in Mozambique.

- Comment on your organization's capacity to undertake this activity. If you have implemented similar activities in this or other countries, please identify them briefly stating dates, sources of funding, magnitude of funding and location.

Include as an appendix any independent evaluations or assessments of similar activities you have implemented either in Mozambique or elsewhere.

- Show how this activity supplements or complements, but does not duplicate existing activities. Describe your consultations with GOM officials on proposal activities.

- Is this activity compatible with Mozambique government priorities and policies? With USAID/Mozambique CDSS? If not, what unique beneficial aspects of the activity warrants special consideration for approval.

D. Description

- Provide a summary description of the project. This should include all activities and interventions to be funded by the project

F. End of Project Status

- Indicate what objectives will have been achieved by the end of the project

- Describe the changes you expect to have taken place at the end of project activity and how this improves the status of the beneficiaries. For example, what improvements do you expect in income, health, production for the beneficiaries.

- Do you anticipate that project supported activity will continue following completion of the grant period? Describe other sources of funding (internal or external) that would be sought to continue supporting the project. Indicate the level of sustainability likely to be in place following completion of the grant.

F. Implementation Plan

Grantees will include an overall implementation plan in their proposal and thereafter submit to USAID an annual workplan together with a budget which provides detailed information on proposed activities for the plan period. Annual workplans will include benchmarks by which progress in implementation will be measured. Quarterly reports will make reference to these benchmarks.

Annual workplans will require USAID approval and will be submitted to USAID sixty days prior to the commencement of the workplan period. Approval of the workplans will signify USAID concurrence with proposed activity. The initial workplan will be submitted to USAID within 30 days following signing of the grant agreement.

- Describe in detail how the project will be implemented. Include a schedule of projected activities and dates for start and completions of activities. State who will be responsible for each activity.

- Identify commodities and personnel required for the project and when required.

- Activities should be summarized in a chart or chronological presentation.

H. Social Analysis (Participants/Beneficiaries)

- Show that proposed project activity is appropriate in a socio-cultural context to the beneficiary group.
- Describe the beneficiaries of this project (target group) in terms of sex, age, economic status, and other characteristics that you consider important.
- Estimate the number of people who will benefit both directly and indirectly from project activity.
- What benefits will the people get from the project? How will you measure this? What baseline information will be required at the beginning of the project and how will this be obtained? How will change be measured during the project?
- Describe involvement of beneficiaries in planning, implementing and sustaining of project activity.
- What resources will the beneficiaries be expected to provide to the project. Explain if it is reasonable to expect beneficiaries to contribute to the project.
- Describe the role of women in the project. Note any special considerations in the project that will specifically address issues related to gender.

I. Economic/Financial Analysis

- Demonstrate the cost-effectiveness of the proposed approach. Describe alternatives that were considered. Give rationale for selecting the approach contained in the proposal. Why is it the least expensive method?
- To the extent feasible, show a cost-benefit analysis for proposed activities.
- Address the issue of recurrent cost for any activity initiated by the project that is likely to continue following expiration of the grant. Identify how these activities will be supported following project completion.

J. Administrative/Management

- Describe administrative and management procedures for the project. Indicate why these arrangements are suitable for project implementation. Identify any additional resources that will be required during implementations to supplement existing systems/facilities/personnel.

- Describe any local groups or sub-contracts that will be involved in project administration or management. If local groups are involved, do they have adequate training and systems in place. If not, what will be done to upgrade their capabilities?

- Describe procurement procedures employed by your agency. Describe your method of financing the procurement of goods and services. Identify all commodities to be procured by the project in an appendix attached to your proposal. Will any waivers be required for purchase or transport using USAID funds? If so, specify which waivers are required. Refer to the Standard Provisions and consult with USAID if you require clarification.

- List key personnel involved in implementation and include brief biographical description as an appendix to the proposal. Include an organizational chart with your proposal. Indicate the starting date and amount of time required for each position.

- Does your organization have a written set of personnel policies? If so, attach a copy as an appendix to your proposal. If not, do you plan to develop formal personnel policies?

- Briefly describe your accounting system, identifying by title the people operating it. Describe your organization's requirements for external financial audit.

- Indicate if you plan to make any sub-grants or contracts to other organizations or individuals. Sub-grants and contracts should be identified in the proposal. Sub-grants and contracts require prior approval by USAID.

K. Budgets

- Two budgets should be included in your proposal. A "Project Budget" by year and a "Source of Funds Budget", also by year. Sample formats are attached, however, you may wish to add additional line items (categories) if you feel that this would better reflect project activities. Notes on the budget line items should also be attached which give brief descriptions as to what each line item is comprised of, e.g. "Equipment", 2 4WD Vehicles, two 5KVA generators, etc.; "Personnel", Project Director - 36 person months, Engineer - 20 person months.

- Indicate in the "Source Budget" the amount and source of Non-USAID funding for the project. In-kind contributions should also be included.

Illustrative Budget Formats

(a)

Project Budget
(US\$ '000)

Item	Year 1	Year 2	Year 3	Total
Personnel	_____	_____	_____	_____
Equipment	_____	_____	_____	_____
Supplies	_____	_____	_____	_____
Travel/Transportation	_____	_____	_____	_____
Office Facilities	_____	_____	_____	_____
Communications	_____	_____	_____	_____
Training	_____	_____	_____	_____
Evaluation/Audit	_____	_____	_____	_____
Sub-total/above costs	_____	_____	_____	_____
Overheads	_____	_____	_____	_____
Contingency	_____	_____	_____	_____
Total Costs	_____	_____	_____	_____

(b).

Source of Funds

	Year 1	Year 2	Year 3	Total
1. USAID	_____	_____	_____	_____
2. PVO Contributions*				
a. (list sources)	_____	_____	_____	_____
b.	_____	_____	_____	_____
c.	_____	_____	_____	_____
Sub-total PVO Contribution	_____	_____	_____	_____
Total	_____	_____	_____	_____

* Indicate if cash or in-kind.

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L. Consultants

- Clearly identify and explain if external consultants are needed to assist with project implementation. The "Implementation Plan" should show when consultancies are expected to take place.

M. Monitoring and Evaluation

- What baseline data are available? If unavailable, how do you propose to obtain them at the start of the project?

- List the specific types of information you will gather at the onset of and during implementation that will serve as indicators to measure progress, or lack thereof, during and at the end of the activity. How will this information be gathered and by whom?

- What records will be maintained during project implementation at the country office? Home office? Site office? Who will be responsible for keeping these records? How frequently are project records updated?

- Quarterly financial and progress reports will be required by USAID. Indicate to what extent you anticipate problems in timely submission of these reports.

- State what plans exist for evaluation of project activity. Indicate whether the evaluation is internal or external. Indicate what issues are to be evaluated. Have funds been allocated in your budget for evaluation activities.

Experience with Previous Projects:

Summary of PVO Activities Previously Funded by OFDA.

ADRA Emergency Relief And Food Distribution: \$920,000

Provides management, logistical support and heavy trucks to distribute emergency relief food and supplies in northern Inhambane province. ADRA also monitors storage, internal transport and end use distributed food.

ADRA Emergency Seed Project; \$233,947

Supports emergency seed and food distribution in Inhambane province. Approximately 17,500 rural families benefit.

Africare Agricultural Inputs And Potable Water: \$451,970

Provides seed and hand tools for improved agricultural production, plus pumps, construction materials and pipe to construct 60 shallow wells for displaced and war affected persons in Sofala province. About 25,000 people benefit in the districts of Buzi, Machanga and Gorongosa.

Africare Potable Water Supply for Dondo District; \$118,625

Provides facilities, materials and equipment to facilitate the construction of at least 25 shallow wells in Dondo, Beira and Muanza Districts of Sofala Province. In the short term about 12,500 displaced and insurgency affected people benefit.

Airserv Charter Air Services; \$1,010,580

Provides passenger air service to USAID, CARE, WVRD, ADRA and other PVO personnel for the purpose of managing USG emergency relief and rehabilitation activities. This service provides the only access to some isolated areas of Mozambique and allow rapidly changing emergency situations to be evaluated in a timely manner.

CARE Logistics Management; \$10,835,872

Provides technical assistance to develop the institutional capacity of DPCCN. Also works with, and trains, Mozambican staff to ensure that effective on-going logistical operations are carried out to handle the receipt, storage, and distribution of emergency relief assistance. This also involves the preparation of emergency needs assessments. (An additional \$1,200,00 in DFA funds was provided in FY1989.)

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DPCCN Emergency Seeds; \$1,050,000

Procured agricultural seeds for free distribution to displaced and affected populations in the provinces of Cabo Delgado, Nampula, and Sofala. Of the total amount \$150,000 was programed to pay for seed airlift to isolated areas.

Food For The Hungry Agricultural Inputs; \$115,000

Provides seed and tools in Marrromeu district and Nhangao area of Dondo, in Sofala province to approximately 12,000 displaced and affected people.

SCF Traumatized Children Program; \$287,786

Intended to enhance the Ministry of Health's capacity to respond to the psychological needs of displaced and war traumatized children. Provides training to central, provincial and district level health workers, provides therapy to traumatized children (540 to date) and traces and reunifies separated children and families (2,400 unaccompanied children documented, 1,118 reunited with relatives to date.) (An additional \$642,300 is provided in DFA assistance.)

SCF Relief And Rehabilitation Project; \$705,467

Has developed a model for replicable agricultural, and health/nutrition activities in Gaza province. Implementation of the project is carried out with provincial authorities and district community groups. The project has been severely disrupted by security problems.

WFP Private Boat Rehabilitation Project; \$400,000

Provides funding for the rehabilitation of 10 private boats in order to carry emergency relief supplies to isolated coastal areas in Sofala province. Approximately 360,000 people are benefitting.

WVRD Relief Operations And Food Distributions; \$1,022,379

Provides WVRD management and logistical support to monitor USAID emergency relief food in Zambezia province. Also ensures that food commodities are called forward in a timely manner in order to avoid feeding interruptions.

WVRD AgPacks; \$1,970,058

Provided agricultural inputs and extension services to approximately 42,000 families (168,000 displaced and war affected beneficiaries) in Tete and Zambezia province.

WVRD Gile Airlift; \$999,966

Provides funds for airlifting desperately needed emergency food to about 33,365 people living in Gile district in Zambezia province. Along with food supplies a limited amount of tools and sanitation materials are being sent and a nutritional and health survey carried out to identify the at-risk population.

WVRD Primary Health Care; \$431,933

Attempts to reduce under 5 mortality/morbidity caused by diarrhea, to increase immunization coverage and to reduce the prevalence of malnutrition by strengthening the referral and collaborative linkages within the local health system.

PVO Support Project (656-0217)

Mission EPCR Review
May 30, 1990

A final review of the PVO Support Project Paper was held in the Mission on May 30, 1990. It was attended by senior management and Mission staff. All persons in attendance had reviewed the PP and most had been involved in prior discussions of the project. The review meeting was the final meeting of a series in which topics had been discussed and issues satisfactorily resolved. Conclusions reached in these preliminary meetings and guidance received from AID/Washington had been incorporated into the PP. The review meeting, therefore, was not intended to raise issues, but rather to seek concurrence that all outstanding issues had been addressed.

The following issues were discussed during the meeting:

1. Issue: The Role of the GOM.

Discussion: As funds are being obligated through direct grants to PVOs rather than to the Government, a Memorandum of Understanding (MOU) between A.I.D. and the Government of Mozambique (GOM) has been drawn up, and is currently being negotiated. The intent of the MOU is to seek GOM concurrence with the substance and parameters of the PVO Support Project, and to obtain agreement in principle that taxes or other duties will not be levied on commodities purchased using project funds, and that taxes or other social security payments will not be exacted from persons performing services in furtherance of project purposes.

Conclusion: The meeting concurred that obligation of funds to PVOs rather than to the GOM is a reasonable option given the nature of the project and the continuing lack of clarity in the Mozambican Government on responsibilities for NGO activities. It recommended that negotiations on the MOU should continue, but that authorization of the PP not be delayed.

2. Issue: Monitoring and Evaluation.

Discussion: Funds are provided in the PP for monitoring and evaluation of the project, and funds will also be included in each grant for monitoring and evaluation of funded activities. Funds are also budgeted for technical assistance to ensure that PVOs employ adequate data collection, monitoring and evaluation mechanisms. Greater emphasis on these issues is required under this project than was necessary when PVOs were funded by OFDA, but we also hope that additional information will allow both PVOs and the Mission to learn more about development in Mozambique.

Conclusion: The meeting agreed with the emphasis on monitoring and evaluation, and the use of project funds for such purposes. It also approved the inclusion of funds for data collection and monitoring and evaluation in individual grants. The meeting also endorsed the use of round tables with PVOs on specific issues concerning monitoring and evaluation and the involvement of the centrally-funded PVO Initiatives Project where appropriate.

3. Issue: Use of DFA Funds.

Discussion: DFA funds cannot be used for emergency activities, nor should they be used as a substitute for PL480 funds. Purely emergency activities such as airlifts of essential supplies will continue to be funded by OFDA. However, the project is essentially concerned with the first phase of the transition from reliance on external assistance towards some form of self-reliance at the community level. It would not be possible to fund activities such as large scale agricultural projects without first satisfying the usual requirements for DFA funding of such projects.

Conclusion: The meeting decided that project activities, as designed, are consistent with DFA objectives, and accepted that guidance contained in the AID/Washington PID review cable had been incorporated into the PP.

4. Issue: Management of the Project.

Discussion: Primary management of the project will be the responsibility of a three person management team which will be housed in the general development office. Project funds will be used to contract for the services of the management personnel. Other Mission and REDSO/ESA staff will be drawn upon as necessary, as will the RLA and RCO. Funding decisions will be made on an annual basis by a project committee.

Conclusion: The meeting concluded that the management plan as described is appropriate for the project and the Mission structure. It accepted that certain Mission staff, such as the health, population and nutrition officer, could be significantly involved in the project, depending on the nature of activities proposed by PVOs. It agreed that the funding committee should be comprised of Mission management, project staff, and other Mission staff as required, and that technical staff should be requested to review project proposals, make written recommendations for funding, and be invited to funding committee meetings to comment on proposals.

5. Issue: Priority Funding Areas.

Discussion: Three categories of activities have been defined as eligible for funding under the project. They are not defined in any order of priority, although Category I activities, which are more oriented towards relief, should be phased out in favor of Category II and III activities, which focus more on rehabilitation, as soon as is feasible. The Mission must, however, decide on relative priorities for funding on an annual basis.

Conclusion: The meeting concurred that the priority areas for funding as outlined in the PP are appropriate for the current situation in Mozambique, and that the project as currently designed is central to achieving the second strategic objective as defined in the Mission CPSP. It agreed that the project management team should be responsible for monitoring the project, and that the mid-term project review be used to determine the extent to which defined priority areas remain appropriate, especially in the light of changes in the security situation.

6. Issue: OE reimbursement of the project.

Discussion: Project funds will be used to purchase a vehicle for project purposes, and also to contract for air travel time. The RLA advised that, should OE funded personnel use either the project funded vehicle or travel on a project funded trip, the project should be reimbursed for such use. In the case of the project vehicle, a reciprocal arrangement for use of OE funded transportation is the most appropriate mechanism to employ. In the case of air travel, local currency from the trust fund could be used to reimburse the project the cost of travel incurred. The project could then use the local currency for costs such as maintenance of the project vehicle. The issue was raised in the PID, and discussed with GC in Washington. Thus far, no guidance has been received as to how to proceed.

Conclusion: The meeting recommended that, if possible, reimbursement should not be required if use of project funded vehicles or air charters by OE funded personnel do not add to the overall cost of such items. It recommended that the RLA be asked to seek clarification of this issue with GC, and that the authorization of the PP be delayed until guidance is received.

Recommendation: As no additional issues were raised, the review meeting recommended approval and authorization of the PVO Support Project.

Addendum

The RLA discussed the issue of OE reimbursement of the project with GC on June 5. GC advised that there would be no need for reimbursement of the project from OE funds in instances when direct hire staff utilize project-funded air charters, so long as there is no additional cost imposed on the project because of such direct hire travel.

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