

PROJECT DATA SHEET

1. TRA

A = Add
C = Change
D = Delete

Amendment Number
Two

CODE

3

PD-ABH-038 84997

2. COUNTRY/ENTITY

Southern Africa Regional

4. BUREAU/OFFICE

USAID/Zimbabwe

06

3. PROJECT NUMBER

690-0270

5. PROJECT TITLE (maximum 40 characters)

Reg. Drought Emergency Relief and Recovery

9. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
0 5 3 1 9 4

7. ESTIMATED DATE OF OBLIGATION

(Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 9 2 B. Quarter 3 C. Final FY 9 4

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

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	13.32	1.69	15.01	28.30	1.69	29.99
(Grant)	(13.32)	(1.69)	(15.01)	(28.30)	(1.69)	(29.99)
(Loan)	()	()	()	()	()	()
Other U.S.	1.					
	2.					
Host Country						
Other Donor(s)						
TOTALS	13.32	1.69	15.01	28.30	1.69	29.99

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) DFA	800	824		15.01		14.98		29.99	
(2)									
(3)									
(4)									
TOTALS				15.01		14.98		29.99	

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

11. SECONDARY PURPOSE CODE

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

A. Code

B. Amount

9. PROJECT PURPOSE (maximum 480 characters)

To increase long-term transportation efficiency and capacity in the SADC region, through ensuring the cost effective, timely delivery of drought relief supplies throughout Southern Africa and to improve food security in at-risk countries through supporting selected drought recovery activities.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
0 5 9 4

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify) 935

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

Clearance: Controller, USAID/Zimbabwe

Maryl Sewell

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17. APPROVED BY

Signature

Ted D. Morse

Title Ted D. Morse
Director
USAID/Zimbabwe

Date Signed

MM DD YY
10 7 16 93

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY
1 10 21 93

. 1'

ACTION MEMORANDUM FOR THE MISSION DIRECTOR, USAID/ZIMBABWE

DATE: July 15, 1993

FROM: Jim Harmon, PDO *JH*

SUBJECT: Regional Drought Emergency Relief and Recovery Project (690-0270)
Project Paper Supplement and Project Authorization Amendment No. 2

THRU: Patricia K. Buckles, CPDIS *PKB*

I. ACTION REQUESTED:

Your approval is requested to amend the Project Authorization and approve the Project Paper Supplement No 2 for the Regional Drought Emergency Relief Project (690-0270) to: (1) expand the project purpose to include drought recovery activities, and (2) increase the authorized life of project funding from \$15,019,525 to \$29,999,525. The \$14,980,000 increase in the LOP funding level will be obligated in FY 1993. This memorandum and its attachments constitute and comprise the necessary documentation for this Project Paper Amendment.

II. BACKGROUND:

The Regional Drought Emergency Relief Project was authorized by the Acting Director, USAID/Zimbabwe, at a life of project funding level of \$13.11 million on June 1, 1992. A Handbook 13 grant agreement with the World Food Programme (WFP) was executed on August 19, 1992 which obligated \$5,000,000. REDSO/ESA/RCO finalized an A.I.D. direct contract with SPOORNET (South Africa Railways) which obligated a further \$7,866,588. An additional \$241,612 was obligated through A.I.D. direct contracts for project management purposes at USAID/Zambia and this Mission. Total obligations under the original authorization were \$13,108,200.

On September 30, 1992, the Director, USAID/Zimbabwe further amended the project authorization and project paper by approving Project Paper Amendment No 1. This PP amendment/authorization amendment increased the authorized level of project funding by \$1,909,525, to the current level of \$15,019,525. Funding in the amount of \$1,900,000 was obligated under an amendment to the World Food Programme Grant providing for the Logistics Advisory Centre (LAC) and the remaining \$9,525 was obligated under a Personal Services Contract to provide USAID/Zambia with project management and monitoring. Total obligations to date are therefore \$15,018,666.

The project represents one part of the U.S. Government's contribution to the multi-donor drought relief effort, which began in response to the January 1992 SADC appeal for emergency assistance for the SADC region. This overall effort includes, inter alia, the supply of food, water resources, agricultural inputs and health interventions. The Project Paper, as modified by Amendment No 1,

identified logistics constraints as the major problem area to be addressed by the project. PP analysis identified a number of key constraints to the effective provision of drought relief supplies, and in the longer-term, the establishment of a more reliable and efficient regional transportation network. A primary constraint area was the lack of a mechanism to provide timely and accurate information, disseminated to recipients of drought relief supplies and key entities in the transport sector. Another constraint centered on inadequate physical capacity caused by a lack of equipment and technical expertise at key locations throughout the regional transport system.

To date, these logistics constraints have been satisfactorily addressed within the regional transport system, as has been evidenced by (1) the movement of approximately 11 million metric tons of drought relief food into the Region (including South Africa) and (2) the fact that no lives have been lost due to the drought. While impact of project interventions will be more closely assessed in an upcoming project evaluation, it appears that project interventions assisted significantly with the regional effort.

Project implementation has centered on (1) a grant to the World Food Programme (WFP) to provide a major portion of funding to the WFP/SADC Logistics Advisory Centre (LAC) for the provision of logistical coordination and information dissemination, and the mobilization of equipment and technical assistance to resolve transport bottlenecks and (2) a contract with SPOORNET to assist SADC national railways with funding for locomotives and rail wagons needed to haul the surge volume of drought relief supplies in response to the 1991/1992 drought emergency. The LAC was operated by WFP and the SADC Food Security and Technical Administration Unit (FSTAU) which received project funding through the WFP Grant. The partnership was chosen because FSTAU had the SADC mandate to coordinate the regional drought relief effort while WFP had considerable world wide experience in managing large disaster relief efforts. A cooperative working relationship has been established between A.I.D. and WFP, in which USAID/Zimbabwe as well as USAIDs in the region have been closely involved in the identification and selection of activities for grant funding. The LAC selected and approved technical assistance and equipment activities valued at approximately \$11 million to address logistics constraints around the region, of which approximately \$6.25 million was funded under the WFP Grant. These activities included funding for corridor monitoring, communications and computer equipment, cargo handling equipment, tarpaulins, tractors, trailers, etc (details of these WFP interventions are included in Attachment 2, Summary of LAC and SPOORNET Performance.) With the successful delivery of drought relief food into southern Africa, WFP and the SADC/FSTAU have essentially completed their work, and are now working with the USAID Project Officer to close down LAC project funding, in accordance with the WFP grant, on July 31, 1993.

Project funding in the amount of \$7,866,588 has been provided for the SPOORNET contract to cover wagon and locomotive hire charges (an additional \$5.4 million was provided under the National Railways of Zimbabwe Project, 690-0248). The contract will expire on July 31, 1993, having achieved its primary objective which was to (a) provide up-front foreign exchange to financially crippled SADC governments to ensure the movement of the critical

relief food and (b) encourage a number of transport efficiency measures, such as faster turn around of wagons throughout the region (see Attachment 2 for details on the WFP/LAC Grant and SPOORNET Contract Performance). With most of the surge of drought relief supplies already transported into the region, SADC railways are now returning to normal levels of traffic and no longer need to hire the extra SPOORNET wagons and locomotives that were required to save lives. To illustrate the magnitude of project-funded assistance, the SPOORNET contract provided for approximately 432,000 wagon days and 2,250 locomotive days. The USAID Project Officer is working closely with SPOORNET to ensure that final billings are received, accounts are settled and the contract is closed out in accordance with its terms and conditions.

III. DISCUSSION:

The project purpose, expanded under this project modification to support drought recovery, is to "increase long-term transportation efficiency and capacity in the SADC region, through ensuring the cost effective, timely delivery of drought relief supplies throughout southern Africa, and to improve food security in at-risk SADC countries through supporting selected drought recovery activities." The project goal is also expanded "to increase the efficiency, reliability and cost effectiveness of the SADC transport system, and to increase the potential for sustainable food security in the region."

The project, including interventions to be provided under this supplement, remains consistent with the 1991 Southern Africa Regional Program Development Strategy Statement (RDSS) objectives. Project funded activities to date are consistent with the transport sector objective "to install capacity and efficiency in the transport systems that serve regional cooperation and provide access to external markets, and foster the economic growth that will come through such access". A major objective of this project has been to enhance the dependability and reliability of the regional transport system in the face of unprecedented traffic of drought supplies.

However, due to the continuing effects of the 1991/92 drought, the project purpose is being expanded under this project amendment to assist several of the more hard-hit SADC countries to make the transition from drought relief to recovery. These drought recovery activities are consistent with the RDSS Food Security objective "to increase the potential for sustainable food security in the region." As discussed in Attachment 2, Amendment to Background and Rationale, a number of SADC countries still are food insecure. At the national level, this is mainly due to inadequate 1992/1993 rainy seasons in a number of countries. At the household level, many families in all SADC countries are still financially crippled from the devastating effects of the 1991/1992 drought which drastically reduced incomes of a large portion of the regional population, particularly small farmers and people who earn their living in the agribusiness industry. In Mozambique, where approximately two-thirds of project funding under this amendment is being programmed, the already devastating effects of the drought have been exacerbated by the

ongoing political instability. This instability combined with the 1991/1992 drought to further disrupt the economy and force a large portion of the population into inaccessible areas where relief feeding programs have become extremely difficult and costly to implement.

The design of this amendment was a collaborative effort of all SADC USAIDs. Due to the continuing dry conditions in several SADC countries and crippling 1991/1992 drought aftermath effects throughout the region, USAID/Zimbabwe explored whether there was still a need to extend and/or modify assistance under this project. On February 4, 1993, the Mission transmitted Harare 1330 (see Attachment 2) requesting SADC Missions to identify continuing drought relief or potential drought recovery needs. Responses from the Missions clearly indicated that logistics and transportation efficiency enhancements were no longer the main problem in the SADC Region.

In sum, Missions in SADC countries with continuing droughts and those most hard hit by the 1991/1992 drought, requested additional funding to assist with the transition from drought relief to recovery. Their rationale was that this assistance was necessary so their countries could once again concentrate on development activities. Activities were screened by the Project Implementation Committee and Mission Director against selection criteria detailed in Attachment 2, updated Criteria for Selection of Project Interventions. All activities selected for proposed funding are closely related to drought recovery, as each one is a response to the 1991/1992 and/or continuing 1992/1993 drought and are also requisites to assist recipient countries in recovering sufficiently to commence with ongoing development efforts.

Activities funded under this amendment will be consistent with assistance provided for in the original project paper within the context of "Operational Support at the National Level." The original project provided transport and coordination enhancements at the regional, corridor and national emergency action group levels. Activities to provide support ranging from regional coordination to the national action groups was funded because a cohesive, integrated effort was needed at each level to move the drought relief supplies from the regional ports through the regional transport corridors and finally to the at-risk populations in the urban and rural areas in each of the SADC countries. Any weak links in the chain would destroy the impact of the whole regional effort to save lives. Although the need for regional level logistics coordination has diminished due to the successful completion of massive movement of drought relief food, there continues to be a need for national level support for drought recovery. Even though the life threatening situation does not exist in all countries in the region, drought recovery is still a common objective of SADC and its member states. Unless problems such as inadequate water supplies and stocks of planting materials are addressed in countries hardest hit by the drought, at-risk people throughout the SADC region will continue to suffer very badly.

Approved activities are for seed multiplication, grain storage, village level food productivity improvements and water supply enhancements. A rural access activity to improve rural roads in Mozambique will be further reviewed by

USAID/Zimbabwe prior to final approval for project funding. Recipient countries identified to date for funding provided under this amendment are Malawi, Botswana, Zambia and Mozambique (see Attachment 2, Activities Approved for Project Funding). Major activities funded under this action will generally be implemented through NGOs and PVOs which have already carried out successful drought relief programs in their respective countries. The major exception is the rural access roads improvement to be implemented in Mozambique. The Mozambique activity will be implemented through an A.I.D. direct contract for engineering project management services and host country contracting for construction services. Additionally, small grain storage activities in Zambia and Botswana will be implemented under A.I.D. direct contracts.

Since the project must provide an expedited response in order to meet programmatic objectives, rapid implementation will be achieved by spinning off detailed design of activities and project implementation responsibilities to USAIDs in the region where the activities will occur. Implementation will be further expedited, in most cases, by providing support for the continuation of activities which are ongoing. This amendment will therefore make significant changes to Roles and Responsibilities, Procurement Plan and the Implementation Schedule of the original PP (details are contained in Attachment 2, updated Implementation Arrangements.

In accordance with selection criteria, funding approved under this PP Amendment will be obligated by Missions in each of the recipient SADC countries, with activities to be completed by May 31, 1994, the original PACD. Pursuant to authorization of this project, all activities described herein will be approved for project funding in cables to implementing Missions. These cables will detail implementation and other responsibilities of the appropriate SARP Missions and request each Mission to confirm amounts of required funding. Upon confirmation of the amounts, the Controller USAID/Zimbabwe will provide fund cites to implementing Missions, which will be then responsible for obligating project funding prior to September 30, 1993, and implementing the activities prior to the PACD of May 31, 1994. Details of modified financing financial arrangements and contracting arrangements are included in Attachment No. 2, amended Administrative Arrangements.

Justification for Incremental Funding: Approved activities in this project paper are necessary to quickly respond to requests by SADC regional USAIDs for interventions to resolve constraints and assist with drought recovery. All funds previously authorized under this project have been obligated and committed. Current estimates on disbursements indicate that all previously obligated funds will be disbursed in accordance with the timeframes included in the obligating documents. Even if there eventually are minimal residuals in the WFP Grant and SPOORNET contract, these funds would not be available early enough to provide timely assistance to SADC countries in need of quick drought recovery assistance. Furthermore, the WFP and SPOORNET agreements are obligating documents, so undisbursed residuals will not be available for reprogramming unless the Mission goes through the deob/reob process. Given the currently identified problems discussed herein and the critical need of selected SADC countries to receive drought recovery assistance, it is essential to increase the authorized Life of Project funding by \$14,980,000, from \$15,019,525 to \$29,999,525. The revised uses for project funds are shown on the following page.

SUMMARY OF ESTIMATED PROJECT COSTS BY ELEMENT (US\$)

ELEMENT	OBLIGAT. (h) TO DATE	THIS AMENDMENT	NEW PROJECT LOP TOTALS
Operational Support at Regional Level - SACCC/WFP LAC	2,050,000 (a)	0	2,050,000
Operational Support at Sub-Regional (Corridor Operations) Level	400,000 (b)	0	400,000
Operational Support at National Level	450,000 (b)	0	450,000
Rapid Response Fund - Tech Assistance	0	0	0
Rapid Response Fund - Equipment	11,866,588 (c)	0	11,866,588
AID Project Management Project Mgmt, Food Coordination Audit/Evaluation	252,078 (d) 0	125,000 (e) 0	377,078 0 (f)
Drought Recovery Activities	0	14,855,000(g)	14,855,000
	15,018,666	14,980,000	29,998,666

- Notes:**
- (a) Represents administrative and operational costs of LAC, funded under Grant No 690-0270-G-00-2048-00.
 - (b) Included under line item "Equipment for Ports, Railways and National Level Support" of the Technical and Material Assistance Fund of the WFP Grant.
 - (c) Includes \$7,866,588 for SPOORNET contract as well as \$4,000,000 under line item "Equipment for Ports, Railways and National Level Support" of the Technical and Material Assistance Fund of the WFP Grant
 - (d) Includes funding for Manager/Monitor of Project No 690-0270, Zimbabwe Food Monitor, Zimbabwe Food/Field Monitors USAID/Zambia Food Program Monitor, and Malawi Drought Mitigation Monitor.
 - (e) Funding for Manager/Monitor of Project No 690-0270 for Malawi Drought Manager.
 - (f) To be funded from PD&S as there is no overall bilateral grant which obligates funds. Grantees receiving more than \$25,000 per year will adhere to A.I.D. guidance regarding recipient audits, in accordance with grant provisions.
 - (g) Total Cost is broken out in Table 1, page 16 of Attachment 2.
 - (h) Column represents obligations, which total less than the previous authorized LOP of \$15,019,525.

Evaluation/Audit: To allow for the FY 93 obligation of all authorized project funds, evaluation/audit activities will be funded from SARP PD&S. SADC Missions requiring audits/evaluations of project activities implemented in their countries, particularly drought recovery activities funded under this authorization amendment, may request SARP PD&S funding for these purposes.

Gray Amendment: The original Gray Amendment Certification, included in the Project Paper, remains valid.

Initial Environmental Examination: The original negative determination, included in the Project Paper, remains valid for all activities, except for the rural access activity in Mozambique which has been given a positive determination, requiring that an Environmental Assessment be completed by USAID/Mozambique prior to approval of project funding. An amended IEE is included in Attachment 2, Project Paper Amendment.

Project Paper Analysis/Certifications: Except for modifications contained herein, all other analytical work, certifications and documentation in the original project paper remain valid.

Congressional Notification: Per State 181853 the CN notifying Congress of this additional project funding expired without objection on June 12, 1993.

Formal Approval of Funding: Formal approval of project funding for activities included herein will be provided by cable to implementing Missions. Fiscal Data to provide funding will also be provided by cable.

Obligation of Funds: Upon receipt of the budget allowance by the Controller, USAID/Zimbabwe, the FY 1993 obligation of incremental funding provided under this supplement will be accomplished by implementing Missions through contracts and grants. Specific guidance on the obligation and other implementation actions will be provided to implementing Missions by cable.

Issues: On June 21 the Mission Executive Committee (EC) met to review this project amendment. The EC agreed that this amendment should be finalized as soon as possible to assist SARP Missions and SADC states in implementing emergency drought recovery activities included herein. The EC further agreed that: (a) the project should not adopt broad-based drought prevention/mitigation objectives since these are of a developmental rather than emergency nature, (b) the selection process of utilizing SARP Missions to identify and screen activities is valid, (c) the shift in thrust of the project from regional transport to specific national level recovery activities is necessary to best address current drought constraints in the SADC region, (d) all project funding must be linked to currently identified activities, with no contingency element, and obligated prior to September 30, 1993 (e) SARP Missions must implement activities under this amendment in order to achieve drought recovery objectives in a timely manner, (f) project requirements do not indicate a current need to extend the services of the PSC Monitor/Administrator beyond the expiration date of his contract in October, 1993 and (g) the current May 31, 1994 PACD should not be extended under this amendment.

Pursuant to your approval of this PP Amendment and execution of the attached project authorization amendment, you will be requested to instruct the

Controller, USAID/Zimbabwe to provide fiscal data to the various SADC Missions implementing approved drought recovery activities in amounts noted herein. Authorization of the additional funding of \$14.98 million provided under this supplement, is within your authority.

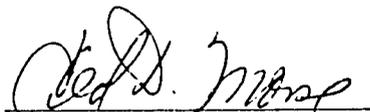
IV. AUTHORITY:

Under Section 4.A(2) of Delegation of Authority (DOA) 551, as amended, you have the authority to approve this project paper supplement and amend the project authorization. The Authorization amendment: (1) will result in a total life of project funding of less than \$30 million; (2) presents no significant policy issues; and (3) does not require waivers that may only be approved by the appropriate Assistant Administrator or Administrator.

RECOMMENDATIONS:

Based on the discussion and justification above, it is recommended that you (1) approve this project paper supplement by signing this memorandum and (2) sign the attached project authorization amendment. By your signature below, you are further confirming all determinations and certifications made in the original project authorization and actions related thereto.

Approved: _____



Ted D. Morse
Director, USAID/Zimbabwe

Disapproved: _____

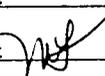
Date: _____



- Attachment:
1. Project Authorization Amendment No. 1
 2. Project Paper Supplement

SUBJECT: Action Memo to the Mission Director
Regional Drought Emergency Relief and Recovery Project Amendment No.
2, Project No. 690-0270

Clearances:

PRM: M. Ellis	draft _____	Date: <u>June 21, 1993</u>
REO: C. Scheibal	draft _____	Date: <u>June 21, 1993</u>
RTA : S. Mintz	draft _____	Date: <u>June 21, 1993</u>
CONT : D. Cutshall	draft  _____	Date: <u>June 21, 1993</u>
RLA : D. Keene	draft _____	Date: <u>June 28, 1993</u>
RRC : R. Womack	<u>Womack/Harmon fax</u>	Date: <u>June 22, 1993</u>

Drafted by JH

AUTHORIZATION AMENDMENT No 2

Name of country/Entity : Republic of Zimbabwe
Name of Project : Regional Drought Emergency Relief and Recovery
Number of Project : 690-0270

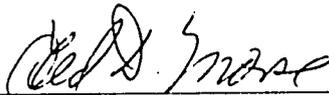
1. Pursuant to the Foreign Assistance Act of 1961, as amended, the Foreign Operations, Export Financing and Related Programs Appropriations Act of 1991 and Africa Bureau Delegation of Authority No. 551, as amended, the Regional Drought Emergency Relief Project for the Southern Africa Region was authorized on June 1, 1992 and amended on September 30, 1992. That authorization is hereby further amended as follows:

a. Paragraph One of the Authorization is amended by deleting the paragraph in its entirety and substituting the following:

"Pursuant to the Foreign Assistance Act of 1961, as amended, the Foreign Operations, Export Financing and Related Programs Appropriations Act of 1991 and Africa Bureau Delegation of Authority No. 551, as amended, I hereby authorize the Regional Drought Emergency Relief and Recovery Project involving planned obligations of not to exceed twenty nine million nine hundred ninety-nine thousand five hundred and twenty-five United States dollars (US\$29,999,525) in grant funds over a period of two years from the date of authorization, subject to the availability of funds, in accordance with the A.I.D. OYB/allotment process, to help in the financing of foreign exchange and local currency costs for the program. The planned life of program is two years from the date of initial obligation."

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

Signature: _____



Ted D. Morse, Director
USAID/Zimbabwe

Date: _____



SUBJECT: Amendment No 2 to Project Authorization
Regional Drought Emergency Relief and Recovery Project No.
690-0270

Clearances:

PRM: M. Ellis	draft _____	Date: <u>June 21, 1993</u>
REO: C. Scheibal	draft _____	Date: <u>June 21, 1993</u>
RTA : S. Mintz	draft _____	Date: <u>June 21, 1993</u>
CONT : D. Cutshall	draft <i>no</i> _____	Date: <u>June 21, 1993</u>
RLA : D. Keene	draft _____	Date: <u>June 28, 1993</u>
RRC : R. Womack	<u>Womack/Harmon fax</u>	Date: <u>June 22, 1993</u>

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-11'

Regional Drought Emergency Relief and Recovery
Project Supplement No. 2

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I. Amended Project Analyses

A. Background and Rationale

1. The Drought

This section updates the summary of impact of the 1991/1992 drought in the SADC region, contained in the original Project Paper. Since the project was authorized on June 1, 1992 to assist with the regional drought relief effort, the drought has had a continuing, negative social and economic impact on a number of countries in the region. This continuing impact has been felt, in particular, in countries which did not experience adequate rainfall during the 1992/1993 rainy season. Yet, negative economic effects resulting from the massive food importation programs and lost agribusiness income continue to plague all countries in the region. A brief summary follows on rainfall and agricultural production throughout the region during the present production season.**

ANGOLA

Agromet Update reports that the satellite rainfall index showed generally wet and favorable conditions throughout the country, although the coastal and highlands provinces reported dry conditions in January. Localized drought has hit south-western areas. The crop remained in good condition throughout the grain-filling to maturity stages. Rains have been below normal in several of the pastoral areas of the south west, tailing off in the latter part of February. However, precipitation in the main growing areas has been generally adequate for crop development.

FAO reports that crop production prospects are likely to be adversely affected by civil strife. A recent FAO/WFP Crop and Food Supply Assessment Mission has found that, with much of the agricultural labor force internally displaced, a significant proportion of the 1992/93 coarse grains crop is likely to rot in the fields. The main constraint to production has been the fighting, which has been particularly intense in the areas which contribute most of aggregate cereal production. Fighting in Angola continued to be intense through April, with large areas of the country still under UNITA control. Through that period, relief food distribution was at a virtual standstill and rural markets were severely disrupted. The population of Huambo was cut off from all external supplies and several provincial capitals were inaccessible to relief assistance. WFP is operating airlifts to a number of areas, but road transit is virtually impossible to most central and northern locations.

The outlook is therefore unfavorable for the main 1992/93 cereal grains crop, which is provisionally estimated at some 320,000 tons, significantly lower

** Note: Information in this section has been extracted from the SADC Food Security Bulletin "Agromet Update" published March 10, 20 and 31 (last publication of the season). Other information was taken from FAO Publications "Food Supply Situation and Crop Prospects in Sub-Saharan Africa - Special Report" (April 1993) and "Food Crops and Shortages - Special Report" (April 1993).

than the 1991/92 level of 450,000 tons. There have been acute shortages of all farm inputs and fresh waves of population displacement have meant that much prime agricultural land has not been cultivated. The total cereal import requirement for the 1992/93 marketing year which has now ended was estimated at 370,000 tons, comprising 165,000 tons of commercial imports and 205,000 tons of cereal food aid. Donor pledges amounted to only 134,000 tons, of which less than two-thirds was received.

Much of the population of Angola will be vulnerable to famine in 1993/94. Although the Province of Huila escaped the worst of the fighting, continuing drought conditions have reduced both crops and livestock herds and the food situation is critical. Relief food distribution to most northern and central areas continues to be severely constrained, necessitating extensive use of airlifts. It is tentatively estimated that some 1.9 million conflict and drought-affected people, displaced persons and returnees will require emergency food assistance of some 300,000 tons in 1993/94. However, poor road access caused by mines and destroyed bridges limits the logistic capability and it is unlikely that this quantity can be distributed. Extensive, costly airlifting of supplies is planned for which international assistance is urgently needed.

BOTSWANA

The cumulative seasonal rainfall index, per Agromet reports, shows that the whole country received below normal rains through early March. Yield prospects, affected by a severe dry spell from late December to mid-January, were further reduced by the continuing soil moisture stress through mid-March. Through this period, the maize crop, then in the vegetative to flowering stages, was in poor to fair condition, except in the southern and eastern districts of Southern Kgatleng, Kweneng, Central, and Chobe, where the crop was in fair to good condition.

Widespread light to moderate rains across Botswana in late March relieved the prolonged soil moisture stress reported earlier. These rains improved prospects for the 1992/93 coarse grains crop, but yields are expected to be below average since the earlier dry spell resulted in poor germination and, hence, low plant density. Operations are underway to control an extensive outbreak of armyworm. The rains have led to an improvement in pasture availability and livestock quality. This points to a gradual reduction in the numbers of livestock owners in need of relief assistance in 1993/94.

FAO reports the area planted to 1992/93 cereal crops, although up from last year, is officially estimated to be below the recent five year average. Provisionally, the 1993 cereal harvest has been estimated at a level of 34,000 tons. Sowing was delayed in several areas as ploughing was hampered initially by the poor condition of draught animals and localized shortages of tractors. For the 1992/93 marketing year which has now ended, the cereal food aid requirement was approximately 20,000 tons, of which 10,000 tons were delivered.

Commercial cereal imports are forecast to remain large in the current 1993/94 marketing year (April/March) for human and livestock cereal consumption, although there are an estimated 74,000 tons of cereal carryover stocks. With the prospect of another below average crop in South Africa, it is likely that cereal prices will continue to be high as part of the supplies may have to be imported from outside the sub-region.

The Comprehensive Drought Relief Programme, implemented in 1992 in response to the 1991/92 drought, is expected to be extended into 1993/94. The program will, among other things, provide for feeding of children and vulnerable groups.

LESOTHO

Through early March, Agromet reports the maize crop, in the northern lowland districts of Buthe, Leribe, Berea and Maseru, was in fair to good condition. The crop in the southern districts, then in tasseling stage, remained in poor condition, with more rains needed in the next few weeks. Subsequent patchy rains further adversely affected yield prospects. A preliminary maize production forecast of 55,000 tonnes was therefore scaled down to 35,000 tonnes, which is significantly lower than last season's production of 56,000 tonnes. In late March scattered light rains were received across the country, benefitting the late planted crop and the pastures.

FAO also reports the outlook for the 1993 cereal harvest remains poor. Overall planted area was sharply reduced by shortages of draught power and inadequate soil moisture. Indications are that the crop, while exceeding last year's very poor level, will be sharply below average. Aggregate 1992/93 cereal output is provisionally set at 50,000 tons which is less than 30 percent of average and below last year's poor harvest. However, the final outcome depends critically on late season weather conditions for late planted (and re-planted) maize. Harvesting of the summer wheat crop commenced in April; planted area was significantly below average. Although the estimated commercial and food aid import requirement in cereals for 1992/93 (July/June), estimated at 274,000 tons, is virtually covered by contracts and pledges, actual deliveries have been slow.

Large imports will be required again in 1993/94. Pending the estimate of the harvest, the cereal import need is forecast to exceed 350,000 tons, most of which is expected to be imported commercially. However, substantial quantities of cereal food aid will also be required, partly to cover feeding programs for vulnerable households.

MALAWI

Agromet reports that the dry spell in early December caused wilting in early plantings and necessitated replanting in some areas. However, through early March widespread rains generally continued in northern districts, while southern areas received more moderate falls. Late season heavy rains in the northern districts introduced problems of weed control, accelerated loss of soil nutrients, and increased cob rot, which might adversely affect final yields.

FAO reports that the generally good rains and a marked increase in the use of hybrid maize seed have contributed to higher yield expectations. Also, successful schemes were implemented to distribute farm inputs to smallholders affected by the 1991/92 drought. Therefore, a sharp improvement in cereal, food and cash crop production is now anticipated, although some regions have experienced crop losses from army worm infestation. Total cereal production is provisionally estimated at some 1.9 million tons which is significantly above average. The higher yields will offset a marginal reduction in planted area.

Although recent deliveries of cereal imports have eased the overall food situation, and supplies for emergency programs for drought affected persons and refugees have been increased, the commercial sector has been seriously under-supplied. Arrangements were made to divert 50,000 tons of maize, originally destined for the relief sector, to the market sector, as there was a build up of relief stocks. A slow donor response to program food aid requirements and logistical problems in the transportation of cereal imports through Mozambique and within Malawi have resulted in a substantial deficit in 1992/93. This has been reflected in increased malnutrition rates and famine-induced migration in the southern areas.

Total 1992/93 pledges and initial indications of a small domestic surplus promise a sharp improvement in the current domestic cereal supply shortage. The gradual return of refugees to Mozambique will also help to ease the situation.

MOZAMBIQUE

Agromet advises that 1992/93 rains were a marked improvement on the 1991/92 season. Main growing areas located in the northern provinces of Cabo Delgado, Niassa, Nampula and Zambezia received abundant rains from mid-December through early March. These rains greatly benefited the maize crop in the northern provinces which was in good condition in the grain-filling to maturity stages. However, rainfall in March was patchy and erratic in several central and southern areas, causing the maize crop in these areas, then at maturity stage, to suffer some moisture stress. In late March, however, rains in the south relieved some of the stress on the maize crop and should increase yields.

FAO reports that the continuing displacement of much of the agricultural labour force and critical shortages of draught power, seeds and tools have been a major constraint to plantings in all areas. Although the 1992/93

coarse grains crop is expected to exceed last year's sharply reduced level, a late start to the season necessitated widespread replanting, exacerbating shortages of short cycle seeds. Given the delayed planting, the size of the harvest depends on weather conditions in the latter part of the growing season. Although good yields can be expected in several areas, overall cereal production will remain well below pre-war levels. Given the sharp regional disparities in cereal production, there will probably be scope for donor financed purchases of local surplus. A recent FAO/WFP Crop and Food Supply Assessment Mission provisionally estimated the aggregate 1992/93 cereal production at 770,000 tons, including 533,000 tons of maize, 165,000 tons of sorghum and millet, and 73,000 tons of rice (milled). This is an above-average crop and more than three times last year's poor harvest.

No significant carryovers of the 1991/92 crop are expected, but 1992/93 food aid pledges in the pipeline and current stock levels provided an opening stock as of 1 May 1993 of roughly 67,000 tons of cereals. With the estimated domestic output, this gives a total cereal availability of about 840,000 tons. A total import requirement of 690,000 tons for 1993/94 marketing year (May/April) is envisaged. This is in light of total cereal utilization including the human consumption requirement, forecasted closing stocks on 30 April 1994, post harvest losses and other non-food uses, which are estimated at some 1,530,000 tons. Only 70,000 tons is expected on commercial terms, leaving a food aid requirement of 620,000 tons.

In addition to food aid, external assistance is also required for the supply of seeds and tools for the 1993/94 cropping campaign. Credit support to private traders is needed to promote marketing of staple foods from surplus producing areas.

Pockets of insecurity have been reported from Zambezia and Nampula Provinces, although the cease-fire is generally holding. There has been a marked increase in the number of returns from neighbouring countries. A total of 130,000 returnees have been registered in Tete Province, mainly from Malawi. The rate of offtake of emergency food aid deliveries has increased in recent weeks, allowing some for a minimal build-up of cereal stocks at the national level. Initial indications are that substantial quantities of 1992/93 pledges will be carried over for delivery in 1993/94.

NAMBIA

FAO reports that, after a poor start to the 1992/93 season, rains continued through March and the outlook for the late planted coarse grains crop was improved somewhat, particularly in the Caprivi area. After a dry spell in December, good rains were received in the coarse grains growing areas of Caprivi, Kavango and Ovambo in January and February. Elsewhere the rains have been poor and the levels of irrigation dams continue to be low.

Agromet reported that moderate and widespread rains were received in Omusati and northern Kunene regions. However, only light and isolated rains were received in the eastern regions of Okavango, Caprivi and Karas during March.

The crop, then in the flowering to grain-filling stages, was generally in fair to good condition. The rains received in the central and northern areas in late March assisted the late planted maize crop in the Maize Triangle and Caprivi. Maize production is now forecast at 30,000 tons from both commercial and subsistence producers.

FAO reports confirm indications of a reduced harvest. While the rains have resulted in a marked improvement in yield prospects in the north, particularly of late and replanted crops, plantings were constrained by a delayed start of the rains, inadequate soil moisture and shortages of draught oxen, particularly in Ovambo and Okavango. Coarse grains production is provisionally estimated at reduced level of around 70,000, implying that over a half of the consumption requirement for the 1993/94 marketing year (May/April) will have to be imported.

Anticipated and actual commercial cereal import deliveries for the 1992/93 marketing year (May/April) exceed the estimated total cereal import requirement. As a result, the overall food situation remains satisfactory and there are prospects of some build up of carry-overs. Nevertheless, acute pockets of food insecurity remain in the communal farming areas, and households have yet to recover from the disastrous 1991/92 crop season. A total of 220,000 persons continues to receive relief assistance at least until May 1993, when the domestic crop started to appear on the market. Sales of livestock have sharply declined, suggesting that pasture conditions are improving.

SWAZILAND

The 1992/93 rains began late, and only light rains were received in the high veld in September and October. Although good rains were received from late October, intermittent dry spells from late November to early January adversely affected yield prospects, particularly in the middle and low veld. February and March rains were normal, but, as reported by Agromet, cumulative rainfall for the season was below average in a number of areas, particularly in the south.

FAO reports confirm that yields are provisionally forecast to be about normal, with somewhat above average yields in the wet middle veld and high veld being offset by lower yields in the low and dry middle velds. Planted area has been constrained by shortages of draught power, as the number and quality of draught oxen was seriously reduced by the 1991/92 drought. Plant density is low in some areas as a result of low soil moisture at planting and poor germination. The late start to the season also necessitated replanting in December and early January. Therefore, aggregate cereal production is forecast to be only about half of normal, with the production of maize in 1992/93 tentatively estimated at about 70,000 tons.

The cereal import requirement for the 1992/93 marketing year (which ended in April) of some 137,000 tons comprises 91,000 tons of commercial imports and 46,000 tons of food aid, much of which is now covered by commercial orders and

donor pledges. Although the rains have generally improved pasture conditions in the middle and high veld areas, herders in the low veld continue to experience difficulties in accessing adequate feed and water supplies. This, and the localized 1992/93 crop failures in low veld areas, point to a continued need for relief programs for vulnerable groups during 1993/94 (May/April).

The cereal import requirement for the 1993/94 marketing year (May/April) is provisionally forecast at some 90,000 tons, most of which will be imported on commercial terms, but some cereal food aid will also be required. With the uneven performance of 1992/93 crops, it is likely that farmers in the low veld and dry middle veld areas will continue to face food insecurity in the coming marketing year. NGOs are likely to continue to play a key role in providing relief assistance to these areas.

TANZANIA

Agromet reports indicate that, through early March, the satellite rainfall index showed heavy rains in the southern areas of the country, and lighter to moderate falls elsewhere. Rainfall in the unimodal areas of the centre and south has been generally adequate and the maize crop in the main growing areas of the southern highlands is in fair to good condition. The maize crop, then at grain-filling to maturity stages, continued to thrive. Prospects for a good harvest remain.

During March, the satellite rainfall index indicated that heavy rains continued to fall in the southern, western, and central parts of the country. These seasonal long rains continued to benefit the crop, ensuring that it was still in good condition. Elsewhere in the northern and eastern parts of the country, the short rains "vuli" season ended by mid-March. The crop reached the maturity stage and early harvesting was reported in Lake Victoria basin and Tanga region, with the first crop being harvested by mid-March. Planting for the second crop started shortly thereafter, with maize at the early vegetative stage in some areas by April. A maize production forecast of 2.6 million tonnes is anticipated.

FAO reports that, although fertilizer supplies were close to average in the region, logistical problems meant that deliveries of nitrogenous dressings were too late for optimal applications in many areas. Localized armyworm infestations were reported and crops in some areas have been lost to flash floods. These floods, which were particularly severe in Tanga District, have left over 30,000 people homeless and in need of relief assistance and caused extensive damage to infrastructure.

The national food situation has been improved by the arrival of the 1992/93 short rains crop on the market, and abundant supplies of green maize. As of the April FAO report the stock position in the Strategic Grain Reserve was estimated at slightly over 100,000 tons, most of which is likely to be carried over into 1993/94. Prior to the short rains harvest, cereal prices had been rising sharply in the deficit areas of Mwanza and Mara, as a result of internal

transportation constraints. Rice prices have been unseasonably high, influenced by the poor harvest of 1991/92 and by uncertainty over the prospects for the current crop.

ZAMBIA

The satellite rainfall index, per Agromet reports, shows widespread moderate to heavy rains over the whole country associated with the ITCZ through early March. The crop, then in the maturity stage in some parts of the country, was in good condition. The prospects for a bumper harvest remained bright at that time.

During most of March, heavy rains continued to fall in northern and eastern provinces, while light to moderate falls were recorded over the southern half of the country. The maize crop, reported to be in very good condition, was at maturity stage in many parts of the country by mid-March. However, the late maturing varieties and the late planted crop still required about one more month to reach maturity.

The satellite rainfall index shows widespread moderate to heavy rains throughout the country in late March. These late rains had the potential to reduce the harvest, which was well underway in many areas. Drier conditions were needed thereafter to facilitate the drying of the maize crop. A good harvest of 1.7 million tonnes is forecast.

FAO reports the rains tailed off in April in central and southern areas where harvesting of 1992/93 cereal crops was already underway. Although medium and large scale farmers were able to respond to expectations of higher producer prices, scarcity of credit severely constrained smallholder purchases of seed and fertilizer.

There is considerable uncertainty among traders and farmers regarding marketing arrangements for the 1992/93 crop. The Government does not have the financial resources to purchase a major part of the crop. On-farm and private grain trader storage, handling and haulage facilities are very limited. Consequently a high level of post harvest losses is anticipated, particularly where there was a late tail to the rains.

The national food supply situation is satisfactory with supplies of domestically produced vegetables, roots, tubers and green maize on the market. The cereal import requirement for the 1992/93 marketing year (May/April) has been estimated at about 1 million tons, all of which has been covered by commercial imports and food aid pledges. With deliveries of commercial and food aid imports, the national cereal supply situation remains satisfactory. Imported yellow maize, including food aid, continued to arrive during April, and, with demand currently weak for this cereal, a substantial stock build-up is anticipated. Nevertheless, falling average real wages and the partial liberalization of maize meal prices have meant that vulnerable urban groups have had increasing problems in maintaining their food consumption level.

ZIMBABWE

After a late start to the season, sufficient rains were received in most of the main growing areas for the 1992/93 maize crop. While much of the crop will be harvested on schedule, and is in good condition, the widespread late plantings mean that late season rains will have had an influence on the final outcome. Agromet reports the northern half of the country received useful rains at the southern edge of the Inter Tropical Convergence Zone through early March. Some of the late planted crop in the south was reported to be under moisture stress at that time. Thereafter, light to moderate rains continued to be confined to northern areas of the country. The late planted crop, then at vegetative to flowering stages, suffered moisture stress during March, especially in the southern parts of the country, with more rains still needed to take this crop to maturity. The main growing regions of Zimbabwe have received substantial rains and the maturing maize crop is reported to be in generally good condition in Mashonaland and Masvingo, and fair in Matebeleland and Midlands. However, the abundant rains have resulted in exceptional levels of weed growth.

Weather conditions are now seasonably dry in southern and central areas. Harvesting operations started in some areas in late March, and drier weather conditions were needed to assist the drying of the crop in those areas. The widespread light rains during late March helped to improve harvest prospects in areas where the crop was planted late. A preliminary maize production forecast of 1.7 million tonnes has now been revised upwards to 2.1 million tonnes.

FAO reports that shortages of draught oxen necessitated hand ploughing in several areas, where reduced yields are expected. Heavy rains in February washed away nitrogenous dressings in some areas and fertilizer supplies were generally inadequate. Nevertheless aggregate cereal production (including a highly tentative forecast for winter wheat) is set at 2.5 million tons, which is about normal. Pasture conditions have improved markedly in most parts of the country, although armyworm infestations are reported from parts of the Midlands.

The current food supply situation is satisfactory, with substantial cereal stocks and prospects of an average crop. Improved pasture conditions and water supplies will allow some livestock replenishment, after last year's widespread losses. Nevertheless, food security problems are expected to persist in rural areas. The 1991/92 drought reduced herd-sizes and cash/food crop harvests. As a consequence many farmers have had to become heavily indebted to meet consumption requirements.

The cereal import requirements for the 1992/93 marketing year (April/March), which has now ended, are about 2.4 million tons. Commercial and food aid imports already exceed this total. With a continuing flow of 1992/93 commercial and donated cereal imports, carryover stocks are substantial. This, combined with the forecast domestic production and plans to build up reserve stocks, implies a cereal import requirement to meet food and non-food uses for 1993/94 of some 380,000 tons, which has already been covered by commercial contracts.

2. Regional Response to the Drought

The World Food Programme summarized the regional performance in coping with the drought in its recent publication "Disaster Averted: Southern Africa Fights the Drought of the Century." To put the regional relief effort in perspective, the 1991-1992 crop failure in the region was worse than that experienced in the Horn of Africa in the mid 1880s. Roughly five times more food (including commercial imports) was shipped into the region than was shipped into the Horn during the famine of 1984/1985. The region, usually an exporter, had to import 11.6 million tons of food between April 1, 1992 and April 30, 1993 with an estimated commodity and transport cost of US\$4 billion. This tonnage, representing a six-fold increase over normal volumes, was additional to normal traffic.

According to WFP, this volume of traffic could have been moved only through unprecedented regional cooperation, as 6 transport corridors and 12 ports were all needed to bring drought relief commodities into 11 countries in the region (including South Africa). Berthing priorities, port congestion warehousing, loading onto trains and trucks, border crossings and customs clearances, transshipments and a host of other problems had to be resolved to move the food smoothly to the 20 million at-risk people in the region.

Beira ranked first among regional ports, handling 1.3 million tons of food. Durban forwarded approximately the same tonnage to SADC countries while handling about 4 million tons for South Africa. The rail system handled about 85% of the food traffic destined for landlocked SADC countries. The rail corridor through Beitbridge was the most utilized, carrying more than one third of the total. Despite the huge additional demand on the regional rail system, almost 3.5 million tons in excess of a normal year, the system coped well, even in the face of low offtake through the Northern Corridor (Zambia Railways and TAZARA).

The good performance, according to WFP, must be attributed in large part to the major investments made to improve the infrastructure and to train professionals, coordinated by the Southern Africa Transport and Communications Commission of SADC during the 1980s. Due to the relatively good infrastructure and an effective private sector in the region, it was necessary for the donor community to provide only limited assistance in the form of logistical coordination and selected physical and transport efficiency enhancements to address key bottlenecks in the transport system.

At the national level, WFP cited the generally good performance of SADC governments, UN agencies and NGOs in pooling resources and expertise to deliver aid to the needy, while avoiding undue duplication of efforts and overlapping of programs. NGOs were often responsible for the final distribution of food to people and the provision of potable water at the village level. Food-for-work schemes proved effective, especially in Zambia. Supplementary feeding programs at schools and health clinics proved an effective means of stabilizing the health of children and mothers, particularly in Zimbabwe and Botswana. Although getting off to a late start, Swaziland and Lesotho succeeded in moving relief food where it was needed.

In sum, WFP noted that the relief effort demanded careful regional planning and unprecedented coordination. The experience gained and linkages

established should continue to play a constructive role in the region after the drought is over. This experience promises to be very positive as regional cooperation is the main idea behind the SADC goal of economic integration. Project funded assistance to the Logistics Advisory Centre operated by WFP and the SADC Food Security and Technical Administration Unit assisted in this logistics coordination and transport efficiency effort through the dissemination of critical information on food shipments into the region and the provision of technical assistance and equipment to address bottlenecks in the transport system.

In addition, the project-funded SPOORNET contract provided foreign exchange to financially crippled governments to pay for additional locomotives and wagons to haul the drought relief supplies and to encourage transport efficiency measures such as the faster turn around of wagons. Details of the performance of these activities is summarized in Section II of this supplement.

B. Criteria for Selection of Project Interventions

The original selection criteria for project funding focused on measures which could provide quick improvements to the transport system. These criteria narrowed down a very wide range of possible drought-related activities to those which supported SARP and SADC development objectives of increasing transport efficiency. Since June 1, 1992, when the project was authorized, countries in the SADC region have generally responded well to the massive task of importing drought relief supplies and transporting them to inland destinations, as indicated by the approximately 11.6 million metric tons of food imported between April 1, 1992 and April 30, 1993 (according to WFP "A Disaster Averted"). Therefore, it is not likely that the regional transport system will require further interventions such as the project funded LAC and SPOORNET locomotive and wagon hire contract to meet the demand for transport services. This is particularly the case in light of the FAO estimate that reduced levels of food imports will be sufficient to cover shortfalls during the 1993/1994 marketing season which has just begun.

However, as indicated in the Background and Rationale section of this supplement, there is still a regional drought problem as a number of lasting effects resulting from the 1991/1992 drought are observed throughout southern Africa. These effects are related primarily to the drought's crippling impact on household incomes, food supplies, and increased levels of debt, as well as lost production and jobs and increased government deficits in the national economies of SADC countries. The situation was made considerably worse in a number of countries where the 1992/1993 rainy season was less than average.

In view of this, USAID/Zimbabwe queried SARP Missions as to whether additional drought related assistance was still needed (see Section III, Harare 1330). As guidance, SARP USAIDs were advised that this project might be expanded to provide additional assistance to cope with continuing effects of the 1991/1992 drought, assistance for the 1992/1993 drought, and assistance for drought recovery. In sum, no USAIDs in the SADC region indicated that a continuing need for activities to provide logistical and transport related efficiency enhancements.

Instead, SARP USAIDs requested assistance for drought recovery. These requests were screened by the Project Implementation Committee and the Director of USAID/Zimbabwe, using the following amended selection criteria. These criteria are now included under the project, in addition to selection criteria included in the original project paper, focusing on the transport aspect drought relief.

Selection Criteria

1. Activities should be a response to, or address a result of the 1991/92 or continuing 1992/93 drought, with a demonstrable linkage to these droughts. (Note: Long-term transport development activities, with no direct, demonstrable linkage to the droughts, should be assessed in view of regular SADC/SARP/STEP regional criteria for funding and programming outside the drought framework.)

2. Activities should be critical to recovery from these droughts. Recovery assistance could cover such activities as: (1) seed multiplication and distribution if drought precluded seed retentions and multiplication, or where adequate farm household funds to purchase seed were severely limited by drought induced low farm incomes, (2) water restoration where previous supplies have not been recharged due to the severity of the 1991/1992 or continuing 1992/1993 droughts, (3) livestock herd restocking where destocking was directly related to drought and replacement is critical to ploughing and related food supply activities, and does not result in overstocking a drought diminished environment, (4) continued supplementary or therapeutic feeding of drought induced (not chronic) malnourished, (5) and other drought-related activities. The above is not intended to be a restrictive list, but merely gives a few examples.

3. Activities should not be mechanisms to prevent and/or cope with ramifications of a future drought situation. This is not intended to be a broad-based famine or drought mitigation project, as important as this work is to the SADC region.

4. To expedite assistance, drought recovery activities receiving SARP funding will be included under the existing Project No 690-0270 (as amended herein) to the greatest extent practicable, if conditions A-C have been met.

5. USAID/Zimbabwe will only amend the Project Paper and Authorization - all activities included under the amendment must be planned/designed/negotiated/obligated/managed/implemented/monitored by the USAID submitting the request to USAID/Zimbabwe, which will approve funding (responsibilities of regional USAIDs will include compliance with Agency obligation and implementation actions).

6. Since USAID/Zimbabwe will act only as accounting station and overall monitor for project implementation - implementing missions must execute obligating documents such as contracts, Handbook 13 Grants, or bilateral agreements between the Missions and the respective SADC governments or non-governmental organizations. Therefore the ability to execute obligating documents by September 30, 1993 will be a prerequisite for approval of activities for project funding.

7. Activities must be concluded within the existing May 31, 1994 PACD of Project 690-0270, as contained in the CN and agreed with AID/W in the original programmatic concurrence for the drought emergency project. It is therefore envisaged that activities funded under 690-0270 will be of a short duration.

C. Activities Approved for Project Funding Under this Amendment

Drought recovery needs have been solicited from each of the SARP USAID Missions. Requests were received and reviewed by the Project Implementation Committee against the criteria detailed in the Update of Criteria for Selection of Project Interventions. Activities selected for project funding under this amendment are summarized below in Table 1, with more detailed descriptions contained in Section IV of this supplement which contains descriptions, received from the SARP USAIDs, of activities reviewed for funding under this supplement. It is important to note that, per Table 1, all activities, except for the Rural Access Activity (RAA) in Mozambique, have received final approval in this Project Paper Amendment. Due to the size and complexity of the RAA in Mozambique, project funding for this activity will be withheld pending a further review, by USAID/Zimbabwe personnel, of activity design documentation currently being finalized by USAID/Mozambique.

Formal approvals of funding under this amendment will be transmitted in cables sent from USAID/Zimbabwe to implementing Missions. These notification cables will:

1. approve specific activities,
2. advise the amount of funding approved,
3. detail specific implementation responsibilities of Missions receiving funding under this project amendment,
4. request confirmation of funding amounts and acceptance of implementation responsibilities by return cable from implementing Missions, and
5. request submission of implementation plans to the Regional Engineer, USAID/Zimbabwe.

Implementing Missions will be requested to send to USAID/Zimbabwe a response cable confirming funding amounts and accepting implementation responsibilities, and implementation plans via courier. Upon receipt of response cables and implementation plans, the Controller, USAID/Zimbabwe will cable fund cites to enable implementing Missions to allow for the execution of obligating documents. Further details on project implementation, funding and financial arrangements follow in sections on amended Implementation and Administrative arrangements.

D. Implementation Arrangements

1. Roles and Responsibilities

a. A.I.D.: In accordance with DOA 551, as amended, the Director, USAID/Zimbabwe will approve this Project Paper and authorization amendment. USAID/Zimbabwe will continue to be responsible for activities related to the

Table 1
Summary of Activities Approved for Funding

COUNTRY	ACTIVITY	APPROVAL STATUS	DROUGHT PROJ FUNDING (\$000)	COMMENTS
MALAWI	SEED MULTIPLI- PLICATION	APPROVED	250	GRANT AMENDMENT TO IITA
	WATER	APPROVED	1,600	GRANT AMENDMENT TO SAVE THE CHILDREN
	DROUGHT OFFICER	APPROVED	125	PSC
BOTSWANA	GRAIN STORAGE	APPROVED	46	WORKSHOP
ZAMBIA	GRAIN STORAGE MANAGEMENT TA	APPROVED	120	CONTRACT
	PROGRAM AGAINST MALNUTRITION	APPROVED	1,998	GRANT TO PAM/ UNICEF
MOZAMBIQUE	FEEDER ROADS SUBCOMPONENTS: UPGRADE GRAVEL TO TAR & RESEALING	FINAL APPROVAL PENDING	10,841	DIRECT CONTRACT FOR PROJ MGMT & HC CONTRACTING: ADDITIONAL CLARIFICATION REQUIRED PRIOR TO APPROVAL.
TOTAL - AUTHORIZED THIS AMENDMENT			14,980	
TOTAL - PREVIOUS AUTHORIZATION			<u>15,019</u>	
TOTAL - INCLUDING FY 1993 OBLIGATION			29,999	=====

project authorization and will maintain overall project monitoring responsibilities. Although USAID/Zimbabwe will continue the services of the PSC Project Monitor/Administrator at least until the start of FY 1994, major implementation and monitoring responsibilities will shift for drought recovery activities from Harare to SARP Missions. The PSC Project Monitor/Administrator will be primarily involved in the closeout of the project-funded WFP Grant and the SPOORNET contracts which terminate on July 31, 1993, in accordance with A.I.D. procedures. A secondary, but important function will be assisting SARP USAIDs in the start-up of activities funded under this amendment, particularly in facilitating the provision of necessary fiscal data to Missions to enable them to obligate project funds prior to September 30, 1993. The Office of the Controller, USAID/Zimbabwe will: (i) remain the accounting station for the project, (ii) receive the budget allowance, (iii) provide fiscal data to SARP USAIDs to fund activities approved under this PP amendment, and (iv) report obligations to AID/W. RLA responsibilities related to amending the PP or Project Authorization will be provided by USAID/Pretoria. A plan to shift RLA responsibilities to USAID/Swaziland, in accordance with the A.I.D. reorganization of support activities in the region, will be developed as soon as possible. Implementation support for activities funded under this amendment will be provided by the RLAs, RCMOs and RCOs that normally provide services to the various Missions which are implementing drought recovery activities.

The Direct Hire Regional Engineering Officer (REO), based at USAID/Zimbabwe, will continue to be the Project Officer, but his role will mainly be related to coordination with SARP USAIDs to ensure that required impact monitoring reports are received by USAID/Zimbabwe, thereby ensuring that activities are implemented at a sufficient pace to be concluded by the PACD of May 31, 1994. The REO will also facilitate any necessary actions related to amending the PP and Project Authorization, coordinating project evaluations and carrying out project close-out actions.

SARP USAIDs will be responsible for all implementation activities required to execute agreements obligating funds provided under this amendment, manage the activities, monitor implementation progress and measure impact of the activities against the project purpose and goal. These activities will include, inter alia, detailed implementation plans, host country contracting capability assessments, contracting, Initial Environmental Evaluations as appropriate, recipient audits and grantee management/financial capability assessments, program reporting and evaluations. SARP Missions will utilize existing support relationships with regional engineers, contracting officers and lawyers to ensure the satisfactory implementation of activities under their supervision.

b. Host Country: Host Country responsibilities will shift from the SADC/Food Security and Technical Administration Unit (FSTAU), which has the regional mandate to coordinate and facilitate the drought relief effort, to appropriate entities in each SADC country receiving funding for activities under this amendment. While A.I.D. will coordinate closely with SADC/FSTAU on recovery activities funded under this amendment, FSTAU's LAC project funding (provided through the World Food Programme Grant) will end on July 31, 1993.

Roles and responsibilities of implementing institutions in the various SADC countries receiving funding under this project authorization amendment will be

formalized through negotiations with the appropriate SADC USAIDs in finalizing obligating documents. SARP USAIDs will submit to USAID/Zimbabwe the appropriate obligating documents, implementation plans and brief quarterly implementation progress reports.

2. Procurement Plan

a. Responsibilities: Procurement responsibilities will shift from the REDSO/ESA/RCO, who handled the SPOORNET contract and assisted the USAID/Zimbabwe Director in formulating the WFP Grant, to contracting officers serving the various SADC Missions where activities funded under this supplement will be implemented. Implementing Missions will be responsible for all procurement actions, including, inter alia, required host country contracting capability assessments and certifications, grantee assessments, PVO registrations, and waivers. It is important to note that, per State 206441, the "Southern Africa Drought Relief: Determination to Waive Federal Requirements for Full and Open Competition" was extended to May 31, 1994 by the A.I.D. Procurement Executive (if this authority is desired implementing Missions are reminded to request concurrence from the Controller, USAID/Zimbabwe). Therefore, each Mission will need to review the "less than full and open competition" issue on a case by case basis, as may be required to achieve timely implementation and the attainment of project objectives.

b. DFA: Implementing USAIDs will be responsible for acting in accordance with DFA guidance in the procurement of goods and services, ensuring that U.S. procurements are utilized to the greatest extent practicable in achieving project objectives. It is anticipated that DFA flexibility in procuring services and commodities from Code 935 countries, as required to ensure compatibility with existing systems and spare parts interchangeability, will be used as necessary or appropriate.

c. Gray Amendment: Implementing Missions will give every consideration to contracting or subcontracting with Gray Amendment firms, particularly women and minority owned entities. This will be especially relevant for A.I.D. direct contracts.

3. Implementation Plan

The original implementation plan remains valid except for activities funded by this action. For activities included in this supplement, implementing Missions should submit to the Regional Engineer, based in Harere, a copy of the implementation plan for their activities. As previously mentioned, release of funding under this amendment will be conditioned on receipt of implementation plans by USAID/Zimbabwe. For less complex activities, i.e. the grain storage workshop in Botswana, this is not required. Missions may accomplish this by providing draft copies of the relevant contracts/grants used to obligate funds if these documents contain sufficiently detailed implementation schedules.

E. Administrative Arrangements

1. Obligations/Methods of Financing

USAIDs implementing activities funded under this supplement will be responsible for the selection of methods of financing and executing appropriate obligating documents. Methods of financing will be determined by

implementing Missions, which will be responsible for administrative approvals, certifying vouchers and processing Advice of Charges to USAID/Zimbabwe, the accounting station. All methods of financing used must be on the approved lists which are issued by AID/W.

2. Monitoring and Tracking

Performance Indicators

Under Monitoring and Tracking, the original Project Paper contained input, output and purpose level indicators. The input and output level indicators have been monitored the PSC Project Monitor/Administrator, through site visits and reports provided by WFP and SPOORNET. For activities funded under this project authorization amendment, each USAID will be responsible for determining and monitoring performance indicators for its activities. The indicators should, at a minimum, measure the delivery of inputs in accordance with the implementation schedule for drought recovery activities, the achievement of outputs and attainment of the amended purpose contained herein. Implementing USAIDs should submit appropriate indicators to the Project Monitor/Administrator based in Harare, as part of implementation plans, to facilitate overall project monitoring by USAID/Zimbabwe.

Evaluation and Audit

The mid-term evaluation described in the original project paper will not be carried out due to time limitations and the fact that project implementation proceeded according to the plan. However the final evaluation will be completed on/about May 1994 per the original schedule. In accordance with the original implementation plan, NFA audits will be carried out after the PACD of May 31, 1994 with respect to the SPOORNET contract.

Each Mission implementing an activity funded under this supplement will be responsible for any evaluations/non-federal audits of its activities needed to demonstrate attainment of project objectives, control of project funding, etc. Missions should request SARP PD&S funds for these purposes. Grants requiring audit under "recipient audit guidelines" should include funds for these audits in the grant budget. Additional PD&S resources will not be available for recipient contracted audits.

3. Reporting

Each Mission implementing a drought recovery amendment shall provide brief quarterly reports to the Project Officer based at USAID Zimbabwe. The reports should contain results of implementation progress and summary financial information, i.e. the status of obligations/commitments/disbursements.

F. Negotiation Status

The substance of this project paper supplement has been discussed with the implementing missions via a number of telcons and has been advised in summary form in Harare 3787. This document has also been reviewed and approved by SADC/FSTAU. The selection of activities for funding under this authorization amendment has been closely coordinated with the relevant USAID Missions. These Missions have been in contact with appropriate implementing entities in their countries, and are responsible for apprising them of this project paper supplement and negotiating/executing the obligating documents.

SUPPLEMENTAL ENVIRONMENTAL EXAMINATIONS

I. PROJECT DATA.

Project Location : Southern Africa
Project Title : Regional Drought Emergency
Relief and Recovery Project
(690-0270)
Funding : \$US 29.99 Million
Life of Project (PACD) : 2 years/31 May 94
IEE Prepared By : Charles A. Scheibal, MEO *CAS*

ENVIRONMENTAL ACTION RECOMMENDED:

1. Seed Multiplication - Negative Determination
2. Technical Assistance for Grain Storage - Negative Determination
3. Village Food, Productivity and Access Improvement - Negative Determination
4. Existing Water Supply Enhancement - Negative Determination
5. Rural Access Activity - Positive Determination

Concurrence : *Ted D. Morse*
Ted D. Morse
Director

Date : June 16, 1993

Clearances :

Don Keene, RLA/Southern Africa Date: (draft) 6/28/93

Review by Bureau Environmental Officer

Concur : Gaudet/Harmon E-mail Of July 7, 1993

Request Reconsideration : _____

Signature : N/A

Name : John Gaudet

Date : July 6, 1993

II. Background:

The Regional Drought Emergency Relief Project was authorized by the Acting Director, USAID/Zimbabwe, at a life of project funding level \$US 13.11 Million on June 1, 1992. A Handbook 13 grant agreement with the World Food Programme (WFP) was executed on August 19, 1992 which obligated \$5,000,000. REDSO/ESA/RCO finalized an A.I.D direct contract with SPOORNET (South Africa Railways) which obligated a further \$7,866,588. An additional \$241,612 was obligated through A.I.D. direct contracts for project management purposes at USAID/Zambia and this Mission.

On September 30, 1992, the Director, USAID/Zimbabwe further amended the project authorization and project paper by approving project Paper Supplement No. 1. This PP supplement/authorization amendment increased project funding by \$1,909,525, to the current level of \$15,019,525. Funding was obligated under an amendment to the World Food Programme Grant providing for the Logistics Advisory Centre (LAC) and a Personal Services Contract to provide USAID with project management and monitoring.

To date, logistics constraints addressed under previous project funding have been satisfactorily resolved within the regional transport system, as has been evidenced by (1) the movement of approximately 11 million metric tons of drought relief food into the Region (including South Africa) and (2) the fact that no lives have been lost due to the drought. While impact of project interventions will be more closely assessed in an upcoming project evaluation, it appears that project interventions assisted significantly with the regional effort.

III. Project Supplement:

The Project purpose, expanded under this project modification to support drought recovery, is to "increase long term transportation efficiency and capacity in the SADC region, through ensuring the cost effective, timely delivery of drought relief supplies throughout southern Africa, and to improve food security in at-risk SADC countries through supporting selected drought recovery activities." The project goal is also expanded "to increase the efficiency, reliability and cost effectiveness of the SADC transport system, and to increase the potential for sustainable food security in the region."

Due to the continuing effects of the 1991/92 drought, the project purpose is being expanded under this project amendment to assist several of the more hard-hit SADC countries to make the transition from drought relief to drought recovery. These drought recovery activities are consistent with the RDSS Food Security objective "to increase the potential for sustainable food security in the region."

Interventions under this project, although designed for rapid implementation to address the drought emergency, support longer-term DFA development objectives. LAC and SPOORNET activities have supported transport efficiency and effectiveness.

Drought recovery activities funded under this amendment will assist drought-stricken countries lay the groundwork for a transition from relief to renewed agricultural production and food security. The design of this amendment was a collaborative effort of all SADC USAIDs. Due to the continuing dry conditions and crippling 1991/1992 drought aftermath effects in several SADC countries, USAID/Zimbabwe explored whether there was still a need to extend and/or modify assistance under this project. On February 4, 1993, the Mission transmitted Harare 1330 (see Attachment 2) requesting SADC Missions drought relief or potential drought recovery needs which might be funded under a project amendment. Responses from the Missions clearly indicated that logistics and transportation efficiency enhancements were no longer the main problem in the SADC Region.

Missions in SADC countries with continuing droughts, and those most hard hit by the 1991/1992 drought, requested additional funding to assist with the transition from drought relief to recovery. Their rationale was that this assistance was necessary so their countries would once again concentrate on development activities. Activities were screened by the Project Implementation Committee and Mission Director against selection criteria detailed in Project Authorization/Project Paper Amendment No. 2, updated Criteria for Selection of Project Interventions. All activities selected for proposed funding are closely related to drought recovery, as each one is a response to the 1991/1992 and/or continuing 1992/1993 drought and is also a requisite to assist recipient countries in recovering sufficiently to commence with ongoing development efforts.

Added Project Elements:

Approved activities under the project amendment are for seed multiplication, technical assistance for grain storage management and seminars, village level food productivity improvements, enhancements to existing water supplies and rural access road improvements. Recipient countries of funding provided under this amendment are Malawi, Botswana, Zambia and Mozambique. Major activities funded under this action will generally be implemented through NGOs and PVOs which have already carried out successful drought relief programs in their respective countries. The major exception is the rural access roads improvement to be implemented in Mozambique. The Mozambique activity will be implemented through an A.I.D. direct contract for engineering project management services and host country contracting for construction services.

IV. Potential Environmental Effects:

Seed Multiplication - \$250,000

This element will be implemented in a research setting by the International Institute for Tropical Agriculture and conducted under controlled conditions. This element will not have any significant effect on the environment.

Technical Assistance for Grain Storage - \$166,000

This element consists of Technical Assistance to regional grain boards in management of storage facilities and the funding of seminars to improve grain storage facility planning and management capacity. This element will not have any significant effect of the environment.

Village Level Food Productivity and Access Improvement - \$1,998,000

This element consists of grants to NGOs/PVOs, for food and agricultural input distribution, running of food for work schemes, agricultural input for work schemes, production and distribution of high energy protein content foods and technical assistance to put on workshops in nutrition and health. In addition to USAID, funds are also provided by UNICEF, IFAD and WFP.

Although the agricultural inputs could include small amounts of fertilizers, the scale of use is on small, rural, poor farms growing subsistence food on very small tracts of land. For the most part, natural fertilizers are used because chemical fertilizers are too expensive for this type of farmer. Accordingly, this activity is not expected to have any significant effect on the environment.

Existing Water Supply Enhancements - \$1,600,000

Activities included under this element are borehole deepening, borehole rehabilitation or new boreholes adjacent to existing plugged boreholes. Again, these are rural village level activities concentrated on very small volume boreholes in existing locations and will not significantly affect the environment.

Rural Access Activity - \$10,840,000

This element consists of the rehabilitation, upgrading and resurfacing of several hundred kilometers of rural roads in Mozambique. For the most part, the reconstruction work is expected to take place on existing roads within existing Right-of-way but minor re-alignment may be recommended.

At present, a local engineering firm is preparing an assessment of roads to determine the extent of reconstruction required. When this is known, a better analysis of the environmental effects of this element will be possible. Accordingly, the approval of this project element for funding is being conditioned on the preparation and approval of an in depth environmental analysis of the specific reconstruction recommended by the engineering consultant. At that time, the extent of significant or non significant impact can be determined. Accordingly, this element is recommended for a positive determination with an Environmental Assessment to be completed by USAID/Maputo or their consultant concurrent with final design of the road reconstruction. Final design must include mitigation measures identified in the E.A.

II. LAC and SPOORNET Performance

A definitive analysis of LAC grant and SPOORNET contract performance will not be possible until planned evaluations and audits are accomplished after the May 31, 1994 PACD. However, the following provides a summary of information available to date.

A. LAC

The unprecedented quantities of commercial food and food aid (estimated at over 11 million metric tons including South Africa) that were transported to the southern Africa countries as a result of the 1991/1992 drought placed great strains on the capacities of the region's ports and overland transport facilities. A key element of transport efficiency relates to coordination and information sharing between recipients and providers of goods, as well as transporters, freight forwarders and other players involved in the movement of cargo from origin to destination. To assist with this critical function, WFP and SADC established a joint SADC region Logistics Advisory Centre (LAC) in Harare early in the regional drought relief effort.

LAC facilitated a coordinated information network in the southern Africa region by:

- reviewing food needs and imports;
- relating tonnage and timing to port and corridor capacities;
- monitoring shipments, berth availability, vessel sizes, and unloading at ports and transfer to respective corridor transport systems;
- establishing links between buyers and port, rail and road authorities;
- ensuring that grain purchases and routing are systematically scheduled;
- monitoring corridor operations;
- establishing reporting modalities;
- identifying bottlenecks and needed assistance; and
- disseminating information.

LAC analysis of transport modes and capacity identified the most cost effective and timely routes for import movements. The LAC worked in conjunction with entities such as private and public sector corridor operators and users, and national decision making action/coordination groups.

The LAC assisted primarily in coordinating the flow of food aid to the countries in Southern Africa, rather than focusing on the internal logistics operations and food distribution networks within the countries. These latter functions were the primary responsibility of National Action Groups established in each SADC country to manage country-level drought relief efforts.

The LAC :

- collated maintained and disseminated updated information on shipments to all countries in the region (i.e. size, nature of cargo, country of origin, commercial/AID, country of destination, expected time of arrival and nominated port of discharge);

- collated, maintained and disseminated accurate updated information on all ports and land corridors in the region including -
 - details on capacity and status;
 - rate of discharge at ports; and
 - rate of off-take through corridors.
- offered informed, timely advice to users regarding nomination of discharge ports and overland routing for WFP and other relief food-aid shipments; and
- identified logistics problems and constraints at ports and through land corridors, provided relevant authorities with remedial actions, drew attention of the donor community to problem areas and advised on needed inputs for their solution. In this respect, LAC logistics officers travelled to evaluate problems at local sites and determine effective solutions at the ground level.

Joint Coordinators of the LAC had responsibilities to ensure regional coordination and the timely dissemination of information to SADC member states, corridor groups, the donor community and other interested parties. The Joint Coordinators were provided by WFP and the SADCC/FSTAU each of which had mandates to coordinate the regional drought relief activity on behalf of the donor community and SADC member states, respectively. The LAC was directly linked to a special Task Force, including a logistics desk, established in WFP/Rome headquarters to deal with southern Africa operations. Much of the information collated by LAC was needed for regular reports, bulletins and emergency telexes to providers and recipients of food, and transporters and other organizations involved in the movement of food and other cargoes competing for regional transport services. In addition to the establishment of a small logistics office in Johannesburg, which worked in close coordination with the LAC, WFP placed logistics officers in key locations throughout the SADC region.

Technical and Material Assistance Fund

The findings of several logistics missions launched by donors and WFP, as well as the program's operational experience in the region over the last decade, determined the need to provide the LAC with a flexible financing tool which could be used by the Centre to undertake emergency logistical interventions to reduce operational bottlenecks and improve transport efficiency. This tool was the Technical and Material Assistance Fund, with a budget of US\$ 13.9 million (of which \$4.85 million was provided under this project). Through this Fund the LAC financed technical assistance to assess, propose, and as required, assist with the implementation of solutions for specific operational constraints. The Fund was also used for the procurement of materials and equipment for grain traffic needs and to increase the throughput at major discharging sites/terminals at inland locations. A summary of these interventions is included in Table 2 below.

Project: Number	Project Name/Description	Request Amount US\$	Approved Amount US\$	Date	Contracted Amount US\$	Date	Assigned USAID \$US	Disbursed USAID \$US	Contractor	Remarks
15/3/1	BCG - Operations Eastern 2	190,000	182,100	25 Aug 92	182,100	28 Sep 92	130,000	80,000	BCG	Unpaid total \$102,000.under audit
15/3/2	Botswana Rail-Back Up Comm.,VHF Radios	250,000	250,000	25 Aug 92	250,000	14 Jan 93	250,000	80,890		Delivered,BR paying \$51,700
15/3/3	CFR(S)-Wagon Repairs,Parts and T.A.	1,200,000	1,200,000	25 Aug 92	1,200,000	9 Oct 92	1,200,000	0	SPOORNET	\$800,000 in spares delivered
15/3/5	Malawi Railways-Faxes and Tarps	100,000	95,643	25 Aug 92	95,643	27 Oct 92	89,200	89,200	Venetian Bl. Rank Xerox	Delivery completed
15/3/7	Chimoio-Changara Road Study Tools and Tires	26,000	26,000	25 Aug 92	23,350	15 Dec 92	-	METH	O'Dwyer	Engineers technical report received Tools and tires delivered
15/3/8	SADCC - LAC Costs	346,200	346,200	14 Aug 92	346,200	14 Aug 92	346,200	266,524	SADC	Ongoing,awaiting audit report
15/3/9	WFP - LAC Costs	2,620,000	2,620,000	14 Aug 92	1,704,000	14 Aug 92	1,704,000	254,000	WFP	Ongoing,Rcme accounting
15/3/10	Zambia-Stacking,Weighing Equip.	500,000	439,558	25 Sep 92	439,558	27 Nov 92	434,000	352,009	Weill Scales Durab Gabor.	Scales delivered 24 Dec 92 17 stackers delivered,B wnroute
15/3/11	Trailman Seminar	50,000	43,725	24 Sep 92	43,725	14 Oct 92	43,725	43,725	ACN	Successfully completed
15/3/13	Spoornet Ops. Ctr., SADC Reps FX	440,000	220,000	24 Sep 92	220,000	19 Oct 92	220,000	110,000	SPOORNET	MRZ,Zambia,Botswana reps in place
15/3/19	Malawi-Northern Corr- Min/Fin Equipment for Malawi Cargo Centers and Railway-Dar and Mbeya	300,000	336,567	29 Sep 92	336,567	Var	335,064	335,064	Venetian Bl. Weill Scale Durab Gabor.	Taros,hexes,scales,stretching machines and stackers delivered
15/3/21	Zambia-Taraulins	250,000	248,120	10 Sep 92	248,120	7 Jan 93	-	5104	Wa. Smith	All delivered.SIDA funded
15/3/23	Mozambique-Sleepers for CFR(C)	157,800	159,998	16 Nov 92	159,998	14 Jan 93	159,998	159,998	Botstrail	Delivered
15/3/24	Botswana,Malawi,Lesotho,Namibia,and Swazi.-Tarps,Pallets,Fencing,Repairs	430,000	379,673	12 Nov 92	100,000	20 Nov 92	-	EC	WSAG Ven.Bl.-Blan.	EC and MORAD funded:Rubb Hall tents and taros delivered,pallets on order
15/3/25	Zambia-Prog. to Prevent Malnutrition	850,000	852,112	28 Dec 92	223,654	Var.	-	5104	Balhandl-WSAG	SIDA funded:Taros and tires delivered

Table 2

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:15/3/26:Zimbabwe-Dept. of Social Wel.-Tarps	: 67,000	: 66,503	: 6 Jan 93:	: 66,503	: 8 Jan 93:	: 66,503	: 66,503	: North	: Delivered
:15/3/27:Mozambique-1000 Tarps for Limpopo Line:	: 350,000	: 310,000	: 11 Jan 93:	: 310,000	: 11 Jan 93:	: 310,000	: 310,000	: W&G	: Delivered
:15/3/28:Tanzania-VHF Radios for WFP/DESA	: 3,500	: 3,295	: 18 Dec 92:	: 3,295	: 18 Dec 92:	: 3,295	: 3,295	: Motorola	: Delivered
:15/3/29:Zambia-Tractors and Trailers	: 300,000	: 285,685	: 22 Jan 93:	: 285,685	:	: -	: ADB/CIDA	:	: Enroute
:15/3/30:Beira-CFM(C)-Shunting Tractors	: 200,000	: 206,320	: 15 Jan 93:	: 206,320	:	: 206,320	: 0	: Bell	: Delivered 16 Mar 93.44950 Ser. Cont.
:15/3/31:Zambia-Outboard Motors	: 40,000	: 40,000	: 12 Jan 93:	: 23,690	:	: -	: NETH	:	: PO issued
:15/3/32:Zambia-Fax Machines	: 4,500	: 5,135	: 12 Jan 93:	: 5,135	:	: -	: NETH	:	: NETH funded:Delivered
:15/3/33:Mozambique-Tractors and Trailers	: 473,000	: 473,000	: 12 Jan 93:	:	:	: 473,000	: 0	:	: PO issued-shipped
:15/3/35:Mozambique-Bobcats for Ports	: 115,000	: 115,000	: 20 Jan 93:	: 129,850	:	: 124,630	: 0	: Bell	: Delivered 4 May 93:3-Beira,2-Maouto
:15/3/37:Zambia Railways-Inspection Trolleys	: 400,000	: 391,000	: 23 Mar 93:	: 389,674	:	: -	:	:	: PO issued
:15/3/38:Zambia Railways-Drilling/Cutting Bits	: 60,000	: 60,000	: 23 Mar 93:	: 67,770	:	: -	:	:	: Items ordered,to be airlifted
:15/3/39:Zambia Railways-Fishbolts	: 200,000	: 200,000	: 23 Mar 93:	:	:	: -	:	:	: PO under preparation
:15/3/40:Zambia Railways-UHF Radios	: 250,000	: 210,000	: 23 Mar 93:	:	:	: -	:	:	: PO issued
:15/3/41:Nacala Upgrading	: 1,100,000	: 1,100,000	:	: 12,000	:	: 12,000	: 0	:	: Assessment in progress
:15/3/43:NRZ Ops Room Equipment	: 38,000	: 38,000	:	: 40,461	:	: 38,505	: 0	:	: Tender out
:15/3/44:Namibia-Portable Stores.Faxes	: 92,500	: 92,500	:	: 93,923	:	: 93,923	: 0	:	: PO issued
TOTAL	:11,403,500	:10,996,134	:	:7,207,221	:	:6,246,806	:2,157,651	:	:

Table 2 cont'd

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The selection of expenditures under the Fund focused on efficient movement of drought relief commodities and were consistent with at least one of the following:

- support for regional level transportation and logistics coordination;
- support for regional information sharing;
- reduction of constraints along each or any combination of the major overland transport corridors;
- reduction of constraints to national level transportation networks and/or national logistics coordination; and
- enhancement of capacity of the major corridors with largest anticipated volumes of food movements and increased capacity on alternative routes in the event of serious bottlenecks and congestion in the major corridors.

In conjunction with the SADC logistics officer, regular consultation was maintained by the United Nations Regional Coordinator for Logistics and Food Transport in Harare, WFP Southern Africa Task Force in Rome and the WFP Logistics officers involved in this project and based throughout the region at key operational sites. USAID inputs were especially relevant on issues involving railway systems in the region, taking into account USAID's large and longstanding interest and investment in this sector.

Reporting

WFP reported on activities carried out under this Project as follows:

- weekly reports on specific project interventions as part of the WFP Emergency Telex;
- general progress reports to the WFP Governing Body (CFA), of which the United States Government is a member; and
- final report to be submitted to the Project Officer, USAID/Zimbabwe, at the end of the project (still to be provided).

The SADC/FSTAU program will continue for a second year, with funding provided by other non-A.I.D. sources, under a revised mandate not directly related to drought relief or drought recovery per se. This was the original intent as outlined in the project paper implementation plan.

B. SPOORNET

The second major project-funded component was a direct contract with SPOORNET to finance forex charges for locomotives and/or rail wagons leased by regional railways facing the greatest surge volumes of drought relief food tonnage. The SPOORNET contract was based on established rates and operational provisions of existing agreements between SPOORNET and railways in the SADC region.

To address physical transport capacity constraints throughout the region, there was a need to quickly mobilize additional locomotives and rail wagons. The primary source of such railway equipment in the region is SPOORNET, the national railway of South Africa. SPOORNET already had agreements in place for locomotive leasing and wagon hire with a number of SADC national railways, including those of Botswana, Zimbabwe, and Zambia.

The project has provided financing to these national governments to cover a portion of wagon and/or locomotive hire charges, related to the additive drought relief effort, that were payable by their national railways to SPOORNET (see Table 3 below for details). This intervention, which utilized existing lease agreements between the various railways in the region and SPOORNET, took advantage of SPOORNET's sophisticated, computerized accounting and billing system to ensure strict financial control and accountability. As described below, it also provided an incentive to encourage rail transport efficiency measures such as the use of unit trains (single commodity and destination) and quick turn around of rail wagons to the ports.

To encourage maximum efficiency, A.I.D. used the SPOORNET contract to finance equipment for use only on unit trains hauling grain and other relief supplies. USAID transport analysis over the last decade had identified the use of unit trains as a critical efficiency measure in hauling large bulk cargoes like grain (or fertilizer, coal, mineral ore, etc) because these trains may be run straight through national borders and local railway yards to their destinations, without time consuming delays such as dropping off or adding rail wagons. Furthermore, unit trains also facilitate the efficient use of rail wagons and locomotives by speeding up the unloading of trains and their return to regional ports to haul the next load. Unit trains reduce the risk, posed by general cargo trains, that rail cars will be sent to differing destinations for unloading and, subsequently, be delayed at rail sidings. Provisions were negotiated into the SPOORNET contract to attempt to further this objective.

In addition, provisions were included in the contract to the effect that A.I.D. would finance leasing costs of SPOORNET rail wagons and/or locomotives for only the limited number of days established as the generally accepted standards of efficient turn around and return to points of origin, or ports in the case of rail wagons. Any delays beyond that designated period for moving wagons to their destination, unloading and returning them to the port would be borne by the national government responsible for the "inefficiency".

SUMMARY OF CONTRACT - SPOORNET

Item	Former Allocation	New Alloc.(1)	Diff.	Reimbursed	19 May 93 Balance
ZAMBIA					
Wagons	\$1,745,000	\$ 1,730,000	(\$ 15,000)	\$ 0	\$ 1,730,000
Locos	955,000	1,650,000	695,000	\$ 748,000	902,000
Total	\$2,700,000	\$ 3,380,000	\$ 680,000	\$ 748,000	\$ 2,632,000
ZIMBABWE					
Wagons(0270)	\$1,591,588	\$ 2,501,588	\$ 910,000	\$ 0	\$ 2,501,588
Wagons(0248)	2,860,000	2,350,000	(510,000)	0	2,350,000
Locos(0248)	2,540,000	2,400,000	(140,000)	1,267,000	1,133,000
Total	\$6,991,588	\$ 7,251,588	\$ 260,000	\$ 1,267,000	\$ 5,984,588
BOTSWANA					
Wagons	\$1,515,000	\$ 1,395,000	(\$ 120,000)	0	\$ 1,395,000
Locos	470,000	590,000	120,000	375,000	215,000
Total	\$1,985,000	\$ 1,985,000	\$ 0	375,000	\$ 1,610,000
MOZAMBIQUE					
Wagons	\$1,590,000	\$ 0	(\$ 1,590,000)	\$ 0	\$ 0
TOTAL SPOORNET	\$13,266,588	\$12,616,588	(\$ 650,000)	\$ 2,390,000	\$ 10,226,588

(1) 11.4% added for Apr & May 93

Table 3

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USAID and other donors had been trying for some time to encourage national railways in the region to institute measures to improve on this efficiency concept. In effect, the project used the drought as the catalyst for change by providing a "demonstration" that increased efficiency was both realizable and beneficial. Efficiency measures, established and implemented under adverse drought relief conditions, should provide the means for regional railways to increase their profitability and gain market share against road transporters. The crisis in moving food was therefore viewed as an opportunity to achieve significant development impact, as regional railways have no other choice but to increase efficiency if their future foreign exchange rolling stock lease expenses are to be controlled at acceptable levels.

III. Request for Drought Relief/Recovery Needs

UNCLAS AIDAC HARARE 01330

ORIGIN: AID-1
INFO: AMB-1 DCM-1 ECON-1

DISTRIBUTION: AID
CHARGE: AID
APPROVED: DIR:TDMORSE
DRAFTED: PRM:MBELLIS:NM
CLEARED: 1.CPDIS:PKB, 2.DD:SJS

VZCZCSBI271
RR RUEHWD RUEHNR RUEHMB RUEHRU RUEHOR RUEHLG
RUEHTO RUEHLS RUFHDR
DE RUEHSB #1330 0351331
ZNR UUUUU ZZH
R 041331Z FEB 93
FM AMEMBASSY HARARE
TO RUEHWD/AMEMBASSY WINDHOEK 2531
RUEHNR/AMEMBASSY NAIROBI 1409
RUEHMB/AMEMBASSY MBABANE 4037
RUEHRU/AMEMBASSY MASERU 2377
RUEHOR/AMEMBASSY GABORONE 8506
RUEHLG/AMEMBASSY LILONGWE 6164
RUEHTO/AMEMBASSY MAPUTO 2727
RUEHLS/AMEMBASSY LUSAKA 1490
RUFHDR/AMEMBASSY DAR ES SALAAM 5568
BT
UNCLAS HARARE 001330

AIDAC

E.O. 12356: N/A
SUBJECT: REGIONAL DROUGHT EMERGENCY RELIEF AND RECOVERY
P R O J E C T

AS YOU ARE AWARE, WE OBLIGATED \$15.02 MILLION IN FY92 FOR THE REGIONAL DROUGHT EMERGENCY RELIEF PROJECT TO HELP WITH REGIONAL DROUGHT RELIEF LOGISTICS AND PROVIDE SUPPORT FOR THE REGIONAL LOGISTICS ADVISORY CENTER. WE ARE PREPARED TO CONTINUE REGIONAL EMERGENCY RELIEF PROGRAMS IN FY93. PLEASE IDENTIFY ANY RESIDUAL, EXISTING EMERGENCY RELIEF REQUIREMENTS WHICH YOU MAY HAVE. IN PLANNING OUR FY93 PROGRAM, WE ARE CONSIDERING BROADENING THE PROJECT TO INCLUDE DROUGHT RECOVERY AND ARE INTERESTED IN LEARNING ABOUT POTENTIAL NEEDS WITHIN YOUR COUNTRY WHICH QUALIFY FOR REGIONAL FUNDING.

PLEASE IDENTIFY POTENTIAL REQUIREMENTS WHICH COULD BE FUNDED UNDER A DROUGHT RECOVERY PROJECT. THE PRIORITIES WILL BE (1) COMPLETE ANY RESIDUAL RELIEF REQUIREMENTS (2) BY 1 APRIL RESPOND TO NEW RELIEF EMERGENCY REQUIREMENTS OR (3) RESPOND TO RECOVERY NEEDS. PLEASE PROVIDE, YOUR IDEAS BY FEBRUARY 13TH TO USAID/ZIMBABWE, ATTENTION PROGRAM OFFICE. THANK YOU FOR YOUR PROMPT ATTENTION.

~~UNCLAS AIDAC~~

LANPHER
BT
#1330

NNNN(((((((((((

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IV. Approved Drought Recovery Activities

As summarized in Table 1 of this attachment, SARP Missions submitted requests for funding and activity descriptions to USAID/Zimbabwe, in response to Harare 01330. These proposed activities were reviewed by the Project Implementation Committee and the Mission Director against the revised Selection Criteria for project Funding contained herein. Activities described in the following cables and faxes, are those approved for funding, except for the Rural Access Activity in Mozambique, which will be further reviewed prior to final approval.

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E.O. 12356: N/A
SUBJECT: REGIONAL DROUGHT EMERGENCY RELIEF AND
RECOVERY PROJECT (690-0270) -- MALAWI PROPOSALS

REF: HARARE 3787

1. USAID/MALAWI APPRECIATES EXPANSION OF SUBJECT PROJECT TO INCLUDE DROUGHT RECOVERY ACTIVITIES. AS WATER SUPPLY IMPROVEMENT AND SEED MULTIPLICATION ARE VITAL FOR MALAWI IN THE WAKE OF THE DROUGHT, MISSION SUPPORTS THE FOLLOWING ACTIVITIES FOR FUNDING UNDER THIS PROJECT.

A. WATER SUPPLY
MISSION RECEIVED PROPOSAL FROM SAVE THE CHILDREN (UK) TO FUND A SECOND PHASE OF ITS USAID-FUNDED GRANT FOR DROUGHT RELIEF. UNDER THE FIRST PHASE, SAVE THE CHILDREN (UK) RECEIVED \$1,100,000 TO CONSTRUCT 70 NEW BOREHOLES AND REHABILITATE 70 EXISTING BOREHOLES. UNDER THE SECOND PHASE, SAVE THE CHILDREN (UK) PROPOSES: (1) CONSTRUCTION OF 50 ADDITIONAL NEW BOREHOLES AND REHABILITATION OF 100 ADDITIONAL EXISTING BOREHOLES; (2) IMPLEMENTATION OF A COMMUNITY BASED MANAGEMENT TRAINING PROGRAM IN PROPERLY OPERATING AND MAINTAINING THE 140 PHASE ONE WATER POINTS AND THE 150 PHASE TWO WATER POINTS; AND (3) CARRYING OUT A HYGIENE EDUCATION PROGRAM TO COVER BENEFICIARIES AT ALL 290 WATER POINTS. ESTIMATED FUNDING FOR THIS SECOND PHASE EFFORT THROUGH MAY 31, 1994 IS \$1,600,000.

B. SEED MULTIPLICATION - SWEET POTATO/CASSAVA
MISSION RECEIVED PROPOSAL FROM THE INTERNATIONAL INSTITUTE OF TROPICAL AGRICULTURE (IITA) TO INCREASE THE CAPACITY AND ACCELERATE THE PRODUCTION

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OF CASSAVA AND SWEET POTATO PLANTING MATERIAL IN MALAWI AND TO DISTRIBUTE THE MATERIAL TO SMALLHOLDER FARMERS. MULTIPLICATION AND DISTRIBUTION WILL BE MANAGED BY IITA IN COOPERATION WITH COOPERATING NGOS, PRIVATE FARMERS AND EXTENSION AGENTS. THIS EFFORT BUILDS UPON IITA'S CURRENT FAMINE MITIGATION ACTIVITY FUNDED BY OFDA. UNDER THE PROPOSAL, IMPROVED VARIETIES OF SWEET POTATOES AND CASSAVA WILL BE MULTIPLIED AT 20 PRIMARY SITES AND 50 SECONDARY SITES, PRODUCING SUFFICIENT PLANTING MATERIAL FOR AN ADDITIONAL 4000 HECTARES OF SWEET POTATO AND 1500 HECTARES OF CASSAVA FOR DISTRIBUTION TO 75,000 FARMERS. THE PROGRAM WILL BE IMPLEMENTED IN COLLABORATION WITH THE MALAWI NATIONAL ROOT CROPS IMPROVEMENT PROGRAM. ESTIMATED FUNDING REQUIRED FOR THE EFFORT THROUGH MAY 31, 1994 IS \$250,000.

C. SEED MULTIPLICATION - SORGHUM
MULTIPLICATION OF IMPROVED SORGHUM IN THE LOWER SHIRE VALLEY OF MALAWI WAS A MIXED SUCCESS LAST YEAR. BOTH TOTAL YIELDS AND DISTRIBUTION OF THE SEED WERE LESS THAN EXPECTED. HOWEVER, THE DEMAND FOR SORGHUM SEED HAS GROWN SIGNIFICANTLY THIS YEAR BASED ON THE SUCCESSES OF THOSE FARMERS WHO UTILIZED THE IMPROVED VARIETIES. THE MISSION HAS ENCOURAGED DR. ROLAND CHIRWA, HEAD OF SORGHUM RESEARCH IN MALAWI, TO CONTACT ICRISAT FOR POSSIBLE FUNDING OF THIS DROUGHT RECOVERY ACTIVITY IN SORGHUM SEED MULTIPLICATION. MISSION HAS SUGGESTED THAT ICRISAT CONTACT USAID/HARARE DIRECTLY TO SECURE AN ESTIMATED \$150,000 TO COVER THE COSTS OF THIS ACTIVITY. AS DIVERSIFICATION OF CEREAL PRODUCTION IS CRUCIAL FOR MALAWI, THE MISSION URGES SUPPORT FOR THIS REQUEST. IF THE ICRISAT OPTION IS NOT POSSIBLE, WE WILL PURSUE OPTIONS FOR FUNDING THE ACTIVITY HERE.

D. DROUGHT RELIEF OFFICER
USAID/MALAWI PROPOSES EXTENDING THE CONTRACT OF ITS USPSC DROUGHT RELIEF OFFICER CURRENTLY FUNDED BY OFDA FROM JUNE 30, 1993 TO MAY 31, 1994 TO DEVELOP AND MANAGE THESE EXPANDED ACTIVITIES. ESTIMATED FUNDING FOR THIS EXTENSION IS APPROXIMATELY \$125,000.

2. MISSION WOULD APPRECIATE PROMPT APPROVAL OF THESE REQUESTS AS WE CONSIDER THEM VITAL TO OUR DROUGHT RECOVERY EFFORTS. EACH REQUEST BUILDS ON EXISTING WORK THAT HAS BEEN PROVEN EFFECTIVE AND NECESSARY, THUS GUARANTEEING BETTER SUSTAINABILITY OF WATER SUPPLY AND SEED MULTIPLICATION EFFORTS.

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3. PENDING APPROVAL, WE ARE PREPARED TO INITIATE IMPLEMENTATION OF THESE ACTIVITIES IMMEDIATELY UPON RECEIPT OF THE FISCAL DATA. MISSION WILL OBLIGATE THESE FUNDS PRIOR TO SEPTEMBER 30, 1993 THROUGH GRANTS WITH THE PROPOSED INSTITUTIONS AND THROUGH A PSC CONTRACT WITH THE PROPOSED INDIVIDUAL.
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1993. THE DECEMBER TIMING WILL PERMIT THE USAGE OF UB'S CAMPUS HOSTEL FACILITIES AS THE UB STUDENTS WILL BE ON VACATION DURING THAT TIME. UB HAS APPROACHED OTHER DONORS (UK AND SIDA) WHO HAVE TENTATIVELY AGREED TO PAY FOR THE LECTURERS' ROUNDTRIP AIRFARES FROM THEIR RESPECTIVE COUNTRIES. MISSION PLANS TO OBLIGATE/ EXECUTE A LSGA IN JUNE 1993. PLEASE ADVISE IF THE 25 PERCENT RECIPIENT CONTRIBUTION RULE APPLIES TO THE UB GRANT.

B. TITLE: MACROECONOMIC ADJUSTMENT AND FOOD/AGRICULTURE POLICY WORKSHOP, JUNE 26 - AUGUST 6, 1993

AMOUNT OF GRANT: U.S. DOLS. 14,000

RECIPIENT: HEAD, FOOD STRATEGY AND POLICY ANALYSIS UNIT, MINISTRY OF FINANCE AND DEVELOPMENT PLANNING (MFDP)

IMPLEMENTING DOCUMENT: LIMITED SCOPE GRANT AGREEMENT

COMMENTS: MISSION ADVISED MFDP OF WORKSHOP APPROVAL AND INFORMED THEM THAT THE COSTS OF INTERNATIONAL ROUNDTRIP AIR TRAVEL WILL HAVE TO BE PAID BY MFDP. PLEASE ADVISE PROPOSED IMPLEMENTATION METHOD ACCEPTABLE AND FUND CITE FOR THIS ACTIVITY AS MISSION PLANS TO OBLIGATE FUNDS BY MID-MAY.

2. MISSION APPRECIATES USAID/ZIMBABWE'S PROMPT APPROVAL OF THE ABOVE TWO ACTIVITIES AND LOOKS FORWARD TO THEIR SUCCESSFUL IMPLEMENTATION. PASSAGE

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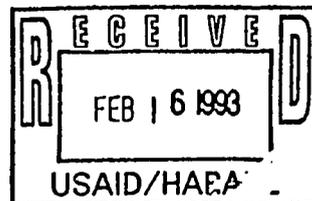
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RUEHTO/AMEMBASSY MAPUTO 0601
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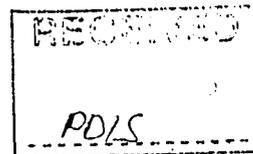
HARARE FOR PROGRAM OFFICE

E.O. 12356:N/A
SUBJECT: REGIONAL DROUGHT RELIEF AND RECOVERY PROJECT

REF: HARARE 001330

USAID/ZAMBIA PLANS TO AWARD CONTRACT TO SUITABLE GRAIN MANAGEMENT FIRM FOR DROUGHT RECOVERY PROGRAM TO BETTER ENSURE ZAMBIAN CAPABILITY TO MANAGE AND SAFEGUARD POST-DROUGHT GRAIN STORAGE AND DISTRIBUTION. MISSION ESTIMATES AN 8-PERSON MONTHS PROGRAM PLUS MINOR PROCUREMENT OF SELECTED COMMODITIES FOR A TOTAL COST OF APPROXIMATELY DOLS 120,000, SUBJECT TO CONFIRMATION ONCE THE SOW IS DRAWN UP. WOULD APPRECIATE YOUR CONSIDERATION OF THIS ACTIVITY FOR REFTTEL FUNDING. MANY THANKS. STREEB

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OFFICE MEMORANDUM

TO: Ted Morse, Director, USAID/Zimbabwe

FROM: Fred E. Winch, Director, USAID/Zambia

SUBJECT: Issues Concerning the PAM Proposal

DATE: May 28, 1993

In response to the issues which you raised in yesterday's telephone conversations both with Will and myself, we have prepared a response to each of the issues which we understand are still outstanding:

Issue #1: Size of the Core Budget for PAM Seems Excessive Given Their Overall Responsibilities

As further general background about PAM, it is useful to understand the broader context within which PAM will be operating. First, it should be pointed out that PAM's responsibilities will be to implement a program of activities for all of Zambia, and not simply programs in the 26 areas in which the drought was most pronounced. As you are aware, the proposal which we submitted pertained ONLY to the southern half of the country where the drought was most pronounced. Second, and as noted in the proposal, other donors are providing support for specific program areas which PAM will manage. A case in point is PAM's management of the IFAD grant of \$700,000 for the building of community storage facilities in drought affected areas. It is expected that other donors will be asked to assist NGOs operate programs in the northern half of the country which will further increase PAM's management responsibilities. Third, part of the reason for PAM's overall effectiveness is that they are highly field-oriented. Over the life of any given microproject funded through our proposed grant to PAM, it is expected that PAM will make at least three direct field level visits (i.e. at time of design, once during microproject implementation and once after the project has been completed.) Although PAM will be able to visit multiple microproject sites in any one visit, there will be a fairly heavy amount of site visitation.

More important, however, is the role that PAM will continue to play in providing the logistical support required to distribute food and agricultural inputs within drought-recovering areas. PAM intends to provide the basic logistical support necessary for NGOs to provide "food baskets", comprised mainly of non-locally available foods, to households engaged in community food for work schemes. Moreover, PAM will play a

major logistical role in procuring the agricultural inputs which will be distributed through the agricultural inputs for work schemes.

In addition to the above, PAM will have three other major areas of responsibility which will require approximately 25 percent of their total level of effort. These responsibilities are: (1) playing a major role in the "Social Safety Net for Vulnerable Groups" Subcommittee of the GRZ's "Social Sector Rehabilitation Task Force", (2) participation as a member of the "Agricultural Sector Investment Task Force", and (3) increased responsibility for the production and distribution of (supplementary) high energy protein content foods throughout Zambia.

PAM's role in the Social Sector Rehabilitation and Agricultural Sector Investment Task Forces are intimately related to its role in representing the group of NGOs groups working in rural Zambia. Since most, if not all of these NGOs have programs in the area of health, food security, nutrition and/or water and sanitation, the NGO perspective is important to communicate to government so that government develops relevant and meaningful development and social sector assistance programs. It is worth emphasizing that the government's inviting the viewpoints of the rural-based NGO community on policies which will have considerable effect upon the communities served by NGOs is a relatively recent and encouraging development. The invitation by government for NGOs to participate in these fora, however, will continue as long as NGOs respond positively through active and constructive participation.

Finally, the manufacturing of the HEPS (High Energy Protein Supplement) Product will continue to be an important component of the fight against the high rates of malnutrition which will continue to exist even under non-drought conditions. PAM is accepting the responsibility of helping government to formulate an overall strategy of combatting malnutrition by the use of industrially manufactured as well as rurally produced HEPS like products. Since a number of issues and problems arise in the local manufacturing of food products consumed by vulnerable groups, this program requires careful attention if it is to be developed into a program which will have a sustainable impact on malnutrition among children under five. PAM will have primary responsibility in executing that program.

Issue #2: The Size of Budget Is Too Heavily Weighted Towards Administrative Costs

The proposal which was submitted to support the Program to Prevent Malnutrition includes a budget which is distorted because of the short period of time available in which to conduct drought recovery microproject activities. Thus, this budget really funds the start-up phase of the PPM's involvement in what will easily be a two to three year drought recovery period. It is intentional that the proposed budget happens to be heavily laden with TA and workshops. This is the case simply because the Mission views these activities as being of critical importance not only in ensuring properly conceived and

implemented microprojects, but also because continued funding of microprojects beyond the PACD of the Regional Drought Emergency Relief and Recovery Project will depend upon how successful the first phase (i.e. pilot phase) microproject activities are.

Issue #3: PAM's Capability to Assume Its Drought Recovery and Non-Drought Recovery Responsibilities

PAM is a one year old organization which has already proven its capability to perform. It must be understood that PAM does not operate as the lone ranger, but rather will continue to rely upon World Food Program and others for significant guidance and support. To strengthen this yet further, UNICEF will also become involved in supporting the work of PAM during this period of assumed responsibilities as has been noted in the proposal submitted. Moreover, the network of 50 NGOs, expanded now into non-drought affected areas as well, has and will continue to be called upon by PAM as necessary to play their part in ensuring that the Program to Prevent Malnutrition remains effective in accomplishing its principal malnutrition reduction objectives.

Issue #4: Necessity for Seventeen Months of Technical Assistance for the Operation of the Program

Given the magnitude of the task facing Zambia in terms of drought recovery, seventeen months of technical assistance is justified for the design and implementation of the NGO microproject component. Although the specific technical mix requirements are still being defined, USAID agrees with UNICEF and PAM that approximately four months of assistance will be required in the area of nutrition and health and 10 months will be required for agricultural production/marketing. (Figures include TA requirements for microproject monitoring and evaluation.) Three additional months of additional assistance for workshop facilitation will also be needed.

It is possible that the amounts budgeted for this technical assistance is on the high side. The budget is based upon certain assumptions which we recognize might not hold true (e.g. that 17 air tickets will be required). Since we also understand your budget limitations, we are confident that UNICEF and PAM will be able to adjust accordingly if less money is available to fund this portion of the budget. Furthermore, it is our intent to work into the grant mechanism with UNICEF the provision for using any excess funds not required for this line items of the grant budget for expenses directly related to implementation of microprojects. However, Mission would be willing to cut back the TA request by three person months, because Mission now believes that the Workshop budget should provide adequate flexibility to provide for the costs of trainers as well.

Issue #5: Necessity for Six Workshops at \$45,000 per Workshop

The reason for the apparently high budget for these workshops was the assumption that two (2) technical experts would be required for approximately six (6) technical workshops provided to NGOs working on similar problem areas (e.g. nutrition and health). Preparation time would also be required. It is assumed that the technical experts would be the same as those provided under the TA portion of the proposal and thus travel costs were not built into the calculations. The budgets should also be sufficient for funding trainer costs for the technical workshops and training of training. It now appears that the training of trainers workshops could be met by using local personnel.

As is the case with the TA line item in the proposed budget, the estimates budgeted might be overstated. Again the view of the Mission is that we could live with a modest cutback in workshop funding. Our preference, however, would be to also work a provision into the grant mechanism with UNICEF that any excess funds not required for training would be used for expenses directly related to the implementation of microprojects.

OFFICIAL FILE

FAX TRANSMISSION
USAID/ZAMBIA
Fax No. 260-1-225741

Date: May 25, 1993 No. of pages: 14

To: Jim Harmon, PDO
263-4-722418

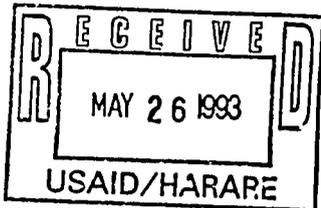
From: Fred E. Winch, Director

Subject: Proposal for Assistance to the Program for the Prevention of Malnutrition

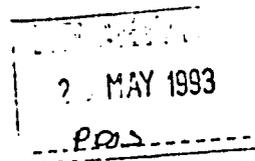
I am attaching the formal submission of USAID/Zambia's drought recovery proposal for funding Zambia's Program for the Prevention of Malnutrition (PPM).

Please don't hesitate to call if there is the need to clarify any point or answer any questions which you or members of your panel have about our submission.

I will look forward to what I hope will be a favorable reply.



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**PROPOSAL FOR ASSISTANCE TO THE
PROGRAM FOR THE PREVENTION OF MALNUTRITION**
(for funding under the SARP Regional Drought Emergency Relief
and Recovery Project (RDERRP) 690-0270)

I. Background: The GRZ's Humanitarian Drought Relief Program

The drought which devastated the southern half of Zambia in 1992 created an unprecedented food security problem for the nation as a whole. In direct response to the drought, the newly elected MMD Government mobilized an extraordinary amount of donor and commercial maize imports and established a comprehensive internal food distribution system based upon two elements; namely, the commercial distribution of maize primarily within urban areas, and the humanitarian distribution of maize in the rural areas directly affected by the drought. A high energy protein supplement (HEPS) product intended for the hospital feeding program was also distributed through World Food Program's own distribution system.

Since 2.5 million people living in the rural areas of the Southern, Western, Central, Lusaka, and Eastern Provinces faced an imminent threat of famine and starvation, the new Government quickly recognized that both the national and local governments were incapable of executing effectively a humanitarian response program of the magnitude required. Consequently, the Government invited non-governmental organizations (NGOs) working in these drought-affected rural areas to play the primary role as implementors of the GRZ's program to prevent famine and starvation in the drought affected areas.

The Government set an ambitious goal for itself and the NGOs; namely, not simply that of avoiding famine and starvation, but also preventing any increase in malnutrition as a direct result of the drought. The Government called its program the "Program to Prevent Malnutrition" (PPM) and agreed in May 1992 to the creation of an indigenous NGO, the Program Against Malnutrition (PAM), which would serve as the overall coordinator of the PPM Program.

The World Food Program played a major partnership role with the GRZ in the creation of the PPM-PAM structure. WFP will continue to play an important role during the drought recovery phase of the PPM by serving as Chairman of the Steering Committee for PAM through which it can continue to provide its considerable technical and management experience with food-for-work type programs in helping to guide this aspect of the PPM program. As part of the overall management support to PAM, WFP will also continue to monitor PAM's expenditures incurred under the PPM Program.

The PPM Program expanded during the drought to include over 50 NGOs comprised of church groups, development organizations, international relief bodies, and mission hospitals. Beginning in June 1992, these NGOs met regularly under the PPM-PAM structure to work out a common strategy which provided a flexible mechanism for the NGOs to target and deliver food on the basis of local need. The

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three-pronged mechanism approved by the Government and the NGOs for the distribution of maize included: (1) commercial sales in remote rural drought-affected areas where people had sufficient purchasing power; (2) food-for-work schemes for the able-bodied, and (3) free distribution to the approximately 10 percent of the local population unable either to purchase or work for food. The NGOs were given the responsibility under the PPM to establish "area committees" to be comprised of leaders within the affected communities who would identify the targeted recipients of the limited free maize and what type of maize for work activities would provide greatest benefit to the targeted communities.

The PPM proved successful in a number of important respects. First, the basic PPM goal of avoiding famine and starvation was unquestionably met. Second, the PPM structure was able to meet this goal without relying primarily on a system of free handouts which had created an unrealistic dependence by Zambians upon government in the past. Approximately seven (7) per cent of 250,000 metric tons of maize was distributed through commercial sales, ten (10) per cent as free food, and 83 per cent was distributed through food for work. Third, it succeeded in creating a participatory process and mechanism, consistent with the Government's political shift towards an open democracy, by which local communities could identify and implement important rural works. Fourth, it created an opportunity for individuals to enhance their self-dignity, since they "earned" the food which they received, and in a manner which contributed to the well-being of the communities in which they lived.

Due to the highly-effective working relationships which developed between the NGOs and the local communities, food for work activities which had never been tried before in rural Zambia, were overwhelmingly accepted by the people. Over 200,000 metric tons of maize was provided to needy households as food for work through which communities benefitted from the improvement of feeder roads, the digging of pit latrines, the repair of schools and clinics, the digging and repair of wells, the improvement of local dams and irrigation systems, and the planting of thousands of hectares of agricultural crops which helped to restore hope within the local communities targeted.

USAID's contribution to PPM/PAM during the drought included the provision of ten percent (i.e. approximately 52,000 metric tons) of the corn imported under the USAID-managed maize import program, for direct distribution through the PPM, and the provision to PAM of ten percent of the local currency generated by the sale of the USG's maize imports. OFDA provided \$485,000 to the PPM for the purchase of vehicles, tractors, and spare parts to be used by NGOs working with the PPM Program, and funded a PSC coordinator of the PPM Program responsible for managing the NGO PAM. AID/W also provided through its Famine Early Warning System (FEWS) Project the services of a resident FEWS field representative to assist the PPM with its data and information requirements. Both the coordinator and the FEWS field representative developed close working relationships with USAID during

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the drought and have helped in defining the drought recovery needs incorporated in this proposal.

II. The Importance of the PPM-PAM Structure for Drought Recovery

The Program for the Prevention of Malnutrition is now at the crossroads between drought relief and recovery. Because of the importance that the Government and the NGOs attach to the need for drought recovery, they have recently signed a Memorandum of Understanding which agrees in principle that the PPM will continue its highly effective food for work program into a drought recovery phase. One of the key elements which will determine the success of this drought recovery program will be the ability of the NGOs to continue to maintain the excellent working relationships which were developed through the area committee structure which guided the type of assistance provided to the local communities during the drought relief phase. There is already very strong evidence that communities are continuing their work with NGOs by identifying microprojects which local communities and NGOs believe will contribute directly to drought recovery.

PAM has requested financial support from USAID in order to enable it to provide leadership to the NGOs participating in the Program for the Prevention of Malnutrition during the period of recovery from the drought. It has requested support specifically for the areas of core budget, technical assistance, workshop presentation, and NGO microproject implementation. Recognizing that PAM will require a range of technical personnel in skill areas directly related to those in which UNICEF has a unique capability, PAM has also requested assistance from UNICEF to assist with the identification and recruitment of the USAID funded technical personnel required to design and implement the PPM's drought recovery program.

USAID believes that Zambia's recovery from the drought will best be accomplished through the PPM structure for three basic reasons. First, the PPM structure has proven itself to be sound (and successful) based upon the experience of the drought response, and the primary mechanisms for its continuation (i.e., food for work) is already well established. Second, the Government strongly supports the PPM structure, not only because it has proven to be such an effective instrument for responding to the drought emergency, but also because the PPM structure is currently better suited than either the national or local government to meet the drought recovery requirements of poor local communities. Third, the NGOs are in the best position to identify the needs of the local communities for drought recovery because of their support for and involvement in area committees. USAID has confirmed this since it has obtained copies of a sample of the drought-recovery oriented microproject funding proposals which have already been submitted by NGOs to the PAM.

The proposals being submitted cover a wide range of areas primarily intended to improve the short run-food security and nutritional status of people most affected by

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the drought. The general approach which will be followed, which builds upon the success of the maize for work approach, will be to provide "agricultural inputs for work" during the pre-planting period. This approach is important not only because incomes of smallholders are the lowest in Zambia even under normal circumstances, but also because these incomes were yet further reduced significantly as a direct result of the drought and because the Government's market liberalization and deficit reduction policies will result in a short-run increase in the nominal and real price for agricultural inputs, primarily fertilizer. It is expected that in some cases, agricultural inputs for work will be provided for work that results in some short-run favorable impact upon agriculture, such as through the improvement of feeder roads, the improvement of water supplies used for cattle and irrigation, and the improvement of market facilities within communities (e.g. building of sheds to cover hammermilling sites which serve as local market centers). This approach will provide benefits to the targeted communities quickly, and is assured because, for example, the monies to be spent for the purchase of fertilizers and farm implements will need to be expended well before the planting season commences late in 1993. Thus the timing for these expenditures is well within the life of the Regional Drought Relief and Recovery Project. In cases where local input markets are well supplied, such as is likely to be the case in less remote areas, cash for work schemes could complement the agricultural input for work approach.

It is expected that technical assistance and training will be required in a number of technical areas. Technical assistance will be required for small-scale water projects and microprojects in the areas of construction, nutrition and health. In a number of cases, NGOs and local communities will require technical assistance in designing self-help projects in such areas as: food processing and preparation of drought resistant crops re-introduced during the drought, nutrition and health education, and extension education for the production of drought resistant crops etc. Engineering technical assistance will be required well before the start of the rainy season, whereas technical assistance in the areas of agriculture, health and nutrition will continue into the rainy season and be used for microprojects slated for completion before March 1, 1993 (i.e. sixty (60) days before the PACD of the Regional Drought Emergency and Recovery Project).

The primary purpose of the workshops will be to facilitate the flow of technical information to NGOs working on similar types of microproject activities in the areas of water, health, nutrition and food security. Workshop funds will also be used for conducting "training of trainers sessions" for the purpose of preparing Zambians to conduct training activities at the community level about, for example, maintenance activities related to the community improvement projects undertaken through the food, cash or agricultural inputs for work schemes.

III. Proposal

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This proposal is designed to assist the Program Against Malnutrition (PAM) implement effectively the GRZ's drought recovery program by responding to PAM's request for financial support for essential program activities. The problem is that the PAM cannot meet its responsibility to assist the NGO community without the financial and technical assistance requested. USAID funding is not provided. The goal of this proposed activity is to support drought-affected communities and smallholder households in improving overall health and nutrition by decreasing their level of drought-induced food (and nutritional) insecurity, and by decreasing water-related vulnerability through improvement in access to adequate supplies of clean water. The purpose of this activity is to provide essential core budget and program support to the Program Against Malnutrition in order to enable it to provide overall guidance and direction to Zambia's drought recovery program, as well as to enable NGOs to undertake specific microproject activities which will contribute directly to drought recovery.

The financial support requirements, which are contained in the attached budget (Annex), are of four types: core support, technical support, implementation support, and audit support. The core support component will provide support for salaries and operating expenses of PAM, while the technical support component will provide support which will help ensure that PAM has the technical capacity to design and support appropriate drought recovery programs. Implementation support will be required to support the execution of microprojects during the drought recovery period. An audit will be conducted of the recipient grantee, PAM.

A. Core Support

Core support will finance the office expenses related to continuing the operation of the PAM and will include office rental, salaries, and other operational expenses related to the operation of PAM. In particular, this will include costs necessary to ensure that the impact of the PAM Program is properly monitored and evaluated and that financial control and accountability is strengthened and maintained. WFP has committed itself to mobilize the additional core funding that will be needed to fund the operating expenses of PAM beyond the May 1994 PACD.

B. Technical Support

Technical assistance will be required to support the design, implementation, monitoring and evaluation of microproject interventions which will facilitate the drought recovery of households and communities. Examples of areas likely to require technical support are as follows:

1. Termination of Direct Drought Relief Interventions

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One specific activity related to the termination of direct drought relief interventions is an evaluation of the past experiences of the Program for the Prevention of Malnutrition, with a specific intent of identifying ways to improve the performance of the PPM/PAM system during the drought recovery period. An internal assessment of PPM's performance has begun, but further analysis is likely to be needed in order to assist the Government and donors better assess the lessons learned, and to preserve the institutional memory of the first phase of the Program.

2. Recovery from the Drought

Important activities requiring technical assistance and support relating to the recovery from the drought are:

a) to help NGOs identify at the community-level the most important characteristics of vulnerability to drought and the effects of drought so that appropriate local level drought recovery objectives are developed;

b) to assist NGOs and local communities identify a drought recovery strategy which effectively meets drought recovery objectives. This will be done by identifying the key needs of the community in the areas of agriculture, health, water and nutrition which will facilitate the quickest possible recovery from the drought;

c) to provide objective technical assessments of the range of appropriate technical interventions in the areas of health, agriculture, water and/or nutrition which help the local community achieve its drought recovery objectives;

d) to assist in specific technical tasks related to the design and implementation of suggested interventions, including monitoring and evaluation;

e) to assist in the development of grass roots "self-help" types of organizations (e.g. marketing associations and area committees) which will serve as vehicles through which the community will participate actively in the implementation of drought recovery interventions; and

f) to inform the relevant GRZ ministries about interventions which the NGOs, PAM and the affected communities believe will result in drought recovery so that these ministries can identify if complementary ministry-sponsored programs could enhance the longer-run development impact of the drought recovery interventions undertaken by the NGOs working in the PPM Program.

3. Workshop Support

As mentioned earlier, workshops will be in two primary areas: (1) the technical education of NGOs working on similar microproject activities, and (2) the training of

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trainers for community-level training on the maintenance of capital improvements. Examples of workshop themes which are required based on recovery proposals already submitted by NGOs are: the construction of water supply and sanitation systems, nutrition and health education, and village-level oilseed production, processing and utilization. A minimum of one training of trainers workshop will be undertaken

C. Implementation Support

Given the fact that household food access and nutritional levels were adversely affected by the drought, the PPM was the primary means during the past year of reducing the food, nutritional and health vulnerability of households and communities. Since many of the households and communities are still at high levels of risk despite good rains during this past production season, the PPM still must support the design and implementation of activities that reduce specific areas of vulnerability. Since the drought is a primary contributor to this vulnerability, implementation funds are required to undertake microprojects which reduce vulnerability in the short run, but which also provide a sound basis for reducing chronic food, nutritional and health vulnerability over the longer term.

Examples of activities that will assist in the drought recovery process are microprojects designed to improve crop production, local water supply, feeder roads and market facilities. It is expected that other important rehabilitation activities identified by drought-affected communities, in collaboration with the short-term TA provided under this grant, will also be undertaken. These community-level improvements, which will be undertaken through food, cash and/or agricultural input for work projects, will generate short-run increases in income, both in cash and in kind for individuals working in these projects. These short-run increases in income will also help to reduce household level transitory food and nutritional insecurity which might remain from the drought.

A good example of a microproject activity which will successfully build upon the food for work experience during the drought relief period is the diversification of cereal crops in the area around the town of Kafue. Sunflower seeds which were distributed as part of the food for work package during the drought will be locally processed with oil presses which will shortly become available under the USAID ZAMS Project. Consequently, members of the community will be able to augment their incomes, as well as improve their diets because an appropriate production and processing technology package will be introduced which fills an important niche in the local economy. The recovery of this community will be enhanced not only because caloric levels are likely to increase, but also because community members will receive more sunflower seed for work in exchange for building storage sheds to secure and protect the oil presses during the rainy season. Similar oilseed type microprojects have been proposed by five other NGOs.

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Other examples of microprojects already proposed are: (1) construction microprojects (5 NGOs); (2) nutrition and health education (9 NGOs); (3) marketing education for food security (7 NGOs); and (4) the digging of pit latrines and water-related sanitation improvements to be undertaken before the onset of this year's rainy season (9 NGOs). The major emphasis will be on water and capital improvement microprojects (e.g., feeder road improvements, dams, etc.) until the onset of the rainy season. Once the rains begin, the relative emphasis will shift away from capital construction projects towards health and nutrition education as well as agricultural production and health-oriented microprojects. These microproject activities during the rainy season will help to provide food security during the (pre-harvest) "hungry season" and appropriate health interventions to communities facing a higher risk of vector and water-borne diseases (highly correlated with the rainy season).

Since all projects supported through the implementation fund will be recovery-oriented, they will be undertaken and completed within approximately a six-month time frame; namely, before the onset of the rainy season which also signals the start of the planting season. Moreover, to encourage communities to design microprojects which are finished within this brief timeframe, a budget limitation of \$24,000 will be imposed on all activities as well as a microproject completion date of March 1, 1994.

USAID and PAM will develop a set of joint guidelines to be used as a basis for PAM's selection of microprojects funded under this project component. These guidelines will be incorporated in the H. B. #13 Chapter 2 Grant to PAM, since PAM will be providing funding for implementation microprojects. The guidelines will clearly indicate that highest priority for funding of microprojects should be given to microprojects which will have demonstrable people level impact within the time frame of the activity. Therefore, the guidelines will include a requirement that one or more appropriate indicator(s) of impact, preferably people level impact; be reported by the NGO upon completion of the microproject activity funded through this Grant. Based upon the availability of monthly baseline data obtained during the drought on the number of clinically underweight children and information about distance from villages to clean drinking water sources, it should be possible to obtain at least two indicators of the people level impact for microprojects working in the area of nutrition, health and water/sanitation. These indicators would be: percentage decrease in the number of underweight children at MCH clinics as compared with a similar period during the drought, and decrease in the distance to clean drinking water as compared to a similar time period during the drought. Other indicators of impact could be an increase in the number of meals consumed by children under five as compared with a similar period during the drought, and an increase in the number of foods consumed in the diet as compared with a similar period during the drought.

IV. Period of Performance

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The period of this support will be June 1, 1993 through March 31, 1994. Core support to PPM/PAM after this date will be mobilized by WFP to ensure sustainability.

V. Other Support to the Program for the Prevention of Malnutrition

The GRZ has provided K300 million through its social safety net program to support local costs in the implementation of drought recovery projects. USAID is anticipated to be the largest donor supporting the PPM/PAM program over the next 12 months

Other committed donor support includes World Food Program support for food-for-work projects. UNICEF will provide implementation funds for village-level water projects related to recovery and the International Fund for Agricultural Development (IFAD) will support microprojects designed to create or improve community (i.e. village) level maize storage facilities (\$700,000). Support from other bilateral donors is also being elicited.

VI. Complementarity with Other USAID Programs

It is expected that not less than 50,000 to 75,000 MTs of maize that was imported for drought relief will be diverted to support food for work initiatives designed to promote drought recovery. It is also expected that countervalue funds generated from the sale of imported maize will be used to meet local currency costs for the implementation of the drought recovery program.

VII. USAID Management and Funding Mechanism

Mission will provide the core budget for PAM's operation and the entire implementation budget (\$1,000,000) through a H.B. #13, Chapter 2, Grant to PAM. The Controller has performed a financial management review of PAM. Based on this assessment, PAM is currently receiving advances from USAID/GRZ counterpart and U.S. appropriated funds and adequately reporting on their use. Therefore, the Controller has determined that PAM is eligible for this grant. Mission will provide short-term technical assistance to PAM through a H.B. # 13, Chapter 5, Public International Organization Grant to UNICEF who will work with the PAM in identifying and recruiting the technical assistance requirements of the NGOs. Mission anticipates splitting the funding for in-country workshops (\$270,000) between the grant to PAM and the grant to UNICEF. Under DOA 551, the USAID/Zambia Mission Director has the authority to authorize and sign both grants on behalf of A.I.D.

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ANNEX

BUDGET FOR THE PROGRAM AGAINST MALNUTRITION

I. Core Support:	U. S. DOLLARS
-- Program Against Malnutrition: (June, 1993- May, 1994)	
- Salaries	115,000
- Travel (local)	20,000
- Travel (international)	8,000
- Rental (residential and office)	55,000
Vehicle Maintenance	25,000
- Office Supplies	9,000
- Communications	3,000
- Utilities	3,000
- Financial Accounting	20,000
-Misc & Contingency (10%)	25,800
Subtotal	283,800
II. Technical Support to PPM/PAM/NGOS	
A. Short Term Technical Assistance: (17 person months @\$20,450): 10 in agriculture and food security, 4 in health/nutrition, and 3 "facilitator" months)	347,650
B. In Country Workshops (Six one-week workshops for 30 participants @ \$45,000/ workshop)	270,000
C. Contingency (10%)	61,800
Subtotal	679,450
III. IMPLEMENTATION SUPPORT (micro projects)	1,000,000
IV. AUDIT	35,000
GRAND TOTAL	1,998,250

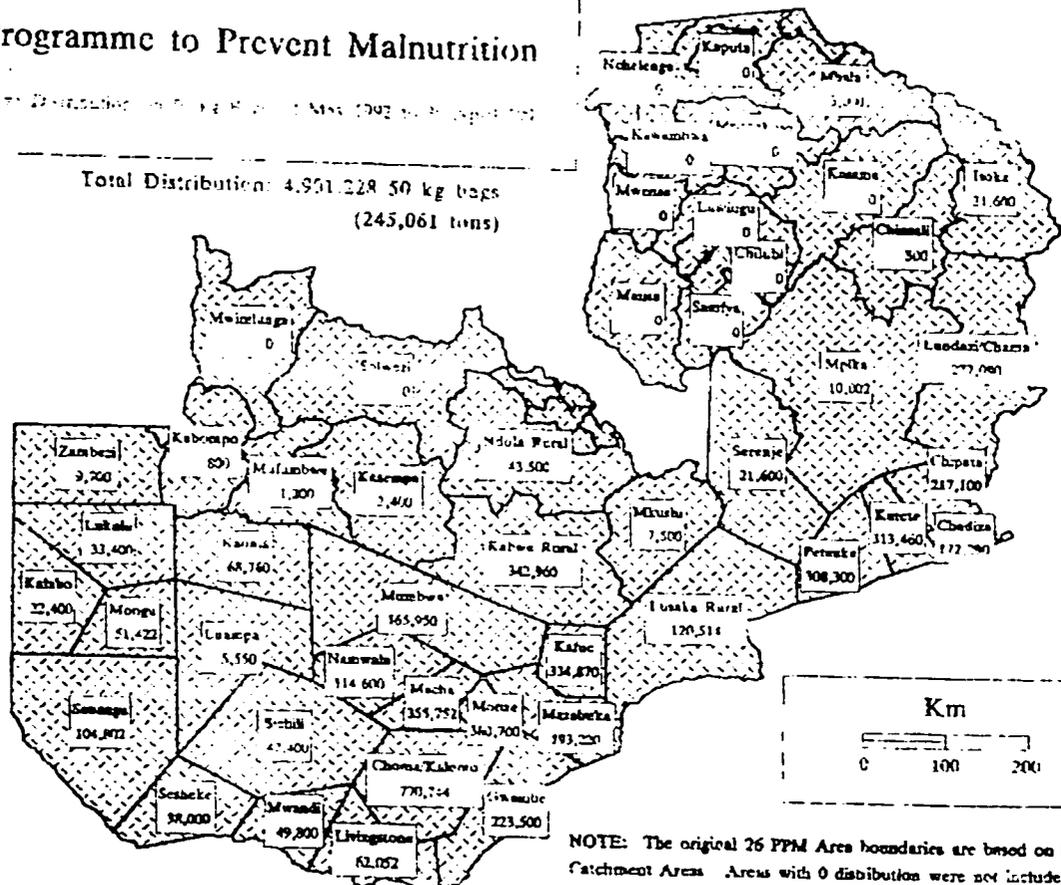
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Programme to Prevent Malnutrition

Map of Distribution of 50 kg Bags of MPP 1002 to Hospital Areas

Total Distribution: 4,951,228 50 kg bags
(245,061 tons)



NOTE: The original 26 PPM Area boundaries are based on Hospital Catchment Areas. Areas with 0 distribution were not included as

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To: James Harmon
From: Peter Argo
Subject: Mozambique RAA

HARARE, ZIMBABWE

Date: 06/08/93

Forwarded By: Peter Argo

Distribution:

Not Requested

TO: HARARE01-HAR005DL James Harmon

Jim, I checked with Nicholas O'Dwyer about their work in Mozambique for WFP..

They are looking at the road in TETE PROVINCE that parallels the Malawi border, north of the TETE CORRIDOR. This is not one of the roads we are considering under RAA, however the end result achieved by WFP is what we are after for the roads we selected.....

Hope this clears up your question. Peter

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INFO: ECON-1 DCM-1 AMB-1

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UNCLAS SECTION 01 OF 02 MAPUTO 02401

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AID/W FOR AFR/SA

E.O.12356: N/A
SUBJECT: MOZAMBIQUE RURAL ACCESS ACTIVITY (RAA)

REP: A) STATE 111515, B) HARARE 3787, C) MAPUTO 1878

1. THE MISSION OFFERS THE FOLLOWING COMMENTS TO THE IMPLEMENTATION ISSUES RAISED IN REFS A AND B.

A. TIMING. IT REMAINS THE INTENTION OF THE MISSION TO IMPLEMENT THIS ACTIVITY PRIMARILY IN THE DRY SEASON OF 1993 (APRIL-DECEMBER). ACTIVITY CAN CONTINUE, BUT AT A MUCH REDUCED PACE, DURING THE PERIOD DECEMBER 1993 - APRIL 1994. THE MISSION WILL TAKE ADVANTAGE OF PREVIOUS ANALYSIS UNDERTAKEN BY THE WORLD BANK FOR THE ROADS AND COASTAL SHIPPING PROJECT, A PROGRAMMATIC ENVIRONMENTAL ASSESSMENT THE MISSION IS CURRENTLY UNDERTAKING, AND CONSTRUCTION CONTRACTING METHODS TO COMPRESS THE CONSTRUCTION PERIOD AS MUCH AS POSSIBLE.

B. IN-COUNTRY IMPLEMENTATION CAPACITY. THE NATIONAL DIRECTORATE OF ROADS AND BRIDGES (DNEP) CURRENTLY CONTRACTS OUT ALL ROAD REHABILITATION, CONSTRUCTION AND MAINTENANCE ACTIVITIES. BECAUSE OF THE DIFFICULTIES IN FINDING PRIVATE CONTRACTORS WILLING TO WORK IN MANY OF THE WAR-TORN REGIONS OF THE COUNTRY, THE GOVERNMENT ESTABLISHED IN 1987 THE PARASTATAL PROVINCIAL CONSTRUCTION COMPANIES (ECMEPS) TO CONTRACT WITH DNEP. IN THOSE REGIONS WHERE COMPETITION EXISTS (THE AREAS SURROUNDING MAPUTO, BEIRA, NAMPULA AND WITHIN THE INTERNATIONAL TRANSPORT CORRIDORS) DNEP ROUTINELY CONTRACTS WITH PRIVATE FIRMS. SINCE THE OCTOBER PEACE ACCORD, MANY CONSTRUCTION FIRMS CURRENTLY ESTABLISHED IN

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MOZAMBIQUE ARE INTERESTED IN EXPANDING THEIR SERVICES INTO ALL AREAS OF THE COUNTRY. OTHER CONSTRUCTION FIRMS FROM SOUTH AFRICA, ZIMBABWE AND MALAWI HAVE ALSO EXPRESSED AN INTEREST IN EXPANDING THEIR OPERATIONS INTO MOZAMBIQUE. THE MISSION INTENDS TO USE INTERNATIONAL COMPETITIVE BIDDING UNDER HB 11 PROCEDURES TO ATTRACT QUALIFIED CONTRACTORS FROM WITHIN THE SADC REGION TO IMPLEMENT THIS ACTIVITY. FURTHERMORE, UNDER THE ROCS PROJECT, DNEP HAS ACQUIRED A STAFF OF SIX PROFESSIONALS FROM A SWEDISH-BASED CONSULTANT TO SUPPORT MANAGEMENT AND CONTRACT MONITORING PROGRAMS.

C. HOST COUNTRY CONTRACTING. IN ACCORDANCE WITH RECENT REVISIONS (10/20/92) TO HANDBOOK 3B, CHAPTER 2C.2.(E), HOST COUNTRY CONTRACTING IS MORE APPROPRIATE FOR PROCUREMENT OF CONSTRUCTION SERVICES THAN DIRECT-AID CONTRACTS. THE MISSION WILL UNDERTAKE THE APPROPRIATE ASSESSMENT OF HOST COUNTRY CONTRACTING CAPABILITIES.

D. USAID PROGRAM MANAGEMENT. SUPERVISION AND MANAGEMENT OF THE CONSTRUCTION ACTIVITY WILL BE CONDUCTED BY A CONSULTING A/E FIRM UNDER A DIRECT AID CONTRACT. THE SAME FIRM WILL BE RESPONSIBLE FOR THE PREPARATION OF BID DOCUMENTS AND CONTRACT FORMS. THE MISSION WILL CONTRACT WITH THE A/E FIRM USING MISSION PD&S FUNDS TO COMPLETE THE DESIGN, BID DOCUMENT PREPARATION, IFB, AND BID ANALYSIS PHASE. THIS PRELIMINARY PHASE WILL COME TOGETHER WITH OBLIGATION SO THAT CONSTRUCTION CONTRACTS CAN BE SIGNED IMMEDIATELY UPON SIGNATURE OF THE PROJECT GRANT AGREEMENT. THE CONSTRUCTION MANAGEMENT PHASE WILL BE FUNDED UNDER THE RAA WITH THE SAME A/E FIRM FINANCED FOR PRE-IMPLEMENTATION PHASE WITH PD&S.

E. SUPERVISION OF THIS PROCESS WITHIN THE AID OFFICE IS TO BE COVERED BY ONE PSC AND THE EXISTING USDH ENGINEER. THE UNIT COSTS FOR EACH PROJECT ELEMENT INCLUDES SUPERVISION COSTS; BOTH FOR THE CONTRACTED A/E FIRM AND THE ADDITIONAL PSC POSITION.

F. DROUGHT RECOVERY RELATIONSHIP. ALL OF THE ROADS AND PROJECT ELEMENTS IDENTIFIED IN REF A WERE SELECTED PRECISELY FOR THEIR IMPACT ON DROUGHT RECOVERY. THE AREA TO BE SERVED, ALONG THE ZAMBEZI RIVER VALLEY AND THE CORRIDOR TO TETE, RECEIVED A DRAMATIC INCREASE IN POPULATION WITHIN THE RELIEF CENTERS DUE TO THE DROUGHT. THESE SAME RELIEF CENTERS ARE THE STAGING POINTS FOR THE PROVISION OF SEEDS, AG-PACKS, AND OTHER RELIEF SUPPLIES IN SUPPORT OF MOVING THE PEOPLE BACK TO THE LAND. CURRENTLY THESE SUPPLIES ARE FLOWN IN TO MANY RELIEF CENTERS AT GREAT EXPENSE. THE PURPOSE OF THIS ACTIVITY IS TO PROVIDE GROUND ACCESS TO THESE CENTERS SO THE SUPPLIES CAN BE TRANSPORTED MORE CHEAPLY, SUPPLIED IN

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NEEDED, LARGER QUANTITIES AND PROVIDED ON A SUSTAINED BASIS. THIS ACTIVITY WILL HELP ASSURE ALL WEATHER ACCESS TO SEVERAL OF THE AIRLIFT SITES WHOSE AIR STRIPS ARE FREQUENTLY CLOSED DUE TO INCLEMENT WEATHER.

2. THE RAA IS INCLUDED AS A LINE ITEM UNDER REF B FROM HARARE. USAID/MAPUTO HAS HELD NUMEROUS DISCUSSIONS WITH USAID/HARARE OFFICERS ON THE SUBJECT AND REF C IS A RESULT OF THOSE. HARARE SHARED AID/W CONCERNS OVER THE ROLE OF THE ECMEPS IN THIS ACTIVITY AND THE CAPACITY OF THE DNEP TO PERFORM HOST COUNTRY CONTRACTS. AS NOTED IN PARAGRAPH LB ABOVE, THIS ACTIVITY WILL NOT USE THE ECMEPS IN ANY CAPACITY FOR IMPLEMENTATION. THE MISSION WILL ADDRESS THE ISSUE OF HOST-COUNTRY CONTRACTING DURING THE ANALYTICAL PHASE. USAID/MAPUTO CONTINUES TO LIAISE WITH USAID/HARARE AND WILL COVER IN DETAIL THESE AND OTHER ISSUES IN PREPARATION OF THE ANALYSIS IN SUPPORT OF THE RAA.

3. OUR CURRENT TIME-LINE FOR ACTIVITY DESIGN AND IMPLEMENTATION IS AS FOLLOWS:

- A. TECHNICAL, FINANCIAL, ECONOMIC AND ADMINISTRATIVE ANALYSIS TO BE COMPLETED BY JULY 9, 1993.
-
- B. 611(E) APPROVAL BY JULY 30, 1993; ENVIRONMENTAL ASSESSMENT BY JULY 9, 1993.
-
- C. IMPLEMENTATION AND CONTRACTING PLAN TO BE COMPLETED BY JUNE 18, 1993.
-
- D. OBLIGATION BY AUGUST 13, 1993.
-
- E. CONSTRUCTION MANAGEMENT CONTRACT, DESIGN PHASE FUNDED BY PD&S, TO BE AWARDED BY JULY 2, 1993.
-
- F. CONSTRUCTION CONTRACTS AWARDED BY SEPTEMBER 3, 1993.

4. MISSION INTENDS TO PROCEED WITH ANALYSIS FOR AND DESIGN OF THIS ACTIVITY. WE WILL MAINTAIN CLOSE CONTACT WITH USAID/HARARE DURING THIS PROCESS. FRIEDMAN

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UNCLAS AIDAC USAID HARARE 04376

ORIGIN: AID-1
INFO: ECON-1 DCM-1 AMB-1

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INFO RUEHC/SECSTATE WASHDC PRIORITY 8365
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UNCLAS SECTION 01 OF 02 HARARE 004376

AIDAC

USAID/MOZAMBIQUE FOR ARGO AND AID/W FOR AFR/SA

E.O. 12356: N/A
SUBJECT: PROPOSED MOZAMBIQUE RURAL ACCESS ACTIVITY
REF: (A) STATE 111515 (B) MAPUTO 01878

1. IN PRINCIPLE, USAID/SARP/HARARE SUPPORTS USAID/MAPUTO'S RURAL ACCESS ACTIVITY (RAA) PROJECT FOR FUNDING FROM SARP REGIONAL FUNDS. HOWEVER, WE CONCUR WITH AFR/SA IMPLEMENTATION CONCERNS IN REF (A) AND PRESENT OUR CONCERNS THAT THE PROJECT AS DESCRIBED IN REF (B) RAISES A NUMBER OF IMPLEMENTATION ISSUES WHICH MUST BE ADDRESSED IN THE DESIGN OF THE ACTIVITY. PER SARP DISCUSSIONS WITH USAID/MAPUTO, IT APPEARS THAT BOTH AFR/SA'S AND OUR CONCERNS HAVE ALREADY BEEN CONSIDERED DURING PRELIMINARY DEVELOPMENT OF THE ACTIVITY, BUT WE FEEL THE PROPOSAL MUST CLEARLY AND EXPLICITLY ADDRESS THEM BEFORE SARP WILL PROVIDE APPROVAL OF FUNDING UNDER THE AMENDED REGIONAL EMERGENCY DROUGHT RELIEF AND RECOVERY PROJECT. OUR CONCERNS FOLLOW.

A. WHAT IS THE PRIVATE SECTOR ROLE VS. GOM'S DNEP ROLE?

1) IN PARA 2.D., REF (B) STATES QUOTE THE GOM PLANS TO RESURRECT THE STATE-MANAGED, PROVINCIAL-BASED CONSTRUCTION COMPANIES (ECMEPS) TO ACCOMPLISH THE RECONSTRUCTION

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- 2) EFFORT END QUOTE.
LATER, IN PARA 3.A., REF (B) STATES, QUOTE THE INTENTION IS TO BRING ADDITIONAL RESOURCES TO BEAR, THROUGH CONTRACTS WITH PRIVATE CONSTRUCTION COMPANIES, FOR THE RAPID RECONSTRUCTION OF ESSENTIAL PHYSICAL INFRASTRUCTURE END QUOTE.
(THIS CONFLICTS WITH PARA 1 ABOVE)
- 3) FINALLY, PARA 8 STATES QUOTE ALL CONSTRUCTION CONTRACT ACTIVITY WILL BE HOST COUNTRY CONTRACT PROCEDURES THOUGH DNEP WHICH PRESENTLY CONTRACTS OUT ALL OF ITS ROAD CONSTRUCTION AND MAINTENANCE ACTIVITIES END QUOTE.
(THIS ALSO CONFLICTS WITH PARA 1 ABOVE)

PER DISCUSSIONS BETWEEN SARP AND USAID/MOZAMBIQUE, THESE CONFLICTING STATEMENTS APPEAR HAVE BEEN RESOLVED. PLEASE PROVIDE CLARIFICATION.

B. TIMING OF PROJECT IMPLEMENTATION WILL BE CRITICAL TO COMPLETION OF THE ACTIVITY WITHIN THE PADC OF THE AMENDED REGIONAL DROUGHT EMERGENCY RELIEF AND RECOVERY PROJECT. REF (B) DOES NOT ADEQUATELY DISCUSS HOW THE MISSION PLANS TO EXPEDITE THE CONTRACTING PROCESS. PLEASE PROVIDE AN IMPLEMENTATION SCHEDULE AND OTHER RELEVANT CLARIFICATION.

C. WE STRONGLY AGREE WITH AFR/SA THAT HOST COUNTRY CONTRACTING CAPABILITY WILL BE A PIVOTAL ISSUE. PROCEDURES TO ADDRESS THIS ISSUE ARE NOT ADEQUATELY ADDRESSED IN REF (B). PLEASE CLARIFY.

2. USAID/HARARE HAS ASKED AID/W TO QUOTE OVER-NOTIFY UNQUOTE CONGRESS ON THE REGIONAL DROUGHT RELIEF AND RECOVERY PROJECT TO POSSIBLY INCLUDE \$19.98M FOR SUBJECT PROJECT.

3. MISSIONS IN REGION HAVE BEEN ASKED TO REVIEW THEIR DROUGHT RELIEF NEEDS (HIGHEST PRIORITY) AND RECOVERY REQUIREMENTS. WE ARE UNABLE TO TELL YOU THE EXACT AMOUNT OF FUNDS AVAILABLE FOR SUBJECT PROJECT UNTIL: (A) OTHER PRIORITY RELIEF NEEDS ARE KNOWN; (B) MORE DETAILS ARE AVAILABLE ON THIS PROJECT. IT IS MOST IMPORTANT THAT USAID/MOZAMBIQUE MAKE THE CLEARST, WELL-ANALYZED ASSESSMENT OF WHICH ROADS, AT WHAT COST, ARE TRULY DROUGHT RECOVERY RELATED, AND CAN BE COMPLETED BEFORE THE PADC OF MAY 31, 1994.

4. IN ORDER TO SPEED UP AND STRENGTHEN THE PROPOSED HOST COUNTRY CONSTRUCTION CONTRACTING

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PROCESS (THEREBY ADDRESSING BOTH AFR/SA AND SARP CONCERNS), USAID/HARARE PROVIDES THESE SUGGESTIONS:

A. USAID/MAPUTO SHOULD CONSIDER IMPLEMENTING THE PROJECT BY USING A DIRECT CONTRACT TO SECURE THE SERVICES OF A PROGRAM/CONSTRUCTION MANAGEMENT (P/CM) FIRM TO ACT ON BEHALF OF THE GOM AND DO ALL THE PLANNING, DESIGNS, SPECIFICATIONS, TENDER DOCUMENTS, EVALUATION OF AWARDS, ETC., AND MANAGE THE HOST COUNTRY CONTRACTING FOR CONSTRUCTION ACTIVITIES.

B. USAID/MAPUTO SHOULD CONSIDER USING THE AMENDED CLASS JUS TIFICATION PROVIDED FOR THE REGIONAL EMERGENCY DROUGHT RELIEF PROJECT TO SPEED UP THIS AND OTHER PROCUREMENTS NEEDED. LANPHER
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INFO: ECON-1 DCM-1 AMB-1

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CHARGE: AID

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AIDAC
E.O. 12356: N/A
TAGS:
SUBJECT: PROPOSED MOZAMBIQUE RURAL ACCESS ACTIVITY (RAA)

REF: MAPUTO 1878

1. AFR/SA HAS REVIEWED REFTEL AND CONCLUDED THAT IT PROVIDES INSUFFICIENT INFORMATION TO ALLOW FURTHER CONSIDERATION OF THE PROPOSED ACTIVITY AT THIS TIME. FOLLOWING ARE SOME OF OUR MAJOR CONCERNS:

A. TIMING. WE RECOGNIZE THAT MISSION HOPED TO TAKE ADVANTAGE OF DRY SEASON TO GET ROAD WORK UNDERWAY, BUT GIVEN REQUIREMENTS NECESSARY TO MOUNT AN EFFORT OF THE PROPORTIONS DESCRIBED, ALONG WITH THE UNDERLYING ANALYSIS AND DESIGN/ENGINEERING WORK REQUIRED, THIS TIMING IS NOT REALISTIC.

B. IN-COUNTRY CAPACITY TO IMPLEMENT THIS ACTIVITY. WHILE MISSION PLANS TO CONTRACT WITH PRIVATE CONSTRUCTION COMPANIES FOR THE RAPID RECONSTRUCTION OF ESSENTIAL PHYSICAL INFRASTRUCTURE, REFTEL DISCUSSES THE GRM'S RESURRECTION OF THE STATE-MANAGED PROVINCIAL-BASED CONSTRUCTION COMPANIES (ECMEPS) TO ACCOMPLISH THE RECONSTRUCTION EFFORT. WHAT WILL THE RELATIONSHIP BETWEEN

THE ECMEPS AND THE PRIVATE FIRMS BE IN TERMS OF THESE RECONSTRUCTION EFFORTS? WILL THE PRIVATE FIRMS BE MOZAMBIKAN ONLY, OR WILL FIRMS FROM OTHER NEIGHBORING COUNTRIES BE SOLICITED?

C. HOST COUNTRY CONTRACTING. AFR/SA QUESTIONS GRM CAPABILITY TO DO HOST COUNTRY CONTRACTING FOR THIS TYPE OF ACTIVITY, AND WHETHER DNEP COULD MANAGE SUCH AN EFFORT. ACCORDINGLY, WOULDN'T AN A.I.D. DIRECT CONTRACT BE MORE APPROPRIATE? WE WOULD APPRECIATE MISSION'S ASSESSMENT.

D. PSC. AFR/SAIS READING OF REFTEL LEADS US TO BELIEVE THAT A SINGLE PSC MANAGER, EVEN WORKING WITH THE MISSION'S USDH ENGINEER, WOULD NOT BE SUFFICIENT TO MANAGE THE SCOPE AND BREADTH OF ACTIVITIES PROPOSED. REFTEL DOESN'T PROVIDE SUFFICIENT INFORMATION ON HOW THE TECHNICAL AND MONITORING REQUIREMENTS OF THIS ACTIVITY WILL BE DEVELOPED AND MANAGED. THE LIMITED DNEP INSTITUTIONAL CAPACITY CITED IN REFTEL, PARA 3A, SUGGESTS THE NEED FOR AN A/E CONTRACTOR TO PREPARE THE DETAILED ENGINEERING REQUIREMENTS FOR SELECTED ACTIVITIES AND TO PROVIDE AN APPROPRIATE LEVEL OF ENGINEERING CAPABILITY TO MONITOR ALL ACTIVITIES. ALSO, THE PROPOSED PROJECT BUDGET SHOWS NO LINE ITEM FOR THE PSC.

2. AID/W UNDERSTANDS THAT SARP PROJECT AMENDMENT DOES NOT PRESENTLY INCLUDE FUNDING FOR MOZAMBIQUE ROAD ACTIVITY. REQUEST THAT ANY RESUBMISSION OF THIS ACTIVITY FOR FUNDING CONSIDERATION ALSO REFLECT THE DISCUSSIONS BETWEEN USAID/ZIMBABWE DIRECTOR MORSE AND USAID/MOZAMBIQUE DIRECTOR CARLSON.

3. PLEASE ADVISE.
WHARTON
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CORRIDOR WHERE THE PAVEMENT SURFACE IS BEING DESTROYED BY THE HEAVILY INCREASED TRAFFIC AND MOVEMENT OF FOOD SUPPLIES SINCE THE OCTOBER 1992 CEASE-FIRE ENABLED THE USE OF THIS CORRIDOR. THIS LONG UNMAINTAINED ROAD NEEDS RAPID TEMPORARY REPAIRS TO REMAIN FUNCTIONAL. OVER THE NEXT THREE TO FOUR YEARS.

D. ALSO INCLUDED IN THE RAA IS THE CONVERSION OF THE EXISTING RAIL BRIDGE OVER THE ZAMBEZI RIVER AT SENA INTO A ROAD VEHICLE BRIDGE. THIS WOULD INVOLVE REPLACING TWO SPANS, ONE ON EACH END, WITH "BAILEY" TYPE BRIDGES AND DECKING TO PROVIDE A VEHICLE RUNNING SURFACE.

E. THIS CABLE PROVIDES THE BACKGROUND AND DESCRIPTION OF THE RAA AND REQUESTS: (1) USAID/HARARE AND AID/W CONSIDERATION OF DOLS 17 MILLION UNDER THE CURRENT DROUGHT EMERGENCY RELIEF AND RECOVERY PROJECT AND (2) AID/W RESPONSE TO REF (A) PARA 4 INQUIRY ABOUT AVAILABILITY OF AN ADDITIONAL DOLS 2 MILLION ADA FOR THE DEMOBILIZATION PROGRAM. END SUMMARY.

2. BACKGROUND

A. AS PART OF A STILL-MASSIVE EMERGENCY ASSISTANCE PROGRAM, USAID NOW SUPPORTS AIRLIFTS OF RELIEF SUPPLIES AND RELATED ASSISTANCE INTO SEVEN EMERGENCY DISTRIBUTION CENTERS ALONG THE ZAMBEZI RIVER VALLEY. THE CENTERS WERE INITIALLY ESTABLISHED TO MEET THE NEEDS OF THE WAR-AFFECTED AND -DISPLACED POPULATIONS; BUT DUE TO THE DROUGHT IN EARLY 1992 THE POPULATIONS BEING ASSISTED IN THESE SITES SWELLED CONSIDERABLY, AS FAMILIES LEFT THEIR ARID FARMS IN SEARCH OF FOOD. AFTER THE PEACE ACCORD IN OCTOBER 1992, THOUSANDS OF ADDITIONAL FAMILIES WHO HAD BEEN COMPLETELY DEVASTATED BY THE DROUGHT -- BUT HAD NOT BEEN FREE TO MOVE TOWARD RELIEF DUE TO THE WAR -- ALSO BEGAN TO ARRIVE AT THE AIRLIFT SITES. WITH THE RETURN OF THE RAINS THIS SEASON, MANY OF THESE DROUGHT-DISPLACED FAMILIES ARE MOVING BACK AND FORTH BETWEEN THEIR HOMES AND THE RELIEF CENTERS, ATTEMPTING TO BALANCE EFFORTS TO PRODUCE A CROP WITH ACCESS TO ADEQUATE RELIEF FOOD UNTIL THE HARVEST ARRIVES. INDEED, THE FACT THAT THESE FAMILIES HAVE BEEN ABLE TO PLANT AND HARVEST ANYTHING AT ALL IN THIS FIRST POST-DROUGHT YEAR, AFTER TOTAL DEPLETION OF HOUSEHOLD SEED AS WELL AS FOOD STOCKS IN 1992, IS DUE TO THE RAPID AND EFFECTIVE

MOBILIZATION AND DISTRIBUTION OF SEEDS AND TOOLS, WHICH ALSO REQUIRED AIRLIFTING TO THESE OTHERWISE INACCESSIBLE AREAS.

B. THE LANDING STRIPS AT THE AIRLIFT SITES ARE OF POOR QUALITY AND MANY CANNOT SUPPORT FLIGHTS OF ANY KIND DURING THE RAINY SEASON (OCTOBER-MARCH), WHICH COINCIDES WITH THE "HUNGRY" PLANTING AND PRE-HARVEST SEASON. THIS YEAR, ONE SITE (MUTARARA) ON THE NORTH BANK OF THE RIVER DID NOT RECEIVE ANY RELIEF FOOD AT ALL BETWEEN MID-NOVEMBER 1992 AND EARLY FEBRUARY 1993. COSTS TO DELIVER FOOD VIA AIRLIFT VARY, BUT ON AVERAGE THE MONTHLY COST FOR EACH SITE IS ABOUT DOLS 70,000. OVER A ONE-YEAR PERIOD THIS TOTALS APPROXIMATELY DOLS 5 MILLION FOR THESE SEVEN CENTERS. THE NEED FOR EMERGENCY FOOD DISTRIBUTIONS IN THESE SITES, AND POSSIBLY IN OTHERS ALONG THE RIVER AS PREVIOUSLY CLOSED RENAMO AREAS ARE OPENED UP, IS EXPECTED TO CONTINUE FOR AT LEAST ONE MORE FULL AGRICULTURAL AND RELIEF CYCLE, THAT IS, THROUGH MAY 1994. FURTHERMORE, THE NEED FOR POST-DROUGHT SEEDS AND TOOLS DISTRIBUTIONS IS EXPECTED TO INCREASE AGAIN THIS YEAR, IN ORDER TO PROVIDE A START FOR DROUGHT-DISPLACED FAMILIES AS WELL AS RETURNING REFUGEES.

C. THE GOVERNMENT OF MOZAMBIQUE (GRM) IS SEIZED WITH THE URGENCY OF THE ROAD ACCESS CONSTRAINT TO POST-DROUGHT AND NOW POST-WAR RECOVERY AND REINTEGRATION. THROUGH THE NATIONAL DIRECTORATE OF ROADS AND BRIDGES (DNEP), THE GRM HAS ISSUED SEVERAL DOCUMENTS ADDRESSING THE POST WAR RECOVERY AND EMERGENCY REPAIRS REQUIRED FOR THE ROAD NETWORK. WHILE DNEP'S PRIORITIES FOR ROAD REHABILITATION ARE BASED ON OTHER CRITERIA IN ADDITION TO POST-DROUGHT RECOVERY IMPACT, SOME OF THE DNEP-IDENTIFIED ROADS ARE ALSO KEY ACCESS ROUTES TO THE AIRLIFT SITES DISCUSSED ABOVE AND TO OTHER DROUGHT-AFFLICTED DISTRICTS IN NORTH-CENTRAL MOZAMBIQUE.

D. WITHIN EACH DNEP DOCUMENT, THE THEME IS TO OPEN UP INACCESSIBLE AREAS. ESTIMATES ARE THAT ABOUT 75 PERCENT OF THE ROAD NETWORK THROUGHOUT THE COUNTRY IS IN VERY POOR CONDITION. DNEP, IN CONJUNCTION WITH THE PROVINCIAL AUTHORITIES, HAS IDENTIFIED ABOUT 8,444 KILOMETERS OF ROAD THAT COMPRISE THE PRIORITY NETWORK TO BE ADDRESSED IN 1993-94. THE GRM PLANS TO RESURRECT THE STATE-MANAGED PROVINCIAL-BASED CONSTRUCTION COMPANIES (ECMEPS) TO ACCOMPLISH THE RECONSTRUCTION EFFORT. INPUTS REQUESTED BY THE GRM INCLUDE NEW EQUIPMENT, SPARES TO REPAIR EXISTING EQUIPMENT, CONSTRUCTION MATERIALS, AND TECHNICAL ASSISTANCE. ESTIMATED COSTS ARE ABOUT DOLS 50 MILLION TO COVER FOREIGN EXCHANGE COSTS AND 70 BILLION METICAIS (ABOUT DOLS 23 MILLION) FOR LOCAL COSTS. THE RAA WILL NOT PROVIDE SUPPORT TO THE DEVELOPMENT OR MANAGEMENT OF THE ECMEPS.

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E. FURTHERMORE, DNEP HAS PREPARED A REQUEST FOR THE REHABILITATION AND RESEALING OF APPROXIMATELY 1,800 KILOMETERS OF PAVED ROADS COMPRISING THE MAJOR NORTH-SOUTH AND EAST-WEST CORRIDORS OF THE COUNTRY. THIS REQUEST, TOTALLING DOLS 21 MILLION, WILL PROVIDE A TEMPORARY WEARING SURFACE ON ROADS THAT HAVE NOT RECEIVED ANY MAINTENANCE ACTIVITIES FOR TWO DECADES. THIS IS ONLY A TEMPORARY SOLUTION; IN MOST CASES THESE ROADS ARE THE SUBJECT OF A DONOR-FINANCED RECONSTRUCTION PLAN BUT DESIGN AND CONSTRUCTION LEAD TIMES ARE ON THE ORDER OF TWO TO THREE YEARS.

3. ACTIVITY DESCRIPTION

A. THE PURPOSE OF THE RURAL ACCESS ACTIVITY IS TO OPEN UP SELECTED ALL-WEATHER ROAD ACCESS TO AREAS OF HIGH PRIORITY FOR EMERGENCY RELIEF AND POST-DROUGHT RECOVERY. THE ACTIVITY WOULD PROVIDE DIRECT ACCESS (1) FOR RELIEF DISTRIBUTIONS TO AREAS CURRENTLY SUPPLIED BY COSTLY AIRLIFTS, (2) FOR LARGE NUMBERS OF DROUGHT-DISPLACED PERSONS AND REFUGEES RETURNING HOME, (3) FOR REESTABLISHING FAMILY FARMS ABANDONED BECAUSE OF THE DROUGHT, AND (4) FOR REGENERATING COMMERCIAL ACTIVITY WHICH IS CRITICAL TO POST-DROUGHT SOCIAL AND ECONOMIC REINTEGRATION. THE INTENTION IS TO BRING ADDITIONAL RESOURCES TO BEAR, THROUGH CONTRACTS WITH PRIVATE CONSTRUCTION COMPANIES, FOR THE RAPID RECONSTRUCTION OF ESSENTIAL PHYSICAL INFRASTRUCTURE. IN DESIGNING THE RAA, THESE CONTRACTS WILL BE SIZED APPROPRIATELY TO ENSURE RAPID START-UP AND COMPLETION. THIS ACTIVITY WILL NOT SUPPORT, OR IN ANY WAY DEPEND ON, THE INSTITUTIONAL CAPACITY AND STRENGTHENING OF THE ECMEPS. HOWEVER, THE DNEP WILL GAIN INSTITUTIONALLY FROM ITS PARTICIPATION IN MANAGEMENT OF CONTRACTED REHABILITATION ACTIVITIES.

B. THE FOLLOWING IS OUR BEST CURRENT ESTIMATE OF THE REQUIREMENTS FOR ROAD ACCESS TO THE AREAS MOST CRITICAL TO MEET THE PURPOSE STATEMENT ABOVE AND CONTRIBUTE TO USAID'S TRANSITION PROGRAM OBJECTIVES. IN THE EVENT THAT THE MISSION IS UNABLE TO ACQUIRE THE REQUIRED FUNDING FOR THE COMPLETE PROGRAM, A PRIORITY (PTY) HAS BEEN ASSIGNED BASED ON THE POPULATION OF THE AREA SERVED, AND THE IMPORTANCE WITHIN THE RELIEF SUPPLIES DISTRIBUTION CHAIN.

4. PROPOSED PROJECT ELEMENTS AND COSTS (U.S.DOLS)

A.	DESCRIPTION	PTY	UNIT	TOTAL
-			COSTS	(MILLIONS)
-	1. GRAVEL ROADS			
-	SOFALA PROVINCE (203 KMS)	A	20,000	4.060
-	TETE PROVINCE (297 KMS)	C	20,000	5.940

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-	ZAMBEZIA PROV (103 KMS)	D	20,000	2.060
-	2. RESEALING			
-	EN 102, VANDUZI-CHANGARA	B	12,000	3.240
-	3. SENA BRIDGE	E		
-	BRIDGE PROCUREMENT (400 M)		3,000	1.200
-	INSTALLATION AND DECKING			2.500
-	TOTAL			19.000

B. THE RURAL ACCESS ACTIVITY WOULD SUPPORT THE GRADING AND RECONSTRUCTION OF UP TO 603 KILOMETERS OF ROADS WITHIN THE ZAMBEZI RIVER VALLEY. OF THE ROADS IDENTIFIED, THOSE WITHIN TETE AND SOFALA PROVINCES ARE ESSENTIAL TO GAIN ACCESS TO THE CURRENTLY AIRLIFT-SUPPLIED DISTRIBUTION SITES RUN BY PVOS. THE ROADS IDENTIFIED WITHIN ZAMBEZIA PROVINCE CONNECT THE VILLAGES OF MUTARARA (TETE PROVINCE) AND SOMA WITH THE MAIN NORTH-SOUTH LINK BETWEEN BEIRA-CAIA-QUELIMANE. THIS ACCESS TO THE AREA FROM THE PORTS AT BEIRA AND QUELIMANE IS AN EXTREMELY ADVANTAGEOUS ALTERNATIVE TO THE MUCH LONGER ROUTE THROUGH TETE AND MALAWI.

C. PROPOSED GRAVEL ROADS FOR REHABILITATION TO ALL-WEATHER STANDARD

-	SOFALA PROVINCE			
-	CAIA - MARROMEU		105	KMS
-	CAIA - SENA		58	
-	SENA - CHEMBA		40	
-	TOTAL		203	
-	TETE PROVINCE			
-	MUTARARA - MALAWI		50	
-	MUTARARA - CAMBULATSISI		247	
-	TOTAL		297	
-	ZAMBEZIA PROVINCE			
-	MUTARARA (TETE) - SOMA		30	
-	SOMA - MR 225 VIA MORUMBALA		73	
-	TOTAL		103	
-	TOTAL		603	KMS

D. THE RAA ALSO PROPOSES TO REPLACE THE TWO WAR-DAMAGED SENA RAIL BRIDGE SPANS WITH METAL "BAILEY" BRIDGE SECTIONS, PROVIDE TEMPORARY DECKING TO THE ENTIRE BRIDGE FOR USE OF VEHICLE AND PEDESTRIAN TRAFFIC, AND REWORK THE BRIDGE APPROACHES TO MAKE THEM SUITABLE FOR VEHICLE USE. PRESENTLY, THE BRIDGE IS

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ONLY SUITED FOR RAIL TRAFFIC. IT HAS BEEN OUT OF USE SINCE 1984 AND IT IS EXTREMELY UNLIKELY THAT THE RAIL LINE WILL BE REHABILITATED AT ANY TIME IN THE FORESEEABLE FUTURE. THE AVAILABILITY OF A GENERAL PURPOSE BRIDGE ACROSS THE ZAMBEZI RIVER WOULD GREATLY ENHANCE THE MOVEMENT OF PEOPLE, GOODS, AND EQUIPMENT INTO THE AREAS ALONG THE RIVER VALLEY, THEREBY SPURRING ECONOMIC REINTEGRATION AND POST-DROUGHT RECOVERY.

E. THIS ACTIVITY ALSO PROPOSES TO TEMPORARILY REHABILITATE AND RESEAL THE SECTION OF THE NATIONAL ROAD (EN 102) BETWEEN VANDUZI AND CHANGARA LINKING BEIRA AND TETE VIA CHIMOIO. THIS ROAD IS ALREADY EXPERIENCING DISINTEGRATION OF THE WEARING SURFACE DUE TO OXIDATION OF THE ASPHALT AND RECENT INCREASES IN TRAFFIC RESULTING FROM RELIEF FOOD DISTRIBUTION CONVOYS DESTINED FOR TETE PROVINCE AND FOR MALAWI. TRAFFIC FLOWS ARE NOT EXPECTED TO DECREASE; TO THE CONTRARY, TRAFFIC HAS BEEN INCREASING SINCE THE SIGNING OF THE OCTOBER PEACE ACCORD. AT THE CURRENT PACE, THE WEARING SURFACE, AND ULTIMATELY THE ROAD BASE, WILL BE DESTROYED IN A MATTER OF MONTHS. THE ROAD IS THE SUBJECT OF AN AFDB LOAN FOR COMPLETE REHABILITATION AND RECONSTRUCTION, BUT THE SCHEDULE IS TO COMPLETE THE FEASIBILITY STUDY AND DESIGN WORK OVER THE NEXT TWO YEARS, AND NO CONTRACTOR IS PLANNED TO BE ON SITE BEFORE MID-1995. IF ACTIONS ARE NOT TAKEN NOW TO PROVIDE TEMPORARY REJUVENATION OF THE WEARING SURFACE, THE USE OF THIS KEY ROAD WILL BECOME PROBLEMATIC AND THE COST OF RECONSTRUCTION WILL BE SIGNIFICANTLY HIGHER.

5. RELATIONSHIP WITH GRM PRIORITIES

THIS PROPOSED ACTIVITY INCLUDES ABOUT 350 KILOMETERS OF GRAVEL ROAD IDENTIFIED IN THE DNEP PLANS FOR REHABILITATION AND RECONSTRUCTION. THE EN 102 IS ONE OF THE GRM-SET PRIORITY TRUNK ROADS TO BE RESEALED. ALL OF THE ROADS UNDER THIS PROPOSAL ARE LISTED AMONG THE GRM'S PRIORITY ROADS FOR DEMINING AND OPENING, IN ORDER TO GAIN ACCESS TO MOZAMBICANS IN DESPERATE NEED OF BOTH EMERGENCY RELIEF AND OPPORTUNITIES FOR REESTABLISHING PRODUCTION.

6. RELATIONSHIP WITH POST-DROUGHT RECOVERY AND USAID/MOZAMBIQUE TRANSITION PROGRAM

THIS ACTIVITY ADDRESSES THE IMMEDIATE NEEDS OF PROVIDING BASIC INFRASTRUCTURE AND ACCESS FOR THE DROUGHT AFFECTED AND DISPLACED POPULATION AND REFUGEES RETURNING TO THE RURAL SECTOR, ACCESS FOR CIVIC AND PRE-ELECTION PROGRAMS, AND ACCESS FOR THE RETURN OF

COMMERCIAL ACTIVITY TO A LARGE, POPULOUS AND PRODUCTIVE REGION OF THE COUNTRY.

7. SUSTAINABILITY

THE GRM IS COMMITTED THROUGH THE POST-WAR RECOVERY PROGRAM, THE IMPLEMENTATION OF THE UN HUMANITARIAN ASSISTANCE PROGRAM (UNOHAC), AND THE WORLD BANK ROADS AND COASTAL SHIPPING PROJECT (ROCS, PLANNED LOP OF DOLS 170 MILLION) TO THE DEVELOPMENT OF A NORMALIZED ROAD REHABILITATION AND MAINTENANCE PROGRAM CENTERED ON PRIVATE SECTOR PARTICIPATION IN CONTRACT WORKS. THE ROCS PROJECT ALSO CONTAINS POLICY CONDITIONALITY LEADING TOWARD COST RECOVERY AND PERFORMANCE BUDGETING FOR ROAD MAINTENANCE ACTIVITIES.

8. MANAGEMENT

USAID/MOZAMBIQUE WILL MANAGE THE ACTIVITY UNDER THE EXISTING PROJECT DESIGN AND IMPLEMENTATION OFFICE CURRENTLY RESPONSIBLE FOR ALL MISSION INFRASTRUCTURE-TYPE PROJECTS. A US/PSC WILL BE RECRUITED AND BASED IN MAPUTO TO SPECIFICALLY MANAGE THIS COMPONENT. ALL CONSTRUCTION CONTRACT ACTIVITY WILL BE HOST-COUNTRY CONTRACT PROCEDURES THROUGH DNEP WHICH PRESENTLY CONTRACTS OUT ALL OF ITS ROAD CONSTRUCTION AND MAINTENANCE ACTIVITIES.

9. BENEFICIARIES

THIS ACTIVITY WILL HAVE ITS MOST IMPORTANT AND DIRECT IMPACT ON AN ESTIMATED 1,200,000 MOZAMBICANS LIVING PERMANENTLY OR NOW IN TRANSITORY DISPLACED STATUS IN DISTRICTS ALONG THE ZAMBEZI RIVER, WHO NEED RELIABLE ACCESS TO RELIEF ASSISTANCE AS THEY RETURN TO PRODUCTIVE LIVES THROUGH AGRICULTURE AND COMMERCIAL ACTIVITIES IN RURAL AREAS. SECONDARY BENEFITS ASSOCIATED WITH THE BROADER SOCIAL AND ECONOMIC REINTEGRATION TO WHICH THE RAA WILL CONTRIBUTE ALSO WILL OCCUR IN NEIGHBORING DISTRICTS.

10. DISCUSSION OF FUNDING ALTERNATIVES

A. WE HAVE CONSIDERED THREE POSSIBLE FUNDING SOURCES IN SUPPORT OF THIS ACTIVITY: DFA (THROUGH THE EXISTING PVO SUPPORT PROJECT), SOUTHERN AFRICA REGIONAL PROGRAMS (SARP), AND AFRICA DISASTER ASSISTANCE FUND (ADA). IN ORDER TO MEET THIS YEAR'S CONSTRUCTION CYCLE (DRY SEASON), FUNDS SHOULD BE IN PLACE AND CONTRACTS READY TO SIGN BY MAY 1993.

B. THE ACTIVITY MEETS THE REQUIREMENTS OF THE DFA AND THE OBJECTIVES OF THE PVO SUPPORT PROJECT. HOWEVER, OUR LIMITED EXPERIENCE WITH IMPLEMENTING CIVIL

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CONSTRUCTION WORKS THROUGH THE PVO SUPPORT PROJECT HAS NOT BEEN PROMISING. THE PVO COMMUNITY IS GENERALLY FULLY ENGAGED IN AN EMERGENCY RELIEF MODE WITH SOME INVOLVEMENT IN LABOR INTENSIVE FOOD-FOR-WORK INFRASTRUCTURE IMPROVEMENTS IN CONNECTION WITH MORE GENERAL COMMUNITY DEVELOPMENT. NO PVO NOW PRESENT IN MOZAMBIQUE IS CURRENTLY PREPARED TO UNDERTAKE ALONE OR MANAGE LARGE CONSTRUCTION PROJECTS. THERE ARE NGOS/PVOS THAT DO THIS SORT OF ACTIVITY (AMERICAN ORT FEDERATION, FOR EXAMPLE) BUT THEY ARE NOT PRESENT IN MOZAMBIQUE. THE PVO COMMUNITY IS, HOWEVER, LOOKED TO TO SUPPORT THE ROAD IMPROVEMENTS REQUIRED BY A LOCAL COMMUNITY TO GAIN ACCESS TO THE ALL-WEATHER ROAD NETWORK AS WELL AS TO ENCOURAGE LOCAL COMMUNITIES IN ROAD MAINTENANCE ACTIVITIES. WE, THEREFORE, SEE THE PVO SUPPORT PROJECT AS A VEHICLE TO SUPPORT COMPLEMENTARY EFFORTS ASSOCIATED WITH THE RAA BUT NOT

BE CALLED UPON TO FUND OR IMPLEMENT DIRECTLY THIS ACTIVITY.

C. USAID/HARARE (REF D) RECENTLY APPEALED FOR IDEAS FOR A FOLLOW-ON INITIATIVE TO THE DROUGHT EMERGENCY PROJECT TO INCLUDE POST-DROUGHT RECOVERY ACTIVITIES. WE UNDERSTAND SOME MONIES ARE AVAILABLE (ABOUT DOLS 10 MILLION) FROM THE EXISTING DROUGHT PROJECT AND USAID/HARARE WANTS TO CONTINUE THE MOMENTUM WITHIN THE REGION TOWARD DROUGHT RECOVERY. ALL OF THE ACTIVITIES IDENTIFIED UNDER THE RAA ARE WITHIN THE CONTEXT OF DROUGHT/EMERGENCY RECOVERY.

D. ADA FUNDING COULD BE APPLIED FOR ANY (OR ALL) OF THE ROADS DUE TO THE DIRECT RELATIONSHIP TO THE NEED TO GAIN ACCESS TO EMERGENCY RELIEF SITES FOR THE DISTRIBUTION OF EMERGENCY FOOD AND OTHER ASSISTANCE, AND THE REPERCUSSIVE NATURE OF THE RAA.

E. IN REFS (A), (B), AND (C), THE MISSION INDICATED TO THE BUREAU ITS INTENT TO USE DOLS 2.0 MILLION THROUGH THE ADA TO SUPPORT REHABILITATION AND REINTEGRATION ACTIVITIES, SUCH AS THE RAA. IN REFS (A) AND (B), THE MISSION ALSO REQUESTED AN ADDITIONAL DOLS 2 MILLION IN ADA FOR THE TRANSPORTATION COMPONENT OF THE DEMOBILIZATION ACTIVITY IN EXCHANGE FOR WHICH THE MISSION WOULD AGREE TO RETURN AN EQUAL AMOUNT IN DFA FUNDS. THE REMAINDER OF THE REQUIRED FUNDS, DOLS 17.0 MILLION, IS REQUESTED FROM SARP. IN THE EVENT THAT THE ADDITIONAL ADA FUNDS ARE NOT AVAILABLE AND THE MISSION IS FORCED TO USE AVAILABLE ADA FOR DEMOBILIZATION, THE REQUEST TO SARP WILL BE REVISED UPWARDS TO DOLS 19.0 MILLION.

11. PLEASE RESPOND ASAP. FRIEDMAN