PD ABH-301
ISN 85395

MOZAMBIQUE

RURAL ACCESS ACTIVITY

PROJECT PAPER

(656-0237/690-0270.56)

SEPTEMBER 24, 1993

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE: A (A = Add, C = Change, D = Delete) — Amendment Number: ____

DOCUMENT CODE: 3

2. COUNTRY/ENTITY: MOZAMBIQUE

3. PROJECT NUMBER: 656-0237

4. BUREAU/OFFICE: AFR — 06

5. PROJECT TITLE (maximum 40 characters): MOZAMBIQUE RURAL ACCESS ACTIVITY

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 12 DD 31 YY 94

7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4)
A. Initial FY 93 B. Quarter 4 C. Final FY 94

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

A. FUNDING SOURCE	FIRST FY 1993 B. FX	C. L/C	D. Total	LIFE OF PROJECT E. FX	F. L/C	G. Total
AID Appropriated Total	2,000	0	2,000	8,159	0	8,159
(Grant)	(2,000)	(0)	(2,000)	(8,159)	(0)	(8,159
(Loan)	(0)	(0)	(0)	(0)	(0)	(0
Other U.S. 1.						
Other U.S. 2.						
Host Country						
Other Donor(s)						
TOTALS	2,000	0	2,000	8,159	0	8,159

9. SCHEDULE OF AID FUNDING ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE 1. Grant	2. Loan	D. OBLIGATIONS TO DATE 1. Grant	2. Loan	E. AMOUNT APPROVED THIS ACTION 1. Grant	2. Loan	F. LIFE OF PROJECT 1. Grant	2. Loan
(1) DFA	800	824	0	0	0	6,159	0	6,159	0
(2) ADA	800	824	0	0	0	2,000	0	2,000	0
(3)									
(4)									
TOTALS				0	0	8,159	0	8,159	0

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each): 820

11. SECONDARY PURPOSE CO

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

A. Code	AGIF	NUWO					
B. Amount	4,280	3,879					

13. PROJECT PURPOSE (maximum 480 characters)

To increase transportation efficiency and capacity related to
a) post-drought recovery in the Zambezi River valley and
b) movement of drought relief assistance to Tete.

14. SCHEDULED EVALUATIONS
Interim MM YY MM YY Final MM 11 YY 94

15. SOURCE/ORIGIN OF GOODS AND SERVICES
[X] 000 [ ] 941 [X] Local [ ] Other (Specify) 935

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

The Controller has reviewed the project implementation plan. A HCC assessment has been completed and planned methods of financing are in accordance with current Agency guidance. Adequate funding is provided for financial audit.

9/23/93
George Jenkins, Controller

17. APPROVED BY
Signature: Roger D. Carlson
Title: Director USAID/Mozambique
Date Signed:

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

PROJECT AUTHORIZATION

NAME OF GRANTEE: Government of the Republic of Mozambique

NAME OF PROJECT: Mozambique Rural Access Activity

PROJECT NUMBER: 656-0237

1. Pursuant to the Foreign Assistance Act of 1961, as amended, the Foreign Operations, Export Financing and Related Activities Appropriations Act of 1992 and Africa Bureau Delegation of Authority 551, as amended, I hereby authorize the Rural Access Activity for the Government of Mozambique ("Grantee"), involving planned obligations not to exceed $8,159,000 in grant funds over a period of one year, three months from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB allotment process, to help in financing the foreign exchange and local currency costs of the project. The planned life of the project is one year, three months from the date of initial obligation.

2. The Mozambique Rural Access Activity ("Project"), will supplement and support road construction activity funded by the Regional Drought Emergency Project and obligated under the RAA Project Grant together with the funds authorized hereby. The activity funded by this authorization will finance commodities and services for the rehabilitation of a bridge over the Zambezi River as well as technical assistance, project management, evaluation and audit and other requirements for reconstruction of the transportation network in Mozambique necessary to relief of drought and war stricken areas, the return of refugees from neighboring countries and the reopening of farming areas.

3. The Project Grant Agreements, which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and delegations of authority, shall be subject to the following essential terms, covenants and conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Commodities, Nationality of Suppliers

Commodities financed by A.I.D. under the project shall have their source and origin, and the suppliers or commodities or services, except for ocean shipping, shall have their nationality in countries included in A.I.D. Geographic Code 935, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the Grantee and the United States.

b. Conditions Precedent to Disbursement

First Disbursement. Prior to the first disbursement of funds under the Grant, or to the issuance by A.I.D. of documentation pursuant to which such disbursement may be made, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.

(a) a statement of the name of the person holding or acting in the office of the Grantee's representative specified in the Grant Agreement and the names of any additional representatives, together with a specimen signature for each such person; and

(b) written evidence that the Directorate of Roads and Bridges ("DNEP") has formally authorized the A.I.D.-funded Engineering and Architecture Contractor to make binding recommendations on technical aspects of solicitations for construction contracts under the Grant.

c. Covenants

Project Evaluation. The Parties agree to establish a monitoring and evaluation program as part of the Project. Except as the Parties may otherwise agree in writing, there will be an end-of-project evaluation during the last quarter of calendar year 1994. This evaluation will assess progress toward planned objectives and the Project purpose, identify lessons learned, and determine the desirability of follow-on efforts.

Taxation.

(a) This Agreement and the Grant will be free from any taxation, duties, or fees imposed under laws in effect in the territory of the Grantee.

(b) To the extent that (1) any contractor financed under the Grant, including any consulting firms, any personnel of such contractor, and any property or transaction relating to such contracts, and (2) any commodity procurement transaction financed under the Grant, is not exempt from identifiable taxes, tariffs, duties, or other levies under laws in effect in the territory of the Grantee, the Grantee will, as and to the extent provided in and pursuant to Project Implementation Letters, pay or reimburse the same with funds other than those provided under the Grant.

Environmental Protection. The Parties agree that environmental protection is fundamental to sound development. Accordingly, the Grantee will establish procedures for review of the potential environmental impact of the Project and for the mitigation of any negative impact.

Prohibited Uses of Grant. The Grantee agrees that funds made available under the Grant may not be used for the support of military, police, paramilitary or other security forces, or for retired personnel of such forces.

Signed: _____
Roger D. Carlson
Director
USAID/Mozambique

Dated: 9-24-93

Drafted by M. Alexander, RLA, 23 Sept, 1993

Clearances:

PRM:JBorn		23 Sept 93
ENG:PArgo		9/23/93
PRM:CMcCarthy		
CONT:GJenkins		9/23/93
DD:JMiller		

ACTION MEMORANDUM FOR THE DIRECTOR

Subject: Mozambique Rural Access Activity, 656-0237 and 690-0270.56

From: Cheryl McCarthy, Program Officer

Problem: Your approval is requested to authorize the Mozambique Rural Access Activity, as described in the Project Paper which covers activities funded under both the Regional Drought Emergency Relief and Recovery Project (690-0270.56) and the bilateral Mozambique Rural Access Activity (656-0270). Total Life-of-Project funding from the two Projects is $19,000,000. Of this amount, $10,841,000 are from the FY 1993 Southern Africa Regional Program Development Fund for Africa (for 690-0270.56) and $2,000,000 are from FY 1993 Africa Disaster Assistance (for 656-0237), for a total $12,841,000 for FY 1993. The remaining $6,159,000 to complete the LOP will be funded in FY 1994.

Project and Activity Description: The purpose of the Regional Drought Emergency Relief and Recovery Project is to increase long-term transportation efficiency and capacity in the SADC region, through ensuring the cost-effective, timely delivery of drought supplies throughout southern Africa, and to improve food security in at-risk SADC countries through supporting selected drought recovery activities. The purpose of the Mozambique Rural Access Activity (RAA or the "Project") is to increase transportation efficiency and capacity related to (a) post-drought recovery in the Zambezi River valley and (b) movement of drought relief assistance to Tete and Malawi.

To contribute to this project's purpose, the Mozambique Rural Access Activity will open up selected all-weather road access to areas of high priority for emergency relief and post-drought recovery. The Project will provide direct access for: (1) relief distributions to areas currently supplied by costly airlifts; (2) re-establishing family farms abandoned because of the drought; (3) regenerating commercial activity critical to post-drought social and economic re-integration; and (4) large numbers of drought-displaced persons and refugees returning home. Accordingly, this activity constitutes a critical element of the Mission's planned high-priority assistance for Mozambique's transition from drought-induced emergency and a state of civil war to a stable, democratic and development-oriented society, i.e., the Transition Program.

The purpose of the project will be accomplished through:

(1) the rehabilitation of some 710 kilometers (km) of gravel roads in Sofala, Tete and Zambezia Provinces (in the Zambezia River Valley);

(2) the rehabilitation and conversion of the existing, war-damaged rail bridge over the Zambezi River at Sena to accommodate vehicular and pedestrian traffic; and

(3) the temporary rehabilitation and resealing of approximately 270 km of paved road in Manica Province on the Beira-Tete-Malawi corridor between Vanduzi and Changara, and 15 km of other paved road.

These activites will be implemented through appropriate, competitively-awarded contracts with private construction contractors, and through a competitively-awarded contract to a U.S. private construction management and engineering firm.

Consistency with the Southern Africa Regional Program's for the Transport Sector and with Mission Programs: The RAA is consistent with SARP's strategic transport sector objective to improve efficiency in infrastructure that serves regional cooperation, provides access to regional and external markets and fosters economic growth. The project is also consistent with A.I.D. support of humanitarian assistance to those who suffer from natural or man-made disasters.

In addition, the RAA is consistent with both the Mission's transition program and Country Program Strategic Plan (CPSP). It addresses the 18-month transition program's immediate needs of providing basic infrastructure and access for the drought-affected as well as returning refugees and displaced people and it also facilitates the reintegration of the war-affected into the economic and social structure of the area. Furthermore, the activity contributes to achieving the CPSP's first strategic objective of sustaining an effective food safety net for the urban poor and those displaced and severely affected by war.

The Rural Access Activity's purpose is consistent with the objective of the Regional Drought Emergency Relief and Recovery Project which is to improve the efficiency and increase the capacity of the transport system in the region so that adequate supplies can be provided expeditiously to drought victims and to improve food security through drought recovery activities. In addition to the $14.5 million which USAID/Maputo provided in FY 1992 for drought-related activities, the Mission intends to obligate $19 million in FY 1993 and FY 1994 for a Rural Access Activity (RAA). The RAA will focus its efforts on improving the capacity of the transport system to provide adequate supplies to drought victims in the Zambezi River valley and Tete Province, the latter also improving road access to Malawi.

The project is also consistent with the Mission's support of drought relief efforts. In Mozambique, despite an almost normal rainfall in the 92/93 crop production season, the serious impact of the drought continues in certain regions of the country. The shortfall in seed production, the unexpected access to feeding centers by significant numbers of drought-affected inhabitants of RENAMO-held areas, and the constraints to seed distribution (e.g., mined roads, short/soft runways, unpredictable arrival patterns of affected populations, shortages of ecologically appropriate seedstock, etc.) have combined to prolong the need to continue food shipments to

certain drought-affected populations. Of particular concern to USAID/Maputo are the Zambezi River valley and Tete province.

Issues: On July 16, 1993, Ted D. Morse, Director, USAID/Zimbabwe, under authority delegated to him, authorized an amendment to the Regional Drought Emergency Relief and Recovery Project (690-0270), as authorized on June 1, 1992 and previously amended on September 30, 1992. Under this amendment, project funding was increased to $29,999,525 from $15,019,000. Included in this increase was $10,841,000 earmarked for the Mozambique Feeder Roads and Subcomponents, which is designed by the USAID/Mozambique Mission as the Rural Access Activity. In the Amended Project Analysis of the Regional Project (690-0270), under "Activities Approved for Project Funding - This Amendment" (page 15 of attachment 2), the Project Paper Amendment states that "It is important to note that, per Table 1, all activities, except 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."

The attached Project Paper Amendment has taken into account all of the issues raised by AID/Washington and USAID/Harare on the initial concept design (Annex B of the Project Paper). The project design has resolved all outstanding issues and is ready for implementation.

USAID/Zimbabwe has concurred with the attached project design for RAA and included the project in the allocation of 690-0270 regional project funds for the Mozambique Rural Access Activity.

Waivers: A waiver for less than full and open competition for the Phase II services of a U.S. construction management and engineering services company to provide technical assistance to the implementing agency of the GRM is included in Annex J of the Project Paper.

Recommendation: That you approve the Project Paper and sign the attached Project Authorization.

Attachments:
1. Project Authorization, 656-0237
2. Project Paper

Drafted:PRM:WEngel:7/22/1993
Clearance:PRM:CMcCarthy 9/23/93
DDIR:JMiller
CONT:GJenkins 9/23/93
RLA:MAlexander 9/23/93

ACTION MEMORANDUM FOR THE DIRECTOR, USAID/ZIMBABWE

FROM: P. K. Buckles, Chief, PDIS

SUBJECT: Regional Drought Emergency Relief and Recovery Project (690-0270)

Action Requested: Based on review of the analytical documentation described herein and the understandings reached with USAID/Mozambique as also documented herein, you are requested to a) approve the Mozambique Rural Access Activity (RAA) proposed for funding at a level of US$10,841,000 under the subject Project and b) delegate authority to authorize the Project Paper Amendment to the Mission Director, USAID/Mozambique. This memorandum and its attachments will serve as an addendum to the Project Paper and Authorization; it serves to document the review and process used for approval of the RAA activity.

Background: The Regional Drought Emergency Relief Project was authorized by the Acting Director, USAID/Zimbabwe on June 1, 1992 at a level of $13.11 million, and subsequently amended on September 29, 1992 to increase the level of project funding by $1,909,525 to $15,019,524. The project was approved as 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. A major objective of the project was to enhance the dependability and reliability of the regional transport system in the face of unprecedented traffic of drought supplies. The project funded: (1) a grant to the World Food Program (WFP) to provide a major portion of funding to the WFP/SADC Logistics Advisory Centre (LAC) for the provision of logistical coordination, 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 tohaul drought emergency.

The original project provided transport and coordination enhancements at the regional, corridor, and national emergency action group levels to move the drought relief supplies in a coordinated manner 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.

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. Harare 1330, dated February 4, 1993, requested SADC Missions to identify continuing drought relief or potential drought recovery needs. Activities were screened by the Project Implementation Committee and Mission Director against selection criteria. All activities selected for proposed funding were determined to be 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.

Based on the above needs analysis, the Mission Director, USAID/Zimbabwe authorized on July 16, 1993, Amendment No. 2 to the subject project to increase funding by $14.98 million to a new life of project level of $29,999,525. The amended project purpose 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 has been 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."

Since it was envisioned that the project would provide an expedited response to drought recovery constraints, rapid implementation was planned to be achieved by spinning off detailed design of activities and project implementation responsibilities to the participating USAID missions in the region. All activities are to be completed by May 31, 1994, the original PACD. Pursuant to authorization of Project Amendment No. 2, it was planned that Missions would be advised of activities approved for funding by cable, which would also detail implementation and other responsibilities of the relevant Mission and request the Mission to confirm amounts of required funding. Upon confirmation by the Mission of the amount of funding required for the activity, the Controller of USAID/Zimbabwe was to provide fund cites to implementing Missions. The individual missions would then be responsible for obligating project funding prior to September 30, 1993. The attached copy of the Action Memorandum authorizing Amendment No. 2 to the subject project details the activities approved for further review and funding, including the proposed Mozambique Rural Access Activity discussed below.

Discussion: In Maputo 01878, dated 2 April 1993, USAID/Mozambique proposed a Rural Access Activity (RAA) for funding under the subject project. As presented, the purpose is to increase transportation efficiency and capacity related to: a) post-drought recovery in the Zambezi River valley, and b) movement of drought relief assistance to Tete. To achieve the activity's purpose, the RAA will open up selected all-weather road access to areas of high priority for emergency relief and post-drought recovery. The proposal cited the October 1992 signing of the Peace Accord as permitting many previously inaccessible areas needing relief to now be entered by road. The problem is that most of these roads suffer from two decades of no maintenance as well as war-related damage and some must be cleared of mines.

The Mission identified up to 720 kilometers of gravel surfaced roads to be quickly and simply rehabilitated, thereby providing direct access to existing emergency relief distribution centers serving drought displaced persons as well

as to areas expected to be re-entered and planted by returning drought displaced and refugees.

USAID/Mozambique also identified approximately 270 kilometers of paved road on the Beira-Tete-Malawi 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. Also proposed in the RAA was 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, with "bailey"-type bridges and decking to provide a vehicle running surface.

USAID/Mozambique's RAA proposal was reviewed by AFR/SA and by USAID/Zimbabwe, and a number of issues were raised regarding timing; in-country capacity to implement the activity; host country contracting capacity; mission management capacity; and the private sector's role vs. the GRM's role (Harare 004376, dtd. 23 April 1993 and State 111515, dtd. 14 April 1993, attached). USAID/Zimbabwe stated that the Mission supported the RAA proposal in principle; however, the Mission noted that the issues and concerns raised by AID/W and USAID/Zimbabwe should be addressed before USAID/Zimbabwe could provide approval of funding under the amended regional Emergency Drought Relief and Recovery Project. In subsequent communication between USAID/Mozambique and USAID/Zimbabwe, it was agreed that USAID/Zimbabwe would participate in a review of the final RAA proposal to be held in Mozambique.

The final review of the proposed RAA activities was held on August 9, 1993, and all issues and concerns raised in the attached cables as well as other concerns were addressed, as documented in the attachment to this memorandum. At the review, USAID/Zimbabwe confirmed the following Mission understandings on the obligation, implementation, management, and monitoring of the RAA, consistent with the process described in Amendment No. 2 to the Project Paper:

a. Mission Management Responsibilities: Although USAID/Zimbabwe will be the accounting station for the Project, execution of obligating documents, implementation, and monitoring of the RAA activity will be carried out by USAID/Mozambique. A copy of the Project Paper Authorization Amendment package was forwarded to the Mission by Mail Courier.

b. Implementation requirements: USAID/Zimbabwe is responsible only for authorizing the Project Paper Amendment and approving the RAA. Obligating authority for the Rural Access Activity will be delegated to the Mission Director, USAID/Mozambique. All activities included under the amendment must be planned/designed/ negotiated/ obligated/managed/ implemented/monitored by USAID/Mozambique (responsibilities will include compliance with Agency obligations and implementation actions). This memorandum serves to document USAID/Mozambique's notification of and concurrence with the following implementation requirements;

i) PACD: Activities financed by SARP funding and obligated under Project 690-0270.56 must be concluded within the existing May 31, 1994 PACD.

(ii) Obligation: Obligation will not be made until AID/W approval and concurrence for the 611(e) certification and IEE are obtained.

(iii) Implementation Plan: USAID/Mozambique has provided to USAID/Zimbabwe plans which detail specific implementation responsibilities of USAID/Mozambique, e.g., required host country contracting capability assessments, arrangements for contracting and administration, environmental assessments, etc., as required. (The implementation arrangements detailed in the final RAA proposal reviewed on August 9, 1993 are sufficient to satisfy this requirement), and this signed memorandum will serve as approval by the USAID/Zimbabwe Project Implementation Committee of the implementation plan, and release of funding for the activity is therefore permitted.

(iv) Procurement: USAID/Mozambique will be responsible for all procurement actions, including, inter alia, required host country contracting capability assessments and certifications, grantee assessment, PVO registrations, and waivers. 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. USAID/Zimbabwe hereby concurs in USAID/Mozambique utilization of the waiver if deemed necessary for the RAA. Furthermore, USAID/Mozambique has agreed to follow DFA guidance in the procurement of goods and services, ensuring that U.S. procurement 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. USAID/Mozambique has also agreed to give every consideration to contracting or subcontracting with Gray Amendment firms, particularly women- and minority-owned entities.

(v) Methods of Financing: USAID/Mozambique will determine the best method of financing, using as a reference the approved list which are

issued by A.I.D./W. USAID/Mozambique will also be responsible for all administrative approvals, certifying vouchers and processing Advice of Changes to USAID/Zimbabwe, the accounting Station.

(vi) Monitoring and Tracking: USAID/Mozambique is responsible for determining and monitoring performance indicators for the Rural Access Activity. The Mission has agreed that the indicators, 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 documented in Amendment No. 2 to the Project Paper. USAID/Mozambique will submit appropriate indicators to the Project Monitor/administrator based in Harare to facilitate overall project monitoring by USAID/Zimbabwe.

(vii) Evaluation and Audit: USAID/Mozambique will be responsible for any evaluations/audits of the RAA needed to demonstrate attainment of project objectives, control of project funding, etc. and may request Southern Africa Regional Program PD&S funds for those purposes. Additional PD&S resources will not be available for recipient-contracted audits.

(viii) Reporting: USAID/Mozambique will provide brief Quarterly Reports to the Project Officer based at USAID/Zimbabwe. The reports will contain results of implementation progress and summary financial information, i.e., the status of obligations, commitments, earmarks, disbursements.

Recommendation: Based on the review of the documentation analyzing the social, economic, technical, administrative, and environmental feasibility of the Rural Access Activity, and agreement by USAID/Mozambique to the understandings set forth above, that you

a) approve funding of the RAA under the Regional Emergency Drought Relief and Recovery Project, and so indicate by signing below

Approved: _____

Disapproved: _____

Ted D. Morse
Director, USAID/Zimbabwe

Date: Aug. 10, 1993

b) pursuant to the Section 6.E. of Delegation of Authority 551, as amended, you delegate authority to obligate the subject Project activity to the Mission Director, USAID/Mozambique by signing

Approved: _____

Disapproved: _____

Ted D. Morse
Director, USAID/Zimbabwe

Date: Aug. 10, 1993

Drafted:PKBuckles/4AUG93/DOC.2153M

Clearances:
PRM/USAID/Mozambique:CMcCarthy _____ date 8/10/93
Mozambique Rural Access Activity

ECPR Review

Mozambique Rural Access

Regional Drought Emergency Relief Project

August 9, 1993

As a result of the Issues Meeting on August 5, 1993, the Project Review Committee identified the following ECPR issues:

Issue 1. Can the activity be completed by the May 31, 1994 PACD of the Regional Drought Emergency Relief Project?

Discussion: The TDY Mission Engineer was asked to review the implementation plan based on a decision tree and determine if the activity could be completed within the current PACD. With the exception of the Sena bridge, the activity as planned can be completed within the May 31, 1994 PACD. It is doubtful, however, if the Sena bridge component could be completed by that date.

Three options were explored based upon that conclusion.

Option A. Delete the Sena bridge component.

Option B. Extend the PACD of the Regional Drought Emergency Relief Project (690-0270.56) to October 31, 1994, either for the project as a whole, or for the RAA component.

Option C. Extend the PACD of the bilateral Rural Access Activity (656-0237) to October 31, 1994.

Recommendation: *Option B* is the preferred choice, although whether to extend the whole project or just the RAA component needs to be discussed at the ECPR.

Option A is not recommended because of the overwhelming economic and social benefits of the bridge component to the project's beneficiaries.

Option C is an acceptable second choice if USAID/Mozambique's FY 1994 OYB has adequate funding to cover the cost of the bridge's rehabilitation and construction.

Resolution: USAID/Mozambique will authorize and obligate the Rural Access Activity (656-0237), with initial funding from the Sub-Saharan Africa Disaster Assistance account. This bilaterally-funded project will have a PACD of December 31, 1994. All bridge-related financing will be funded through this vehicle. All road work which can be completed by May 31, 1994 will be financed, up to $10,841,000, through the Regional Drought Emergency Relief Program.

USAID/Mozambique will modify the Project Paper Amendment to

include a section clearly identifying for each project element the funding source(s) and, thus, the PACD. This will include a matrix table.

Issue 2. From where will the remaining $6,159,000 to fully fund the RAA come?

Discussion: Amendment No. 2 to the Regional Drought Emergency Relief Project reserved $10,841,000 for the Mozambique Rural Access Activity (690-0270.56). USAID/Mozambique has $2 million of Sub-Saharan Africa Disaster Assistance (ADA) funding available for the bilateral Rural Access Activity (656-0237). This still leaves a shortfall of $6,159,000.

At the issues meeting, the RAA Project Committee discussed two possible sources of funding: (1) additional SARP funding out of FY 93 or FY 94 funding or (2) foregoing part of USAID/Mozambique's FY 94 OYB. A third source, ADA funding, was not considered realistic given the difficulties the Mission experienced in obtaining ADA funds for demobilization and the $2 million for the RAA.

The first source is the most consistent with the project goal and purpose, as well as the SARP Regional Program Strategic Plan. The additional financing is a relatively modest investment of SARP funding for major post-drought recovery benefits. From a management perspective, it is also simpler with only two funding sources and no need to partially fund sub-activities within sub-components or to split management and monitoring responsibilities. The second source may be possible, but introduces management complexities and questions of consistency with the Mission's strategy. During FY 94, USAID/Mozambique will be developing a new country program strategic plan (CPSP). Until the new CPSP is approved, the Mission feels that it should avoid new sector starts, which a bilateral, DFA-funded RAA would represent. The ADA funds available for FY 93 not only carry with them "notwithstanding" authorities but also represent a target of opportunity rather than a major new sector start.

Recommendation: Request additional SARP funding under the Regional Drought Emergency Relief Project.

Resolution: USAID/Zimbabwe and USAID/Mozambique agreed that the $10,841,000 of SARP funding will be used to finance, through the Regional Drought Emergency Relief Project, the the majority of the road rehabilitation. The road sections so financed are expected to be completed by PACD.

USAID/Mozambique will authorize and obligate the Rural Access Activity (656-0237), initially using $2 million of ADA funds, with a PACD of December 31,1994. These funds will initiate the Sena bridge component. USAID/Mozambique will immediately submit a Congressional Notification, indicating that the Rural Access Activity will be funded through SARP, ADA and bilateral DFA accounts.

USAID/Zimbabwe and USAID/Mozambique further agreed that any FY 93 SARP fallout from SARP's OYB funds will be transferred to USAID/Mozambique for obligation to the bilateral Rural Access Activity (656-0237).

Any remaining mortgage will be reduce either through FY 94 OYB transfer from SARP or through allocation of FY 94 USAID/Mozambique OYB.

Other questions and concerns:

The following issues and concerns have been resolved:

A. Environmental Impact. The RAA element was identified in the Project Paper Supplement to the Regional Drought Emergency Relief Project for a positive determination with an Environmental Assessment to be completed by USAID/Mozambique or their consultant concurrent with final design of the road reconstruction. Final design of the RAA was to include mitigation measures identified in the EA.

> Resolution. The IEE prepared by the Regional Environmental Officer recommends a Negative Declaration until the Program Environmental Assessment (PEA) for the USAID/Mozambique transition program, including the Rural Access Activity, is approved in final. The draft PEA, in general, found no serious environmental problems with the any of the current or planned activities of the USAID Transition Program, including the RAA. See Annex F to the PP Amendment for the IEE. Recognizing that the PEA report is still only in draft, and that other issues could arise during AID/W, Mission and REDSO review, USAID/Mozambique will review the final PEA and determine if there are any unforeseen issues that require mitigating actions.

B. Timing. AFR/SA observed that the Mission hoped to take advantage of the dry season to get road work underway, but questioned how realistic the timing was given requirements necessary to mount an effort of the proportions described. The Issues Meeting also raised the question of how much work time can be expected to be lost during the rainy season.

> Resolution. See discussion in **Issue 1** above. In addition, the contract for phase 1 of the construction management is currently in final negotiations between the RCO and first ranked firm. The contract is expected to be signed by August 13. A draft RFQ/CBD notice has been prepared (Annex L); publication is waiting for the construction managment firm to finalize the BOQ.
>
> According to the National Director of DNEP, during the three months January-March, construction firms will be inactive about 60% of the time. During the rest of the "rainy" season, down time will be significantly less.

C. Implementation Capacity. AFR/SA questioned the expected relationship between the state-managed provincial-based construction companies (ECMEPS) and the private firms in the reconstruction effort. It was further questioned whether the private firms would be Mozambican only, or whether firms from other neighboring countries would be solicited.

Resolution. In the RAA, the ECMEPS have no role. During the design process and technical analysis, the Mission Engineer had a series of discussions of the ECMEPS with the National Director of DNEP. The outcome of those discussions is that the RAA will not support, or in any way depend upon, the institutional capacity and strenthening of the ECMEPS.

Under the guidance of the USAID-contracted construction management firm, DNEP will draw up a shortlist of regional qualified construction companies based on expressions of interest and capability statements. Although Mozambican firms will be reviewed for inclusion on the shortlist, few are expected to qualify. However, in recent discussions with the National Director and his Deputy, DNEP expressed a strong interest in encouraging subcontracting with Mozambican firms. Recognizing the emergency nature of this activity and the extreme variability and availability of local construction firms, DNEP will not make subcontracting conditional, but will strongly urge such subcontracting to the extent practicable. DNEP has taken the same position regarding encouraging preferential hiring of demobilized soldiers and other returnees.

D. Host Country Contracting. AFR/SA questioned GRM capability to do host country contracting for this type of activity and whether DNEP could manage such an effort. The concern was raised in the context of the question of whether an A.I.D. direct contract might be more appropriate. The Issues Meeting raised questions about the construction management firms role *vis-a-vis* DNEP and the length of the General Consultant's contract. USAID/Zimbabwe also queried as to the extent to which the respective roles of DNEP, the General Consultant team, the construction management firm, and USAID PSC project manager have been articulated in writing.

Resolution. See Annex O-1, with Appendices, for the detailed response to the first part of this issue. In brief, CONT/FAD concluded that, with the continuing assistance of the General Consultant (SweRoad) Team and with the appointment of suitable technical assistance by the Mission (the construction management firm and PSC project manager), DNEP will be able to adequately comply with AID procurement regulations.

The National Director indicated that, for activities with the emergency nature of the RAA, the construction management firm will have more authority than normal to make on-site decisions. DNEP expects the construction

management firm to coordinate closely with the provincial and district DNEP representatives and to use sound judgement as to when they need to seek DNEP approval. The National Director clearly intends that minimal decision-making will be made off-site.

The SweRoad contract is currently funded by ROCS I for a three year period, which exceeds the life-of-activity for RAA. In addition, the National Director mentioned that technical assistance for the provincial branches will shortly be available through a joint venture between Louis Berger and Roughtom and Partners which will provide 14 experts for the provincial branches, including road engineers, material engineers and an expert in promoting private sector companies (inclusive of privatizing parastatals). The contract with this joint venture is expected to be signed by the end of August.

Other than the general description of DNEP's management and SweRoad in Annex O-1 (Host Country Contracting Assessment of DNEP), no written articulation of the management relationships between DNEP, the General Consultant, the construction management firm, the new joint venture (for the provinces), and the Project Manager exists. USAID/Mozambique agreed to prepare, and obtain Director Fragoso's agreement to, definitions of the responsibilities for each of the management actors in the activity.

E. Project Management. AFR/SA questioned whether a single PSC manager, even working with the Mission's USDH engineer would be sufficent to manage the scope and breadth of activities proposed.

Resolution. In addition to a PSC project manager and the Mission Engineer, the RAA will engage the services of a construction management firm to provide daily oversight and do the planning, designs, specs, monitoring, quality control, tender documents, etc. This will provide adequate management.

F. Economic Analysis. AFR/SA asks if the IRR of .01% is adequate. What is the appropriate shadow rate? Can the resettlement rate of 25% beginning in Year 2 hold up to analysis? Is the estimate of emergency food needs a valid measure of savings?

Resolution. With an IRR of over 20%, this question is moot. See the Economic Analysis Summary (page 17) and Annex D for a more detailed response.

G. Section 611(e) Certification. The proposal did not contain this certification.

Resolution. See Annex H.

H. Delivery of bridging material to Sena. For the Issues

Meeting, the Project Committee requested further information on the status of the request to the DOD for bailey bridges and the method of delivering the bailey bridges and decking material to Sena.

> Resolution. According to the DCM, the Department of State is expecting the UN to make a formal request for the bailey bridges within 10-14 days. The NSC has already approved the transfer as soon as the request is processed. During design, the RAA budget was modified to ensure adequate financing should it become necessary to purchase and transport the bailey bridges. Should the bridges and transport be provided by the DOD, the RAA mortgage will be sigificantly reduced.
>
> The PIO/T for the Zambezi River navigability survey is circulating for clearances. At a cost of $3,500, a purchase order is expected to be executed this week. Transporting the material by barge and flotation is the preferred method by DNEP and USAID. DNEP has a barge and flotation units. There are alos additional barges, belonging to other Ministries and the private sector, present in the area.

I. Review the Mutarara-Cambulatsitsi road section. In their final report in June 1993, Nicholas O'Dwyer and Partners recommended that the RAA consider not including this stretch of road in the project outputs, as the company doubted that rehabilitation could be completed by the May 31, 1994 PACD, largely because of land mines and the particularly poor condition of the roadbed. In its stead, O'Dweyer and Partners recommend the Inchope-Save stretch. USAID/Mozambique noted that the Inchope-Save internode is southern Manica, not in the area currently defined for the project.

> Resolution. USAID/Mozambique agreed to have the Mission Engineer and the construction management firm review the O'Dweyer and Partners recommendation.

J. Implementation Plan. USAID/Zimbabwe noted that the absence of appreciable detail in the implementation plan for the period after the end of August. Given the conerns related to completing road activities before the PACD, RAA's dependence on the USAID mine clearing activity and the number of donors who may be competing for DNEP resources, USAID/Zimbabwe requested a pert chart, in addition to the decision tree developed by the TDY Mission Engineer, be included in the Amendment.

> Resolution. USAID/Mozambique agreed to prepare and incorporate such a pert chart in the Amendment.

K. Integration of mine clearing and roads. USAID/Zimbabwe, based on their experience in other countries, asked if the Amendment could be more explicit about the management process for mine clearing activities and the coordination between mine clearing management and road rehabilitation management.

Resolution. USAID/Mozambique agreed to include a description of the mine clearing management process and the coordination between that and the RAA.

L. Political Analysis. USAID/Zimbabwe commented that the social soundness analysis focussed exclusively on the social impact of the RAA. Given the highly political context in which the RAA will be implemented, both at the national level and at the provincial and district levels, USAID/Zimbabwe recommended that a political analysis examining the potential impact of traversing RENAMO and GRM spheres of influence in the Zambezi river valley, the political context of pertinent decision-making at the national level (e.g., mine clearing), and probable winner and losers be attempted.

Resolution. USAID/Mozambique agreed to undertake such a political analysis.

M. Number of beneficiaries. USAID/Zimbabwe commented that the number of beneficiaries seemed low, especially in light of the size of the affected area.

Resolution. The social soundness analysis used the most conservative estimation of beneficiaries, including only returned refugees and excluding residents and refugees/displaced passing through the area. The economic analysis included, still conservatively, a much larger number of beneficiaries. With up to 1.5 million refugees expected to leave Malawi camps and either settle in the activity area are to use the rehabilitated infrastructure to transit the area, the number of beneficiaries used in the social soundness analysis is clearly understated. The less conservative numbers make the conclusions drawn by the analysis even stronger. No additional analysis will be done.

N. Project bridge traffic. USAID/Zimbabwe noted that there were no projections for bridge traffic.

Resolution. As traffic in the area has been non-existant for the better part of 16 years, there is no basis upon which to make such a projection. In terms of foot traffic, a conservative 900,000 people can be expected to use the road and bridge infrastructure. The economic analysis attempted to make some estimates on economic returns on truck traffic. No additional analysis will undertaken.

O. Technical specifications. USAID/Zimbabwe recommended that the reference studies be listed in the Amendment and the location of the studies be identified.

Resolution. USAID/Mozambique agreed.

P. Emergency vs DFA objectives. USAID/Zimbabwe suggested that USAID/Mozambique review the entire document from the perspective of the DFA objective of long term developmental impact as opposed to the shorter term emergency response

impacts.

Resolution. USAID/Mozambique agreed to do so.

Q. Buy American. AFR/SA and USAID/Zimbabwe raise the issue of Buy American in the context of the RAA. AFR/SA fully expects the 611(e) will be delayed if the issue is not addressed. Recent experience with the SARP Telecommunications PID/PAIP has also sensitized USAID/Zimbabwe about the extent to which the Bureau is concerned about the issue.

Resolution. A section on the procurement plan, identifying the source/orgin of goods and services has been added to the Amendment. USAID/Mozambique has also agreed to address the issue in the action memo to the Acting AA/AFR.

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I. BACKGROUND

A. 1992 Drought

1. Southern Africa Drought

During the 1991/92 crop year, the entire southern Africa region was severely hit by the worst drought in a century. Spawned by El Nino, the first definitive indications of the severity were recognized in February 1992, although the full extent of the drought's impact was not appreciated by the governments in the region until somewhat later. Once recognized, governments and donors mobilized to supply the approximately 12 million tons of food imports needed to offset the nearly complete failure of the region's staple food crop, maize.

However, food imports were only a part of the problem. Moving the emergency and commercial food imports from ports to needy populations, especially to the landlocked countries, was also problematic. Hampered by management and operational inefficiencies, as well as physical capacity constraints, the regional transportation system required specific assistance. A Southern Africa Development Community (SADC) regional task force was created to facilitate government and donor drought response to these constraints. A series of quick studies identified a few key concerns:

- most of the needed improvements related to enhancing the efficiency of the inland transport network;

- the magnitude of the constraints identified greatly exceeded the potential resources available to the proposed Regional Drought Emergency Relief Project; and

- regional transport constraints were, and are, very fluid, necessitating a project sufficiently flexible to respond to the dynamic transportation/logistics environment.

2. Mozambique's Drought

In a November 1991 meeting with international assistance agencies, the Government of the Republic of Mozambique (GRM) requested additional food and relief assistance for Mozambicans suffering the effects of serious drought conditions, exacerbated by the armed insurgency. Expectations for an extended drought and subsequent low crop yields further exacerbated the situation.

Between November 1991 and March 1992, the combined effects of the armed insurgency and continued drought were even more severe than originally anticipated. Estimates for the number of people facing starvation rose from 1,830,000 in December 1991 to 2,827,200 in March 1992. With yields for domestic food crops expected to be very low (0-20%), USAID/Mozambique updated its earlier estimate for the number of people needing relief assistance to 3,150,000 out of a total population of approximately 15 million. For the 92/93 relief cycle (May 1992 to April 1993), the emergency relief food aid requirements expanded to 652,000 metric tons (mt) for 3.8 million recipients (drought-affected, displaced persons and refugees).

The Mission's response to the drought addressed four drought-related problems--scarcity of food, scarcity of water, weak logistics, and deterioration of health. Logistics have been and will continue to be a major constraint to rapid, effective food and relief distribution. Mechanisms which the Mission are currently using include: airlift support; management and logistics advisors to the GRM's emergency coordinating body, DPCCN; technical assistance to the railway system, operational assistance to PVOs; and communications hardware and software. For the future, the Mission is expanding its monitoring of the drought and the resources applied to mitigating the drought's impacts. With implementation of the October 1992 cease-fire, the vulnerable groups and the areas to which assistance must be provided appreciably expanded. Logistical constraints to this expansion of the emergency program to cover these are significant.

B. Southern Africa Regional Drought Emergency Relief Project

Although primarily a response to the 1992 drought, the Regional Drought Emergency Relief Project (RDERP) was developed within the context of the Southern Africa Regional Program's (SARP) transportation sector program. This program has been concerned with improving regional efficiency and, increasingly, with improving productivity and operational coordination and management.

The long-term development goal of the RDERP is to increase the efficiency, reliability, and cost-effectiveness of the SADC transportation system. The project's original purpose was 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. Recognizing the need to expeditiously and efficiently move drought relief food and other supplies throughout the region, an expansion of management and physical transportation capacity was also necessary.

In April 1993, an amendment to the RDERP expanded the project purpose and the criteria for project funding to include drought recovery activities in addition to drought relief. The revised project purpose is to increase the 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, subsequent to the drought, to enhance the ability of SADC countries to recover from the disaster.

C. The Peace Accord

On October 4, 1992, the GRM and the Mozambican National Resistance (RENAMO) signed a Peace Accord, ending 16 years of civil insurrection (which followed almost 15 years of fighting for independence). Although progress on demobilization and elections has been slower than hoped, the cease-fire has held. Of the many impacts of the cease-fire, the two most important ones from the perspective of mitigation of the impact of the 1992 drought have been the 1) increased access to affected and vulnerable groups of people, including those from formerly RENAMO-controlled areas and 2) increased access to and use of roads for the delivery of emergency food and other relief supplies.

Among the provinces most severely affected by the combination of drought and insurgency have been Zambezia, Sofala and Tete. Within the provinces, certain areas have been more severely affected than others. These areas encompass the Zambezi River valley and northern Tete, which are also principal destinations of returning refugees and internally displaced people. USAID supports airlifts of relief and food supplies into seven emergency distribution centers along the Zambezi River.

The airlift centers were initially established to meet the needs of war-affected and -displaced populations. Due to the drought, however, the populations of these sites swelled considerably, as families left their farms in search of food and water. Since the signing of the Peace Accord, tens of thousands of additional families who had been devastated by the drought--but had not been able to leave RENAMO-controlled territory--arrived at these sites. With the return of the rains, many of the drought-displaced families have returned to work their fields (to the extent they received seeds). At the same time, however, they keep returning to the centers to receive food needed to survive until the harvest. Despite relatively good rains, because of the lack of adequate supplies of seed, few of these drought-affected families will be able to feed themselves for the whole year.

D. Rural Access Activity

The landing strips at the Zambezi River valley 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" season. With the advent of the cease-fire and subsequent developments, the very real possibility of re-initiating road access has arisen. Along with this opportunity, the populations which will need to be supported are expected to increase dramatically with the return of refugees, internally displaced people and demobilized soldiers and dependents. The less than subsistence-level production due to the drought in 1992 and its detrimental impact on the 92/93 and 93/94 production means that supplementary feeding and emergency seed and tool supplies will be required for some time. The Mission and GRM anticipate the need to continue to deliver some drought-related food and other relief supplies to these sites until at least the end of the 94/95 relief year (April/May 1995).

Because of the war, emergency food supplies for Malawi and northern Tete have been routed through the Beira Corridor and Zimbabwe or through South Africa. Again with the advent of the cease-fire, more direct routing of food and other emergency supplies is possible. An important leg of the more direct routing is the section of the national road between Vanduzi and Changara, linking Beira and Tete (and Malawi) via Chimoio.

Together with a mine clearance activity funded under the Demobilization/ Reintegration Support Project (656-0235), the Rural Access Activity (RAA) will provide direct access for 1) reestablishment large numbers of drought-displaced people, 2) delivery of relief distributions to areas currently supplied by costly airlifts, 3) transit for or reestablishment of large numbers of refugees returning home, 4) reestablishment of family farms abandoned because of the drought, 5) delivery of seeds and tools, and 6) regeneration of commercial activity critical to post-drought social and economic reintegration. The Activity will also contribute to longer term development through improved transport infrastructure.

E. Relationship to AID Strategy

1. Southern Africa Regional Program

The RDERP is consistent with SARP's strategic transport sector objective to "improve efficiency in infrastructure that serves regional cooperation, provides access to regional and external markets and fosters economic growth." Although a sizeable investment has been made to improve facilities of the various modes of transportation along SADC corridors, additional measures are still urgently needed to improve the efficiency and capacity of the regional

transport system to adequately respond to the massive movements of drought relief food and add capacity for long-term development.

The Project is also consistent with AID support of humanitarian assistance to those who suffer from natural or man-made disasters. This Project contributes to the Africa Bureau's strategic objective of improving food security by providing food, seeds and tools to those at risk. It will also assist in improving the management of African economies by increasing the utilization of private sector capacities.

2. USAID/Mozambique

This Activity is consistent with both the Mission's transition program and Country Program Strategic Plan (CPSP). RAA addresses the 18-month transition program's immediate needs of providing basic infrastructure and access for the drought-affected population as well as returning refugees and displaced people. It also facilitates the reintegration of war-affected people into the economic and social structure of the area. In addition, the Activity contributes to achieving the CPSP's first strategic objective of sustaining an effective food safety net for the urban poor and those displaced and severely affected by war.

F. Relationship to Government Strategy

1. SADC

Transport projects aimed at rebuilding capacity lost during independence struggles and afterwards have been the top priority of SADC since its inception in 1980. The regional strategy is aimed at reducing total transport costs, with consequent savings in scarce foreign exchange and significant economic benefits to the region as a whole. The Southern Africa Transport Communications Commission has been shifting its focus to productivity investments and the maximum utilization of existing infrastructure. The proposed components both increase productivity and maximize existing unused infrastructure.

2. GRM

The GRM is seized with the urgency of the road access constraints to post-drought and post-war recovery and reintegration. Through the National

Directorate of Roads and Bridges (DNEP), the GRM has issued several documents addressing emergency repairs and post-war recovery of the road network. While DNEP's priorities for road rehabilitation are based on other criteria in addition to post-drought recovery impact, among the DNEP-identified roads are the key access routes to the airlift sites discussed earlier and other drought-afflicted districts in north-central Mozambique.

Within each document, DNEP's theme is to open inaccessible areas. Further, DNEP has prepared a request for the resealing and rehabilitation of large sections of the paved roads comprising the major north-south and east-west corridors of the country.

II. Project Description

A. The Project

USAID/Maputo is developing the Rural Access Activity in response to the need to reduce the costs of supplying emergency relief to the victims of drought and war in Mozambique and to facilitate the reintegration of these people into a normal productive society. It consists of rehabilitation of access roads in selected districts along the Zambezi River, repairing a major national highway and creating another road access across the Zambezi. The project will rehabilitate 8 segments of roads over a total of 995 kilometers and convert an existing unused railway bridge across the Zambezi into a bridge for vehicular and pedestrian traffic. The bridge over the Zambezi will link the north and south for the first time in years. In fact, it will provide only the second possible crossing of the Zambezi in the entire country.

B. Project Goal and Purpose

The Rural Access Activity (RAA) is designed as part of the Regional Drought Emergency Relief Project (RDERP) (690-0270) initially authorized in FY 1992. The long-term goal of RDERP is to increase the efficiency, reliability, and cost effectiveness of the SADC transportation system. The purpose of the project is to increase long-term transportation efficiency and capacity in the SADC region, through ensuring the cost-effective, timely delivery of drought supplies throughout southern Africa and, subsequent to the drought, to enhance the ability of SADC countries to recover from the drought.

The Rural Access Activity's purpose is to increase transportation efficiency and capacity related to a) post-drought recovery in the Zambezi River valley and b)

movement of drought relief assistance to Tete. To achieve the Activity's purpose, the RAA will open up selected all-weather road access to areas of high priority for emergency relief and post-drought recovery. Accordingly, this Activity constitutes a critical element of the Mission's planned high-priority assistance for Mozambique's transition from drought-induced emergency and a state of civil war to a stable, democratic and development-oriented society, i.e., the Transition Program.

The Activity will provide direct road access for: (1) delivery of relief distributions to areas currently supplied by costly airlifts; (2) transit for or reestablishment of large numbers of drought-displaced persons and refugees returning home; (3) reestablishment of family farms abandoned because of the drought; (4) regeneration of commercial activity critical to post-drought social and economic reintegration; 5) delivery of seeds and tools; and 6) the return of large numbers of refugees. The Activity will also contribute to longer term development through improved transport infrastructure.

The Activity purpose will be accomplished through:

(1) the rehabilitation of some 710 kilometers (km) of gravel roads in Sofala, Tete and Zambezia Provinces (in the Zambezia River Valley);

(2) the rehabilitation and conversion of the existing, war-damaged rail bridge over the Zambezi River at Sena to accommodate vehicular and pedestrian traffic; and

(3) the temporary rehabilitation and resealing of approximately 270 km of paved road on the Beira-Tete-Malawi corridor between Vanduzi and Changara, and 15 km of other paved road.

C. Project Outputs

These objectives have been broken down into 9 outputs for management purposes. These are:

1. Inhaminga to Marromeu gravel road - 130 kms

2. Inhaminga to Caia to Sena gravel road - 140 kms; plus 15 kms of Paved Road

3. Sena to Chemba gravel road - 40 kms

4. EN 102, Vanduzi to Changara paved road - 270 kms

5. Mutarara to Malawi Border gravel road - 50 kms

6. Mutarara to Cambulatsitis gravel road - 247 kms

7. Mutarara to Soma gravel road - 30 kms

8. Soma to EN 1 (via Morumbala) gravel road - 73 kms

9. Sena Bridge 400 meters, access roads

In all cases a full description of the work to be done on each of these roads and the Sena bridge is contained in the Technical Analysis and its Appendices, and is summarized in the "Summary of Analyses."

USAID/Maputo's major management concern for achieving the activity purpose in the time frame planned has been applying adequate resources to all of these roads during the critical construction period. To do this the Mission will bring the necessary additional resources to bear through contracts with private construction companies. Therefore, it is most likely that the roads listed as outputs above will be further subdivided during implementation. This will permit work to commence by different construction crews on a large number of road segments simultaneously. (See Implementation Plan.)

D. Project Inputs

The inputs of the activity are defined primarily by the mode of implementation. Actual construction work will be done through Host Country contracting with private construction firms in Mozambique and in the region of East and Southern Africa. The implementing agency will be the National Directorate of Roads and Bridges (DNEP[1]), which receives technical assistance from the General Consultant provided through an IDA credit. RAA will engage a technical assistance team to provide technical assistance to DNEP. This TA team will be contracted directly by USAID through a limited competitive bidding process. USAID will also contract through a personal services contract (PSC) for a project manager to assist the Mission in supervising and managing the project. USAID will undertake limited direct procurement for transport services and for small items such as a vehicle for the PSC contractor, a computer and household items. It will access short-term technical assistance on an as-needed basis through existing IQCs, end-product contracts (if applicable) and shared agency agreements.

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[1] DIRECÇÃO NACIONAL DE ESTRADAS E PONTES

The GRM, through the DNEP, will provide direct management, supervision and quality control through two methods. First, they will provide local personnel that are funded under direct budget support and from donor loans. Second, they will provide technical assistance to the activity through the General Consultant (SWEROAD) under an IDA-supplied loan.

The requirement for a GRM 25% contribution is inapplicable to this Project because, although the Grant is obligated to Mozambique, both the predominant funding source and the results of the activities are regional in character. More than two-thirds of the $19 million LOP funding are supplied by the RDERP (690-0270.56). The regional justification for the project is the relief of strains that Mozambican refugees in Zimbabwe and Malawi have placed on the transportation and agricultural resources of those countries. Initiatially, the Project will permit the return of the refugees, who are currently a drain on the drought-diminished resources of neighboring countries. In the longer term, by opening the roads and river crossings of Mozambique, the Project will provide the ground work for revival of Mozambique's internal transportation system with the result that it will no longer be necessary to supply drought relief through Zimbabwe and Malawi.

E. Complementary Activities

Mine Clearance In many of the rural areas, and in particular in the Zambezi River valley, mining of roads was widespread. Recognizing the serious constraining effects these mines have on post-drought recovery, USAID is participating in a major national mine clearing effort for roads and other critical areas. USAID intends to sign a contract by for mine clearing efforts to begin before the start of the road rehabilitation work. The total mine clearance efforts under this contract will cover 2,100 kilometers of road and track at the rate of about 175 kilometers per month. Some of this mine clearing effort will be done in the activity zone. The area that will be cleared under the USAID mine clearing activity will be part of a total of over 4,000 kilometers of roads and tracks that have been identified as high priority for mine clearance. Experts have determined that over 20 types of mines were laid by various military groups.

ROCS The World Bank Roads and Coastal Shipping II (ROCS II) project is a five-year project that is expected to start in 1994. This is a project under which the Bank will coordinate over $700 million worth of road and ports rehabilitation. The USAID RAA funds an unfinanced part of the overall program through parallel financing. The ROCS program will have two other major impacts on RAA. The first impact will be the generation and use of the fuel tax which is included in the ROCS negotiations, and to which the GRM has agreed; the second is the provision of additional technical assistance to DNEP.

III. Technical Analyses

Engineering Analysis

A. Background

The National Directorate of Roads and Bridges' (DNEP) theme for post-war recovery and emergency repairs of the road network is to open inaccessible areas throughout the country. Estimates are that about 75% of the road network 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. 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, for the entire 1,800km and totalling $21 million, will provide a temporary wearing surface on roads that have not received any maintenance activities for two decades. This request 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.

Finally, there is a need for access across the Zambezi River. Currently, only one bridge at Tete in the northwest of the country links the north of the country to the south. Opening up another crossing would help to integrate the northeastern provinces with the rest of the country and help to provide an alternate route for moving emergency food and other relief supplies to refugee camps in southern Malawi. An unused and damaged railroad bridge at Sena, about 300 kilometers downstream from Tete is the only other bridge across the river in Mozambique. This bridge was damaged during the war years, and now is only used for foot traffic, through improvised cat walks and ladders.

Approximately 995 kilometers of road have been identified to improve transportation efficiency and capacity related to post-drought recovery in the Zambezi River valley and movement of drought relief assistance to Tete. A table containing the roads to be rehabilitated and maps of their locations are found in the Technical Analysis (Annex C). Out of the total kilometers of roads to be rehabilitated, 710 kilometers are gravel roads. Two segments of roads are paved with asphalt: one of 270 kilometers and one of 15 kilometers, the latter on the end of one of the gravel roads. The work that will be done on these paved roads is to repair holes and the intentionally cut (sabotaged/ambush) ditches and to seal the surface to prevent breakup of the asphalt.

Roads to be re-opened under this emergency drought and post-drought recovery activity will contribute to a larger Roads and Coastal Shipping (ROCS) program coordinated by the World Bank. Several donors will contribute funds to the five-year ROCS program with construction by other donors beginning in 1994. The USAID/Maputo's RAA, worth about $19 million, is included in ROCS Phase I. As part of the ROCS program, the RAA, in addition to providing drought relief and facilitating drought recovery, will attract the return of refugees by supporting agricultural production recovery, increasing employment, reducing food costs, alleviating poverty and famine, increasing export of cash crops, contributing to longer term improvements in trasport infrastructure, and reducing the GRM's financial burden imposed by the parastatal transport enterprises.

This Activity will not support, or in any way depend on, the institutional capacity and strengthening of the GRM Provincial Road Construction and Maintenance Units, ECMEPs. However, the National Directorate of Roads and Bridges, DNEP, will gain institutionally from its participation in management of contracted rehabilitation activities. A construction management and engineering services firm contracted by USAID will prepare tender documentation, assist DNEP in selecting several host country contractors to perform road rehabilitation, and perform construction management sevices during the construction phase of the project.

B. Rural Roads Improvement

1. Selection of Rural Roads to be Rehabilitated and Existing Road Conditions

Roads to be re-opened under this rural roads activity have been selected because their location provides access to the relief supply centers along the Zambezi River. In each case, the roads connect the centers with the main road system and access to a major port or food distribution point. The criteria for selection of the roads are to provide access for:

- relief distributions to areas currently supplied by costly airlifts,
- returning drought displaced persons and refugees,
- reestablishing family farms abandoned because of the drought,
- regenerating commercial activity which is critical to the post-drought social and economic reintegration, and
- leaves transport infrastructure in place which is important for long-term development.

From January to March, 1993, a Zimbabwe-based consultant, Nicholas

O'Dwyer and Partners, carried out a rapid appraisal of the priority roads to be re-opened . All of the roads to be re-opened under this Activity were included in their assessment. Their terms of reference focused on:

- assessing the road condition;
- assessing the existing drainage facilities along the road; suggesting any necessary road side drainage improvement;
- inventorying existing bridges and culverts, indicating their condition;
- assessing the requirements for bailey bridges, corrugated steel tubes for culverts, gabions, and other construction materials for repairs of destroyed bridges and culverts; and
- preparing bills of quantities and rough cost estimates for the opening of the roads.

The results of their findings were released in draft form to the DNEP and have been attached to the Engineering Analysis (Annex C). The majority of the studied roads are considered to be unsafe due to the presence of land mines. However, some of these roads are currently being used by relief transporters without incident. Mine clearance of the roads is the subject of separate GRM, UNOMOZ, and donor contracts. It is critical to the success of this activity that the roads identified for rehabilitation under RAA be cleared of mines and considered safe for construction activity prior to the mobilization of the contract works.

The Norwegian Peoples Aid is fully mobilized and waiting for Cease Fire Commission approval to begin mine clearance on the road between Mutarara and Cambulatsisi. All other roads to be rehabilitated under the RAA will be cleared of mines either by the USAID mine clearance contractor or by the Gurkha Security Guard (GSG). The GSG will expand from one to four teams by mid-August. The USAID mine clearance contract is expected to be awarded by mid-August and work started by mid-September.

The condition of the roads reflects the lack of maintenance over, in most cases, 19 years. Some roads, both paved and gravel surfaced, have been the subject of sabotage during the civil war. Trenches have been deliberately cut across the roads to prevent use and bridges and culvert structures destroyed. During the lengthy period of disuse, grasses and brush, and in some cases sizable trees, have reclaimed the once-cleared right-of-way.

Where roads were surfaced with a bitumen seal, the material has hardened and cracked, frequently forming deep cuts into the base and sub-base materials. Fortunately, the stoppage of traffic prevented the road surfaces from being totally destroyed.

2. Proposed Standards for Road Rehabilitation

The roads identified for rehabilitation under this Activity fall under several categories for standards of construction. Some roads are completely engineered and surface-treated. Others are nothing more than earth roads with minimal drainage protection structures and bridges. For the purpose of this Activity, the intention is to reestablish the road to the minimum standard acceptable to USAID and DNEP that will still permit all-weather traffic access.

C. Main Road Resealing

1. The Tete Corridor

Of equal importance to the movement of drought relief aid is the paved section of the national road EN 102 between Vanduzi and Changara which links 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 Mozambican refugees in Malawi. Traffic flows are not expected to decrease; to the contrary, traffic is 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 African Development Bank 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 drought relief and reconstruction will be significantly higher.

2. Existing Road Condition

EN 102 is a surfaced road over its entire length (approximately 270 kilometers) from Vanduzi to Changara. The road was surveyed in detail in December 1992 by Nicholas O'Dwyer and Partners, a copy of which is attached to the Technical Analysis. The road surface material has oxidized and become brittle; however, during the past decade, the road has been the subject of frequent military attacks which resulted in low traffic volumes which prevented the road from being completely destroyed. Since the Peace Accord was signed and the cease-fire began, traffic has begun to increase as more heavy (8 tons and larger) trucks use the road, principally due to the need for drought relief shipments into Tete Province and on to Mozambican refugees in Malawi. Secondary commercial use has also been increasing.

D. Sena Bridge Rehabilitation

1. Access Across the Zambezi River

The Sena Bridge was built as a single line railroad bridge, located between the towns of Sena and Mutarara, some 300 kilometers downstream from Tete. This bridge is a multiple span truss bridge with each span approximately 60 meters. The total length of the bridge is approximately 3.5 kilometers. The bridge deck consists of open beams spanned by ties and rails.

Two of the spans have been destroyed by military action; explosive charges were set at one end of each span, knocking them from the support pier and dropping them into the water. Currently, food is delivered to Sena, on the south side of the Zambezi River, which is the only airport in the region large enough to accommodate aircraft with any sort of cargo capacity. People in Mutarara and areas beyond Mutarara north of the bridge obtain food by carrying it over the bridge and up and down catwalks over the damaged spans. Nearly all of this trafficking is done by headloads. In addition, the bridge provides the only access by foot over the river for displaced persons returning to their lands. Temporary ladders and cat-walks have replaced the downed spans and enterprising entrepreneurs take advantage of the risks and tenuous repairs to assist people up onto and down off the bridge.

The Sena rail line that utilizes the bridge connects the port of Beira with Malawi and the coal fields of Moatize near the Cahora-Bassa dam above Tete City. Over the past decade, military action in northern Sofala Province completely destroyed the Sena line from just north of Beira to Sena; a distance of 340 kilometers. Much of the existing rail and ties have been pulled up and burned or destroyed. The Sena rail line has been closed to operations since 1984.

Repair to the rail line has been the subject of considerable discussion with the GRM and the donor community. The future development of the Moatize coal mines may dictate that the rail line is once again required. A preliminary cost estimate for the line rehabilitation in a pre-feasibility for the Moatize coal development was in excess of $400 million; a sum not likely to be found in the future from the GRM, donors or private investors.

The reestablishment of the bridge as a vehicle transport link will provide a critical path for the movement of drought relief supplies and the returning refugees to the communities along the river. No other crossing of the Zambezi River is now in operation. A former ferry at Caia has been out of commission since 1985. A temporary solution of replacing the damaged spans of the Sena bridge with metallic panel bridge sections ("bailey bridge") and re-decking the entire bridge with metal and/or wood plates, would provide a limited but

essential service. No permanent damage would result to the structure and, when the timing called for it, the bridge could be reconverted to a rail structure.

Ferries and barges were considered and rejected as alternatives for river crossing because of the shallow water depth, large marshy areas that are unapproachable by river craft, and a number of islands that are located in the center of the river.

2. Description of the Works

Two separate sections of the bridge have been destroyed by explosive charges. The two damaged sections must be removed and replaced by 60 meter sections of metallic panel bridge sections, with a load capacity of HS 25/MS 250 standards. For the remainder of the bridge and including the replaced sections, the rail will be removed and replaced with a transom, stringer, chess and wear tread system appropriate to the loading requirements. Finally, road access to the bridge heads will be required on both sides of the river to permit vehicle traffic to access the bridge.

E. Contracting Methods and Estimated Costs

The road and bridge rehabilitation and repair activities will be carried out through host country contracts with private construction firms from within the region. A direct AID contract for construction management and engineering services is now being negotiated to provide assistance to DNEP in the contract management process. The construction management firm will prepare all documentation and specifications for international competitive bidding (IFB). At the same time, under the direction of the construction management firm, a shortlist of qualified construction companies will be drawn up by DNEP based upon expressions of interest and capability statements. This issue is fully covered in the Institutional and Host Country Contracting Summary. It is also thoroughly discussed in the Host Country Contracting Assessment (Annex O) and the Engineering Analysis (Annex C).

Economic Analysis

A. Introduction

The Rural Access Activity (RAA) will restore and improve the accessibility by road to 11 districts in a relatively densely populated region of the country. Activities will take place in the four provinces of Zambezia, Tete, Manica and Sofala. The 1991/92 drought and the war, which effectively sealed off large areas along the Zambezi River valley, forced about 1.126 million people from the four provinces to seek refuge within and outside Mozambique.

These dislocations have resulted in great costs for maintaining refugees in camps outside of Mozambique as well as for providing relief in centers within the country. In addition, with the upwards of 3.5 to 5.0 million people who have been dislocated due to war and drought throughout the country, an immense amount of agricultural production has been lost. This has included mostly subsistence agriculture, but there has certainly been a loss of marketable production as well.

In addition, the poor state of the roads, insecurity along many routes, the placement of mines, and the destruction of bridges and other road works has increased the risk and cost of road transport. In many cases, where road transport is possible, transporters have to take long circuitous routes, and the time and distance traveled have greatly raised prices. In some areas road transport is not feasible, and the only access is by air.

B. Discussion

The economic analysis of the Activity discusses the benefits that would accrue to the RAA in terms of reduced costs in providing maintenance provisions to displaced persons within Mozambique under the UN coordinated emergency program, the reduced costs of maintaining refugees in camps in other countries, the reduction in transport costs associated with opening more direct routes, the savings from replacing air transport with road transport, and in lost productivity by dislocated Mozambicans in both locations.

The analysis calculated that the internal rate of return to Activity costs, including AID allocations, GRM contributions in the form of management, supervision and technical services for design and contracting, and road maintenance costs over 6 years provided from road taxes conditioned under the World Bank supported Roads and Coastal Shipping II Project (ROCS II) would be over 70% based on benefits from reduced costs and increased production. Due

to some uncertainty in the estimation of benefits and the possibility of cost overruns by the GRM, the economic rate of return was also tested against these two factors. Additionally, the IRR was tested against the possibility that the Activity completion would be delayed by one year, i.e., benefits would commence one year late. In all but one of these cases the IRR was still acceptable, with the worst case scenario of a 50% reduction in benefits returning an IRR of only about 3.5%. However, in every other case, the IRR was calculated at over 20%, the case with a 50% cost overrun.

The results mentioned above indicate that the Activity is slightly more sensitive to a reduction in the benefit stream than to an increase in costs. However, even with a large increase in costs (50%), the project still has an above-average return of 30%. Delaying the Activity by one year also had a negative impact on the economic return, but the Activity still returned an IRR of 38%.

It should be pointed out that the benefit stream includes only those benefits from a reduction in the costs of emergency relief and the increase in production from getting non-productive people now on emergency relief back to productive activities. If other benefits are calculated, such as the reduction in the cost of refugee centers in Malawi and Zimbabwe, the certain but difficult to quantify benefits from increased trade and commerce, and tangential benefits from national integration and democratization, and these are added to our benefit stream, the rate of return will be extremely high.

C. Conclusion

RAA project activities will result in savings to the repatriation and emergency efforts and will facilitate the restoration of agricultural production. It will lower transport costs to the northern areas across the Zambezi River, including freight hauled up to Malawi. Based on the analysis above, calculating benefits of the project by the three measures considered indicates that the project is justified on strictly economic grounds. The savings to the GRM and to the donor community will much more than offset the costs of the road and bridge rehabilitation planned under the Activity. The calculated increase in agriculture brings another large benefit flow.

The rehabilitation of Sena Bridge and the roads will provide year-round access in and out of the 11 districts. These rehabilitations will facilitate deliveries of relief assistance, including seeds and tools, and help restore the commercialization of agricultural production. The bridge will provide a second access across the Zambezi River, which will reduce travel time to the northern provinces and help provide access for those people to government services and commercial markets. In addition, the opening of the bridge to vehicle traffic could provide a

more feasible access route to the sea for people living in southern Malawi. The Activity's activities will enable returning refugees to disperse over a greater distance rather than being confined to crowded relief distribution sites. This will allow greater access more productive farmland, and will reduce pressure on the flora and fauna in the regions of the current emergency and refugee camps. Futher, RAA activities will leave in place transport infrastructure to help catalyze and capture long-term development. In addition, RAA's facilitation of the resettlement process will contribute directly to democratization by accelerating the return to demographic stability.

Social Soundness Summary

A. Introduction

The roads and bridges to be rehabilitated through the Rural Access Activity (RAA) cross 12 districts in four of Mozambique's ten provinces, centered mainly on the lower Zambezi River. These districts have been severely damaged and isolated due to war, particularly since 1986 when increased military activity cut communications and destroyed infrastructure. As well, they are the districts most affected since Independence by drought- and war-induced population movements. These movements have disrupted normal social and economic activities for most of the Activity area population for a generation. During the 1993-94 war-to-peace transition period, and the longer period of "national reconstruction" which will follow, the social and economic reintegration of the people of these districts will be a key factor in Mozambique's overall political and economic stabilization.

The total population of the 12 districts was estimated at about 1,400,000 in late 1992; of these, 598,000 (43%) were receiving emergency food and non-food assistance in the wake of the 1992 drought. Another almost 450,000 people were displaced, many of whom are expected to return to their homes of origin. (See Social Soundness Analysis in Annex E.)

The people in the Activity area are overwhelmingly rural-oriented. Both historically and as a response to the socio-economic dislocations mentioned above, only a small percentage of the population depends on formal sector wage employment as their principal source of income. Even in urban or peri-urban locations most families are dependent upon small-scale agricultural production and related informal activities for their own consumption and, wherever possible, for cash. When even a single agricultural harvest is not possible due to drought or war, these families are forced into complete dependence on relief aid sometimes through physical displacement, including to neighboring countries, and sometimes for many years. The opportunity to return home, as soon as the conditions that caused the displacement permit, will enable these families to quickly end their socially and economically expensive dependence on relief assistance.

In general, road improvements will create opportunities for a whole range of innovative behavior. Expanded opportunities include new technologies, new types of employment, new services and products, new leisure activities, new consumption patterns, new information, more personal travel, and greater participation in political processes. In the case of the RAA area, where the before-and-after contrast will be so extreme--from almost no access to all-year,

all-weather access--the creation of new opportunities, through market access for production sales and consumer purchases, will be quick and dramatic. In the three-month period between February and April 1993, in Caia, with the limited increased movement of people (returning refugees and displaced people), a small, but distinct market appeared where there previously had been nothing. The scope of these new access-related opportunities is likely to be even further exaggerated because of the broader political and economic liberalizations that have occurred in Mozambique in the past five years. Thus, the social impact of the Activity is likely to be considerably broader, even in the short run, than the principal short-term economic benefit of simply ending the need for relief assistance by returning to subsistence farming.

Whether individuals decide to take advantage of such new opportunities depends on personal characteristics, places and relationships in the household and community, and culturally based perceptions of associated costs and benefits. Constraining decisions are other external factors (for example, lack of inputs required for improved farming techniques). Given the variations within the RAA area in cultural traditions, previous market integration, political participation, and even climate and farmland quality, it is certain that the degree to which new opportunities are seized will be highly variable both within communities and across the whole area.

A few general observations on expected changes associated with the post-drought, war-to-peace transition period will help set the scene for understanding the potential social effects of RAA:

- There is a driving desire in those displaced from their homes to return to their traditional lands and farming activities, which will probably result in large initial movements from current population centers toward more rural zones with continuing back-and-forth movements;

- There is evidence of a vibrant reemergence of long-suppressed traditional (i.e., not government administration) authorities, which is likely to affect all aspects of community life, and particularly in more rural areas;

- There is a strong inclination on the part of key institutions--the GRM, RENAMO, UN agencies, and some bilateral donor agencies--to provide significant immediate external assistance to communities in rural areas, in particular to rehabilitate basic health, education, and market services in areas into which significant numbers of returnees are expected to move; and

- During the period of post-war demobilization and related steps in the peace process, leading through peaceful multi-party elections (now expected in late 1994), many Mozambicans will be hedging their bets, investing labor and other resources in reintegration activities but also reserving some resources in locations of former displacement (including in countries of refugee asylum).

B. Benefits and Beneficiaries

The immediate direct benefits of the Activity's components will flow to the owners and employees of the private sector companies contracted to do the road and bridge construction work. These are expected to be: (i) U.S.-based (for the supervision contract), (ii) five non-Mozambican but based in neighboring countries in Africa (for the construction contracts), and (iii) two Mozambican for the construction contracts and another potential four for construction-related sub-contracts to provide services, equipment, or materials. Since these contracts will be managed by the GRM's National Directorate of Roads and Bridges (DNEP), some DNEP staff at central, provincial, and district levels will acquire improved skills through project-related training and technical assistance.

There will be immediate direct benefits for an unknown number of the RAA area's residents who will find temporary or intermittent employment as unskilled or semi-skilled laborers during the construction period, and for their families who will also benefit from the additional income such employment will provide. As a policy, DNEP intends to encourage the contractors to employ demobilized soldiers and returnees.

Several immediate benefits, flowing from the Activity's components, will be extremely important to the post-drought recovery and general reintegration process of the Activity area's population. These include: a) improved access to relief food and non-food commodities and services; b) families will be able to return home and reestablish normal social and economic activities; c) families will be able to reestablish themselves and thereby end their drought- or war-related dependency on relief assistance; and d) these processes will be accelerated.

Next will come improvements in commercial access. As isolated zones in various parts of Mozambique opened in the past year, even before the Peace Accord, observers have been struck by the speed with which goods began to arrive commercially: sometimes literally as part of the first relief convoys, other times only days behind. The commercial flow of commodities quickly becomes two way, and the improved information and transport services associated with this flow also contribute to new incentives to produce.

In the medium-term we can expect a) schools to be reopened; b) hospitals, health clinics and health posts to be more reliably supervised and provisioned; c) fuel to be available to run small hammer mills; and d) inter-district trade to be increase. These benefits will be key to stabilizing the Activity area's populations, contributing to their recovery from drought and war, and also providing a foundation for development.

Finally, some longer-term benefits can be expected, although the degree to which these materialize will be dependent upon post-rehabilitation maintenance activities that are beyond the scope of RAA. These longer term benefits include a more diversified and deeper market development, development of off-farm wage opportunities related to agribusiness and other services, and better articulation to the rest of Mozambique's economic fabric.

Although the vast majority of the RAA area will benefit directly and indirectly from RAA interventions, there will be some potential losers. RENAMO, which has benefited from the isolation it has imposed on the populations in its areas, will lose the direct, extensive control it has maintained through its imposed isolation and movement controls. This could, on the one hand, be a relatively short-term loss, if RENAMO leaders are committed to the peace process and able to transform themselves into a political party which can translate its direct control into a politically sustainable role of influence. Individual RENAMO (as well as GRM) military leaders and troops in the area, on the other hand, may be major losers as their income and support systems deteriorate with the resident population's greater freedom of movement and emancipation as a result of the peace process, mine clearing and road rehabilitation. Depending on their ability to take advantage of the increased economic opportunity resulting from RAA's interventions, these individual leaders and troops may be active participants in the area's economic growth or some may become predators on those who are able to benefit from the RAA's opportunities.

Another group of potential losers are some GRM provincial and district leaders who also may have been able to profit politically and economically from the present isolation. This group may lose significant political authority, as well as economic control, with the opening of these former access roads and the return of former residents, who owe no favors to the existing political structures, and the development of new commercial networks. Existing commercial interests may also not benefit to the extent they have under the more constrained economic situation. To the extent that the political and economic controls overlapped, the losers may suffer significant reductions in income in either the short or long term, depending on how well they are able to take advantage of the increased economic opportunity. A much smaller group of losers are made up of petty government employees who profiteered from the situation, such as health workers who sold medicines and vaccines.

The ability of these losers, either individually or collectively, to obstruct the flow of benefits to the area is not expected to be significant on the Activity. They may, however, be able to delay the flow of benefits to the majority of beneficiaries in smaller, more localized settings. Because of the emergency nature of this Activity, the RAA will not be able to directly address these potential problems. As part of the monitoring of the transition program, however, USAID/Maputo will need to include mechanisms/indicators to monitor the impact of and on such potential losers.

C. Risks and Measures for Their Mitigation

1. Gender-based differences may occur in the direct labor participation of the Activity area's residents. However, the overriding concern must be to get the roads and bridges rehabilitated: restrictions on the employment practices of the contractors are NOT recommended. In a similar vein, efforts to encourage the participation of demobilized soldiers as unskilled or semi-skilled laborers in the work crews might be desirable in some zones; this might contribute significantly to social stabilization during the war-to-peace transition.

2. Conflict between the RAA labor demand and the normal tasks of the agricultural cycle could occur. The need for cash income to recapitalize households in the area might work in quite the opposite way, drawing critical labor resources away from the farm to work on the roads. Possible negative effects of temporary wage employment on normal agricultural activities will likely be mitigated by the normal labor market supply and demand mechanisms.

3. The reemergence of traditional political authorities vis-a-vis the role and functions of local government entities in the war-to-peace transition period also will offer opportunities for conflict. Evidence elsewhere suggests that potential conflicts related to road rehabilitation and maintenance can be mitigated by proper consultation with them both before and during project activities in any area. This responsibility will devolve mainly to DNEP and to a certain extent the management consultants.

D. Conclusion

Bluntly, given Mozambique's social, economic, political, and physical upheavals of the past 15 years, and given the current misery of the populations resident in or returning from displacement to the RAA area, the Activity's benefits are infinite while its risks are infinitesimal.

Impact monitoring during implementation will be conducted through frequent

site visits by USAID, rapid appraisals, and analysis of available statistical information on the welfare of the Activity area's populations; this is part of the Mission's approach to more broadly monitor and document the impact of USG assistance during the post-war transition period. These monitoring activities will enable the USAID to continuously assess the RAA's social and economic benefits as well as its negative effects, and to identify appropriate mitigating measures where necessary. Such information and analyses will be shared with the GRM through documents and seminars and through incorporation of data into the UNOHAC SHAMAN information system.

Institutional and Host Country Contracting

A. Introduction

The work that will be carried out under the Rural Access Activity (RAA) will be carried out through a host country contract (Handbook 11) with private construction firms located in the Southern Africa region. An assessment of the host country's ability to manage and be accountable for this procurement was carried out by the Office of Controller, Financial Analysis Division (CONT/FAD), USAID/Maputo. The detailed analysis is contained in Annex O, and is summarized below.

B. Implementing Agency

The host country agency that will implement this activity is the National Directorate of Roads and Bridges (*Direccao Nacional de Estradas e Pontes* = DNEP). DNEP is a Directorate under the Ministry of Construction and Water (MCA). It is divided into 5 departments and three divisions and has a staff complement of 127 people. This staff level represents 36.9% of the authorized level of 369 employees. The low current staffing level is a function of budget constraints and lack of qualified candidates. Therefore, it is unlikely that either the quantity or quality of the staff of DNEP will increase noticeably in the near future.

C. General Assessment

CONT/FAD concludes that while it is clear that DNEP is not capable of independently handling contracting activities under the RAA, with the continuing assistance of the General Consultant team and with appointment of suitable technical assistance by USAID, DNEP will be able to adequately comply with AID procurement regulations. Therefore, the Mission Director, based upon CONT/FAD analysis and recommendation, concludes that contracting under this activity may appropriately be done by DNEP. The importance of the General Consultant team and the Technical Assistance from USAID are crucial for DNEP to comply with procurement as defined in Handbook 11 as are the assurances of financial controls. The provision of these technical services are, therefore, discussed in more detail below.

A World Bank loan is financing a General Consultant to the DNEP. This team is made up of eight technical specialists including a team leader, a financial

advisor, a highway planning and design engineer, a maintenance engineer, a traffic engineer, a construction engineer, a bridge engineer, and a systems analyst. The General Consultant's responsibilities are to coordinate and supervise all consultants providing technical services to DNEP and to monitor their activities and performance. They also give advice and assistance directly to DNEP in highway planning, financial management and improved operational procedures.

The CONT/FAD's assessment has determined that the General Consultant Group must continue their assistance to DNEP in order to ensure that the work under the RAA be completed. Without this assistance it is doubtful that DNEP could carry out the contracting requirements of this activity. This assistance is assured through the General Consultant's contract which continues until the end of ROCS I. Further, negotiations are now underway to extend the General Consultant's contract.

D. USAID Actions to Mitigate Against Institutional Weakness - USAID Provided Technical Assistance

USAID has provided resources for a construction management and engineering services firm to provide technical assistance to DNEP. This will be contracted through direct AID contracting under FAR procedures for engineering services. The construction management firm will prepare all documentation and specifications for international competitive bidding (IFB) for road and bridge works. This firm will also package the bid proposals, evaluate offers and recommend awards. The contractor will, then, field a team of technicians that will monitor, manage and direct the construction effort. The contract management firm will also review and approve progress payments that will be made under the IFB contracts according to Handbook 11 regulations and FIDIC procedures. The assistance provided by this technical assistance contract to DNEP will relieve the agency of any substantial increase in workload or responsibility due to the added burden of the RAA.

The scheduling of work under the RAA will be considerably compressed from the usual procurement cycle of DNEP. Normally there is a two-year period for the preparation of plans, documents, and for requesting and evaluating bids. This is followed by at least two years of actual construction. RAA plans to have all work completed by the end of May 1994. Therefore, several activities have been initiated to accelerate the normal AID project implementation schedule. These include pre-implementation initiation of bid procedures for the construction management and engineering firm so that these technicians will be in place as soon as the RAA is approved. (See Implementation Plan, page 387.)

E. Audits

In addition to the technical aspects of developing bids, monitoring and supervising contractors and certifying performance standards, the DNEP will need to manage and control substantial new monies under this Activity. DNEP has no internal auditing department but relies on the limited resources of the Inspector General. However, an IDA-financed contract will be awarded for the services of an internationally recognized auditing firm to perform regular audits. Although DNEP prefers that this contract auditor perform audits on all donor assisted projects within DNEP, should such an audit contract not be in place at the end of the Activity, the RAA will finance a non-Federal audit of the Project.

F. Management Concerns and Mitigating Actions

A major implementation concern for the RAA is that DNEP's management is heavily centralized. Almost all decisions are taken by the National Director, or, in his absence, the Deputy National Director. Two areas where delays or problems could occur are in contracting for services and payment against contracted work. In contracting, the National Director appoints a committee to evaluate tenders. The committee reports its findings to the National Director who makes the final decision regarding award of contracts. In payments, all invoices must go through the National Director, both at initiation of and at final authorization of vouchers. Payments of over 100,000 meticais require completion of payment requests which are authorized by the National Director, who also authorizes the final payments. It will be important for the USAID Project Manager to monitor this system to insure that it does not impede the progress on selecting contractors or on undertaking road and bridge construction. It will also be important for the construction management contractor to undertake the major part of the technical plan preparation and evaluation and monitor payments to facilitate work progress.

DNEP has plans to nominate a second Deputy Director and redefine or re-delegate levels of authority. Initially, however, only the management authority over the Maintenance and Planning Department will pass to the current Deputy National Director. These changes are due to the recent appointment of a new Deputy National Director. After the previous Deputy National Director left, the authority he exercised in his position reverted back to the National Director. The National Director has indicated that the construction management firm will have adequate operational authority to permit timely implementation. Before any construction contracts are signed, USAID will obtain from the National Director a Memorandum of Understanding which more clearly delineates the operational authorities of the construction management firm. The World Bank

supported Roads and Coastal Shipping (ROCS II) Project (a follow-on to ROCS I), which is expected to be signed in late 1993 and start implementation in 1994, will continue to provide considerable management and technical assistance to the DNEP. Until such time, the current contract with the General Consultants will be in effect for the whole of the RAA LOP. RAA is included as an activity under the overall umbrella of ROCS II. Institutional support to DNEP under ROCS II will benefit the RAA as well. (See Annex N.)

G. Certification

Based on its analysis of the DNEP, the Financial Analysis Division of USAID, together with the USAID Engineering Office, have certified that the DNEP will be able to carry out the work to be accomplished under the Rural Access Activity, including Host Country Contracting. This finding was based on the presence of the World Bank supported General Consultant and the Technical Assistance Team to be provided to DNEP under this Activity. Their certification is included in Annex O, together with their complete analysis of DNEP.

Cost Estimate and Financial Plan

A. AID Project Support is estimated at $19.0 million. These funds will be obligated out of FY 1993 and FY 1994 funds from the Southern Africa Regional Programs Development Fund for Africa, African Disaster Assistance and regular Development Fund for Africa accounts. AID funds will be committed over a one-year period from date of authorization for road and bridge works and technical assistance.

B. Although no host country government contributions are required by the RDERP or by Mozambique's status as a relatively least developed county, the GRM will be contributing to the RAA in two forms. First will be its contribution for executing contracts for engineer and other works, supervision, technical planning and quality control, accounting and auditing. The Mission estimates this contribution at $950,000, or 5% of the AID contribution. These costs will be funded by direct government budget support, and technical services and other support through a World Bank loan. The second contribution will be for road maintenance. This item is included in the economic analysis and on the cost of outputs and inputs budget summary. It is a prorated cost of estimated budget allocations under the World Bank supported Roads and Coastal Shipping II Project, which will provide general road maintenance for 15,700 kilometers of road over the 1994 - 1998 period.

C. Costing of Project Outputs and Inputs are detailed in Table 1, and in the text of the Project Description. The Activity will refurbish eight discrete segments of road, repair one railway bridge and convert that repaired bridge for vehicle and pedestrian traffic. The choice of outputs is based on an analysis and cost estimation of the individual works being separately determined. The bridge has been analyzed as a separate output due to some special concerns related to procurement and delivery of construction materials and other considerations given to this activity.

The RAA's inputs are mainly contracts for road and bridge repair and for financing a technical assistance team to provide technical and institutional support to the host government implementing agency, to review contract bids and awards, to supervise and inspect work, and to assure USAID that quality control and scheduling are met.

D. Method of Financing

All contracts for road and bridge works are anticipated to be done through host country contracting procedures. Contractors selected will be given a direct letter of commitment (L/COM) from USAID. The cost of the technical assistance contract will by award directly be USAID and payment will be made

through direct reimbursement. A personal services contract will be awarded to one person who will act as a Project Manager for USAID. This PSC will be reimbursed directly by USAID.

It is possible some materials, most notably bridge materials, and shipping services for these materials will be required. These materials and services will be procured directly by AID against Letters of Credit in U.S. banks, or through an AID-contracted Procurement Services Agent (PSA). Other planned procurement limited to one four-wheel drive vehicle which will be procured locally or within the region by USAID, and a computer which will be procured through the AID Procurement Office in Washington or by an AID-contracted PSA.

The USAID Executive Office will contract for housing for the PSC and procure household furnishings to the extent that these items are available, or USAID will reimburse the PSC for housing or lodging expenses.

TABLE 1
SUMMARY COST ESTIMATE AND FINANCIAL PLAN
(U.S. $000)

SOURCE	USAID		H.C.		TOTAL	
CURRENCY	FX	LC	FX	LC	FX	LC
PERSONNEL	2,996		950		3,946	
COMMODITIES	1,400				1,400	
OTHER COSTS	30				30	
CONSTRUC-TION AND CONTRACTING	12,084			8,838	12,084	8,838
EVALUATION AND AUDIT	70				70	
CONTINGENCY	2,420				2,420	
TOTAL	19,000		950	8,838	19,950	8,838

TABLE 2
U.S.A.I.D. Budget Summary

PROVINCE AND ROAD	PRIORITY	LENGTH	UNIT COST	COST EXTENSION
Sofala Province: gravel road	1			
Inhaminga - Marromeu		130	$8,800.00	$1,144,000.00
Inhaminga - Caia - Sena		155	$10,000.00	$1,550,000.00
Sena - Chemba		40	$10,000.00	$400,000.00
Manica Province	2			
EN 102, Vanduzi - Changara		270	$12,000.00	$3,240,000.00
Tete Province; gravel road	3			
Mutarara - Malawi Border		50	$9,000.00	$450,000.00
Mutarara - Cambulatsitsi		247	$8,000.00	$1,976,000.00
Zambezia Province	4			
Mutarara - Soma		30	$8,000.00	$240,000.00
Soma - EN 1(via Morumbala)		73	$8,000.00	$584,000.00
Sena Bridge				
Procurement and installation of two 60 meter spans, metallic panel bridge	5	400 meters	$3,000.00	$1,200,000.00
Reconstruct bridge approaches for vehicle traffic				$1,100,000.00
Remove and replace bridge decking with vehicle running surface				$1,400,000.00
Transport and clearance of units				$200,000.00
Total Roadworks				$13,484,000.00
USPSC Project Manager				$250,000.00
Construction Management				$2,448,000.00
Short Term Consultants		20 mos	$15,000/mo	$300,000.00
Local Transport				
vehicle				$25,000.00
air			$5000.	$ 5,000.00
Evaluation and Audit				$70,000.00
Contingency			approx. 15%	$2,420,000.00
Total Project - USAID costs				$19,000,000.00

Source: Road Rehabilitation = O'Dwyer & Partners Engineering Survey.
Bridge Repair = USAID Mission Engineering Office Survey.
Management Contracts, PSC Project Manager, and Local Transport = Mission Estimates.
Contingency = 15% consistent with capital projects.

TABLE 3

PROJECTION OF EXPENDITURES BY FISCAL YEAR
(US $000)

FISCAL YEAR	AID GRANT	HOST COUNTRY	OTHER	TOTAL
FY 1993	2,500			2,500
FY 1994	14,080	950		15,030
FY 1995		1,178		1,178
FY 1996		1,473		1,473
FY 1997		1,768		1,768
FY 1998		2,062		2,062
FY 1999		2,357		2,357
PHYSICAL CONTINGENCY	2,420			2,420
TOTAL BUDGET	19,000	9,788		28,788

NOTE: GRM CONTRIBUTIONS 1995-1999 ARE FOR MAINTENANCE OF ROADS; GRM CONTRIBUTIONS FOR 1994 ARE ESTIMATED SUPERVISION COSTS.

Table 4
PROJECT INPUTS AND COST

INPUT	METHOD OF PROCUREMENT	INPUT COST U.S.$000
CONSTRUCTION CONTRACTS	HCC	12,084
MANAGEMENT CONTRACT - TA	DIR AID	2,446
USAID MANAGEMENT ASSISTANCE	PSC	250
BRIDGE TRANSPORT	DIR AID	200
BRIDGE	US GOVT SURPLUS & DIR AID CONTRACT	1,200
SHORT-TERM CONSULTANTS	IQC/C.AGRE/ DIR CONTRACT	300
MISC./LOCAL TRANSPORTATION	DIR AID	30
EVALUATION AND AUDITS	DIR AID	70
PHYSICAL CONTINGENCY		2,420
TOTAL USAID INPUT COST		19,000
GRM CONTRIBUTION	GRM Budget/- IDA	950
ROAD MAINTENANCE GRM	GRM CONTRACT	5 YRS = 8,838
TOTAL INPUT COST		28,788

E. Financing by Fiscal Year and Source

The Rural Access Activity is being funded through two projects--the Regional Drought Emergency Relief and Recovery Project (690-0270.56) and the Rural Access Activity (656-0237). In FY 93, the Activity will receive $10,841,000 of SARP DFA funding directly through the RDER Project and $2,000,000 of bilateral African Disaster Assistance funds through the RAA Project. To the extent that there are additional SARP funds available in FY 93, USAID/Harare has agreed to make them available to the Activity through an Operational Year

Budget (OYB) transfer to the bilateral project. Once transferred, these funds are considered bilateral rather than SARP.

For the budget remaining unobligated at the end of FY 93, USAID/Harare and USAID/Maputo have agreed that SARP FY 94 funding, through an OYB transfer to USAID/Maputo, will be the first choice for financing the remaining unobligated budget. Should additional SARP funding be unavailable, USAID/Maputo will use its bilateral OYB to cover the deficit.

TABLE 5
BUDGET BY PROJECT

Budget Line Item	FY 93 SARP	FY 93 Bilateral*	FY 94 Bilateral*
Gravel Roads	6,344,000		
Paved Roads	3,240,000		
Sena Bridge		1,720,000	2,180,000
Construction Management Contract	1,257,000		1,189,000
Short term TA			300,000
Evaluation and Audit			70,000
Project Management		280,000	
Contingency			2,420,000
Total	10,841,000	2,000,000	6,159,000

* Bilateral funding includes funds allowed directly to the Mission and funds allowed through an OYB transfer from SARP.

IV. IMPLEMENTATION PLAN

A. Contracting Plan

Implementation of the RAA will be done through several contracting modes. One will be a construction management and engineering services contract that will be awarded to an U.S. firm through a direct AID contract under FAR procedures. Another will be through Host Country Contracting, Procurement of Construction Services. A third will be through obtaining some bridge materials from U.S. military surplus property through the U.S. Army's Humanitarian Assistance Program. However, should this Program appear to be problematic in terms of timeliness, USAID will procure directly. For this eventuality, a PIO/C is currently being prepared by the Engineering Office in consultation with the Regional Commodity Management Officer. Installation of the bridge and completion of ancillary works will be done through host country contracting. A fourth mode, direct procurement by USAID, will be employed for some minor procurement totaling about $50,000; for engaging a project manager through a personal services contract (PSC); and for technical consulting services, as needed, through existing AID IQCs or from other U.S. government agencies. And, as mentioned above, if the bridge materials cannot be obtained through the U.S. Army, direct contracting will be used to purchase these materials.

1. Construction Management and Engineering Services

A waiver was issued by the Agency Procurement Executive in 1992 authorizing less than full and open competition on the Regional Drought Emergency and Relief Project (690-0270). This waiver was extended in 1993 for another year. In addition, a waiver for the construction management is included in Annex I. USAID/Maputo consequently contacted four U.S.-based firms that had experience, either in Mozambique or in similar situations, and requested that they submit bids for providing technical services for management and engineering under this part of the Activity. Bids have been received from two companies and are now being evaluated by USAID/Maputo. USAID awarded the contract on August 30, 1993.

2. Roadworks

Construction contracts will be solicited under International Competitive Bidding procedures by DNEP for road and bridge works. All construction activity will be implemented through AID Handbook 11, Chapter 2, Host Country Contracting, Procurement of

Construction Services. Invitation for Bids (IFB), prepared to international bidding standards, will be issued, addressed primarily, but not exclusively, to construction firms already established in the region. Based on O'Dwyer and Partners' analysis and recommendations from the USAID Regional Engineer and the Mission Engineer, the design team agrees that, given the physical and operational constraints under which the Activity will be implemented, no single firm can reasonably be expected to complete more than 100 km in the 9-month road construction period. Therefore, a number of contracts will be awarded for construction at the same time in order to ensure that the work is completed by the RDERP PACD of May 31, 1994. The technical assessment of the Activity also concluded that it would be necessary to award multiple small contracts in order to assure that road construction would proceed at a pace of 100 kilometers per month. The IFBs will be prepared in packages that are both attractive to regional contractors and will insure the completion of the construction work by May 31, 1994. The IFB will be circulated amongst a selected list of contractors, the results analyzed and contract awarded on price and ability to conform to the construction schedule. Therefore, each contract will be relatively small, none exceeding $5 million. Although this level of each contract will not interest U.S. engineering and construction firms due to mobilization and demobilization expenses, U.S. firms will be able to bid on any of the contracts.

The type of contract that will be used for the construction work will be a Fixed Rate Contract. A rapid appraisal of the road work required for the rural tertiary roads was conducted in early 1993 for DNEP by Nicholas O'Dwyer and Partners, a Zimbabwe-based consulting firm. Based on this appraisal, which will be verified by the construction management firm, a proposed bill of quantities (BOQ) has been prepared for each road section. Separate contracts will be drafted for discrete road sections using this BOQ and the result will be a Fixed Rate contract. For the road repair and resealing work on the Tete Corridor road, contract bid documents will be drawn up based on a detailed road survey done by Nicholas O'Dwyer and Partners in December of 1992. Based on this survey and the results of the 1993 early rapid appraisal, a BOQ has been drawn up for this road.

3. Sena Railroad Bridge, Rehabilitation and Conversion

RAA and DNEP intend to increase access across the Zambezi River by converting the Sena Railroad bridge to vehicle traffic. The bridge is a multispanned bridge, each span covering about 60 meters. Two spans have been destroyed, making the bridge

unusable for any purpose. The bridge cannot be used by rail, even if repaired, because the rail lines to and from the bridge require total rebuilding. Under this Activity, the two damaged spans will be repaired with "bailey"-type bridge sections, and the bridge will be covered with a decking that will permit vehicles to use the bridge. The bridge spans to be used are U.S. government surplus units that are available from Europe. Thus, the major work will be transporting the bridge spans to Sena, placing them, constructing road access to the bridge head, and re-decking the entire bridge. Preliminary design work has been done on this portion of the activity, and cost estimates have been made.

Because the bridge rehabilitation and conversion is a major element in the Activity budget, the Mission will insure that preliminary cost estimates are valid for the entire Activity before separate contracts are awarded for discrete parts of the works. This will require that the Sena bridge be placed relatively high on the list of implementation tasks by the construction management and engineering services team. It is also essential to have this activity placed high on the implementation list so that procurement of materials, other than the bailey bridges, from the U.S. can be initiated early.

4. Payments for Contract Services

Progress payments will be reviewed and approved by the contract management firm and DNEP in accordance with Handbook 11 and FIDIC procedures. Payment will be made by direct letter of commitment from USAID to the contractor.

Two other contracts will be awarded. These are:

1. an AID direct contract for a U.S.-hire PSC Project Manager; and

2. AID IQCs or direct contracts for evaluation and audit services.

These contracts will be financed through direct reimbursement.

B. Procurement Plan

TABLE 7
PROCUREMENT PLAN

Procurement Action	Source/-Origin	Value ($000)	Method of Procurement
Construction Management	000	2,450	AID Direct
Project Management	000	195	AID Direct
Road Construction	935	9,585	HCC
Bridge Rehabilitation	935	2,500	HCC
Short-term TA, Evaluation/Audit	000	370	AID Direct
Commodities			
- Office Equipment/Supplies	000/935	30	AID Direct
- Furniture/-Appliances	000	30	AID Direct
- Vehicle	935	25	AID Direct
- Bridging Materials	000	1,400	AID Direct/-PSA

Except for the contracting services for the road and bridge rehabilitation, most procurement will be from AID Geographic Code 000. In order to ensure that this emergency response is completed within the necessary timeframe, USAID/Maputo has chosen, and DNEP as agreed, to award many small contracts for the road rehabilitation. The USAID's engineering analysis concluded that multiple small contracts were warrented in order to assure a road rehabilitation pace of 100-200 km/month. This also helps to ensure that there is minimal start-up time required and that the

entire project is not held up by delays on a small section of the road rehabilitation. USAID/Maputo in order to expedite the bridge rehabilitation process has also chosen to award the construction services contract to AID Georgraphic Code 935. Further, it has been the experience of the AID Regional Engineer and USAID Engineer that construction contracts with values under $5 million are unattractive to U.S.-based firms due to mobilization and demobilization expenses.

Further details on contracting can be found in Section A., above. In addition, the Activity budget includes procurement of up to $300,000 for short-term technical assistance. Of U.S. source and origin, this technical assistance is expected to consist largely of supplementary engineering consultancies and for example, possible supplemental environmental consultancies, river navigation consultancies, and procurement assistance.

With the exception of the bridge material, the remaining commodities are an activity vehicle, standard furniture and appliances (including a generator for the USPSC housing) and office equipment and supplies. The majority of the household and office furniture/equipment/supplies are U.S. source and origin, although due to the short lead time, some furniture and office supplies will be purchased locally or from South Africa. The vehicle will be a right-hand drive, diesel 4x4, primarily for use by the project manager in the Activity area. Because gasoline is unavailable in the Activity area, per the draft Mission Order on Vehicle Policy, the utility vehicle will be AID Geographic Code 935.

The bridging materials will be procured from the U.S. Annex L is a draft list for the materials.

C. Implementation Scheduling

Implementation of the RAA is based on the construction season of Mozambique; active construction from April to December, intermittent activity from late December through March, and active construction in April and May. In order to take as much advantage of the remaining 1993 construction season as is possible, several of the key Activity elements have been initiated through pre-implementation mechanisms to insure that the construction contracts are ready to progress at the same time as the signing of the Grant Agreement. The Grant Agreement will be ready for signature by mid-September 1993.

The technical design priority ranked the work according to need and the most feasible scheduling. In each case, the roads connect the population centers with the main road system and access to a major port or food distribution point. The regeneration of commercial activity was also an important criterion of route selection because of its important function in post-drought social and economic reintegration. Thus, the top priority is the road work in Sofala Province which will be needed to reduce the air and long truck route for emergency food deliveries and distribution of supplies to war- and drought-affected and returning farmers. At the same time, the re-sealing of the paved road in Manica Province must be done to protect that road from further deterioration while the alternate road works linking the Zambezi River valley, Tete Province and Malawi are rebuilt.

The completion of the work on the Sena bridge will correspond to the opening of the road from Beira port to Sena (and on to Chemba) as well as the work on the roads in Tete Province north of the Zambezi. Thus, the bridge will be an intrinsic part of the alternate route from Beira port to the northern provinces and Malawi. At the moment, the USAID/Maputo Engineering Office is making a determination on the best access to the bridge site for the shipment of bridge components. If it is determined that the Beira-Inhaminga-Caia-Sena is the only route to access the bridge worksite, then the Inhaminga to Caia, and the Caia to the Sena bridge roads will have to be moved up to number one priority in order to meet the scheduling plan for the bridge work. Revalidating the determination of access and priority ranking the road construction will have to be one of the first tasks of the management consulting contractor.

D. Related Activities Affecting Implementation Scheduling

1. Mine Clearance

An important aspect in implementation scheduling is also the clearing of mines from the roads. For example, earlier work on the Beira to Caia road was halted at Inhaminga, and the section from there to Caia awaits work by mine clearing crews before road construction can resume. It is known that mines have been laid on several roads throughout the RAA areas. Of the identified mined roads, a large percentage are found in the Beira-Chimoio-Tete triangle, and along the Zambezi River valley. It will be important that these road segments are deemed safe from mines before the contractors can proceed with work. This is not a

difficult problem, but could require some rescheduling.

USAID has requested proposals for a contract for mine clearing activities which is expected to be awarded by mid- to late-September 1993. This contract calls for clearing 2,100 kilometers out of a total of 4,000 kilometers of known mined roads. It is possible that some road work will have to be scheduled around the efforts of these and other mine clearing crews. USAID also will undertake rehabilitation of the 80 kms of the Inhaminga to Caia road as a part of this Activity after mine clearing has been completed in order to complete the road network from Beira port.

2. Related World Bank Program

The World Bank Roads and Coastal Shipping (ROCS) II Project is a five-year project (1994-1999) in which the Bank will coordinate over $700 million worth of road and port rehabilitation in Mozambique. The USAID Rural Access Activity, worth about $19 million, is included in ROCS Phase I and II. Bank economists and engineers expect World Bank board approval of ROCS II in September 1993, with the negotiation part of the project cycle taking place in November. They expect the Project to begin in early 1994. Currently, the DNEP is provided with General Consultants under a World Bank/IDA credit. Under the ROCS II program, technical assistance to DNEP will be extended and institutional support provided to permit an expansion of technical capacity in the DNEP. The provision of technical assistance through ROCS will facilitate the implementation of RAA because of the greater technical capacity that DNEP will have. It will also be beneficial to the maintenance program that will be set up under the ROCS agreements.

E. Target Dates

USAID/Maputo RAA Issues Review	July 30, 1993
Regional Project Review	August 9, 1993
USAID Project Approval	August 10, 1993
Phase 1 Construction Management Contract signed	August 30, 1993
Project Authorization	September 15, 1993
Project Agreement Signed	September 17, 1993
Phase 2 Management Contract Signed	September 22, 1993

Mine Clearing Contract Signed[2]	September 24, 1993
Review of PSC Project Management Candidates	September 15-24, 1993
Selection of PSC Project Management Candidate	Septemeber 24, 1993
Expected Arrival of Management Contractor Team	September 30, 1993
Expected Arrival of Mine Clearing Contractor Team	October 24, 1993
Expected Arrival of PSC Contractor	October 15, 1993

F. Implementation Schedule

1. Bridge

Construction Management Contract Signed	August 30, 1993
Construction Management Contractor Mobilized	September 30, 1993
Draft Tender Document Submitted to USAID/DNEP	October 15, 1993
Short List of Bridge Construction Contractors Selected	November 15, 1993
Bridge Contractor Selected	November 30, 1993
Bridge Construction Contract Executed	December 15, 1993
Bridge Contractor Mobilized	January 15, 1994
Bridge Completed	December 31, 1994

2. River Study

Purchase Order for Zambezi River Navagability Signed	September 3, 1993
Contractor Mobilized	September 10, 1993
Report Submitted	October 1, 1993
Decision on Barge Transport By USAID	October 6, 1993

3. Commodities

IFB Issued	October 15, 1993
Quotations Received	November 30, 1993
Supplier Selected	December 8, 1993

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[2] Related USAID Project.

Letter of Commitment Issued	December 20, 1993
Material Shipped	February 15, 1994
Materials Arrive at Beira	March 30, 1994
Bridge Materials Delivered to Site	May 1 - September 30, 1994

G. Obligations and Methods of Financing

FY 1993 SARP DFA and USAID/Maputo provided African Disaster Assistance funds will be obligated as soon as the Project is authorized so that contracting for technical services can be completed. FY 1994 obligations will be done as soon as feasible, and as necessary.

Financing for contract services through host country contracting will be paid with L/COMs to each contractor from USAID. Financing of the Construction Management and Engineering Services and PSC contracts will be done with direct reimbursement by AID.

Procurement for any materials, shipping and handling costs for such items as bridges and bridge materials or culverts will be done by L/COM or Letter of Credit in a U.S. bank through the AID Office of Procurement in Washington. (See Cost Estimate and Financial Plan.)

H. Monitoring

Under the Regional Drought Emergency Relief and Recovery Project (620-0270), USAID/Zimbabwe will continue to maintain overall project monitoring responsibilities. However, major implementation and monitoring responsibilities will shift to USAID/Maputo for the RAA. The Office of the Controller, USAID/Zimbabwe, will remain the accounting station for funds expended under Project 690-0270. The Office of the Controller, USAID/Maputo will be the accounting station for non-SARP funds expended under RAA.

Regional Legal Assistance responsibilities for RDERP have been with USAID/Pretoria, but are expected to be shifted in mid-August to USAID/Mbabane, where contracting and legal responsibilities are also vested for USAID/Maputo activities.

The Direct Hire Regional Engineering Officer, based in Harare, Zimbabwe, continues as Project Officer under RDERP. However, this role is now one of coordinating with SARP USAIDs, and as

such the SARP Engineer will merely coordinate with the Office of Engineering, USAID/Maputo. The SARP Engineer will also facilitate any actions required in amending the Project Paper and Authorization for RDERP. The Office of Engineering, USAID/Maputo, will be responsible for all implementation activities required to execute, earmark and commit funds provided under RAA, manage the activities, monitor implementation progress, and measure impact of the activities against the Project purpose and goal.

Monitoring of plans, designs, budget estimates and physical performance of Project activities will be done in three ways:

a. The USDH Engineer, assisted by the USPSC Project Manager, will monitor implementation progress.

b. The Construction Management and Engineering services contractor team will monitor the DNEP and the private contractors in the progress of design, engineering plans, construction performance and other technical aspects, both for quality and scheduling, toward meeting Activity objectives. The TA contractor will report to the Office of Engineering through the PSC Project Manager.

c. The DNEP will monitor (and manage) progress and performance of the private contractors who will be doing the road and bridge works, and inspect the work for quality in meeting DNEP performance standards per each contract. The DNEP will report to USAID through the TA Chief of Party.

I. Performance Indicators

Performance indicators will be determined in the Work Plan that will be submitted to the Office of Engineering by the TA contractor. Reporting on progress and quality of work completed will be done in monthly reports on Activity monitoring and tracking to USAID.

J. Evaluation and Audit

1. Evaluation

The short timeframe of the proposed Activity does not lend itself to normal AID evaluation methods. Rather, constant evaluation and review will be done through the monitoring plan detailed

above. In addition, USAID/Maputo will request at least 3 visits by the AID Regional Engineer to inspect the performance of the contractors and the quality of the work. USAID/Maputo will engage an outside contractor and/or other AID offices to perform an end-of-project evaluation.

2. Audits

The Controller's Office, USAID/Maputo, will determine the most appropriate audit method for each type of contracting mode in the project. DNEP intends to contract for regular periodic audits by a CPA firm using IDA funds. Nonetheless, funds have been reserved for a non-Federal audit of project contracts.

In addition to the technical aspects of developing bids, monitoring and supervising contractors and certifying performance standards, the DNEP will need to manage and control substantial new monies under this Activity. DNEP has no internal auditing department but relies on the limited resources of the Inspector General. However, an IDA-financed contract will be awarded for the services of an internationally recognized auditing firm which will perform regular audits. The GRM prefers that this contract auditor perform audits on all donor-assisted projects within DNEP.

K. Reporting

USAID/Maputo will provide the SARP Office in USAID/Harare with the quarterly Project Implementation Reviews and, as requested, specific financial reports. Internal reporting for USAID/Maputo will be done as reported above.

ANNEX A GRM Request

REPUBLICA DE MOÇAMBIQUE
MINISTÉRIO DA CONSTRUÇÃO E ÁGUAS

DIRECÇÃO NACIONAL DE ESTRADAS E PONTES
TELEFONES 475143/6 - TELEXES 6471 E 6884 DNEP MO - FAX 475533
AV. DE MOÇAMBIQUE, Nº 1225 - CAIXA POSTAL 403 - MAPUTO

D I R E C Ç Ã O

TO:

USAID

MAPUTO

Sua referência	Sua comunicação de	Nossa referência	Nossa Comunicação de
		168/D/93	03.08.1993

SUBJECT: RURAL ACCESS ROADS
- ZAMBEZI RIVER VALLEY

1. With the peace accord many roads that have been used mere opened to the traffic. As a rule, all the roads are suffering from decades of none or bad maintenance. Some of these roads are still impassable, keeping some areas inaccessible. Other roads are in so bad condition that they heavily increase the transport costs. Finally other roads, having been out of use several years, lost their structural qualities and with the traffic increase started to suffer from a quick deterioration that calls for emergency repair to preserve them.

2. To implement a programme to minimise the problems that affect the roads, DNEP has been requesting donor support to hire consultants and contractors to carry out the studies and works that are required.

3. To continue this programme, DNEP requests USAID to finance the recovery of roads along the Zambezi River and to finance the emergency reseal of the Vanduzi Changara road, according to the concept paper designated RURAL ACCESS PROJECT.

Yours sincerely

CARLOS FRAGOSO
(NATIONAL DIRECTOR)

CF/ag

UNCLAS AIDAC USAID HARARE 04376

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

DISTRIBUTION: AID
CHARGE: AID
APPROVED: A/DIR:MLEWELLEN
DRAFTED: REO:CASCHEIBAL:NEZ
CLEARED: 1.PDO:JHARMON, 2.CPDIS:PKBUCKLES, 3.PRO:MELLIS

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FM AMEMBASSY HARARE
TO RUEHTO/AMEMBASSY MAPUTO PRIORITY 3337
INFO RUEHC/SECSTATE WASHDC PRIORITY 8365
BT
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

UNCLAS AIDAC USAID HARARE 04376

EFFORT END QUOTE.

2) 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 CLEAREST, 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

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

A. USAID/MAPUTO SHOULD CONSIDER IMPLEMENTING THE PROJECT BY USING A DIRECT TONTRACT 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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INFO RUEHSB/AMEMBASSY HARARE PRIORITY 4182
BT
UNCLAS STATE 111515

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 MOZAMBICAN ONLY, OR WILL FIRMS FROM OTHER NEIGHBORING COUNTRIES BE SOLICITED?

C. COUNTRY CONTRACTING. AFR/SA QUESTIONS GRM CAPACITY 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 MISSIONIS 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.
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ACTION: AID-1
INFO: ECON-1 DCM-1 AMB-1

DISTRIBUTION: AID
CHARGE: AID

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P 291457Z APR 93
FM AMEMBASSY MAPUTO
TO RUEHC/SECSTATE WASHDC PRIORITY 9945
RUEHSB/AMEMBASSY HARARE PRIORITY 8637
BT
UNCLAS SECTION 01 OF 02 MAPUTO 02401

AIDAC

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

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

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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ECPR Review

Mozambique Rural Access

Regional Drought Emergency Relief Project

August 9, 1993

As a result of the Issues Meeting on August 5, 1993, the Project Review Committee identified the following ECPR issues:

Issue 1: Can the Activity be completed by the May 31, 1994 PACD of the Regional Drought Emergency Relief Project?

Discussion: The TDY Mission Engineer was asked to review the implementation plan based on a decision tree and determine if the Activity could be completed within the current PACD. With the exception of the Sena bridge, the Activity as planned can be completed within the May 31, 1994 PACD. It is doubtful, however, if the Sena bridge component could be completed by that date.

Three options were explored based upon that conclusion.

Option A. Delete the Sena bridge component.

Option B. Extend the PACD of the Regional Drought Emergency Relief Project (690-0270.56) to October 31, 1994, either for the Project as a whole, or for the RAA component.

Option C. Extend the PACD of the bilateral Rural Access Activity (656-0270) to October 31, 1994.

Recommendation: *Option B* is the preferred choice, although whether to extend the whole project or just the RAA component needs to be discussed at the ECPR.

Option A is not recommended because of the overwhelming economic and social benefits of the bridge component to the Activity's beneficiaries.

Option C is an acceptable second choice if USAID/Maputo's FY 1994 OYB has adequate funding to cover the cost of the bridge's rehabilitation and construction.

Issue 2: From where will the remaining $6,159,000 to fully fund the RAA come?

Discussion: Amendment No. 2 to the Regional Drought Emergency Relief Project reserved $10,841,000 for the Mozambique Rural Access Activity (690-0270.56). USAID/Maputo has $2 million of Sub-Saharan Africa Disaster Assistance (ADA) funding available for the bilateral Rural Access Activity (656-0270). This still leaves a shortfall of $6,159,000.

At the issues meeting, the RAA Project Committee discussed two possible sources of funding: (1) additional SARP funding out of FY 93 or FY 94 funding or (2) foregoing part of USAID/Maputo's FY 94 OYB. A third source, ADA funding, was not considered realistic given the difficulties the Mission experienced in obtaining ADA funds for demobilization and the $2 million for the RAA.

The first source is the most consistent with the Project goal and purpose, as well as the SARP Regional Program Strategic Plan. The additional financing is a relatively modest investment of SARP funding for major post-drought recovery benefits. From a management perspective, it is also simpler with only two funding sources and no need to partially fund sub-activities within sub-components or to split management and monitoring responsibilities. The second source may be possible, but introduces management complexities and questions of consistency with the Mission's strategy. During FY 94, USAID/Maputo will be developing a new Country Program Strategic Plan (CPSP). Until the new CPSP is approved, the Mission feels that it should avoid new sector starts, which a bilateral, DFA-funded RAA would represent. The ADA funds available for FY 93 not only carry with them "notwithstanding" authorities but also represent a target of opportunity rather than a major new sector start.

Recommendation: Request additional SARP funding under the Regional Drought Emergency Relief Project.

Other Questions and Concerns:

The following issues and concerns have been resolved:

A. Environmental Impact. The RAA element was identified in the Project Paper Supplement to the Regional Drought Emergency Relief Project 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 of the RAA was to include mitigation measures identified in the EA.

Resolution. The IEE prepared by the Regional Environmental Officer recommends a Negative Declaration until the Program Environmental Assessment (PEA) for the USAID/Maputo Transition Program, including the Rural Access Activity, is approved in final. The draft PEA, in general, found no serious environmental problems with the any of the current or planned activities of the USAID Transition Program, including the RAA. (See Annex F to the PP Amendment for the IEE.) Recognizing that the PEA report is still only in draft, and that other issues could arise during AID/W, Mission and REDSO review, USAID/Maputo will review the final PEA and determine if there are any unforeseen issues that require mitigating actions.

B. Timing. AFR/SA observed that the Mission hoped to take advantage of the dry season to get road work underway, but questioned how realistic the timing was given requirements necessary to mount an effort of the proportions described. The Issues Meeting also raised the question of how much work time can be expected to be lost during the rainy season.

Resolution. See discussion in **Issue 1** above. In addition, the contract for phase 1 of the construction management is currently in final negotiations between the RCO and first ranked firm. The contract is expected to be signed by August 13. A draft list of materials for the PIO/C has been prepared (Annex L); publication is waiting for the construction managment firm to finalize the BOQ.

According to the National Director of DNEP, during the three months January-March, construction firms will be inactive about 60% of the time. During the rest of the "rainy" season, down time will be significantly less.

C. Implementation Capacity. AFR/SA questioned the expected relationship between the state-managed provincial-based construction companies (ECMEPS) and the private firms in the reconstruction effort. It was further questioned whether the private firms would be Mozambican only, or whether firms from other neighboring countries would be solicited.

Resolution. In the RAA, the ECMEPS have no role. During the design process and technical analysis, the Mission Engineer had a series of discussions of the ECMEPS with the National Director of DNEP. The outcome of those discussions is that the RAA will not support, or in any way depend upon, the institutional capacity and strenthening of the ECMEPS.

Under the guidance of the USAID-contracted construction management firm, DNEP will draw up a shortlist of regional qualified construction companies based on expressions of interest and capability statements. Although Mozambican firms will be reviewed for inclusion on the shortlist, few are expected to qualify. However, in recent discussions with the National Director and his Deputy, DNEP expressed a strong interest in encouraging subcontracting with Mozambican firms. Recognizing the emergency nature of this Activity and the extreme variability and availability of local construction firms, DNEP will not make subcontracting conditional, but will strongly urge such subcontracting to the extent practicable. DNEP has taken the same position regarding encouraging preferential hiring of demobilized soldiers and other returnees.

D. Host Country Contracting. AFR/SA questioned GRM capability to do host country contracting for this type of activity and whether DNEP could manage such an effort. The concern was raised in the context of the question of whether an AID direct contract might be more appropriate. The Issues Meeting raised questions about the construction management firms role *vis-a-vis* DNEP and the length of the General Consultant's contract.

Resolution. See Annex O-1, with Appendices, for the detailed response to this issue. In brief, CONT/FAD concluded that, with the continuing assistance of the General Consultant (SWEROAD) Team and with the appointment of suitable technical assistance by the Mission (the construction management firm and PSC project manager), DNEP will be able to adequately comply with AID procurement regulations.

The National Director indicated that, for activities with the emergency nature of the RAA, the construction management firm will have more authority than normal to make on-site decisions. DNEP expects the construction management firm to coordinate closely with the provincial and district DNEP representatives and to use sound judgement as to when they

need to seek DNEP approval. The National Director clearly intends that minimal decision-making will be made off-site.

The SweRoad contract is currently funded by ROCS I for a three-year period, which exceeds the life-of-activity for RAA. In addition, the National Director mentioned that technical assistance for the provincial branches will shortly be available through a joint venture between Louis Berger and Roughtom and Partners which will provide 14 experts for the provincial branches, including road engineers, material engineers and an expert in promoting private sector companies (inclusive of privatizing parastatals). The contract with this joint venture is expected to be signed by the end of August.

E. Project Management. AFR/SA questioned whether a single PSC manager, even working with the Mission's USDH engineer would be sufficent to manage the scope and breadth of activities proposed.

Resolution. In addition to a PSC project manager and the Mission Engineer, the RAA will engage the services of a construction management firm to provide daily oversight and do the planning, designs, specs, monitoring, quality control, tender documents, etc. This will provide adequate management.

F. Economic Analysis. AFR/SA asks if the IRR of .01% is adequate. What is the appropriate shadow rate? Can the resettlement rate of 25% beginning in Year 2 hold up to analysis? Is the estimate of emergency food needs a valid measure of savings?

Resolution. With an IRR of over 20%, this question is moot. See the Economic Analysis Summary (page 17) and Annex D for a more detailed response.

G. Section 611(e) Certification. The proposal did not contain this certification.

Resolution. See Annex H.

H. Delivery of bridging material to Sena. For the Issues Meeting, the Project Committee requested further information on the status of the request to the DOD for bailey bridges and the method of delivering the bailey bridges and decking material to Sena.

Resolution. According to the DCM, the Department of State is expecting the UN to make a formal request for the bailey bridges within 10-14 days. The NSC has already approved the transfer as soon as the request is processed. During design, the RAA budget was modified to ensure adequate financing should it become necessary to purchase and transport the bailey bridges. Should the bridges and transport be provided by the DOD, the RAA mortgage will be sigificantly reduced.

The PIO/T for the Zambezi River navigability survey is circulating for clearances. At a cost of $3,500, a purchase order is expected to be executed this week. Transporting the material by barge and flotation is the preferred method by DNEP and USAID. DNEP has a barge and flotation units. There are also additional barges, belonging to other Ministries and the private sector, present in the area.

I. Background

The Government of the Republic of Mozambique (GRM), through the National Directorate of Roads and Bridges (DNEP), has issued several documents addressing the post-war recovery and emergency repairs required for the road network. Within each document, the theme is to open inaccessible areas throughout the country. Estimates are that about 75% of the road network 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.

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 $21 million, will provide a temporary wearing surface on roads that have not received any maintenance activities for two decades. This request 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.

The purpose of the Rural Access Activity (RAA) is to increase transportation efficiency and capacity related to a) post-drought recovery in the Zambezi River valley and b) movement of drought relief assistance to Tete. To achieve the Activity purpose the RAA will open up selected all-weather road access to areas of high priority for emergency relief and post-drought recovery. The intention is to bring additional resources to bear, through contracts with private construction companies, for the rapid reconstruction of essential physical infrastructure.

This Activity will not support, or in any way depend on, the institutional capacity and strengthening of the GRM Provincial Road Construction and Maintenance Units, ECMEPs. However, the DNEP will gain institutionally from its participation in the management of contracted rehabilitation activities. A construction management and engineering services firm, contracted by USAID, will prepare tender documentation and assist DNEP in selecting several host country contractors to perform road rehabilitation.

A. Rural Roads Improvement

1. The Need for Road Access to the Central Zambezi River Valley and Tete Province

USAID/Maputo continues to supply relief supplies and related assistance into emergency distribution centers along the Zambezi River valley. The centers, sited because of their aircraft accessibility, were established to meet the needs of the war-affected and displaced population, but the population of the centers swelled considerably due to the drought in early 1992. After the Peace Accord in October 1992, additional populations completely devastated by the drought moved into the centers. With the return of the rains this season (December 1992 - April 1993), many of these persons move back and forth between their homes and the relief centers, attempting to balance efforts to produce a crop and still have access to food. Agricultural inputs to meet the demands for this season's crop (seeds, tools, etc.) also required airlifting to the relief centers.

Many of the landing strips used for the airlift operation are of poor quality and cannot support flights of any kind during the rainy season (September to April). One site, Mutarara on the north bank of the Zambezi River, did not receive any food supplies between mid-November 1992 and early February 1993. Costs to deliver food to each center vary by the number of tons delivered. On average, the monthly cost for each center is about $70,000. Over a one-year period this totals approximately $5 million for the seven centers along the Zambezi River. The need for some emergency distributions in these sites (and possibly others along the River) is expected to continue for at least two more full agricultural and relief cycles, that is, until May 1995, and perhaps longer.

2. Selection of Roads to be Rehabilitated and Existing Road Conditions

Roads to be re-opened under this rural roads activity have been selected because their location provides access to the relief supply centers along the Zambezi River. In each case, the roads connect the centers with the main road system and access to a major port or food distribution point. The criteria for selection of the roads are to provide access for:

- relief distributions to areas currently supplied by costly airlifts;
- reestablishing family farms abandoned because of the drought;

- regenerating commercial activity which is critical to the post-drought social and economic reintegration; and

- returning drought displaced persons and refugees.

Roads to be re-opened under this emergency drought activity will contribute to a larger Roads and Coastal Shipping (ROCS) Project coordinated by the World Bank. Several donors will contribute funds to the five-year ROCS Project with construction by other donors beginning in 1994. The USAID RAA, worth about $19 million, is included in ROCS Phase I. As part of the ROCS Project, the RAA will attract the return of refugees by supporting agricultural production recovery, increasing employment, reducing food costs, alleviating poverty and famine, increasing export of cash crops, and reducing GRM's financial burden imposed by its transport state enterprises.

Approximately 995 kilometers of road have been identified to improve transportation efficiency capacity related to post-drought recovery in the Zambezi River valley and movement of drought relief assistance to Tete. These are detailed in TABLE 1 and shown on the maps in FIGURES 1 through 5. In particular, the road from Inhaminga to Caia will be considered under this Activity. Initially, and under current DNEP plans, the road from Beira to Caia was to be opened under a separate contract with a private construction firm based in Beira. The road has in fact been opened as far as Inhaminga where construction stopped because of landmines. The 80 kilometers from Inhaminga to Caia are currently being cleared of mines under a separate contract expected to be completed by the end of July, 1993. It may still prove possible for the road construction company to complete the work to Caia prior to the start-up of this Activity. If the current contract is not completed, this Activity will have to complete this phase in order for the roads beyond Caia, and the focus of this Activity, to be completed.

A Zimbabwe-based consultant, Nicholas O'Dwyer and Partners, carried out a rapid appraisal of the priority roads to be re-opened from January to March, 1993. All of the roads to be re-opened under this Activity are included in their assessment. Their terms of reference focused on:

- assessment of the road condition;

- assessment of the existing drainage facilities along the road, suggest any road side drainage improvement if necessary;

- inventory existing bridges and culverts indicating their condition;

- assessment of the requirements for bailey bridges, corrugated steel tubes for culverts, gabions, and other construction materials for repairs of destroyed bridges and culverts; and

- prepare bills of quantities and rough cost estimates for the opening of the roads.

The results of their findings have been released in draft form to the DNEP and are attached here as APPENDIX A. The majority of the studied roads are considered to be unsafe due to the presence of land mines. However, some of these roads are currently being used by relief transporters without incident. Mine clearance of the roads is the subject of separate GRM, UNOMOZ, and other donor programs and contracts. It is critical to the success of this Activity that the roads identified herein are cleared of mines and considered safe for construction activity prior to the mobilization of the contract works.

The Norwegian's Peoples Aid is fully mobilized and waiting for Cease Fire Commission approval to begin mining clearance on the road between Mutarara and Cambulatsisi. All other roads to be rehabilitated under the RAA will be cleared of mines by the AID mine clearance contract or by the Gurkha Security Guard (GSG). The GSG will expand from one to four teams by mid-August. The AID mine clearance contract is expected to be awarded by the end of September and work started by the end of October.

The condition of the roads reflects the lack of maintenance, in most cases, over 19 years. Some roads, both paved and gravel surfaced, have been the subject of sabotage during the insurgency. Trenches have been deliberately cut across the roads to prevent use and bridges and culvert structures destroyed. During the lengthy period of disuse, grasses and brush, and in some cases sizable trees, have reclaimed the once-cleared right-of-way.

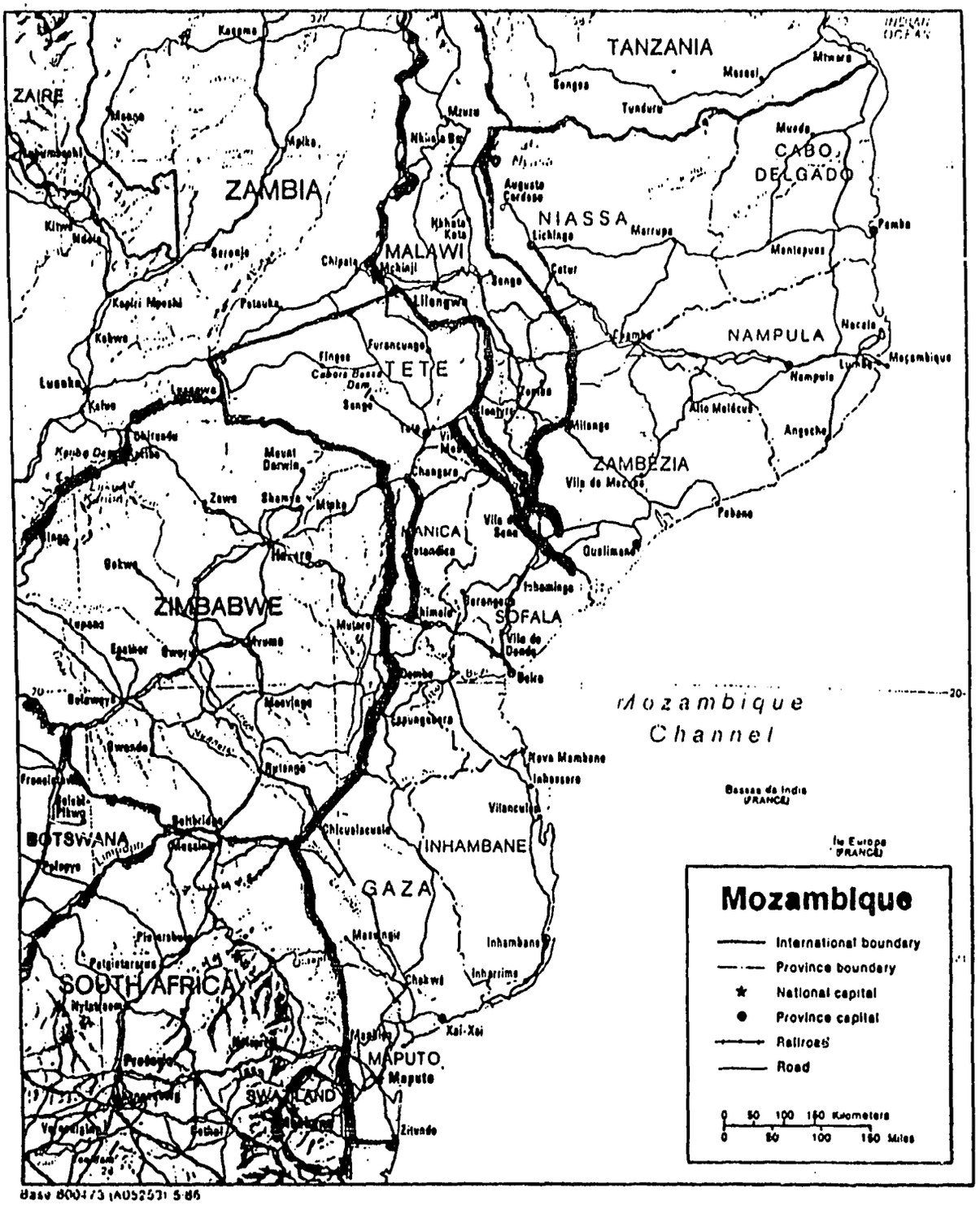
Where roads were surfaced with a bitumen seal, the material has hardened and cracked, frequently forming deep cuts into the base and sub-base materials. Fortunately, the stoppage of traffic prevented the road surfaces from being totally destroyed.

TABLE 1.

Rural Access Activity (RAA) PROPOSED ILLUSTRATIVE ACTIVITY ELEMENTS

	Priority	Length	Unit cost	Cost Extension
Sofala Province; Gravel road	1			
Inhamitanga - Marromeu		130	$8,800	$1,144,000
Inhaminga - Caia - Sena		155	$10,000	$1,550,000
Sena - Chemba		40	$10,000	$400,000
Manica Province; Re-sealing surface	2			
EN 102, Vanduzi - Changara		270	$12,000	$3,240,000
Tete Province; Gravel road	3			
Mutarara - Malawi Border		50	$9,000	$450,000
Mutarara - Cambulatsitsi		247	$8,000	$1,976,000
Zambezia Province; Gravel road	4			
Mutarara - Soma		30	$8,000	$240,000
Soma - EN 1 (via Morumbala)		73	$8,000	$584,000
Sena Bridge	5			
Procurement and installation of two 60 meter spans, metallic panel bridge		400 meters	$3,000	$1,200,000
Reconstruct bridge approaches for vehicle traffic				$1,100,000
Remove and replace bridge decking with vehicle running surface				$1,400,000
Construction Management				$2,400,000
US PSC Project Manager				$250,000
Contingency				$1,500,000
Evaluation and Audit				$50,000
TOTAL COST OF ACTIVITY				$17,434,000

FIGURE 1. Location of roads to be improved under RAA



Base 800473 (A05253) 5-86

FIGURE 2. Detail of roads in Sofala Province

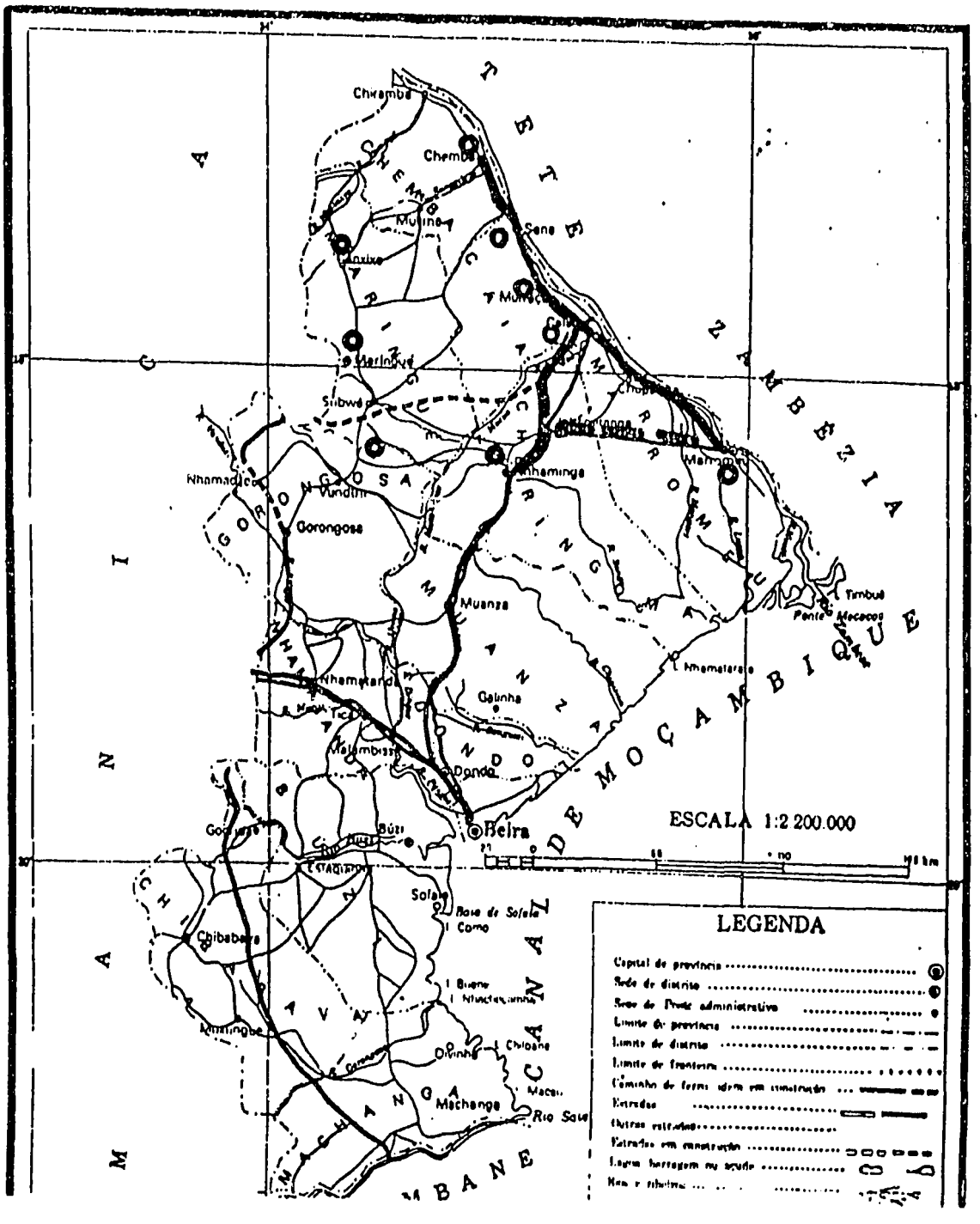


FIGURE 3. Detail of roads in Tete Province

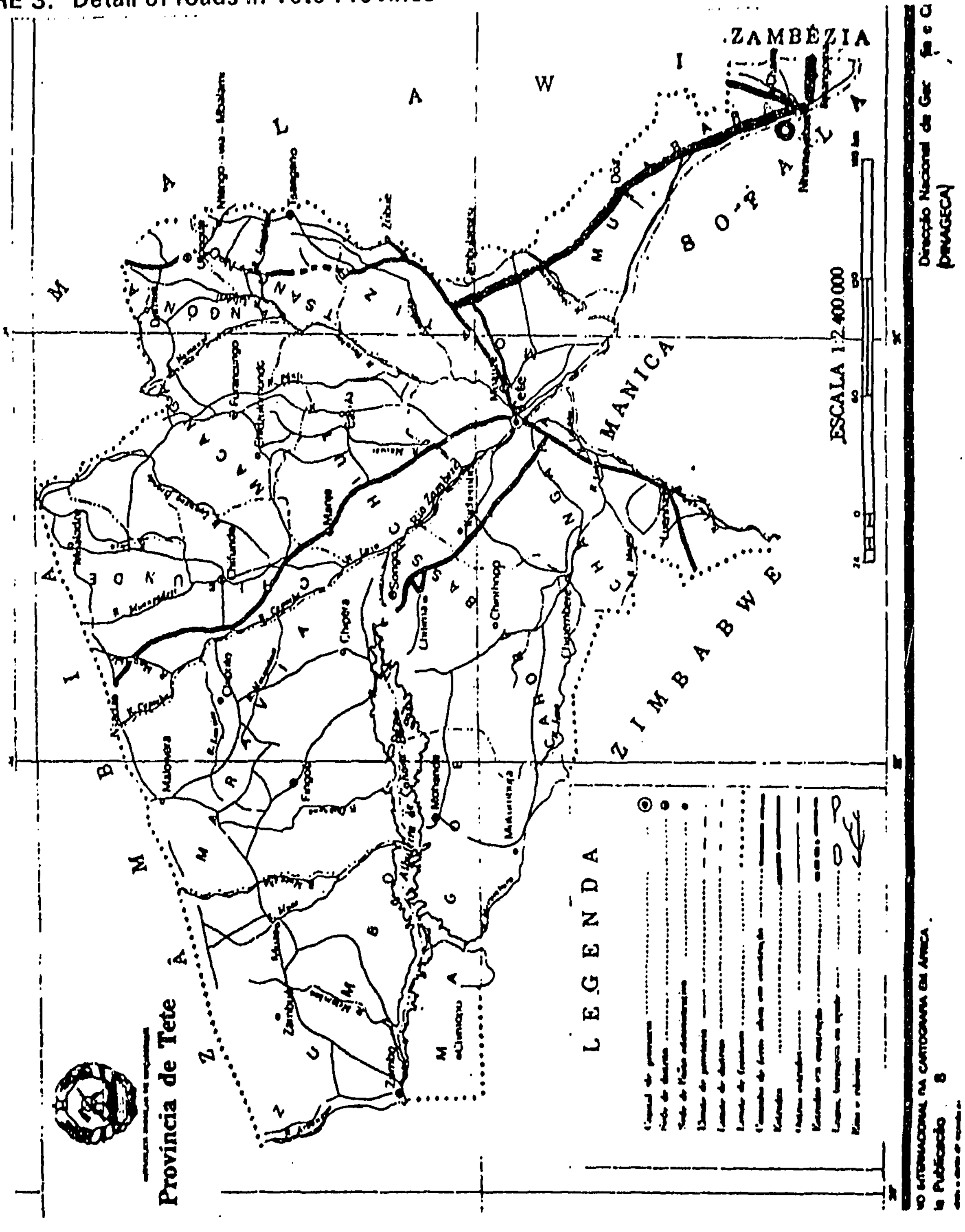


FIGURE 4. Detail of roads in Zambezia Province

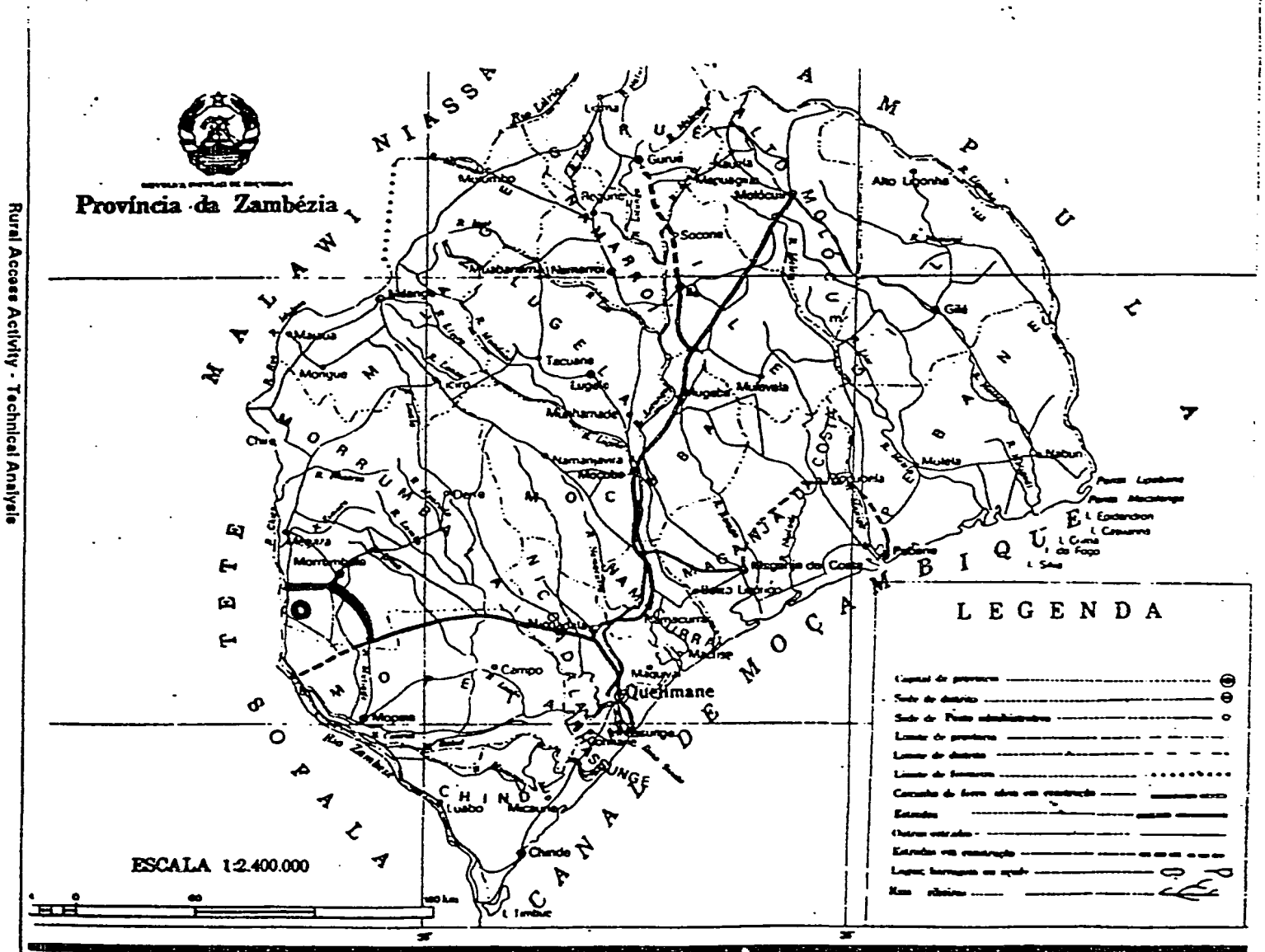
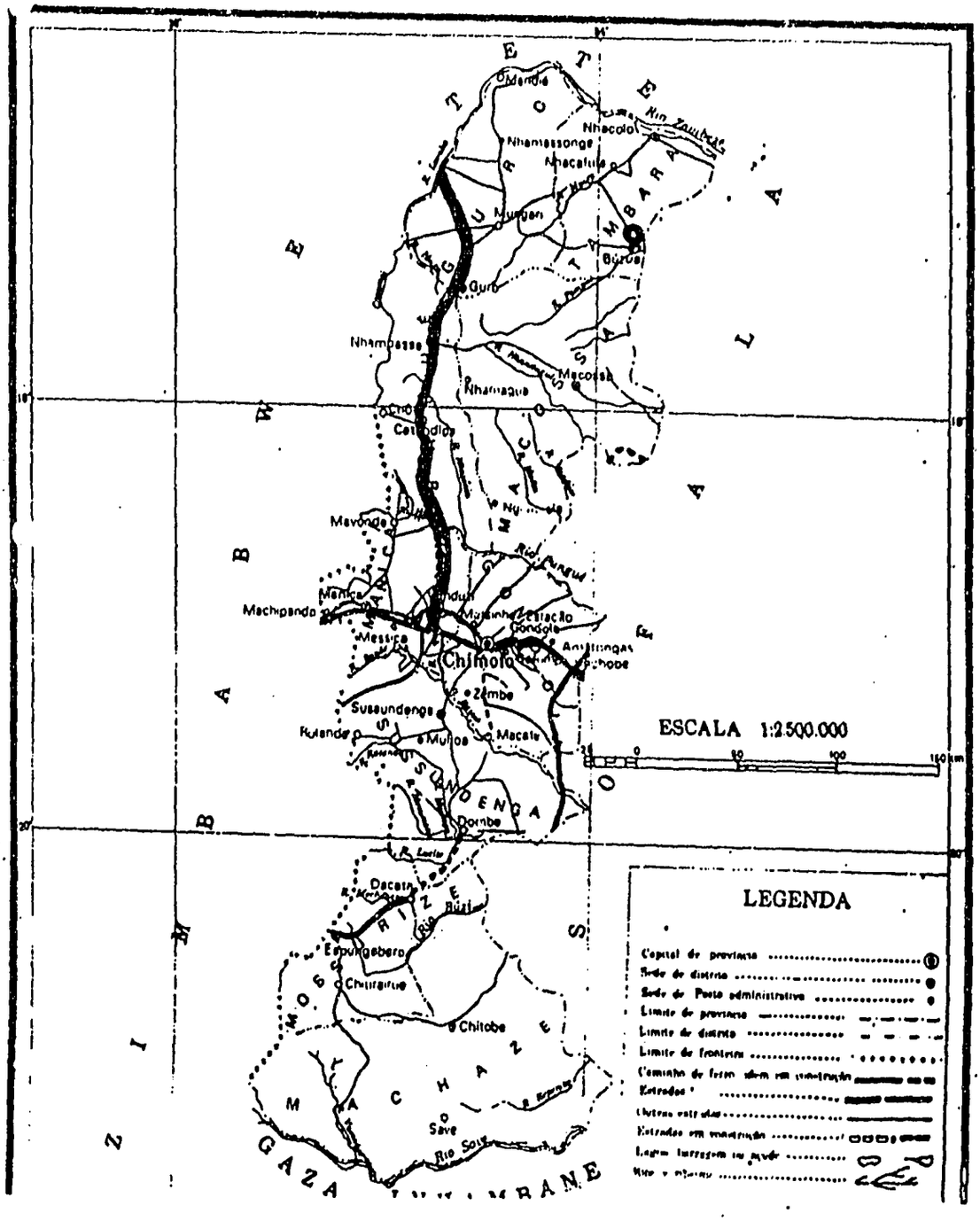


FIGURE 5. Detail of roads in Manica Province



3. Proposed Standards for Road Rehabilitation

The roads identified for rehabilitation under this Activity fall under several categories for standards of construction. Some roads are completely engineered and surface treated. Others are nothing more than earth roads with minimal drainage protection structures and bridges. For the purpose of this Activity, the intention is to reestablish the road to the minimum acceptable standard that will still permit all weather traffic access.

Proposed standards are as follows:

- bush clearing to a width of 25 meters;
- removal of top soils and vegetation in a width of 10 meters;
- reshape crowned profile of road to a width of 7.5 meters or to that existing and cut side drains and mitre drains as required;
- minor spot improvements along the existing alignment including regravelling of soft or depressed areas;
- repair or replacement of damaged bridges and culverts; and
- application of slurry seal, sand seal, or single surface chip treatment on identified reopened sections of surface treated roads.

Alternatives:

These are the minimal standards that will allow passable roads for vehicles during the rainy season. Build up of the road profile is necessary immediately to ensure that water drains away from the road rather than onto it as is currently the case on many of the earth roads. Although these roads could be entirely regravelled, this would be cost prohibitive and unnecessary because soils can be stabilized in most areas. Bush clearing is mandatory in order to provide drought assistance vehicle access. In effect, there are no alternatives to the above minimal standards.

Standards for repairs to the roads are:

Bituminous Surface Patching:

Whenever patching of a surface-treated road is required, the reason for the distress is to be established in order that effective remedial action can be carried out. Possible reasons include excess moisture; inadequate gravel cover; inferior subgrade, gravel or surfacing; and overloading of the pavement by traffic. Once the cause of the distress is identified, the correct remedial action can be determined.

The method of choice for repair shall be cement-stabilized gravel base where (1) the depth of the pothole or failure exceeds 40 mm or (2) ambush trenches deliberately cut across the road to prevent use are reinstated.

The distressed area shall be excavated to a solid foundation and trimmed to a regular, squared off shape. Suitable gravel shall be mixed with 4% cement at visual moisture content and compacted in lifts of 75 mm or less. After a suitable curing period, in which the surface is sprayed to keep moist, the surface shall be reexcavated to a depth of 15 mm, primed and sealed with a well-graded premix.

Ambush trenches shall be brought to grade with suitable gravel and compacted at optimum moisture content. The top 150 mm shall be cement stabilized as described above.

Drainage:

Side drains are to be reconstructed with mitre drains as appropriate, with flat bottoms, and with velocity reducing bolsters where required. As a general rule, the vertical interval between mitre drains shall be about 2 meters.

Culverts are to be checked and replaced if broken. Where topographic conditions warrant, additional culverts are to be installed if existing capacity is insufficient. Culverts are to be set at a grade, alignment, and with headwalls (if conditions require) to prevent erosion, undercutting, and/or piping.

Camber on gravel roads:

In order to insure that rainwater runs off the road surface, the road must be constructed with adequate camber, normally about 4%. However, in sections of steep gradients, it is recommended that the camber be increased to 5 or 6% to minimize the likelihood for longitudinal runnels forming along the road.

Regravelling:

Regravelling of the roads will only be carried out in selective sections and only to bridge soft and impassable spots. Select gravel will be identified by the construction contractor's engineer prior to excavation and stockpiling. Gravel will be spread and mixed at optimum moisture content and compacted as specified and approved by the construction contractor's engineer and the construction management engineer.

4. Contracting Methods and Estimated Costs

The activities described above will be carried out through Handbook 11, host country contracts with private construction firms from within the region. First, a direct AID contract for construction management and engineering services will assist DNEP in the contract management process. The construction management firm will prepare all documentation and specifications for international competitive bidding (IFB). At the same time, under the direction of the construction management firm, a short list of qualified construction companies will be drawn up by DNEP based upon expressions of interest and capability statements.

The IFBs will be prepared in packages that are both attractive to regional contractors and will ensure completion of the construction work by May 31, 1994. It is envisioned that enough contracts will be in place to ensure 100 kilometers of road completed per month. The IFBs will be circulated among the short-listed contractors, the resulting bids analyzed, and contracts awarded on price and ability to conform to the construction schedule.

Based upon the rapid appraisal made for DNEP in early 1993, a proposed bill of quantities (BOQ) has been prepared for each road section. Each contract will be drafted using this BOQ and the result will be a Fixed Rate Contract. The proposed BOQ is available at DNEP for all bidders to review prior to their bid submissions. Bids are expected from South African, Zimbabwean, and Mozambican firms.

The BOQs for road rehabilitation, with estimated costs, are presented in APPENDIX B, TABLE 2 through TABLE 7, attached to this document.

Progress payments will be reviewed and approved by the contract management firm and DNEP in accordance with Handbook 11 and

Federation Internationale Des Ingenieurs-Consoils (FIDIC) procedures. Payment will be made by direct letter of commitment from USAID to each contractor.

B. Main Road Resealing

1. The Tete Corridor

Of equal importance to the movement of relief aid is the paved section of the national road EN 102 between Vanduzi and Changara which links 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 Mozambican refugees in Malawi. Traffic flows are not expected to decrease; to the contrary, traffic is 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 African Development Bank 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 drought relief and reconstruction will be significantly higher.

2. Existing Road Condition

EN 102 is a surfaced road over its entire length (approximately 256 kilometers) from Vanduzi to Changara. The road was surveyed in detail in December 1992 by Nicholas O'Dwyer and Partners, a copy of which is on file in the USAID/Maputo Engineering Office. The road surface material has oxidized and become brittle; however, the low traffic volumes have prevented the road from being completely destroyed. Also, during the past decade, the road has been the subject of frequent military attacks. Traffic has begun to use the road, principally due to the need for drought relief shipments into Tete Province and, in 1992, on to Malawi.

Military damage to the road took the form of cutting trenches across the road to force vehicles to stop, and attempts to destroy small bridges. Two bridges, one at kilometer 25.3 and

the other at kilometer 219.5 (from Vanduzi), are damaged, but not seriously. The bridge over the Pungue River, 60.5 kilometers north of Vanduzi, received the most damage; three of five post-tensioned concrete decks and beams were destroyed. A temporary crossing of four parallel, fabricated steel girders with timber decking has been installed and will not be a part of this Activity.

Some of the trenches across the road have been repaired, but unsatisfactorily. Fill material was improperly placed and compacted and settlement has occurred. The trenches will have to be reexcavated and placed with the proper compaction.

In the absence of routine maintenance, the vegetation along the road has reclaimed the side drains and parts of the shoulders. During the rainy season, the layers of base material may become saturated and unable to withstand the heavy traffic. Fortunately, this has not yet occurred as traffic only began using the road in May - June of 1992.

3. Proposed Improvements, Contracting Method and Estimated Costs

Based upon the assessments of the road by Nicholas O'Dwyer and DNEP, the following list of repairs has been identified for contract repair:

- repair of concrete bridges at km 25.3 and 219.5;
- clearing of vegetation encroaching into the road right-of-way and side drains;
- repair of potholes, edge fraying and ambush trenches; and
- resealing with slurry seal coat.

Whenever patching of the road is required, the reason for the distress is to be established in order that effective remedial action can be carried out. Possible reasons include excess moisture; inadequate gravel cover; inferior subgrade, gravel or surfacing; and overloading of the pavement by traffic. Once the cause of the distress is known, the correct remedial action can be determined.

The method of choice for repair shall be cement-stabilized gravel base where the depth of the pothole or failure exceeds 40 mm and in the case of reinstating ambush trenches.

The distressed area shall be excavated to a solid foundation and trimmed to a regular, squared-off shape. Suitable gravel shall be mixed with 4% cement at visual moisture content and compacted in lifts of 75 mm or less. After a suitable settlement period, the surface shall be reexcavated to a depth of 15 mm, primed and sealed with a well-graded premix.

Ambush trenches shall be brought to grade with suitable gravel and compacted at optimum moisture content. The top 150 mm shall be cement-stabilized as described above.

The activities described above will also be carried out through a Handbook 11, host country contract with a private construction firm from within the region. The construction management firm will prepare all documentation and specifications for international competitive bidding (IFB). At the same time, under the guidance of the USAID contracted construction management firm, DNEP will draw up a short list of qualified construction companies based upon expressions of interest and capability statements.

The IFBs will be prepared in packages that are both attractive to regional contractors and will insure the completion of the construction work by May 31, 1994. The IFB will be circulated amongst the selected contractors, the results analyzed and contract awarded on price and ability to conform to the construction schedule.

Based upon the rapid appraisal made for DNEP in early 1993, a proposed bill of quantities (BOQ) has been prepared for the road section. The contract will be drafted using this BOQ and the result will be a Fixed Rate Contract.

The BOQ for the road rehabilitation, with estimated costs, is presented in APPENDIX B, TABLE 7.

Progress payments will be reviewed and approved by the contract management firm and DNEP in accordance with Handbook 11 and FIDIC procedures. Payment will be made by direct letter of commitment from USAID to the contractor.

C. Sena Bridge Rehabilitation

1. Access Across the Zambezi River

Presently, there is limited access across the Zambezi River. The only vehicle bridge spans the Zambezi at the city of Tete; some 630 kilometers from Beira and with no direct access to the northern provinces of Mozambique without traversing Malawi. The Tete bridge is a major suspension bridge with a span of 823 meters.

The only other bridge across the Zambezi in Mozambique is a rail bridge located between the towns of Sena and Mutarara, some 300 kilometers downstream from Tete. This bridge is a multiple span truss bridge with each span approximately 60 meters. Total length is approximately 3.5 kilometers. The bridge deck consists of open beams spanned by ties and rails.

Two of the spans have been destroyed by military action; explosive charges were set at one end of each span, knocking them from the support pier and dropping them into the water. Currently, food is delivered to Sena, the only airport in the region large enough to accommodate large aircraft on the south side of the Zambezi River. People in Mutarara and areas beyond Mutarara north of the bridge, obtain food by carrying it over the bridge and up and down catwalks over the damaged spans. Nearly all of this trafficking is done by headloads. In addition, the bridge provides the only access by foot over the river for displaced persons returning to their lands. Temporary ladders and cat-walks have replaced the downed spans and enterprising entrepreneurs take advantage of the risks and tenuous repairs to assist people up onto and down off the bridge.

The Sena rail line that utilizes the bridge connects the port of Beira with Malawi and the coal fields of Moatize near the Cahora-Bassa dam above Tete City. Over the past decade, military action in northern Sofala Province completely destroyed the Sena line from just north of Beira to Sena; a distance of 340 kilometers. Much of the existing rail and ties have been pulled up and burned or destroyed. The Sena rail line has been closed to operations since 1984.

Repair to the rail line has been the subject of considerable discussion with the GRM and the donor community. The future development of the Moatize coal mines may dictate that the rail line is once again required. A preliminary cost estimate for the line rehabilitation in a pre-feasibility for the Moatize coal development was in excess of $400 million; a sum not likely to be

found in the future from the GRM or either donors or private investors.

The reestablishment of the bridge as a vehicle transport link will provide a critical path for the returning refugees and the movement of drought relief supplies to the communities along the River. There is no other crossing of the Zambezi River now in operation. A former ferry at Caia has been out of commission since 1985. A temporary solution of replacing the damaged spans of the Sena bridge with metallic panel bridge sections ("bailey bridge") and re-decking the entire bridge with metal and/or wood plates, would provide a limited but essential service. No permanent damage would result to the structure and, when the timing called for it, the bridge could be reconverted to a rail structure.

Ferries and barges were not considered as alternative river crossing because of the shallow water depth, large marshy areas that are unapproachable by river craft, and a number of islands that are located in the center of the River.

2. Description of the Works

Two separate sections of the bridge have been destroyed by explosive charges. The two damaged sections must be removed and replaced by 60 meter sections of metallic panel bridge sections, with a load capacity of HS 25/MS 250 standards. For the remainder of the bridge and including the replaced sections, the rail will be removed and replaced with a transom, stringer, chess and wear tread system appropriate to the loading requirements. A preliminary sketch of the solution is shown in FIGURE 6.

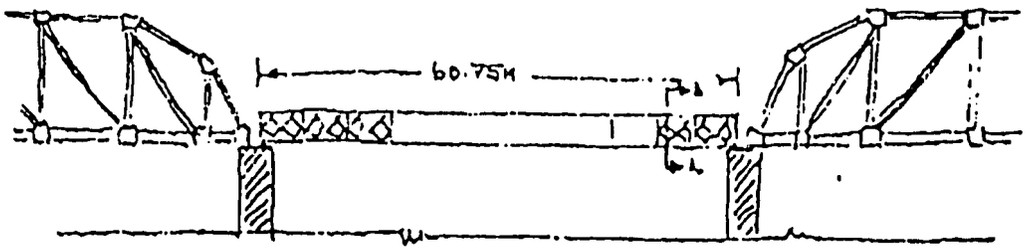
3. Cost Estimate

Based on the preliminary design considerations for the replacement bridge sections, the two spans can be purchased and installed for approximately $1.2 million. A further $1.4 million will be required to replace the rail with a vehicle running surface. $1.1 million has been included to re-engineer the approaches on either end to make adjustments for accommodation of vehicle traffic.

FIGURE 6. Sena Rail Bridge Conversion/Repair

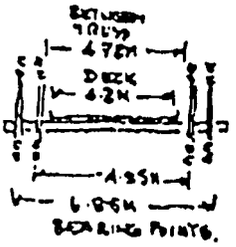
1. ASSUMED BROKEN STRUCTURE (2 SEPERATE SPANS)

2. SUGGESTED REPAIRS. (FOR ROAD BRIDGE)



STRUCTURE/LOAD

- HARDY UNIVERSAL BRIDGE (PERMANENT) - GALVANISED.
- EXTRA WIDE (DIMENSIONS SHOWN)
- LENGTH 60.75M. BEARING CENTRES 60.15M.
- LOAD (CAPACITY) HS25/MS250.
- END REACTIONS APPROX 850 t.



DOUBLE SINGLE REINFORCED?

TABLE 2.

Cost Estimate for Emergency Repair

ROAD: EN 1449/447/228; Mutarara - Soma - EN1 Total Length: 103 km

Item	Description	Unit	Qty	Rate	Extension
1	Verge Clearing				
1.1	Light (grass cutting only)	km	70	200	14000
1.2	Heavy (thick bush, trees)	km	28	700	19600
2	Drains				
2.1	Cleaning side drains	km	103	70	7210
2.2	Cleaning Mitre drains and Outlets	m	2500	7	17500
2.3	Constructing Mitre drains and outlets	m	2500	10	25000
3	Formation/Pavement				
3.1	re-sealing (Single ST)	km	0	18000	0
3.2	re-shaping (grader)	km	103	500	51500
3.3	re-shaping in sunken areas	km	0	800	0
3.4	ripping/re-shaping (heavy grader / dozer)	km	0	1500	0
4	Gravelling and filling				
4.1	Haul less than 2 km	cu. m.	15000	6	90000
4.2	Haul over 2 km	cu. m./km	5000	0.5	2500
4.3	Shaping and compaction	km	103	5000	515000
5	Small drainage structures				
5.1	Erosion protection	sq. m.	1000	10	10000
5.2	Pipes; 750 mm	m	250	160	40000
5.3	Pipes; 900 mm	m	100	220	22000
5.4	Pipes; 1200 mm	m	0	300	0
5.5	Concrete drifts	unit	2	2500	5000
6	Bridges				
6.1	Repair to concrete decks	sq. m.		75	0
6.2	Baily bridges	m	0	6000	0
6.3	Gabions	qu. m.		70	0
	Total Cost Estimate				819,310
	Per Kilometer Cost				7,954

Source: Report on Road Condition Surveys for DNEP; Nicholas O'Dwyer & Part. May 1993
Cost data from DNEP Cost comparison summary, Maputo - Namaacha Road, May 1993

TABLE 3.

Cost Estimate for Emergency Repair

ROAD: EN 450; Mutarara - Cambulatsitsi Total Length: 247 km

Item	Description	Unit	Qty	Rate	Extension
1	Verge Clearing				
1.1	Light (grass cutting only)	km	247	200	49400
1.2	Heavy (thick bush, trees)	km	125	700	87500
2	Drains				
2.1	Cleaning side drains	km	247	70	17290
2.2	Cleaning Mitre drains and Outlets	m	5000	7	35000
2.3	Constructing Mitre drains and outlets	m	5000	10	50000
3	Formation/Pavement				
3.1	re-sealing (Single ST)	km	0	18000	0
3.2	re-shaping (grader)	km	130	500	65000
3.3	re-shaping in sunken areas	km	0	800	0
3.4	ripping/re-shaping (heavy grader / dozer)	km	25	1500	37500
4	Gravelling and filling				
4.1	Haul less than 2 km	cu. m.	25000	6	150000
4.2	Haul over 2 km	cu. m./km	5000	0.5	2500
4.3	Shaping and compaction	km	247	5000	1235000
5	Small drainage structures				
5.1	Erosion protection	sq. m.	2500	10	25000
5.2	Pipes; 750 mm	m	500	160	80000
5.3	Pipes; 900 mm	m	300	220	66000
5.4	Pipes; 1200 mm	m	80	300	24000
5.5	Concrete drifts	unit	5	2500	12500
6	Bridges				
6.1	Repair to concrete decks	sq. m.		75	0
6.2	Bally bridges	m	0	6000	0
6.3	Gabions	qu. m.		70	0
	Total Cost Estimate				1,936,690
	Per Kilometer Cost				7,841

Source: Report on Road Condition Surveys for DNEP; Nicholas O'Dwyer & Part. May 1993
Cost data from DNEP Cost comparison summary, Maputo - Namaacha Road, May 1993

TABLE 4.

Cost Estimate for Emergency Repair

ROAD: EN 449; Mutarara - Malawi Border Total Length: 50 km

Item	Description	Unit	Qty	Rate	Extension
1	Verge Clearing				
1.1	Light (grass cutting only)	km	50	200	10000
1.2	Heavy (thick bush, trees)	km	25	700	17500
2	Drains				
2.1	Cleaning side drains	km	50	70	3500
2.2	Cleaning Mitre drains and Outlets	m	2500	7	17500
2.3	Constructing Mitre drains and outlets	m	2500	10	25000
3	Formation/Pavement				
3.1	re-sealing (Single ST)	km	0	18000	0
3.2	re-shaping (grader)	km	50	500	25000
3.3	re-shaping in sunken areas	km	5	800	4000
3.4	ripping/re-shaping (heavy grader / dozer)	km	10	1500	15000
4	Gravelling and filling				
4.1	Haul less than 2 km	cu. m.	8000	6	48000
4.2	Haul over 2 km	cu. m./km	4000	0.5	2000
4.3	Shaping and compaction	km	50	5000	250000
5	Small drainage structures				
5.1	Erosion protection	sq. m.	500	10	5000
5.2	Pipes; 750 mm	m	100	160	16000
5.3	Pipes; 900 mm	m	50	220	11000
5.4	Pipes; 1200 mm	m	0	300	0
5.5	Concrete drifts	unit	2	2500	5000
6	Bridges				
6.1	Repair to concrete decks	sq. m.		75	0
6.2	Baily bridges	m	0	6000	0
6.3	Gabions	qu. m.		70	0
	Total Cost Estimate				454,500
	Per Kilometer Cost				9,090

Source: Report on Road Condition Surveys for DNEP; Nicholas O'Dwyer & Part. May 1993
Cost data from DNEP Cost comparison summary, Maputo - Namaacha Road, May 1993

TABLE 5.

Cost Estimate for Emergency Repair

ROAD: EN219/EN213: Inhamitanga - Marromeu Total Length: 132 km

Item	Description	Unit	Qty	Rate	Extension
1	Verge Clearing				
1.1	Light (grass cutting only)	km	30	200	6000
1.2	Heavy (thick bush, trees)	km	100	700	70000
2	Drains				
2.1	Cleaning side drains	km	132	70	9240
2.2	Cleaning Mitre drains and Outlets	m	3000	7	21000
2.3	Constructing Mitre drains and outlets	m	1500	10	15000
3	Formation/Pavement				
3.1	re-sealing (Single ST)	km		18000	0
3.2	re-shaping (grader)	km	80	1200	96000
3.3	re-shaping in sunken areas	km	12	1800	21600
3.4	ripping/re-shaping (heavy grader / dozer)	km	40	2400	96000
4	Gravelling and filling				
4.1	Haul less than 2 km	cu. m.	6000	6	36000
4.2	Haul over 2 km	cu. m./km	6000	0.5	3000
4.3	Spreading and compacting	km	132	5000	660000
5	Small drainage structures				
5.1	Erosion protection	sq. m.	400	10	4000
5.2	Pipes; 750 mm	m	200	160	32000
5.3	Pipes; 900 mm	m	150	220	33000
5.4	Pipes; 1200 mm	m	60	300	18000
5.5	Concrete drifts	unit	8	2500	20000
6	Bridges				
6.1	Repair to concrete decks	sq. m.	50	75	3750
6.2	Repair to timber decks	sq. m.	1000	10	10000
6.3	Gabions	qu. m.		70	0
	Total Cost Estimate				**1,154,590**
	Per Kilometer Cost				**8,747**

Source: Report on Road Condition Surveys for DNEP; Nicholas O'Dwyer & Part. May 1993
Cost data from DNEP Cost comparison summary, Maputo - Namaacha Road, May 1993

TABLE 6.

Cost Estimate for Emergency Repair

ROAD: EN213/EN1: Inhaminga - Caia - Chemba Total Length: 195 km

Item	Description	Unit	Qty	Rate	Extension
1	**Verge Clearing**				
1.1	Light (grass cutting only)	km	90	200	18000
1.2	Heavy (thick bush, trees)	km	100	700	70000
2	**Drains**				
2.1	Cleaning side drains	km	195	70	13650
2.2	Cleaning Mitre drains and Outlets	m	4500	7	31500
2.3	Constructing Mitre drains and outlets	m	2200	10	22000
3	**Formation/Pavement**				
3.1	re-sealing (Single ST)	km	15	18000	270000
3.2	re-shaping (grader)	km	130	500	65000
3.3	re-shaping in sunken areas	km	20	800	16000
3.4	ripping/re-shaping (heavy grader / dozer)	km	45	1500	67500
4	**Gravelling and filling**				
4.1	Haul less than 2 km	cu. m.	15000	6	90000
4.2	Haul over 2 km	cu. m./km	15000	0.5	7500
4.3	Shaping and compaction	km	195	5000	975000
5	**Small drainage structures**				
5.1	Erosion protection	sq. m.	500	10	5000
5.2	Pipes; 750 mm	m	500	160	80000
5.3	Pipes; 900 mm	m	300	220	66000
5.4	Pipes; 1200 mm	m	80	300	24000
5.5	Concrete drifts	unit	10	2500	25000
6	**Bridges**				
6.1	Repair to concrete decks	sq. m.		75	0
6.2	Bally bridges	m	20	6000	120000
6.3	Gabions	qu. m.		70	0
	Total Cost Estimate				**1,966,150**
	Per Kilometer Cost				**10,083**

Source: Report on Road Condition Surveys for DNEP; Nicholas O'Dwyer & Part. May 1993
Cost data from DNEP Cost comparison summary, Maputo - Namaacha Road, May 1993

TABLE 7.

Cost Estimate for Emergency Repair

ROAD: EN102: Vanduzi - Changara Total Length: 270 km

Item	Description	Unit	Qty	Rate	Extension
1	Verge Clearing				
1.1	Light (grass cutting only)	km		200	(
1.2	Heavy (thick bush, trees)	km		700	(
2	Drains				
2.1	Cleaning side drains	km	200	200	4000(
2.2	Cleaning Mitre drains and Outlets	m		7	(
2.3	Constructing Mitre drains and outlets	m		10	(
3	Formation/Pavement				
3.1	re-sealing (Slurry seal)	km	270	12000	324000(
3.2	Patch repairs (manual)	sq. m.	2000	12	2400(
3.3	re-shaping in sunken areas	km		1800	0
3.4	ripping/re-shaping (heavy grader / dozer)	km		2400	0
4	Gravelling and filling				
4.1	Haul less than 2 km	cu. m.		6	0
4.2	Haul over 2 km	cu. m./km		0.5	0
4.3	Spreading and compacting	km		5000	0
5	Small drainage structures				
5.1	Erosion protection	sq. m.		10	0
5.2	Pipes; 750 mm	m		160	0
5.3	Pipes; 900 mm	m		220	0
5.4	Pipes; 1200 mm	m		300	0
5.5	Concrete drifts	unit		2500	0
6	Bridges				
6.1	Repair to concrete decks	sq. m.		75	0
6.2	Repair to timber decks	sq. m.		10	0
6.3	Gabions	qu. m.		70	0
	Total Cost Estimate				3,304,000
	Per Kilometer Cost				12,237

Source: Report on Road Condition Surveys for DNEP; Nicholas O'Dwyer & Part. May 1993
Cost data from DNEP Cost comparison summary, Maputo - Namaacha Road, May 1993

ANNEX D Economic Analysis

A. Introduction

The Rural Access Activity (RAA) will restore and improve the accessibility by road to 11 districts in a relatively densely populated region of the country. Activities will take place in the four provinces of Zambezia, Tete, Manica and Sofala. In addition, the Activity will convert the Sena railway bridge to vehicle traffic, reestablishing a linkage across the Zambezi River in the lower Zambezi River valley for the first time in years. This link will shorten the road route from Beira port to Malawi by some 500 kilometers, and make parts of the country, north of the Zambezi, accessible to commerce and trade for the first time in many years.

The 1991/92 drought and the war, which effectively sealed off large areas along the Zambezi River valley, forced about 1.126 million people from the four provinces to seek refuge within and outside the country. These dislocations have resulted in great costs for maintaining refugees in camps outside of Mozambique as well as for providing relief in centers within the country. In addition, with the upwards of 3.5 to 5.0 million people who have been dislocated due to war and drought throughout the country, an immense amount of agricultural production has been lost. Although a large portion of the lost production is simply the reverse side of the relief programs' cost, i.e., the rural population maintenance or subsistence production, there has certainly been a loss of marketable production as well. The value of the marketable production losses are hard to quantify, either at factor cost, or market prices. Nevertheless, they certainly are considerable if comparisons with other African countries in the region are valid.

The line was severed when the Sena railway bridge was damaged, and the railway line was sabotaged along the route up from Beira This was the only crossing point on theRriver other than Tete, about 300 km upriver. Thus, access by road to the areas north of the River in Tete and Zambezia Province was only via Tete. In addition to the greater expense of hauling goods, the difficulty with insecurity and mining of the roads increased the risk of road transport. The result was the virtual isolation of these areas to trade and commerce, except by headload. Trade in and out of the area virtually ceased.

With road access to much of the Zambezi River valley severed, emergency relief supplies to victims of drought and war had to be

transported to many areas by airlift. This method is expensive. Technicians estimated that the cost to lift about 11,100 tons of supplies into seven centers in the districts that will be reopened by RAA to road traffic cost $5.0 million per year. This figure, about $450 per ton, could be virtually eliminated with the Activity, and the freight charges lowered to about $24 per ton.

This analysis discusses the benefits that would accrue to the RAA in terms of reduced costs in providing maintenance provisions to displaced persons within Mozambique under the UN-coordinated emergency program, the reduced costs of maintaining refugees in camps in other countries, and the cost in lost productivity by dislocated Mozambicans in both locations. The Economic Internal Rate of Return (EIRR) is used to measure the economic viability of the activity.

B. Economic Analysis

1. Costs

Undertaking the Activity's components will require an outlay of approximately $19 million. A host country contribution of five percent in year 1, or $949,000, is included in the analysis, even though this is not required. As a result of the schedule for fuel tax collection under the World Bank's ROCS II Project, the amount available for road and bridge maintenance will increase from a base of $20 million in year 2 to $40 million in year 6. By dividing the expected fuel tax revenue by the number of kilometers of roads in the country that will be maintained under the ROCS II agreement (15,700), we arrive at the amount of maintenance funds available per kilometer each year. This is multiplied by 995 kilometers, to yield the amount available for RAA road maintenance each year. Although these maintenance figures are not costed directly in the Activity's budget because they will come from the World Bank's ROCS Project, and will be paid for primarily with local fuel taxes, they are included in the economic analysis as an estimate of assuring the viability of the land transport system that will be provided under the Activity. The Activity is designed to be completed in one year, with financial outlays all occurring in year one.

2. Benefits

Although Activity costs can be quite precise, based on activity budgets and estimated road maintenance costs, the activity benefit stream is more difficult to estimate with a desired

degree of precision. For this analysis the benefit stream is estimated from three distinct sources. These are:

- The benefit from cost savings due to a more rapid reintegration of people currently receiving emergence relief with the construction of the road network as opposed to the normal reintegration rate expected without these investments. This includes the benefits from reduced air transport costs as isolated sites will be serviced by cheaper road transport.

- The benefit from the savings on road transport of delivering relief supplies to the people who remain receiving emergency relief with the Activity due to shorter transport distances.

- The benefit of increased agricultural production from those people who return to productive activities.

Two of these benefit streams are the result of reduced costs of emergency and refugee programs in the short run, and one, agricultural production, is a result of increased value added in the short-, medium- and long-term. Added to these three benefit streams would be secondary benefits that would be derived from the marketing activities for agricultural inputs and rural household consumption items, and the outlets for surplus agricultural production. Further down the marketing chain, there would be benefits coming from transformation or processing of agricultural surplus production, and the marketing of the transformed products and their by-products. The benefits that will come from secondary marketing and commercial activities or from tertiary process and marketing activities are difficult to measure. The reason for this is that due to the long period of commercial inactivity, a period when most of this area was isolated from outside traders, it is difficult to estimate what the commercial activity might be. It is clear that commerce has followed closely on the advent of security and opening of the transport network in other areas (see Social Soundness Analysis), but determining a rate or volume of trade and transport is difficult.

Because of the scale of displacement, population figures are indicative rather than precise. The difficulty in obtaining accurate data on agricultural production and relief operations further complicates the valuation of many of the expected benefits. Due to such constraints, this economic assessment is limited to only the most direct and obvious impacts of the RAA.

First, RAA's potential as a catalyst in the completion of the emergency and relief program is assessed. Estimated savings due to this component alone are substantial.

Second, the analysis estimated the savings realized due to the reduction in the cost of sustaining Mozambicans in Malawi and Zambia. Although these costs do not necessarily accrue directly to the Mozambican emergency effort, the amount represents savings to emergency assistance in the Southern Africa region, and, as the Activity has been developed under a regional transportation project, it is legitimate to include such benefits. However, for purposes of the economic analysis, to satisfy those who might argue that only benefits accruing to the national economy of Mozambique should be included, the estimated benefits ***have not been included*** in the net benefit stream when calculating the Activity's IRR. There is a benefit that will accrue to the national economy from reducing the number of refugees living outside the country. If these people return and take up active employment as farmers, for example, and, if, as it is assumed, the rural road network will contribute significantly to the repatriation of these refugees to Mozambique, their eventual contribution to the local economy will be a benefit of the Activity.

The roads will generate two other benefits immediately. These will be in terms of savings on transport costs for supplying the people who remain in relief status. There are two types: those supplied by air; and those supplied by road. In the former case, about $5 million per year is currently spent to service 7 air lift sites in the Zambezi River valley. The need for air transport will be eliminated with the reopening of the roads, which will reduce transport costs from $450.00 per ton to about $24.00 per ton. In the second case, the opening of the roads under RAA will reduce transport costs into many of the areas where relief supplies are delivered by road over the longer route via Tete. The difference in distance represents about 500 kilometers, and a savings of $36.00 per ton of supplies delivered. Both of these savings are captured in the analysis of the savings from reducing the cost of relief efforts.

The assumption that the rural roads will contribute substantially to the repatriation of refugees and the return of the displaced people in Mozambique is based on four significant factors to which the roads will contribute. First, the roads will allow vehicle access to areas that have been cut off for a long time. This will allow not only food and other relief shipments to be made more easily and cheaply, they will also stimulate the normal

flow of commerce which will provide both producer and consumer goods to these areas. Second, increases in commercial flows will create an outlet for surplus produce that people might have. Third, the reconstruction of the roads will be a clear signal that security and safety have improved because people will realize that a war situation cannot exist if private contractors are willing to come in to undertake road building. Finally, it is expected that other normal and vital government services will be restored once the roads are opened.

Another main area that has been analyzed is based on the lost productivity in agriculture because of the absence of RAA and these data provide additional estimations of Activity benefits. In this case, benefits were counted for those people and in those years that they would be accelerated to return to productive farming as opposed to the base case of natural return to the land.

In each of the analyses, the benefits were estimated using the "with Activity" benefits versus the "without Activity" benefits.

a. Reduced Costs of Emergency Program

By easing road access to 11 districts, RAA will function as a catalyst toward scaling down emergency relief and promoting resettlement with a resulting favorable impact on agricultural production and marketing. RAA will impact directly on 11 districts where one third of current airlifts take place and provide secondary benefits to the region encompassed by the four provinces where an additional one third of the airlift operations occur.

UNOHAC predicts that the emergency relief needs of the country total $200,875,671 in 1993/94, corresponding to the first year of the Activity. This figure includes all costs associated with emergency relief such as airlifts, storage, and logistics. TABLE 1 indicates that based on the 1980 Census and in the absence of population movements brought on by drought and war, the four provinces would account for 37% of the country's population. In 1992, 60% of the population in those provinces were recipients of emergency assistance.

Using the assumption that the affected provinces account for 30% of the 1993/94 emergency needs, or $60,262,701, it is next assumed that even in the absence of RAA, people will seek to end their aid-recipient status and find the means by which to do so. In the absence of another drought or the return to armed

conflict, it is assumed that a 20% decrease in the cost of the emergency program from the previous year would occur in year 2, as people would leave the emergency centers and return home. This figure would be 30% in years 3 and 4, 20% in year 5, and therefore would have zero costs in year 6 as no people would still receive relief supplies. With RAA, the process will be accelerated by 25% each year beginning in year 2. The benefit stream is then derived from the savings to the government and the donor community of providing emergency assistance. Based on the above assumptions, the investment in RAA yields an internal rate of return of 73%. The net present value of the generated cash flow is $23 million.

b. Reduced Costs of Road Transport of Relief Supplies.

The rehabilitation of the roads in the Rural Access Activity will have a large impact on the cost of moving goods into, through and beyond the Zambezi River valley. This benefit is calculated as the cost of moving freight over the distances required without the Activity as opposed to moving it along roads that will have been opened because of the Activity. Because a large amount of freight is needed for the emergency relief effort, the reintegration effort, and the longer term development efforts, the reduction in trip distance can be substantial. A major component of the Activity is the repair and conversion of the Sena bridge for vehicle traffic. The savings in distance travelled for hauling freight up to the Malawi frontier via this route as opposed to via Tete is 960 kilometers on a round trip from Beira.

In the Attachment to the Economic Analysis, the per kilometer cost of owning and operating heavy trucks has been calculated. Based on a fairly conservative estimate of costs, the cost of operating a 30 ton GAWR truck is $0.75 per kilometer, or $0.0375 per ton kilometer on the basis of a tare weight of 20 tons of cargo.

Table 1
RAA District Population--Estimates of Magnitude

RAA Districts & Provinces	Base Pop 1980 (1)	Expected Pop 1992 (2)	Actual Pop 1992 (1)	Displaced Pop (3)	Beneficiaries 1992 (1)	Percent of 1992 Pop (4)
Manica Province	641,200	872,493	659,359	213,134	373,800	56.69
Barue	66,153	90,016	52,128	37,888	44,000	84.41
Gondola	142,023	193,253	210,755	17,502 *	55,000	26.10
Guro	50,886	69,242	55,302	13,940	46,800	84.63
Manica	142,526	193,938	123,980	69,958	83,100	67.03
Subtotal RAA dist.	401,588	546,449	442,165	139,287	228,900	51.77
Sofala Province	1,065,200	1,449,437	1,335,839	113,598	854,500	63.97
Caia	87,270	118,750	74,412	44,338	51,000	68.54
Chemba	44,058	59,951	42,238	17,713	22,900	54.22
Cheringoma	42,474	57,795	63,512	5,717 *	20,000	31.49
Marromeu	81,621	111,063	81,515	29,548	50,100	61.46
Subtotal RAA dist.	255,423	347,559	261,677	97,316	144,000	55.03
Tete Province	831,000	1,130,757	748,159	382,598	243,900	32.60
Moatize	152,568	207,602	233,579	25,977 *	32,000	13.70
Mutarara	139,780	190,201	59,905	130,296	15,000	25.04
Subtotal RAA dist.	292,348	397,803	293,484	156,273	47,000	16.01
Zambezia	2,500,200	3,402,069	2,985,020	417,049	724,500	24.27
Mopeia	66,516	90,510	132,089	41,579 *	79,000	59.81
Morrumbala	204,198	277,856	262,886	14,970	99,000	37.66
Subtotal RAA dist.	270,714	368,366	394,975	56,549	178,000	45.07
4 Province Totals	5,037,600	6,854,756	5,728,377	1,126,379	2,196,700	38.35
RAA district totals	1,220,073	1,660,176	1,392,301	449,425	597,900	42.94
COUNTRY TOTAL	13,493,090	18,360,299	17,626,424	733,875 **	3,659,100	20.76
4 Prov as % of total	37.33	37.33	32.50	153.48	60.03	
RAA as % of total	9.04	9.04	7.90	61.24	16.34	

Source: United Nations Office for Humanitarian Assistance Coordination, Population Report, July 6, 1993.

notes:

(1) 1980 Census Data, December 1992 population, and 1992 Beneficiaries of Emergency Relief as reported in UNOHAC's Population Report, July 6, 1993.

(2) Estimated using 1980 population as a base and a natural growth rate of 2.6 % per annum.

(3) Estimated by subtracting actual from expected 1992 population;

* reflects areas where population has increased due to other than natural population growth;

** The figure for Country Total does not capture inter-provincial movements, thereby masking the magnitude of displacement.

(4) Current beneficiaries of emergency assistance as a percent of 1992 population. This figure gives an indication of relief dependency.

TABLE 2
REDUCED COSTS OF EMERGENCY OPERATIONS WITH RAA

YEARS	ONE	TWO	THREE	FOUR	FIVE	SIX
BASE CASE EMERGENCY NEEDS (1)	60,263					
CUM NATURAL REDUCTION (2)	0	20	50	80	100	
TOTAL NEEDS IN $000 WITHOUT RAA	60,263	48,210	30,131	12,052	0	0
CUMULATIVE REDUCTION WITH RAA (%)	0	25	50	75	100	0
TOTAL COST IN $000 WITH RAA	60,263	36,178	15,066	3,013	0	0
SAVINGS DUE TO RAA, $000 (3)	0	12,053	15,066	9,039	0	0

Assumptions:

(1) Emergency needs in the Activity's area are estimated to be 30% of country needs which are estimated to be $200,875,671.

(2) The factor by which emergency needs will be reduced in the absence of RAA.

(3) Savings are arrived at by assuming that RAA speeds up the process.

Under the assumption that a very large percentage of the freight moving up to the north for support of refugees will benefit from the rehabilitation of the roads and the conversion and opening of the Sena bridge, an estimate was made of distances saved to the average destination of the relief effort. Granted that this is less than precise, it was felt that the large number of people concentrated along the Malawi border, plus savings in hauling freight to the Malawi refugee camps (that has not been included in the cash flow for estimating Activity benefits) justified this approach. The direct route of 320 km from Beira to the Malawi border was compared with the longer route via Tete of about 800 km. The resulting savings are shown in TABLE 3.

Note that no savings can be realized in year 1, as the roads will be under construction and repair that year. Savings start in year 2, and come from two factors. First is the savings due to the fact that fewer people will be receiving relief supplies, and second is that the cost per ton of transport is considerable less.

TABLE 3
LAND ROUTE SAVINGS OF REDUCED EMERGENCY RELIEF

PY YEAR	1	2	3	4	5	6
DIRECT RELIEF BENEFICIARIES	597,900					
CUM NATURAL REDUCTION	0%	20%	50%	80%	0%	0%
PEOPLE IN NEED IN RAA DISTRICTS	597,900	478,320	298,950	119,580	0	0
TONS NEEDED PER YEAR IN RAA DISTRICTS	96,860	77,488	48,430	19,372	0	0
REDUCTION IN BENEFICIARIES DUE TO RAA (CUM)	0%	25%	50%	75%	100%	0%
PEOPLE IN NEED WITH RAA	597,900	382,656	149,475	23,916	0	0
TONS NEEDED PER YEAR WITH RAA	96,860	61,990	24,215	3,874	0	0
REDUCED VOLUME DUE TO RAA	0	15,498	24,215	15,498	0	0
COST OF RELIEF W/O RAA ($60/TON)	5,811,588	4,649,270	2,905,794	1,162,318	0	0
COST OF RELIEF WITH RAA ($24 per TON BEGIN YR 2)	5,811,588	1,487,767	581,159	92,985	0	0
SAVINGS DUE TO RAA	0	3,161,504	2,324,635	1,069,332	0	0

SOURCE: CALCULATIONS FROM UNHCR DATA AND ESTIMATES.

c. Lost Productivity Due to Displacement

The cost of maintaining refugees in foreign countries and of assisting displaced persons in safe zones within Mozambique are only two costs of the war and drought situation which Mozambique has faced, albeit very large costs. Another tremendous cost is that of lost productivity of the Mozambicans who have been forced off their farms and away from their places of employment. To look

at the benefits that the Activity will bring as people are able to return to their home lands, a calculation of added agricultural production is made from two points of measurement; the disaggregated national data is used to arrive at an average per capita annual production, and a calculation of subsistence production is made as a comparison. In the general analysis considered here, it is not argued that the people that have been displaced will all return to agriculture. Quite the contrary. Wilson (1992) points out, quite correctly, that the people with skills outside agriculture were usually those that fared best economically and socially while in refugee status. It would be logical for these people, as well as others, to consider nonagricultural employment as preferable to farming. It is also true that many of the people who have been displaced, especially those displaced due to war, may not possess farming skills. However, the use of agriculture as the basis can be accepted by the fact that 85% of the population is considered rural and agriculturally-based; because the calculations are made at a subsistence level and therefore cannot possibly overstate the case, and because there are not enough other wage earning jobs outside agriculture to use for analysis.

Using a subsistence agricultural base, estimates of potential production by the people now in refugee camps or receiving emergency relief because they cannot produce their own food can be made. Consider, for example, that of the estimated 17 million Mozambicans, 6-6.5 million or about 37% are in some sort of displaced or refugee status. In 1992, of that group, 3,659,100 people were beneficiaries of relief assistance in Mozambique, or 20.76% of the total national population.

But in rural areas it is even more significant. Eighty-five percent of the population is rural in Mozambique, mostly living on small farms and in small villages. That means that about 14.45 million people would be considered rural, depending mainly on agriculture for their livelihood. Realizing that most of the displaced are refugees (1.5 million) and internally displaced (3.66 million), then a total of 5.16 million rural people, 35.6% of the total rural population, have been forced out of productive employment.

Even with these people gone from their homes, the other 64.4% of the rural population (9.29 million) were estimated by the GRM to have produced 1,438 billion meticais worth of goods in the past growing season. At the official rate (current at the time of this analusis) of 3,500:1, this production represents about $44.00 per capita; even during war, drought, and disruption of

all services. If a parallel exchange rate of 4,200 meticais to the dollar is used, the figure is $36 per capita. Even with these estimates, that have to be conservative by any standards, the lost production of the refugee and displaced Mozambicans is over $ 228 million per year. This could be even greater. Per capita GNP was estimated at $80.00 per year in 1990, and even though this is the lowest in the world, it is still significantly greater than the number calculated above.

How much of this lost productivity can be considered to be in the Activity's area? An evaluation of the displaced people in the provinces and districts yields the following general figures: a total of 1,126,379 persons out of what should have been the normal population of about 5.7 million people were assumed to be displaced from their home districts in the four provinces as of 1992. The same year, 2.2 million people were receiving relief in these four provinces. That equates to 43.6% of the census population of 1980. All of the people in the four provinces will not be affected equally by the roadwork. If we use a strict appraisal of only the people in those districts where the roadwork will actually take place, i.e., where the road goes through, we find that almost 600,000 were receiving relief in 1992, over 16% of the total national relief recipients in that year. Thus, this group from the RAA districts would represent a productive loss of about $37 million per year, using the above calculations of production loss due to displacement.

TABLE 4
INCREMENTAL BENEFITS FROM AGRICULTURAL PRODUCTION

YEAR	1	2	3	4	5	6
EXTRA PEOPLE FARMING BECAUSE OF RAA (THOUSANDS)	0	95.6	245.1	340.8	0	0
PRODUCTION VALUE ($000)						
MAIZE	0	1,860	4,766	6,625	0	0
PULSES	0	430	1,103	1,534	0	0
OIL SEEDS	0	258	662	920	0	0
TOTAL INCREMENTAL VALUE OF AGRICULTURAL PRODUCTION ($000)	0	2,548	6,531	9,079	0	0

Notes: Prices of commodities are based on July, 1993 international trading prices: maize $120.00 per ton; pulses $250.00 per ton; and edible oil $450.00 per ton.

The other way to calculate the productivity value is to consider the cereal production requirements of the people who move from relief recipient status to productive status. Starting with their basic subsistence needs, an aggregate figure can be calculated of the value of production of those persons returning home each year due to the improved road networks. The calculations are based on a subsistence need of 13.5 kg of cereals (based on maize), 1.5 kg of pulses, and 0.5 kg of oil per month per person. These figures are consistent with the estimates of DPCCN, WFP, NGOs and others. For example, Medecins Sans Frontieres (May 1993) uses figures of 15 kg of cereals, 1.8 kg of pulses and 0.6 kg of oil for the most drought-stricken areas, and 10.5 kg of maize, 1.2 kg of pulses and 0.3 kg of oil per person in the less drought-affected areas. These figures can

also be compared to FAO estimates that the average person needs about 2,000 calories daily for basic subsistence.

d. Reduced Costs of Maintaining Refugees Outside of Mozambique.

The estimated Mozambican refugee population in neighboring countries is 1.5 million. About 68% of these, or 1,025,000 refugees, are in Malawi and Zambia. At least 60% of these refugees, or 615,000 originate from areas that benefit from the Activity.

Based on a standard monthly ration of 13.5 kg of maize, 1.2 of beans, and 0.6 liters of oil, and average commodity prices of $200, $450, and $1,400 per ton, respectively, the cost of maintaining a person in a refugees camp is estimated to be about $30 month. Note that the cost figures used here include all transport, distribution and administrative costs of buying and distributing this food. Therefore, it is considerably higher than the border price for the same commodities.

The cost of feeding 615,000 refugees in Malawi and Zambia approximates $18,450,000 a month. The current repatriation plan programs the repatriation of refugees in Zambia over a 6 month period, and the repatriation of refugees in Malawi over the next three years. Every month by which RAA expedites the return of refugees from Zambia will result in a savings of $300,000. Every month by which the Malawi repatriation is reduced results in a savings of $18 million. These benefits have not been included in our total benefit stream because of disagreement over whether benefits accruing to the relief effort outside of Mozambique can be counted. Generally, all benefits would be counted regardless of where the benefits went. Only private investors, concerned about capturing the benefits as profits would be disinclined to count these as benefits.

C. Internal Rate of Return and Sensitivity Analysis

As stated above, based on the assumption that RAA will directly reduce the cost of the emergency program in the next six years, reduce transport costs and increase agricultural production, the internal rate of return (IRR) of the $19 million AID investment and the GRM contribution of $10.4 million approximates 73%, with a net present value (NPV) of $23 million. Sensitivity analyses were performed in order to determine how sensitive these results were to changes in costs and benefit streams and delays in construction due to unforeseen situations. The following

sensitivity analyses were performed:

1. Reduction of benefits by 25%;
2. Reduction of benefits by 50%;
3 Increase in costs by 25%;
4. Increase in costs by 50%;
5. Increase costs and decrease benefits by 25% each; and
6. Delay the completion of the Activity by 1 year.

The general situation is that only extremely high reductions in the benefit stream are sufficient to drive the IRR down below an acceptable level. In the case where benefits were reduced by 50%, the IRR was still positive, but at only 3.4%, which is less than would be acceptable. In all other cases, a positive and acceptable rate of return to Activity costs is obtained.

When benefits were reduced by 25%, the resulting IRR was 42%, and when costs were increased by 25%, the IRR was 48%. An IRR of close to 30% was obtained when increasing costs by as much as 50%. When both costs were increased and benefits decreased by 25%, the resulting IRR was 20.8%. Finally, pushing the stream of benefits out one year resulted in an IRR of 38%.

The results mentioned above indicate that the Activity is slightly more sensitive to a reduction in the benefit stream than in an increase in costs. However, even with a large increase in costs (50%), the Activity still has an above-average return of 31%. Delaying the Activity by one year also had a negative impact on the economic return, but the Activity still returned an IRR of 38%.

When testing both increased costs and reduced benefits by 25% each, the Activity's economic benefits remain acceptable at an IRR of 21%. The delay in completion of the Activity by one year was tested by delaying the benefit stream by one full year. This has the effect of lowering the IRR to 38%, still acceptable, but the large drop indicates some sensitivity to activity delays.

It should be pointed out that the benefit stream includes only those benefits from a reduction in the costs of emergency relief and the increase in agricultural productivity that would come from a more rapid return of people to farming. If other benefits are calculated such as the reduction in the cost of refugee centers in Malawi and Zambia, and these are added to our benefit stream, the rate of return will be extremely high. Finally, the analysis has taken a very short time horizon of 6 years. It is normal to take 15 to 20 years in an economic analysis. This was

not done due to the emergency nature of the Activity, and the argument, advanced by some, that the people in this area would have returned to a normal productive life in any case. However, the roads, especially if maintained as is projected here, will have substantial life after the Activity and will continue to generate economic benefits in terms of trade and commerce. One way to account for the short duration of the time frame is to give the roads a residual value at the end of the sixth year. If it is assumed that a straight line depreciation of the roads as an asset would occur, and the roads would last 20 years, then 6/20ths of the road investment of $20 million has been used. Thus, a residual value of about 14/20s of the initial investment is still a productive asset, and this amount, $14 million, can be claimed as a residual value. This has not been done in the current analysis.

D. Conclusion

RAA activities will result in savings to the repatriation and emergency efforts and will facilitate the restoration of agricultural production. Based on the analysis above, calculating benefits of the Activity by any one of the three measures considered indicates that the Activity is justified on strictly economic grounds. The savings to the GRM and to the donor community will much more than offset the costs of the road and bridge. Other important benefits of the RAA are difficult to quantify since they involve nation building and improvements in the quality of life for those living in the affected provinces.

The rehabilitation of Sena Bridge and the roads will provide year-round access in and out of the 11 districts. They will facilitate deliveries of relief assistance, including seeds and tools, and help restore the commercialization of agricultural production. The bridge will provide a second access across the Zambezi River, one that will reduce travel time to the northern provinces and help to provide access for those people to government services and commercial markets. In addition, the opening of the bridge to vehicle traffic could provide a more feasible access route to the sea for people living in southern Malawi. The Activity's activities will enable returning refugees to disperse over a greater distance rather than being confined to crowded relief distribution sites. This will allow access to more productive farmland, and will reduce pressure on the flora and fauna in the regions of the current emergency and refugee camps. In addition, RAA's facilitation of the resettlement process will contribute directly to democratization by accelerating the return to demographic stability.

Cost of Owning and Operating a Heavy Truck

A. Introduction

There are three major categories that are included in the cost of owning and operating a truck, or any other machine. These are:

1. The cost to be recovered from transport or work;
2. The cost of owning the truck or machine; and
3. The cost of operating the truck or machine.

These cost factors will vary tremendously depending on the owners and operators. The main determinant of the variation in cost, aside from interest rates, is the care and maintenance of the vehicle. The following is the method used for calculating the costs, and the cost per unit hauled, for example, per ton kilometer.

B. Cost to be Recovered from Transport

The calculation for the cost of owning a truck must include that cost to the buyer or investor that must be regained from the work that the truck performs. For trucks this is usually calculated as some value per mile or kilometer, based on an estimated use per month or year, and an expected life of the truck.

The following formula is used to calculate these values:

1.	Gross cost of the truck	$60,000
2.	less the salvage value at disposal	$10,000
3.	equals the amount to be recovered from transport	$50,000

The figures used here are estimated values for a 4 X 6 truck with a GAWR[3] of approximately 20,000 kg (≈ 44,000 lbs), on a single frame (straight bed truck), with an open cargo box. The salvage value is assumed to be the resale value of the used truck.

In Mozambique, it is assumed that the truck will last for

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[3] GAWR = Gross Axle Weight Rating. This is the rated size of both the truck and the cargo, or gross rate. This size of truck (i.e. about 66,000 lbs, will have a tare of about 20,000 kg (44,000 lbs).

240,000 kilometers, over a period of six years. This calculates to 40,000 kilometers per year, or 3,333 kilometers per month. The cost to be recovered from transport with the truck is then $0.208 per kilometer.

C. Cost of Owning a Truck

The cost of owning a truck is made up of three main items:

1. the interest cost or opportunity cost of money;
2. the cost of insurance; and
3. the taxes that are paid on the truck.

1. Interest Cost

The first of these is the opportunity cost of putting money into the truck versus investing it elsewhere, or the interest cost if the money for the truck purchase is borrowed.

The formula for calculating this cost is given below:

Cost of money for owning a truck per kilometer =

$$\frac{\frac{N-1}{N} \times \text{Purchase cost} \times \text{interest rate}}{\text{Kilometers Used Per Year}} = \text{Interest Cost per Kilometer}$$

In the example used here, with a truck lasting six years and purchase cost of $60,000, operating for a total life of 240,000 kilometers, the cost of money can be calculated for any interest rate. Note here that the salvage value is not subtracted from the purchase cost. This is because interest charges are paid (or have an opportunity cost) on the full amount for as long as the money is invested.

Choosing the interest rate is difficult for projections, because interest rates will vary depending on the cost of money and the status of the particular borrower. Usually the cost of money will include the current or expected level of inflation over the period of the loan. If the money is lent in Meticais, then the interest rate will also include the expected exchange rate over the period of loan repayment, which in turn will depend on both the inflation rate in Mozambique and the level of productivity of the economy. To avoid these problems, it is simpler to retain the figures in dollars, and use an interest rate that reflects dollar-cost loans.

The commercial bank prime lending rates, that is the interest rate commercial banks charge their most-favored customers, of 13 industrialized countries at the time of the activity's analysis averaged 8.52%. The average prime rate for the 5 major lending nations, U.S., U.K., Switzerland, Germany and Japan, averaged 7%. Usually borrowers who are less than the most-favored customers, pay about 100 to 200 basis points (1%-2%) above the prime rate. Therefore it should be acceptable to use an interest rate of about 9-10%. (Another common rate used for international loans is LIBOR [the London Inter-Bank Rate], and loan amounts are written in some percent over this rate).

The cost per kilometer can then be calculated as 5 ÷ 6 X $60,000 = $50,000. $50,000 X 0.10 = $5,000. $5,000 ÷ 39,996 kilometers = $0.125 per kilometer for interest (or opportunity) cost.

2. Insurance cost

The insurance cost can be based on some rate just as interest, or a flat fee is charged. In either case the cost per kilometer is calculated as part of determining the cost of owning a truck. Note this insurance cost is the vehicle comprehensive insurance, against liability, loss by accident, fire or theft, etc. It is not the special insurance against the cargo, unless that is written into the overall comprehensive policy. Normally, cargo insurance is included in the general bill of tariffs to the customer for commercial freight haulers. In Mozambique, given the bad roads and insecure conditions, the high risks will make the insurance premiums very high. It is assumed that an insurance rate of 10% or greater on the value of the vehicle would be a minimum rate. Using this rate in the formula:

$$\frac{\frac{N-1}{N} \text{ X Purchase cost X insurance rate}}{\text{Kilometers Used Per Year}} = \text{Insurance Cost per Kilometer}$$

yields a cost of $0.125 per kilometer.

3. Taxes

The road taxes for the truck will also have to be included in the cost of ownership. This is the annual tax paid, usually based on truck weight and/or horsepower. Note that the import duties, or customs charges is not included here. That charge would be part of the original purchase cost of the vehicle, and included in that cost in the formulas above.

The three charges are therefore:

	Category	$ per kilometer
1.	Interest Costs	0.12
2.	Insurance Costs	0.12
3.	Taxes	0.01
	Total/km	0.25

D. Cost of Operating a Truck

The cost of operating a truck is based on a the actual kilometers the truck is driven each year, whereas the cost of owning the truck is based more on vehicle cost, amortization period and rates. Thus, these costs are more truly variable costs. If the vehicle is not driven, no cost will accrue for fuel, for example, whereas interest costs accumulate whether the truck is driven or not. In the above analysis, a cost per kilometer was estimated based on an assumed annual use. If the use is higher or lower than that estimated, the cost per kilometer will fall or rise accordingly. In the operating cost category, costs are directly proportional to use.

The operating costs can be broken down into six distinct categories:

1. Fuel;
2. Tires and Batteries;
3. Maintenance;
4. Repairs;
5. Drivers; and
6. Finance Charges.

1. Fuel

The cost of diesel fuel in Mozambique varies with distance from the ports. In the port towns, for example Maputo and Beira, the price is 1,080 meticais per liter. In Machinga the cost is at least double, at 2,160 meticais. Travelling to Tete or on to Malawi, the trucker will carry as much fuel as possible when leaving Beira where fuel is the cheapest. Most of the large trucks will be able to make the complete round trip without refueling. Therefore, it would be fair to use a price for fuel of 1,080 Meticais.

Heavy trucks will average somewhere between 220 and 410 kilometers per 100 liters of fuel (5 to 10 mpg), depending on load, road conditions, speed and condition of the vehicle. If a midpoint is assumed at about 300 km per 100 liters, then a truck

would have to carry 1,600 liters (about 440 gallons) of fuel.

Based on the calculations given, the cost of fuel per kilometer will be 360 meticais per kilometer. If the fuel cost per liter (1,080) is converted at a parallel exchange rate of 4,200, the cost per liter is $0.25 ($0.90 per gallon). This would seem to be a fair border price, although it might be slightly high due to fuel taxes. If we dropped it to a more reasonable border price of $0.20 per liter, the cost per kilometer is then established at $0.067 per kilometer.

2. Tires and Batteries

The truck that is used for estimates is a 4X6, meaning that it has 10 tires. These will last for about 20,000 kilometers and cost about $100.00 each. Thus, $2,000 will be spent on tires each year, for a cost of $0.05 per kilometer driven. New batteries will be needed about every 2 years, at a cost of $200 each time. This item is therefore almost insignificant in the per kilometer (cost $0.0025/km).

3. Maintenance

Maintenance costs for trucks hauling freight on the roads in Mozambique will be very high. It is difficult to estimate these costs, because the level of truck hauling has been so low over the past ten years that no reliable data are available. It is also true that these costs will vary widely depending largely on the management of the truck or truck fleet, the availability of spares needed for routine maintenance and the care and driving of the operator. Routine maintenance items include such things as change of fuel filters, periodic emptying and cleaning of fuel tanks, topping up or changing grease and oil in gearboxes, transmissions, etc., adjusting brakes or changing brake discs or pads, aligning wheels, changing shock absorbers, etc. The low cost of labor in Mozambique will be offset by the higher cost of spares, harder road conditions, and less careful drivers. It should be safe to estimate a cost of 1.5% of the value of the vehicle, at least until experience dictates otherwise. Thus, a cost of $0.013 per kilometer will be needed.

4. Repairs

Repairs for normal major wear and tear as well as catastrophic repairs are included in this category. Again working conditions and operator skill and care will be the main determinants of this cost factor. It is usual, under normal heavy working conditions

of trucks to assume at least a 25% charge for major repairs during the life of the vehicle in the U.S. Some companies budget as high as 50%. It is normal for these costs to be higher at the end of the vehicle's life than at the beginning. Baring accident or a defective part, a new truck should not need any major repairs for the first two years. It is usual to expect that no work will be needed on engine or drive train for the first 150,000 kms. Thus, it would be likely that the major part of this work will be in one or two major overhauls (baring accident) somewhere in the middle of the life of the vehicle, around the end of year 3. However, it is necessary to budget this throughout the life of the truck, on a per kilometer basis so that costs are prorated back to the user.

On the basis of 25% of original equipment cost, the repair cost would be $15,000 or $0.0625 per kilometer. On the basis of 50% of original equipment cost, the repair cost would be $30,000 or $0.125 pe kilometer. A midpoint of $0.09 will be used.

5. Driver

This is probably the lowest cost item in the operations budget in Mozambique. Even if a driver is paid as much as $200.00 per month, including all benefits, lodging, meals and other field cost, which is highly unlikely, the cost per kilometer would be just $0.06 per kilometer. For the purposes of budgeting this figure will be used.

6. Finance Charges

This item is the cost of carrying accounts receivable. It is normal for a company, such as a freight hauler, to be required to deliver goods to the end point before invoicing the shipper. To the extent that the shipping company can get paid as soon as invoices are provided, the lower this cost. However, it will be normal for some cost to accrue as fuel, driver wages or other charges are paid before receipt of shipping charges. This is estimated at $0.01 per kilometer.

In summary, the cost of operating the truck is:

Cost of Operating a Truck per Kilometer

1.	Fuel:	$0.067
2.	Tires and Batteries:	0.050
3.	Maintenance:	0.013
4.	Repairs:	0.090
5.	Drivers:	0.060
6.	Finance Charges:	0.010
	Total:	$0.29

E. Summary of Costs of Owning and Operating a 20,000 GAWR Truck.

The full cost of owning and operating a 30,000 kg GAW truck is given in the summary below. These figures represent a cost of about $0.75 per kilometer, or $0.0375 per ton/km ($0.75 ÷ 20 ton tare). The cost would equal $1,200.00 for a round trip from the port in Beira to Malawi via Tete, or $60.00 per ton of goods hauled, not counting profit margins to the owner. If the route via the Sena bridge is used, a total of 620 km round trip would cost $465.00 or $23.25 per ton, a saving of $36.75. It also represents an economic cost, as no taxes or duties have been included in the cost basis. It is also probably a minimum figure, and will be highly subject to road conditions and operator skill and care, as well as regular and fairly good maintenance by the owner.

Cost of Operating a Truck per Kilometer

	Category	$ per kilometer	
A.	To be Recovered from Transport:	$0.208	
	Subtotal		$0.208
B.	Cost of Owning:		
	1. Interest Costs	$0.120	
	2. Insurance Costs	0.120	
	3. Taxes	0.010	
	Subtotal/km		$0.250
C.	Cost of Operating:		
	1. Fuel	$0.067	
	2. Tires and Batteries	0.050	
	3. Maintenance	0.013	
	4. Repairs	0.090	
	5. Drivers	0.060	
	6. Finance Charges	0.010	
	Subtotal		$0.290
	Total/km		$0.748

ANNEX E Social Soundness Analysis

Introduction

The roads and bridges to be rehabilitated through the Rural Access Activity (RAA) cross 12 districts in four of Mozambique's ten provinces. These mostly rural districts have been severely damaged and isolated due to war, particularly since 1986 when increased military activity cut communications and destroyed infrastructure. These districts are among those most affected since Independence by large and repeated drought- and war-induced population movements, as well as by other social, economic, and physical dislocations. These movements have disrupted normal social and economic activities for most of the RAA area population for a generation. During the 1993-94 war-to-peace transition period, and the longer period of national reconstruction which will follow, the social and economic reintegration of the people of these districts will be a key factor in Mozambique's overall political and economic development.

The total population of the 12 districts was estimated at 1,392,301 in late 1992; of these, 43% were receiving emergency food and non-food assistance in the wake of the 1992 drought. The population projected for the RAA districts for late 1995, by which time the majority of the displaced populations will have settled back in their homes, is 1,651,934. (See following table.)

The people in the Activity's area, as in most of Mozambique, are overwhelmingly rural-oriented. Both historically and as a response to the socio-economic dislocations mentioned above, only a small percentage of area's rural population depends on formal sector wage employment as the principal source of income. Even in urban or peri-urban locations most families are dependent upon small-scale agricultural production and related informal activities for their own consumption and, wherever possible, for cash. When even a single agricultural harvest is not possible due to drought or war, these families become highly dependent on emergency assistance--if they are in accessible areas--or are forced into complete dependence on relief aid through physical displacement, including to neighboring countries, and sometimes for many years. Once displaced, families are unable to return to normal farming activities. The opportunity to return to their homes, as soon as the conditions that caused the displacement permit, will enable these families to quickly end their socially

and economically expensive dependence on relief assistance.

RAA PROJECT AREA POPULATION

Province/District	1980 Census	Estimate Dec. 1992	No. of Beneficiaries Projected Dec. 1995	No. of Beneficiaries Receiving Emergency Aid Dec 1992
Sofala				
Cheringoma	42,474	63,512	74,398	20,000
Marromeu	81,621	81,515	97,096	50,100
Caia	87,270	74,412	99,585	51,000
Chemba	44,058	42,238	63,422	22,900
Zambezia				
Mopeia	66,516	132,089	136,287	79,000
Morrumbala	204,198	262,886	301,450	99,000
Tete				
Mutarara	139,780	59,905	84,442	15,000
Moatize	152,568	233,579	217,057	32,000
Manica				
Guro	50,886	55,302	72,054	46,800
Barue	66,153	52,128	69,380	44,000
Manica	142,526	123,128	147,392	83,100
Gondola	142,023	210,755	235,371	55,000
Total Project Area	1,220,073	1,392,301	1,651,034	597,900
National Total	13,493,090	17,626,424	19,459,311	3,659,100
Project Area to National Total	9.0%	7.9%	8.5%	16.3%

Source: UNOHAC database, July 1993
Note: These estimates were drawn largely from recent GRM sources and are somewhat higher than other recent estimates.

In general, road improvements will create opportunities for a whole range of innovative behavior. Expanded opportunities may include new information, more personal travel, new technologies, new types of employment, new services and products, new leisure activities, new consumption patterns, and greater participation in political processes. In the case of the RAA area, where the before-and-after contrast will be so extreme--from little or no access to year-round all-weather access--the creation of new

opportunities will be quick and dramatic, comparable to the turning of night into day. The scope of these new access-related opportunities is likely to be even further exaggerated because of the broader political and economic liberalizations that have occurred in Mozambique in the past five years. Thus, the social impact of the Activity is likely to be considerably broader, even in the short run, than the principal short-term economic benefit of simply ending the need for relief assistance by returning to subsistence farming.

Whether individuals decide to take advantage of such new opportunities depends on personal characteristics, places and relationships in the household and community, and culturally based perceptions of associated costs and benefits. Their decisions may also be constrained by external factors (for example, lack of inputs required for improved farming techniques). Given the variations within the Activity area in cultural traditions, previous market integration, political participation, and even climate and farmland quality, it is certain that the degree to which new opportunities are seized will be highly variable both within communities and across the whole area.

A few general observations on expected changes associated with the post-drought, war-to-peace transition period will help set the scene for understanding the potential social effects of RAA:

- Those displaced from their homes strongly desire to return to their traditional lands and farming activities, which will result in large movements from current population centers toward more rural zones and with some continuing back-and-forth movements.

- There is evidence of a vibrant re-emergence of long-suppressed traditional (i.e., not government administration) authorities, which is likely to affect all aspects of community life, and particularly in more rural areas.

- There is a strong inclination on the part of key institutions--the GRM, RENAMO, UN agencies, and some bilateral donor agencies--to provide significant immediate external assistance to communities in rural areas, in particular to rehabilitate basic health, education, and market services.

- During the period of post-war demobilization and related steps in the peace process, leading through peaceful multi-

party elections (now expected in late 1994), many Mozambicans will be hedging their bets, investing labor and other resources in reintegration activities but also reserving some resources in locations of former displacement (including in countries of refugee asylum).

The social impact and risks of RAA activities are difficult to specify in the data-poor, rapidly changing environment described above. The following observations are not comprehensive, but indicate the types of benefits that are expected as well as some potentially negative effects that USAID should be alert to as project implementation proceeds.

Benefits and Beneficiaries

The immediate direct benefits of RAA's activities will flow to the owners and employees of the private sector companies contracted to do the road and bridge construction work. These are expected to be: (i) U.S.-based (for the supervision contract), (ii) non-Mozambican but based in neighboring countries in Africa (for the construction contracts), and (iii) Mozambican (for construction-related sub-contracts to provide services, equipment, or materials). Since these contracts will be managed by the GRM's National Directorate of Roads and Bridges (DNEP), some DNEP staff at central, provincial, and district levels will acquire improved contract management skills through Activity-related training and technical assistance.

In addition, there will be immediate direct benefits for an unknown number of Activity area residents who will find temporary or intermittent employment as unskilled or semi-skilled laborers during the construction period, and for their families who will also benefit from the additional income such employment will provide.

Less direct, but still immediate, benefits flowing from the project activities, will be extremely important to the post-drought recovery and general reintegration process of the RAA area population. Foremost is the immediately improved access to relief food and non-food commodities and services. Dependent and vulnerable families will be able to return home and to reestablish normal social and economic activities. It is very likely that most families will require only one or two "normal" agricultural cycles to reestablish themselves and thereby end their drought- or war-related dependency on relief assistance. Improved road access will speed up this process, by permitting

delivery of food aid, health and nutrition services, and agricultural assistance (seeds and tools) to the needy in their home zones, alleviating the current need for families to divert labor and other resources from productive activities in order to make a monthly two- or three-day walk to an airlift distribution site.

Improvements in commercial access will immediately follow relief commodities and services. As isolated zones in various parts of Mozambique have been opened in the past year, even before the Peace Accord, observers have been struck by the speed with which goods begin to arrive commercially; sometimes literally as part of the first relief convoys, other times only days behind. The commercial flow of commodities quickly becomes two way, and the improved information and transport services associated with this flow also contribute to new incentives to produce.

An illustration of this quick market response has been documented in one of the airlift sites in the Activity area. Only a few months after Marromeu (largely a RENAMO-occupied zone) first became accessible by air, a group of local traders banded together and, mobilizing their resources, negotiated with the crew of one of the airlift Antonovs to fly in--at commercial cost--a broad range of basic consumer goods in high demand (batteries, cigarettes, sugar, to name only a few). As expensive airlifts give way to far less expensive road transport it is not difficult to imagine the further benefits to the residents of the district. To cite another example, spontaneous trade in chickens (in good supply in the RENAMO Zones of Marromeu District) and used clothing (available in the government-held zones across the river in Mopeia) has grown quickly, visibly benefiting large numbers of people on both sides. Improved access for these two zones to the rest of the country, through the RAA activities, will very quickly bring the residents additional benefits.

A number of important additional social benefits will flow to the Activity area populations; less immediately perhaps, but still within a one- to two-year time frame. For example: teachers who fled in the mid-1980s when the schools were attacked will be able to return and children will be able to start or continue their schooling; medical supplies and supervision for rural hospitals and clinics will be provided more reliably; fuel will be available to run small hammer mills; traders from other districts will compete to buy surplus agricultural production and artisanal goods from Activity-area residents. These benefits will be key to stabilizing Activity area populations, contributing to their recovery from drought and war, and also providing a foundation

for development.

Finally, some longer-term benefits can be predicted, although the degree to which these materialize will be dependent upon post-rehabilitation maintenance activities that are beyond the scope of RAA. These might include the reopening of the Sena Sugar Company, which once had enormous economic importance in the RAA area, or tourism-related exploitation of Activity area wildlife reserves, to name only two possibilities.

Although the vast majority of the RAA area will benefit directly and indirectly from RAA interventions, there will be some potential losers. RENAMO, which benefited from the isolation it imposed on the populations in the area, will lose its direct, extensive control. This could, on the one hand, be a relatively short-term loss, if RENAMO leaders are committed to the peace process and able to transform themselves into a political party which can translate its direct control into a politically sustainable role of influence. Individual RENAMO (as well as GRM) military leaders and troops in the area, on the other hand, may be major losers as their income and support systems deteriorate with the resident population's greater freedom of movement and emancipation as a result of the peace process, mine clearing and road rehabilitation. Depending on their ability to take advantage of the increased economic opportunity resulting from RAA's interventions, these individual leaders and troops may be active participants in the area's economic growth or some may become predators on those who are able to benefit from the RAA's opportunities.

Another group of potential losers are some GRM provincial and district leaders who also may have been able to profit politically and economically from the present isolation. This group may lose significant political authority, as well as economic authority, with the opening of these former access roads and the return of former residents, who owe no favors to the existing political structures, and the development of new commercial networks. Existing commercial interests may also not benefit to the extent they have under the more constrained economic situation. To the extent that the political and economic controls overlapped, the losers may suffer significant reductions in income in either the short or long term, depending on how well they are able to take advantage of the increased economic opportunity. A much smaller group of losers is made up of petty government employees who profiteered from the situation, such as health workers who sold medicines and vaccines.

The ability of these losers, either individually or collectively, to obstruct the flow of benefits to the area is not expected to significantly affect the Activity. They may, however, be able to delay the flow of benefits to the majority of beneficiaries in smaller, more localized settings. Because of the emergency nature of this Activity, it will not be able to directly address these potential problems. As part of the monitoring of the Transition Program, however, USAID/Maputo will need to include mechanisms/indicators to monitor the impact of and on such potential losers.

Risks and Measures for Their Mitigation

1. Recent experience with unskilled labor in PVO-managed food-for-work road rehabilitation activities in Mozambique indicates that in some zones women and men are equally likely to participate, but in other zones it is not common for women to do this type of work. Thus, gender-based differences may occur in the direct labor participation of Activity area residents. Any paid roadwork jobs are likely to be hard-sought, as they may be literally the only non-farm employment opportunities available in much of the RAA area. To the degree that the construction contractors and sub-contractors can, where appropriate to the local situation, try to encourage women to participate, such efforts would mitigate any potential negative effects, on individual women or their families, from denied opportunities. However, the overriding concern must be to get the roads and bridges rehabilitated: restrictions on the employment practices of the contractors (to, for example, achieve proportional participation of women) are NOT recommended. In a similar vein, efforts to encourage the participation of demobilized soldiers as unskilled or semi-skilled laborers in the work crews might be desirable in some zones; this might contribute significantly to social stabilization during the war-to-peace transition.

2. A related concern is the potential conflict between the RAA labor demand and the normal tasks of the agricultural cycle. In areas of Mozambique where commercial enterprises compete for the available labor with traditional agricultural activities, there is a tendency for laborers to abandon the wage employment at moments of key agricultural activity (planting, harvest). However, the need for cash income to recapitalize households in the Activity area might work in quite the opposite way, drawing critical labor resources away from the farm to work on the roads. Thus, the timing of the construction work will affect who participates and the sum of the benefits. Possible negative effects of temporary wage employment on normal agricultural

activities (and vice-versa) might be mitigated by establishing flexible work schedules; for example, having two crews, each of which could alternate roadwork days with farmwork days, might be an appropriate approach in some areas to keep the construction work on schedule without sacrificing family farm production. Other ways to avoid possible conflict, which might be appropriate for some parts of the RAA area, would be to time labor-intensive RAA activities for labor-light parts of the agricultural cycle, or to schedule roadwork for afternoons if farmwork is traditionally done in the mornings.

3. There is a potential for a whole range of unforeseeable social conflicts during the Activity's life, given that implementation will be directed by "outsiders" during a period when communities are trying to reestablish their own social institutions. The reemergence of traditional political authorities is particularly relevant in this connection, but the changing and potentially unclear role and functions of local government entities in the war-to-peace transition period also will offer opportunities for conflict. Evidence from recent PVO efforts to assist the needy in newly accessible areas suggests that initial efforts to correctly "introduce" project activities--by meeting formally with district authorities and traditional leaders to describe what will be done and elicit cooperation and advice--may seem onerously complex, but these efforts are very likely to sooner or later be THE key in resolving all types of conflicts that might otherwise interrupt or slow implementation. This process of "introduction" would logically be led by DNEP, perhaps in collaboration with other local institutions.

Conclusion

Bluntly, given Mozambique's social, economic, political, and physical upheavals of the past 15 years, and given the current misery of the populations resident in or returning from displacement to the RAA area, the Activity's benefits are infinite while its risks are infinitesimal.

Impact monitoring during project implementation will be conducted through frequent site visits, rapid appraisals, and analysis of available statistical information on the welfare of project area populations; this is part of the Mission's approach to more broadly monitor and document the impact of USG assistance during the post-war transition period. These monitoring activities will enable the USAID to continuously assess the Activity's social and economic benefits as well as its negative effects, and to identify appropriate mitigating measures where necessary.

ANNEX F Initial Environmental Examination

INITIAL ENVIRONMENTAL EXAMINATION

COUNTRY:	Mozambique
ACTIVITY TITLE/NUMBER:	Rural Access Activity 690-0270.56 (Funded under Southern Africa Regional Program's Regional Drought Emergency Relief Project)
FUNDING:	FY1993 - $19,000,000; LOP - $19,000,000
IEE PREPARED BY:	Eric R. Loken, Regional Environmental Officer, REDSO/ESA/ANR
ENVIRONMENTAL ACTION(S) RECOMMENDED:	Positive Determination ____ Negative Determination X Categorical Exclusion ____

SUMMARY OF FINDINGS:

Recommended Environmental Action

The Mission will use the Guidelines for the Design of Rural Roads (Harza Manual for Design of Environmentally Sound Rural Projects) during project design and implementation.

Regarding monitoring and evaluation, it is assumed that environmental concerns will be incorporated in the scope of project evaluations. It is also important for the mission to ensure that the project staff and the GOM provide for the re-design, re-alignment and/or change in the course of implementation if any significant environmental problem is encountered during implementation.

Once the PEA is in place, this IEE should be amended to reflect the findings and recommendations of the PEA, especially in reference to rural roads.

Based on the above and the discussion below, the Mission requests that the entirety of this activity be awarded a Negative Environmental Determination pursuant to Section 216.3 (a) (1) (ii) and (iii) of the Agency's Environmental Procedures (22CFR216).

CONCURRENCE: _____ APPROVED: ✓
Bureau Environmental Officer DISAPPROVED: ____
John J. Gaudet, AFR/ARTS/FARA DATE: 8/5/93

CLEARANCE: GC/AFR: M A Klecunas DATE: 8/12/93

APPROVED: Roger D Carlson DATE: 8/23/93

DISAPPROVED: _____

Roger D. Carlson
Mission Director

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INITIAL ENVIRONMENTAL EXAMINATION

Activity Description

The Rural Access Activity's purpose is to increase transportation efficiency capacity related to a) post-drought recovery in the Zambezi River valley and b) movement of drought relief assistance to Tete and Malawi. In this interest, the Activity will provide direct access for: (1) relief distributions to areas currently supplied by costly airlifts; (2) re-establishing family farms abandoned because of the drought; (3) regenerating commercial activity critical to post-drought social and economic re-integration; and (4) assisting large numbers of drought-displaced persons and refugees returning home. These objectives will be accomplished through: (1) the rehabilitation of some 710 kilometers (km.) of gravel roads in Sofala, Tete and Zambezia Provinces (in the Zambezia River Valley); (2) the rehabilitation and conversion of the existing, war-damaged rail bridge over the Zambezi River at Sena to accommodate vehicular and pedestrian traffic; and (3) the temporary rehabilitation and resealing of approximately 270 km. of paved road on the Beira-Tete-Malawi corridor between Vanduzi and Changara. These activities will be implemented through appropriate, competitively-awarded contracts with private construction contractors.

The subject activity constitutes a critical element of this Transition Program support through addressing the immediate needs of providing basic infrastructure and access for the drought-affected and displaced population, for the return of commercial activity to a drought-affected, large, populous and productive region of the country, refugees returning to the rural sector, and access for civic and pre-election programs. Accordingly, this activity will be specifically addressed in the ongoing PEA.

Project Impacts

The roads which will be improved under the transition program are not located in or in close proximity to National forest reserves, thus no direct (primary) impacts are expected on forest reserve habitats.

Regarding other sources of firewood, the increased growth of vegetation that has occurred in some areas which were abandoned during the war may provide farmers returning to their original lands with increased fuelwood resources in the medium-term. Further, the return of people to their original land will not increase the population to higher than prewar levels (reference).

For the most part, then, it is concluded that the transition activities are environmentally positive or benign in the short term. Demining and sanitation activities, for example, will improve the immediate physical environment in most cases. We anticipate therefore that there will be no medium or long-term environmental impacts associated with the transition program's demining and sanitation activities. However, there is a potential for the agriculture, road improvement and water supply transition program activities to have a medium or long-term impact on the environment, if current transition activities are not properly guided during their evolution into rehabilitation and development programs.

Monitoring, Evaluation and Mitigation

This road rehabilitation will follow well established road beds and will not open up new areas for development. Selected examples of local roads show that the roads at one time were originally well constructed with appropriate camber, drainage and bridging. Rehabilitation of such previously well established roads rarely presents serious ecological problems in the citing of borrow pits, spoil areas, or construction camps. In the case of the roads selected for USAID/Mozambique's rehabilitation projects this should be even less of a problem because their condition reflects the lack of maintenance of, in many cases, 19 years.

Road improvement activities will facilitate the movement of people from densely populated assembly areas to their original lands. The road improvement activities should therefore reduce deforestation in the assembly areas and relocate people to areas having greater fuelwood resources. However, in order to ensure that long-term impacts do not occur, policies need to be established which provide returnees with incentives to manage their land sustainably (e.g., secure land tenure).

Relative to public health and social concerns, these roads should not cause additional public health problems but, on the contrary, should result in improvements to both the general and rural health situation. Additional social benefits will be the effects of more effective and less costly transport of goods and services, education, extension services and other amenities.

Although proper engineering design will ensure minimum direct impacts, Mission Environmental Officer has already been provided with Guidelines for the Design of Rural Roads, within the Harza Manual for design of environmentally sound projects.

Regarding monitoring and evaluation, it is assumed that environmental concerns will be incorporated in the scope of project evaluations. It is also important for the mission to ensure that the project staff and the GOM provide for the re-design, re-alignment and/or change in the course of implementation if any significant environmental problem is encountered during implementation.

Lastly, it should be pointed out that the Mission is currently in the process of completing a Programmatic Environmental Assessment (PEA) of all salient activities planned in support of this Transition Program assistance, including salient aspects of various projects, including this one. The purpose of the PEA is to provide the Mission, the various implementing agents, and concerned government counterparts with an efficient, effective and country-specific mechanism--including design and implementation guidelines, decision criteria, review procedures and monitoring and mitigation guidance--for ensuring that this Transition Program assistance is delivered in an environmentally sound and sustainable manner.

Once the PEA is in place, this IEE should be amended to reflect the findings and recommendations of the PEA, especially in reference to rural roads.

Recommended Environmental Threshold Decision

Based on the above discussion, the Mission requests that the entirety of this activity be awarded a **Negative Environmental Determination** pursuant to Section 216.3 (a) (1) (ii) and (iii) of the Agency's Environmental Procedures (22CFR216).

ACTION MEMORANDUM FOR THE MISSION DIRECTOR

FROM: Janelle Daane, Mission Engineer, USAID/Maputo

DATE: September 10, 1993

Subject: 611 (a) Certification for the Mozambique Rural Access Activity (656-0270) of the Regional Drought Relief Project (690-0270.56).

PROBLEM: You are requested to certify that, according to the FAA Section 611(a), the engineering, financial and other plans for the rehabilitation of roads and bridges that will be repaired under this Activity are completed to a satisfactory degree necessary to carry out this Activity, and that there are reasonably accurate estimates of the cost to the U.S. government to carry out this work.

DISCUSSION: The Rural Access Activity (RAA) is designed as part of the Regional Drought Emergency Relief (RDER) Project (690-0270) initially authorized in FY 1992. The long-term **goal** of the RDER Project is to increase the efficiency, reliability, and cost effectiveness of the SADC transportation system. The **purpose** of the RDER Project is to increase long-term transportation efficiency and capacity in the SADC region, through ensuring the cost-effective, timely delivery of drought supplies throughout southern Africa and, subsequent to the drought, to enhance the ability of SADC countries to recover from the drought. The RAA's **purpose** is to increase transportation efficiency and capacity related to a) post-drought recovery in the Zambezi River valley and b) movement of drought relief assistance to Tete. To achieve the Activity purpose, the Rural Access Activity will open up selected roads to allow access to areas of high priority for emergency relief and post-drought recovery.

Roads to be re-opened under this rural roads activity have been selected because of their location and the provision of access to the relief supply centers along the Zambezi River. The criteria for selection of the roads are to provide access for:

- relief distributions to areas currently supplied by costly airlifts;

- returning drought-displaced persons and refugees;
- reestablishing family farms abandoned because of the drought and civil war; and
- regenerating commercial activity which is critical to post-drought social and economic reintegration.

A total of six road sections have been selected, five of which are gravel roads that will be re-opened by rehabilitating culverts and drains, rebuilding roadbeds in selected bad spots, establishing road cambers to improve water runoff or other re-shaping, clearing of trees, bushes and grass, and applying gravel where needed. The gravel roads total approximately 710 kms in length. A total of 285 kms of paved roads will be resealed to protect the existing road surface, and some minor repairs such as filling holes and ambush ditches will be effected. The work of refurbishing and preventive maintenance on existing paved roads will be on two road segments, one of 270 kms and another of 15 kms, which is a small part of one of the gravel roads that will be refurbished.

Surveys of these roads were done by Nicholas O'Dwyer and Partners between January and March, 1993. Their terms of reference focused on:

- an assessment of the road condition;
- an assessment of the existing drainage facilities along the road, suggesting any side drainage improvement as necessary;
- an inventory of existing bridges and culverts indicating their condition;
- an assessment of the requirements for "bailey-type" bridges, corrugated steel tubes for culverts, gabions, and other construction materials for repairs of destroyed bridges and culverts; and
- a preparation of bills of quantities and rough cost estimates for the opening of the roads.

These surveys include estimates of all work to be effected on each of the roads. The cost estimates that O'Dwyer and Partners used came from cost data provided by a DNEP cost comparison summary based on the Maputo - Namaacha Road in May, 1993.

For the Sena bridge works, the USAID/Maputo Engineering Office made preliminary designs in early 1993. Cost estimates were prepared at that time based on the preliminary designs and cost figures for U.S. Government surplus bridges located in Germany, and local contracting costs for installation and approach work. Physical contingencies have also been included recognizing the uncertainties of this work.

The USAID Engineering Office and the Regional Engineers in REDSO/East and Southern Africa have determined that the preliminary estimates of work to be done on the roads and bridges and cost estimates for the work are reasonable. In addition, the Activity will include a management and engineering contract with a U.S. firm that will participate in further surveys and plans and the preparation of bid documents for road and bridge work. This will assure that the contract bids correspond to reasonable cost estimates of the planned work. The General Consultants provided under IDA credit to DNEP, the government implementing agency, will provide additional engineering expertise for the preparation of engineering plans and cost estimates prior to preparation of bid documents. Finally, funds have been budgeted for short-term technical consultants that may need to be accessed through A.I.D. IQCs, centrally-funded buy-ins or cooperative agreements with other U.S. government agencies.

No contracts will be awarded under this Activity until planning documents, including any engineering studies have been completed by DNEP, with technical assistance by the IDA-funded General Consultant, and the Activity-funded management and engineering contractor. Therefore, plans necessary to carry out the assistance will be completed and firm cost estimates will be made before any commitment of U.S. Government funds for actual construction to be undertaken under this Activity is made.

The Activity design also includes a physical contingency of about 15% of the total budget to protect against any unforeseen circumstances that could escalate prices or costs related to the planned work.

The USAID/Maputo Mission Engineering Office has submitted a 611(a) certification for the Rural Access Activity. FAA Section 611(a) requires that

> "prior to an obligation in excess of $500,000, there will be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance."

AUTHORITY: You are authorized under the Delegation of Authority No. 551, as amended, which covers general project authorization for the project to certify that the project plans under FAA 611(a) are satisfactory.

RECOMMENDATION: That you certify that the plans and cost estimates for the activities to be undertaken in the Rural Access Activity are sufficient and reasonable and that there are adequate assurances built into the Activity design to meet the requirements under FAA Section 611(a).

Approved: Roger D. Carlson Date: 9/21/93
Disapproved: _____ Date: _____

Roger D. Carlson
Director

Approved: e-mail attached Date: 8/6/93
Disapproved: _____ Date: _____

Robert C. Braden, P.E.
USAID, Regional Engineer, REDSO/ESA

Drafted:PRM:WEnger:7/19/93
Clearance:PRM:CMcCarthy CMcC
RLA:MAlexander
DDIR:JMiller

To: Cheryl McCarthy@PRM@MAPUTO
Cc:
Bcc:
From: Robert Braden@REDSO.UID@NAIROBI
Subject: re: Approval of RAA 611(e)
Date: Tuesday, August 17, 1993 9:23:28 MAP
Attach:
Certify: N
Forwarded by:

Cheryl,

On August 6, 1993, I reviewed the draft 611(a) certification for the RAA Project, and I approve the document.

Bob

USAID
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

SEP 22 1993

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: AFR/SA, Keith E. Brown

SUBJECT: Mozambique - 611(e) Certification for the Mozambique Rural Access Activity under the Regional Drought Relief Project (690-0270)

Problem: You are requested to take under favorable consideration the FAA Section 611(e) certification signed by the Mission Director, USAID/Maputo, that the Government of Mozambique (GRM) has both the financial and human capacity to utilize and maintain the roads and bridges that will be repaired under this project.

Discussion: The Rural Access Activity (RAA) was designed as part of the Regional Drought Emergency Relief Project (690-0270). The long-term goal of the Project is to increase the efficiency, reliability and cost effectiveness of the SADC transportation system. The RAA's purpose is to increase transportation efficiency and capacity in a way that facilitates both a) post-drought recovery in the Zambezi River Valley and b) movement of drought relief assistance to Tete and Malawi. To achieve this purpose, the Rural Access Activity will open up selected roads both to improve the efficiency of delivery of relief supplies and for the longer-term goals of increasing commercial activity, reintegrating these regions into a new democratic and commercial environment now emerging in Mozambique, and enhancing production in an important region of the country.

A.I.D. continues to provide relief supplies and related assistance to emergency distribution centers along the Zambezi River Valley and up into Malawi. The centers, chosen because of their air accessibility, were established to meet the needs of the war-affected and displaced population, which greatly swelled in early 1992 due to the drought. The delivery of food and other supplies by air is extremely costly, and many of the landing strips are of poor quality and cannot support flights of any kind during the rainy season.

The road and bridge work under the RAA will involve rehabilitation and repair, as opposed to new, or fully renewed, construction. The activity plans to repair approximately 710 kilometers of gravel roads, covering five road segments, mainly in the Zambezi River Valley and the northern and northwestern

320 TWENTY-FIRST STREET, N.W., WASHINGTON, D.C. 20523

parts of the country. These roads will be re-opened by rehabilitating culverts and drains, rebuilding roadbeds in selected bad spots, establishing road cambers to improve water runoff or other re-shaping, clearing of trees, bushes and grass, and applying gravel where needed. In addition, 285 kilometers of paved road will be resealed to protect the existing road surface and some minor repairs will be done on these roads. This work will be on one stretch of 270 kilometers, which is a main artery for transport of relief and other supplies from the port of Beira to the north and west of Mozambique, and into Zimbabwe; and on an additional 15 kilometers, which are a small paved part of one of the gravel roads.

All procurement, except for the contracting services for the road and bridge rehabilitation, will be from A.I.D. Geographic Code 000 (U.S. only). Thus, about $5.4 million, out of a total cost of approximately $16.5 million, will be restricted to A.I.D. Geographic Code 000. The engineering analysis concluded that multiple, small contracts are required in order to assure that road rehabilitation proceeds at the pace of 100-200 kilometers/month which will ensure a minimal start-up time and avoid overall project delays due to problems on smaller sections of road. Thus, USAID/Maputo has chosen to award many small contracts for road rehabilitation. Because of the critical need to begin work on the bridge rehabilitation by mid-November 1993, USAID/Maputo has chosen to award the construction services contract to an A.I.D. Geographic Code 935 firm. It has been the experience of the A.I.D. Regional Engineer and the Mission Engineer that contracts with values under $5 million do not attract U.S.-based construction firms.

The RAA is planned as an interim measure and not a long-term solution to the need to completely rebuild these roads. However, Mission technicians and consultants have determined that this is a feasible and appropriate investment to help meet the needs of people severely affected by drought, and as a post-war measure toward reintegration of the country.

The RAA is included in the World Bank Roads and Coastal Shipping II (ROCS II) program, a five-year (1994-1999) project, in which the Bank will coordinate $700 million of road and port rehabilitation in Mozambique. Bank economists and engineers expect World Bank board approval of the project in September 1993, with the project to begin in early 1994. During ROCS I and the pre-appraisal for ROCS II, Phase I (1994-1995), the donors have already studied and identified the rehabilitation work each intends to do.

The steps necessary to assure adequate maintenance of the roads will be achieved by reliance on actions required under two $700 million IBRD projects, since this activity is a small part of them. A more detailed description of the specific actions under

these projects is attached [Tab B].

One major constraint to adequate maintenance is provision of adequate financing. Under ROCS I, which is currently being implemented, the GRM submitted an action plan and timetable for implementation of a Road Maintenance Fund, to be financed from proceeds of a fuel tax. The maintenance costs are essentially local currency costs [as raised by the fuel tax], the statute imposing the fuel tax has been enacted, and the proceeds of the tax are to be deposited directly in the road maintenance fund. Under this plan and/or the design process for ROCS II, the GRM agreed to raise the fuel tax so that it is anticipated that there will be $24 million annually by the end of 1994 and $40 million annually by the end of 1998, from a combination of tax and traffic increases, amounts which the IBRD has judged meet anticipated financing needs. The ROCS II draft credit agreement [which will be negotiated in November 1993 and which the mission states the GRM has already indicated agreement to] requires annual establishment and review of GRM financial contributions to maintenance. It also contains a project assistance component designed to assist with the sustainability of maintenance. In Mozambique in the past the IBRD has shown its willingness to withhold disbursements if loan agreement provisions are not complied with.

The ROCS II draft credit agreement also contains additional provisions dealing with other constraints to maintenance, as more fully described at Tab B.

The statements contained in paragraph 5 of the certification, concerning preparation of engineering plans and cost estimates, are not relevant to the 611[e] certification [which concerns the ability to maintain and utilize the assistance]. In the attachments the mission has confirmed that 611[a] adequate planning requirements will be met prior to obligation.

The ROCS II, Phase II (1996-1998), includes rehabilitation of the Vanduzi-Changara road, covering 270 kilometers, which will be resealed under the RAA rehabilitation activity. A major objective for inclusion of this road work in the RAA is to assure that it will service traffic until the complete rebuilding starts.

Authority: Section 611(e) of the Foreign Assistance Act requires that prior to furnishing any capital assistance in excess of $1 million, the head of the Agency shall have "received and taken into consideration a certification from the principal officer of such agency in the country in which the project is located as to the capability of the country (both financial and human) to effectively maintain and utilize the project taking into account, among other things, the maintenance and utilization of projects in such country previously financed by the United States."

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

Recommendation: That, by signing below, you take under favorable consideration the attached certification of the Mission Director, USAID/Mozambique, that the Government of the Republic of Mozambique has the financial and human resources to effectively maintain and utilize the roads and other capital works as planned under this project.

Approved: _____

Disapproved: _____

Date: 9/22/93

611(e) Certification for the Mozambique Rural Access Activity under the Regional Drought Relief Project (690-0270)

Attachment: Maputo 4611 (dated 8/24/93)

Clearances:

AFR/SA:RHarber _____ Date 8/26/93
AFR/SA:LTaylor _____ Date 8/31/93
GC/AFR:ESpriggs _____ Date 9/2/93
DAA/AFR:TBork _____ Date 9/16/93

USAID/Mozambique:WEnger:AFR/SA:DMadelson:8/2/93:rza611e.rev

ACTION MEMORANDUM FOR THE MISSION DIRECTOR

FROM: Janelle Daane, Mission Engineer, USAID/Maputo

DATE: September 20, 1993

Subject: 611(e) Certification for the Mozambique Rural Access Activity (RAA) of the Regional Drought Relief Project (690-0270)

PROBLEM: You are requested to certify that project design of the RAA meets the requirements for FAA Section 611(e) certification, that the Government of the Republic of Mozambique (GRM) has both the financial and human capacity to utilize and maintain the roads and bridges that will be repaired under this project, and to attach it to the action memorandum to the Assistant Administrator for Africa for his consideration.

DISCUSSION: The Mission in Mozambique is planning a major effort in rehabilitating roads as part of an effort to support drought- and war-affected people in relief centers in the Zambezi River Valley. This Rural Access Activity is designed as part of the Regional Drought Emergency Relief (RDER) Project (690-270.56) initially authorized in FY 1992 and as a separate, complementary bilateral project (656-0237). The long-term goal of the Project is to increase the efficiency, reliability, and cost effectiveness of the SADC transportation system. The purpose of the Project is to increase long-term transportation efficiency and capacity in the SADC region, through ensuring the cost-effective, timely delivery of drought supplies throughout southern Africa and, subsequent to the drought, to enhance the ability of SADC countries to recover from the drought. The Rural Access Activity's purpose is to increase transportation efficiency and capacity related to a) post-drought recovery in the Zambezi River valley and b) movement of drought relief assistance to Tete. To achieve the project purpose, the Rural Access Activity will open up selected roads to allow access to areas of high priority for emergency relief and post-drought recovery. The roads are needed to improve the efficiency of the relief effort, to assist with the re-integration of this region with the rest of the country, and support the movement of people out of relief camps and back into productive agriculture.

A.I.D. continues to supply relief supplies and related development assistance into emergency distribution centers along the Zambezi River valley and Mozambican refugee camps in Malawi. The centers, chosen because of their aircraft accessibility, were established to meet the needs of the war-affected and displaced population. This population swelled considerably due to the drought in early 1992.

Many of the landing strips used for the airlift operation are of poor quality and cannot support flights of any kind during the rainy season. Costs to deliver food and other supplies by air is extremely costly. Although the distance from the port in Beira to these relief centers is only about 300 kms, the condition of the roads does not permit delivery by the most direct routing. The alternative for land transport is to move goods by truck over a long, circuitous route covering over 800 kms. In addition to being costly, this land route also has increased the traffic of heavy vehicles over a route that is important for movement of goods into Zimbabwe and Malawi and to other parts of Mozambique. This increased traffic, coupled with the lack of maintenance that occurred during the war years, is causing rapid deterioration of the paved road, threatening to cut off further sections of the country from land transport and disrupting regional trade.

The road and bridge work to be undertaken as a part of the RAA will be in the nature of rehabilitation and repair work and not new or fully renewed construction. The Activity plans to repair approximately 710 kms of gravel roads covering five road segments mainly in the Zambezi River valley and the northern and northwestern parts of the country. These roads will be re-opened by rehabilitating culverts and drains, rebuilding roadbeds in selected bad spots, establishing road cambers to improve water runoff or other re-shaping, clearing of trees, bushes and grass, and applying gravel where needed. In addition, 285 kms of paved road will be resealed to protect the existing road surface, and some minor repairs will be done on these roads such as filling holes and ambush ditches dug during the war. This resealing work will be on one stretch of 270 kms of road, which is a main artery for transport of relief and other supplies from the port of Beira to the north and west of Mozambique and into Zimbabwe, and on an additional total of 15 kms, which are a small paved part of one of the gravel roads.

It is important that these roads are repaired or re-opened both for delivery of relief supplies and for the longer-term goals of increasing commercial activity, re-integrating these regions into the new democratic and commercial environment now emerging in Mozambique, and enhancing production in an important region of the country. Although many of these roads are scheduled for complete rebuilding, such as EN 102, the paved road from Beira to the west and north (under an African Development Bank loan), a long planning and construction period means that this will not happen for several more years. The work to be done under this Activity will provide an interim measure to open roads in the Zambezi River valley and protect the Beira to Tete road from complete disintegration until new roadworks can be completed.

This road rehabilitation and repair activity is planned as an emergency measure and not as a long-term solution for the need to completely rebuild these roads. However, Mission technicians and consultants have determined that this is a feasible and appropriate investment to help meet the needs of people severely affected by war and drought, and as a post-war measure for reintegration of the country.

In discussions with the GRM agency responsible for road maintenance, the National Directorate of Roads and Bridges (DNEP), as well as World Bank consultants, it has been determined that the roads will be maintained. A major part of assuring maintenance will result from the World Bank Roads and Coastal Shipping (ROCS) program, which is discussed below.

The World Bank Roads and Coastal Shipping II (ROCS II) program is a five-year project (1994-1999) in which the Bank will coordinate $700 million worth of road and port rehabilitation in Mozambique. The USAID Rural Access Activity, worth about $19 million, is included in ROCS II Phase I. World Bank economists and engineers expect World Bank board approval of the project in September 1993, with the negotiation part of the project cycle taking place in November. They expect the project to begin in early 1994.

During ROCS I and the pre-appraisal for ROCS II Phase I (1994-1995), donors have already studied and identified the rehabilitation work each intends to do, while the GRM has committed to providing maintenance on these roads. The maintenance program will be contracted out to private providers, but supervised by DNEP. The program calls for maintenance to begin in 1994. Approximately $25 million per year raised from a current diesel fuel tax will provide funds for the maintenance of the roads.

The GRM has agreed to raise the fuel tax, so that by 1998, the tax should bring in $40 million per year to maintain roads. This level of revenues is based on a combination of tax increases and anticipated increases in traffic which will result from secure travel and better roads. Private contractors will provide maintenance for 15,700 kilometers of road, according to World Bank engineers.

The ROCS II Phase II (1996-1998) includes rehabilitation of the Vanduzi-Changara road. This is the main road, covering 270 kms, that USAID will be resealing under the RAA emergency rehabilitation activity. A major objective of including this road work in the RAA is to make sure that it will service traffic until the complete rebuilding starts. Major rehabilitation of the Vanduzi-Changara road will not take place for 2-5 years.

The Mozambique Mission Engineering Office, together with the Regional Engineer, REDSO ESA has submitted a 611(e) certification for the Rural Access Activity. FAA Section 611(e) requires that prior to furnishing any capital assistance in excess of $1 million, the head of the Agency shall have

> "received and taken into consideration a certification from the principal officer of such agency in the country in which the project is located as to the capability of the country (both financial and human) to effectively maintain and utilize the project taking into account, among other things, the maintenance and utilization of projects in such country previously financed by the United States."

The Mission Engineer and the regional A.I.D. engineer have executed the attached certification that, based on the facts set forth therein, the Republic of Mozambique has the financial and human capacity to utilize and maintain the capital elements of this project.

AUTHORITY: Delegation of Authority No. 551, as amended, delegates to the applicable regional administrators, without authority to re-delegate, the authority to receive and take into consideration 611(e) certifications previously approved by the Mission Director.

RECOMMENDATION: That you approve the attached 611(e) certification that the Government of the Republic of Mozambique has the financial and human resources to effectively maintain and utilize the roads and other capital works as planned under this project.

Approved: _____ Date: 8-20-93

Disapproved: _____ Date: _____

Roger Carlson
Director
USAID/Maputo

Drafted: PRM:WEnger:7/19/93
Clearance: PRM:CMcCarthy 8/18/93
RLA:MAlexander e-mail 8/18/93
REngOff:RBraden draft 7/19/93
DDIR:JMiller

SECTION 611(e) CERTIFICATION
RURAL ACCESS ACTIVITY

I, Roger D. Carlson, Mission Director and Principal Representative of the U.S. Agency for International Development in the Republic of Mozambique, hereby certify, based on the considerations listed below, that the Republic of Mozambique has both the financial and human resources capability to effectively maintain and utilize the roads and other capital works as planned under this activity.

1. This road rehabilitation and repair activity is planned as an emergency measure and not as a long-term solution for the need to completely rebuild these roads. However, Mission technicians and consultants have determined that this is a feasible and appropriate investment to help meet the needs of people severely affected by war and drought, and as a post-war measure for reintegration of the country.

2. In discussions with the GRM agency responsible for road maintenance, the National Directorate of Roads and Bridges (DNEP), as well as World Bank consultants, it has been determined that the roads will be maintained. A major part of assuring maintenance will result from the World Bank Roads and Coastal Shipping (ROCS) program, which is discussed below.

   a. The World Bank Roads and Coastal Shipping II (ROCS II) program is a five-year project (1994-1999) in which the Bank will coordinate $700 million worth of road and port rehabilitation in Mozambique. The USAID Rural Access Activity (RAA), worth about $19 million, is included in ROCS II Phase I. Bank economists and engineers expect World Bank board approval of the project in September 1993, with the negotiation part of the project cycle taking place in November. They expect the project to begin in early 1994.

   b. During ROCS I and the pre-appraisal for ROCS II Phase I (1994-1995), donors have already studied and identified the rehabilitation work each intends to do, while the GRM has committed to providing maintenance on these roads. The maintenance program will be contracted out to private providers, but supervised by DNEP. The program calls for maintenance to begin in 1994. Approximately $25 million per year raised from a current diesel fuel tax will provide funds for the

maintenance of the roads.

3. The GRM has agreed to raise the fuel tax, so that by 1998, the tax should bring in $40 million per year to maintain roads. This level of revenues is based on a combination of tax increases and anticipated increases in traffic which will result from secure travel and better roads. Contractors will provide maintenance for 15,700 kilometers of road, according to World Bank engineers.

4. The ROCS II Phase II (1996-1998) includes rehabilitation of the Vanduzi-Changara road. This is the main road, covering 270 kms, that USAID will be resealing under the RAA emergency rehabilitation activity. A major objective of including this road work in the RAA is to make sure that it will service traffic until the complete rebuilding starts. Under the ROCS II project, major rehabilitation of the Vanduzi-Changara road is not expected to take place for 2-5 years.

5. No contracts will be awarded under this activity until planning documents, including any engineering studies have been completed by DNEP, with technical assistance by the IDA-funded General Consultant, and the project-funded management and engineering contractor. Therefore, plans necessary to carry out the assistance will be completed and firm cost estimates will be made before any commitment of U.S. government funds for actual construction to be undertaken under this activity is made.

Roger D. Carlson
Director, USAID/Maputo

Date: 8-12-93

Approved: e-mail approval attached

Disapproved: _____

Robert C. Braden
Regional Engineer

Date: August 6, 1993

To: Cheryl McCarthy@PRM@MAPUTO
Cc:
Bcc:
From: Robert Braden@REDSO.UID@NAIROBI
Subject: re: Approval of RAA 611(e)
Date: Tuesday, August 17, 1993 8:03:43 MAP
Attach:
Certify: N
Forwarded by:

Cheryl,

Sorry I did not sign the draft 611(e) , it was an oversight on my part. I did review the 611(e) draft on August 6, 1993, and I approve.

Bob

ACTION MEMORANDUM FOR THE ACTING MISSION DIRECTOR

FROM: Cheryl A. McCarthy, Program Officer

SUBJECT: Justification for Use of the Southern Africa Drought Relief Less Than Full and Open Competition Waiver

PROBLEM: Your approval is requested to waive requirements for full and open competition for procurement of construction management services for the Rural Access Activity.

BACKGROUND: Under the Southern Africa Drought Relief Less Than Full and Open Competition Waiver for $60 million, signed on February 22, 1993, USAID/Maputo was given a quota of $1,000,000. To date, USAID/Maputo has executed waivers totalling $302,000 under this authority. Under the terms of the class justification for other than full and open competition for southern African drought relief, each Mission will be required to notify USAID/Harare and secure concurrence prior to any procurement of goods and services under the waiver. On June 28, 1993, USAID/Maputo requested that Mozambique's quota be raised to $3,000,000. USAID/Harare concurred in the increase on June 29, 1993.

The ten countries in the southern Africa region were faced with the worst drought in a century in 1992. This drought caused an unprecedented shortfall of grain, including seed stock for the next crop season, currently under way. In Mozambique, despite an almost normal rainfall in the 92/93 crop production season, the serious impact of the drought continues in certain regions of the country. The shortfall in seed production, the unexpected access to feeding centers by significant numbers of drought-affected inhabitants, including those from RENAMO-held areas, and the constraints to seed distribution (e.g., mined roads, short/soft runways, unpredictable arrival patterns of affected populations, shortages of ecologically appropriate seedstock, etc.) have combined to prolong the need to continue food shipments to certain drought-affected populations. Of particular concern to USAID/Maputo are the Zambezi River valley and Tete Province.

The purpose of the Regional Drought Emergency Relief Project is to improve the efficiency and increase the capacity of the transport system in the region so that adequate supplies can be

provided expeditiously to drought victims. In addition to the $14.5 million which USAID/Maputo provided in FY 1992 for drought-related activities, the Mission intends to obligate $19 million in FY 1993 for a Rural Access Activity (RAA). The RAA will focus its efforts on improving the capacity of the transport system to provide adequate supplies to drought victims in the Zambezi River valley and Tete Province, the latter also improving road access to Malawi.

The requested increased waiver authority is to ensure that the construction management contract can be expeditiously executed in order to maximize the amount of road work done during the remaining 1993 dry season. PIO/T 656-0510-3-30009, for which a waiver under this authority was recently approved, for the construction design, bid document preparation and bid analysis, indicated that the firm which receives the award for Phase 1 will also, subject to funding availability, receive the award for Phase 2. This waiver, then, is an extension of the ongoing procurement action. This separate waiver is also intended to assure that USAID/Maputo may procure the necessary construction management services in the event that the firm selected for phase 1 should provide less than acceptable performance.

Pursuant to the Competition in Contracting Act, the provisions of Handbook 14 require that all AID direct contracts be fully and fairly competed. Pursuant to FAR Section 6.302-2 and 41 U.S.C. 253[c][2], full and open competition need not be obtained when the need for supplies and services is of such unusual and compelling urgency that the interests of the United States Government would be seriously injured unless AID is permitted to limit sources from which it solicits bids or proposals. The anticipated activities are a response to the drought and rapid and the significant movement of people resulting from the October 1992 cease-fire. If AID is bound by regular federal and AID acquisition regulations concerning competition, set forth in Handbook 14, procurement actions would need to be publicized in the Commerce Business Daily with appropriate time allowed for contractors to respond under formal competitive procedures. Activities could not begin in time to achieve the objective of providing immediate, tangible support to these continuing drought-stricken areas.

AUTHORITY: Under the terms of the class justification for other than full and open competition for the southern Africa Drought relief, USAID/Harare may allocate quotas to each Mission in southern Africa. Authorization for the class justification for the Regional Drought Emergency Relief Project is FAR section

6.304(c). In addition, you have the authority to approve this justification under FAR section 6.304 (a)(3)(ii), which states that the justification for other than full and open competition shall be approved in writing for a proposed contract over $1,000,000 but not exceeding $10,000,000, by the head of the procuring activity, or a designee who, if a civilian, is serving in a position in a grade GS 16 or above under the General Schedule (or in a comparable or higher position under another schedule).

RECOMMENDATION: That, on the basis of the above, you determine, that, for the construction management services for the Rural Access Activity, compliance with full and open competition procedures should be waived for a project total of up to $3,000,000 on the grounds of unusual and compelling urgency, and accordingly, hereby authorize less than full and open competition for the procurement of such construction management services, on the condition that the original contracting action was solicited from as many potential sources as was practicable under the circumstances.

Approved: Roger D. Eck

Disapproved: _____

Date: 9/23/93

Drafted:PRM:CMcCarthy:6/28/93 CMcC
Clearance: ENG:JDaane 9/23/93
DIR:JMiller
RLA:MAlexander Draft 9/23/93

ANNEX J Terms of Reference Engineering and Construction Management Services

I. Background

The GRM, through the National Directorate of Roads and Bridges, has issued several documents addressing the post war recovery and emergency repairs required for the road network. Within each document, the theme is to open up inaccessible areas throughout the country. Estimates are that about 75% of the road network is in very poor condition. DNEP, in conjunction with the provincial authorities, has identified about 8444 kilometers of road that comprise the priority network to be addressed in 1993-94. DNEP, through financing from the European Economic Community (EEC), has contracted with a Harare-based consultant to conduct a rapid appraisal of the priority road network to be repaired and prepare initial specifications and documents for contract bidding purposes.

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 $21 million, will provide a temporary wearing surface on roads that have not received any maintenance activities for two decades. This request 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.

USAID/Maputo supports airlift supply of relief food and other relief supplies and assistance into seven emergency distribution centers along the Zambezi River valley. Many of the landing strips used are of poor quality and cannot support flights of any kind during the wetter periods. One site, Mutarara on the north bank of the river, did not receive any food supplies between mid-November and early February. Costs to deliver food to each center vary by the number of tons delivered. On average, the monthly cost for each center is about $70,000. Over a one year period this totals approximately $5 million for the seven centers. The need for emergency distributions in these sites (and possibly others along the river) is expected to continue for at least one more full agricultural and relief cycle, that is, until May 1994, and perhaps longer.

II. Statement of Objectives

The purpose of this Request for Proposals is to engage the services of a construction management and engineering firm to A) prepare the necessary documents for bidding and contracting civil construction firms to carry out the works herein described, and B) utilizing procedures described in USAID Handbook 11 Chapter 2, Host Country Contracting, pre-qualify civil construction firms, issue bids, analyze bid submissions and recommend contract awards. USAID reserves the right to amend the contract to include the construction supervision activities herein described, subject to the availability of funds and other considerations.

The objective of the Rural Access Activity (RAA) is to open up all-weather road access to areas of high priority for post-drought recovery, emergency relief and post-war reintegration. The project would provide direct access for (i) relief distributions and supply of agricultural inputs to areas currently supplied by costly airlifts, (ii) large numbers of drought and war- displaced persons, refugees and

demobilized soldiers in transit to their homes, and (iii) regenerating commercial activity which is critical to post-drought and post-war social and economic reintegration. The activity will ensure, through contracts with private construction companies, the rapid reconstruction of essential physical infrastructure.

PROPOSED ILLUSTRATIVE ACTIVITY ELEMENTS

1. Gravel Road Rehabilitation

Sofala Province	
Caia - Marromeu	105 kms
Caia - Sena	58
Sena - Chemba	40
Tete Province	
Mutarara - Malawi Border	50
Mutarara - Cambulatsitsi	247
Zambezia Province	
Mutarara - Soma	30
Soma - MR 225 (via Morumbala)	73
TOTAL	603 kms

2. Resealing/Slurry seal

EN 102, Vanduzi - Changara	270 kms

3. Sena Bridge

Procurement and installation of two 60 meter spans, metallic panel bridge

Reconstruct bridge approaches for vehicle traffic

Remove and replace bridge decking with vehicle running surface

This activity would support the grading and reconstruction of up to 603 kilometers of roads within the Zambezi River valley, providing access to several of the current airlift-supplied relief distribution sites. Of the roads identified, those within Tete and Sofala provinces are essential to gain access to the distribution sites presently run by PVOs. The roads identified within Zambezia province connect the villages of Mutarara and Soma with the main north-south link between Beira - Caia - Quelimane. This access to the area is an alternative to the route through Malawi.

The activity will also replace the sabotage-damaged Sena rail bridge spans with metallic "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 only suited for rail traffic. It is extremely unlikely that the rail line will be rehabilitated in the near future, and the availability of general purpose bridge across the Zambezi river would greatly enhance the movement of people, goods, and equipment into the areas along the river valley.

The activity will also 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. Traffic flows are not expected to decrease; to the contrary, traffic is increasing since 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 cost of reconstruction will be significantly higher.

III. Specific Work Requirements

A. Phase 1, Design, Bid Document preparation and Bid analysis

The Contractor will provide the following services:

1.1 Preliminary Design Concepts. The Contractor shall review existing documents prepared by Nicholas O'Dwyer & Partners, confirm their applicability to the roads to be rehabilitated under this activity, and prepare a set of bid documents acceptable for USAID Handbook 11 Chap. 2, Host Country Contracting procedures.

The Contractor will advise the USAID Project Officer and prepare the bid documents into packages based on geographic location, accessibility or other criteria so that work is carried out concurrently at several locations to insure that construction is completed before May 31, 1994.

The Contractor will advise the USAID Project Officer and DNEP as to the most cost-effective and efficient method to contract the work to insure the standards are met yet result in a fixed price contract.

Schedule: within 30 days of contract execution.

1.2 Detailed Design. Detailed design will be in the form of standards for construction. Details pertaining to each section of road will be estimated for bid purposes from the rapid appraisal previously conducted for DNEP by Nicholas O'Dwyer & Partners of Harare, Zimbabwe. The Contractor will be responsible for determining actual requirements in the field.

Tender documents will include:

a. Standard Drawings
b. Preliminary Bill of Quantities or equivalent statement of Units to be constructed
c. Technical specifications and procedures
d. Instruction to Bidders
e. Form of tender
f. Form of bid
g. Form of agreement
h. Conditions of contract
i. Tender schedule

In the preparation of the above the Contractor will perform the following (as well as any other tasks necessary to the accomplishment of the work schedule):

a) Make recommendations on changes required to fit within existing or changed field conditions.

b) Address all potential environmental concerns, particularly from a construction activity point of view, and recommend mitigating measures.

d) The Contractor is responsible for ensuring that the tender documents conform to all existing codes and regulations.

Schedule: Two copies each of the complete draft tender documents, in English, will be submitted to USAID/DNEP within 30 days of the contract execution.

1.3 Along with the draft tender document, the Contractor will provide USAID/DNEP with detailed estimated costs and time to construct. These estimates should give costs for alternate technically feasible construction schedules; the longest of these to be completed by May 31, 1994.

1.4 Prepare a pre-qualification questionnaire, distribute to potential contractors, and assist USAID/DNEP to select capable firms with the capacity to perform the work per USAID Handbook 11, Chap 2.

1.5 Incorporate all comments into tender documents; obtain final approval from USAID/DNEP and any other necessary approvals, licenses or permits; issue final tender documents to short listed contractors.

Schedule: 7 working days from time of issuance of draft documents.

1.6 Participate in the opening of proposals and perform an analysis and evaluation.

Specific evaluation and ranking criteria for the proposals will be established by the Contractor and shall include the following:

- administrative procedures; technical terms of proposal
- construction methodology and work plan
- procurement and quality of proposed materials
- equipment to be employed
- work team
- technical management; construction schedule and duration
- financial terms of proposal
- rates and total costs
- payment schedule
- cash flow

The result of the tender evaluation will be the subject of a specific report, in which recommendations of contract award will be made by the Contractor.

Schedule: 60 days from contract execution.

B. Phase 2, Construction Management

The construction management phase is not to be a part of the proposal. It is presented here to give an indication of the requirements that will follow under a contract amendment subject to the availability of funds.

The Contractor will:

Work with the construction contractor, but in advance of the construction, determine the requirements for each section of road so that the finished product will conform with the specified standards.

Advise USAID/DNEP on project management matters related to the rehabilitation of the activity elements.

Advise USAID/DNEP on required changes to the project, negotiate such eventual changes with the contractors, and incorporate them into the design documents. The above will be done with a view to maintaining high standards of quality at the lowest possible cost.

Maintain all required records on the management of the contract, particularly regarding contractor claims and design changes.

2.1 - Quality Control

Undertake all necessary quality control tests of materials, equipment, and workmanship under the contract, in order to verify compliance with design documents.

Verify and supervise the contractor's resource availability and conditions, in order to assess compliance with the performance targets.

Inspect and verify the contractor's conformance to project drawings and specifications.

Advise USAID/DNEP on the need for special inspections and tests, supervise or carry out these tests and inspections,

2.2 - Quantity Survey

Survey the quantities used and verify the measurement statements of the contractor.

Issue certificates for payment to the contractor after verifying the contractor's invoices.

2.3 - Planning

Verify and approve or recommend approval of the contractor's work plans.

Monitor the progress of the construction services and adherence to the work plan.

Monitor the budget and control costs.

2.4 - Progress Reports

Issue monthly progress reports, in English, to DNEP and USAID (two copies for DNEP, two copies for USAID) describing the progress and highlighting any problems that might eventually affect costs or the schedule for completion.

Reports will contain the following items;

- a complete catalog of the resources assigned to the project by contractor and consultant;
- records on general performance of the construction;
- analysis of physical progress, in comparison with the scheduled progress;
- analysis of the financial progress of the project in comparison with the scheduled progress;
- preventive and corrective actions taken or to be taken to maintain progress;
- records on contract management, potential problems or outstanding claims;
- results of all tests carried out;
- photographic record of the progress of the work.

2.5 - Post-Contract Services

Assess and report on any of the outstanding claims from the contractor.

Prepare and issue the final payment certificate.

Prepare and issue reports on any decisions taken regarding disputes arising under the contract.

Assist USAID/DNEP in the negotiation of any settlement of claims. Assist and advise USAID/DNEP on arbitration.

2.6 - Final Report

Issue a final report in English (4 copies for USAID and 4 for DNEP), at the end of the contract. This report shall describe the performance of the construction contract and compare it to the original plans, discuss any proposals for additional construction, and present full records of actual work performed.

IV. Proposed Level of Effort and Staffing

Technical Team, Tender Document Preparation

The Contractor's team will complete the preparation, submission and analysis of the Tender documents under the supervision of a Civil Engineer. The team will be composed of sufficient technical staff to conduct a review of the existing rapid appraisal and determine its validity. A signed letter from each person proposed stating that they are available and will serve on the team must accompany each proposal.

Technical Team, Construction Management

The Contractor's team will perform the supervision services under the coordination of a Supervision Coordinator (Team Leader). This position will be filled by an engineer duly qualified for the job. The CV and Biographical Data Sheet Form for this engineer will be submitted to the USAID Project Officer for approval as part of this proposal.

The daily routine supervision services will be performed by a full-time Site Supervisor. This position will be filled by a technician with experience in similar jobs and will be subject to prior USAID Project Officer approval.

The supervision will be supported by engineers (civil and structural) as required. These engineers will be part-time members of the supervision team. Technical supervision visits will be scheduled in accordance with the Construction Contractor's work plan.

Office Support

The Contractor's office resources will provide the following types of support to the team on a permanent basis:
data processing (physical and financial progress planning and monitoring);
the issuance of reports, translations and copying; and administrative and logistics support (communications, transport etc.)

SELECTION CRITERIA

1. Technical qualifications and experience of proposed personnel in rural road rehabilitation. 30 pts

2. Relevant experience of personnel in developing countries. 10 pts

3. Demonstrated ability to meet desired implementation schedule. 20 pts

4. Demonstrated understanding of work requirements. 20 pts

5. Ability to provide logistical support. 20 pts

ANNEX K Statement of Work Project Management Specialist

Statement of Work

Objective: To obtain the services of a Personnel Services Contractor who will have the primary responsibility for supporting and implementing the Rural Access Activity. Services are to commence on or about October 1, 1993 and continue for a 15-month period. 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.

Roads opened under the Rural Roads Activity will provide access for:

* relief distributions to areas currently supplied by costly airlifts

* returning drought-displaced persons and refugees

* reestablishing family farms abandoned because of the drought

* regenerating commercial activity which is critical to post-drought social and economic reintegration

Specific Tasks:

1. The Contractor will ensure that all implementation actions are completed on schedule or adjusted to meet changing conditions. These actions include recommending selection of consultants and contractors, procurement of equipment and materials, monitoring of project accounts, establishing a system of project tracking, and maintaining a complete file on all project documentation.

2. The Contractor shall represent USAID on committees, panels, and in meetings related to the project. He/she will act as the liaison between USAID management and GRM officials, and GRM-employed consultants and contractors.

3. Under the Rural Access Activity, the National Directorate for Roads and Bridges (DNEP) will administer host country contracts. The Contractor shall participate and provide oversight in this process, and arrange meetings between USAID and the implementing agencies.

4. The Contractor will maintain and distribute a current detailed implementation report; distribute consultants' and contractors' periodic reports as appropriate; advise and consult with USAID management on actual and potential implementation problems; and keep current on project expenditures.

5. The Contractor will draft, or oversee the drafting of, all

project documentation initiating in USAID. This will include, but not be limited to, memos, reports, implementation letters and project implementation orders. He/she will also process all documentation sent to USAID, such as contract awards, budget forecasts, etc.

6. The Contractor will employ the expertise of other USAID offices. This will require coordination with (1) the Engineering Office on technical issues, (2) the Regional Commodity Management Officer and the Mission Commodity Import Program office on CBD notices, RFPs, IFBs, and commodity management, (3) the Legal Advisor or Contracting Officer on technical assistance and construction bid awards and contracts, (3) the Controller regarding allowances to fund USAID contracts as well as financial matters regarding the Rural Access Activity, and (4) others as necessary.

BUDGET

Compensation	
1. Salary	$41,000
2. Post Differential	$8,037
Total Salary Compensation	$49,037
Benefits & Allowances	
3. FICA - AID Contribution	$ 3,751
4. Air Fare (economy class) to Maputo and return plus 22 lbs	$ 6,000
5. Per Diem 60 days @ $200/day	$12,000
213 days @ $162/day	$34,506
6. Operational Travel	$20,000
7. Health and Life Insurance (including medical evacuation)	$ 2,000
8. Pre-contract costs (passport, visa, medical exam)	$ 2,000
9. Mission Medical Unit Fee	$ 450
10. Inspection Vehicle delivered to Beira 4-wheel drive	$35,000
11. Contingency	$20,380
12. Housing/furniture/appliances (est.)	$39,876
Total:	**$225,000**

ANNEX L Draft List of Bridge Material

BRIDGING MATERIALS

No.	Description	Unit	Quantity	Unit Price	Total Price
1.	Extra Wide Deck (4.4m Carriagewide x 3.048m long bays, galv. finish to carry AASHTO HS25-44	EA	830		
2.	M2 Bailey Bridge with 4.4m deck width. Galv. finish. Designed to carry AASHTO HS25-44, 3.048m long bays	EA	140		
3.	Transoms				
4.	Swaybrace				
5.	Base Plate				
6.	Bearing				
7.	Swaybrace Bolt				
8.	Stringer Clasmp Assy.				
9.	Transom Set Bolt				
10.	Longitudinal Beams				

ANNEX M STATUTORY CHECKLISTS

3M(1) - COUNTRY CHECKLIST

Effective Date: April 19, 1993

A. COUNTRY ELIGIBILITY CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUND ASSISTANCE

1. **Narcotics Certification**

(FAA Sec. 490): (This provision applies to assistance provided by grant, sale, loan, lease, credit, guaranty, or insurance, except assistance relating to international narcotics control, disaster and refugee relief assistance, narcotics related assistance, or the provision of food (including the monetization of food) or medicine, and the provision of non-agricultural commodities under P.L. 480. This provision also does not apply to assistance for child survival and AIDS programs which can, under section 542 of the FY 1993 Appropriations Act, be made available notwithstanding any provision of law that restricts assistance to foreign countries.) If the recipient is a "major illicit drug producing country" (defined as a country producing during a fiscal year at least five metric tons of opium or 500 metric tons of coca or marijuana) or a "major drug-transit country" (defined as a country that is a significant direct source of illicit drugs significantly affecting the United States, through which such drugs are transported, or through which significant sums of drug-related profits are laundered with the knowledge or complicity of the government):	Mozambique has not been defined a "major illicit drug producing country" or as a "major drug transit country."
(1) has the President in the April 1 International Narcotics Control Strategy Report (INSCR) determined and certified to the Congress (without Congressional enactment, within 45 calendar days, of a resolution disapproving such a certification), that (a) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to satisfy the goals and objectives	NA

established by the U.N. Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, or that (b) the vital national interests of the United States require the provision of such assistance?

(2) with regard to a major illicit drug producing or drug-transit country for which the President has not certified on April 1, has the President determined and certified to Congress on any other date (with enactment by Congress of a resolution approving such certification) that the vital national interests of the United States require the provision of assistance, and has also certified that (a) the country has undergone a fundamental change in government, or (b) there has been a fundamental change in the conditions that were the reason why the President had not made a "fully cooperating" certification. NA

2. **Indebtedness to U.S. citizens** (FAA Sec. 620(c): If assistance is to a government, is the government indebted to any U.S. citizen for goods or services furnished or ordered where: (a) such citizen has exhausted available legal remedies, (b) the debt is not denied or contested by such government, or (c) the indebtedness arises under an unconditional guaranty of payment given by such government or controlled entity? No.

3. **Seizure of U.S. Property** (FAA Sec. 620(e)(1)): If assistance is to a government, has it (including any government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obliga-tions toward such citizens or entities? No.

4. **Communist countries** (FAA Secs. 620(a), 620(f), 620D; FY 1993 Appropriations Act Secs. 512, 543): Is recipient country a Communist country? If so, has the President: (a) determined that No.

assistance to the country is vital to the security of the United States, that the recipient country is not controlled by the international Communist conspiracy, and that such assistance will further promote the independence of the recipient country from international communism, or (b) removed a country from applicable restrictions on assistance to communist countries upon a determination and report to Congress that such action is important to the national interest of the United States? Will assistance be provided either directly or indirectly to Angola, Cambodia, Cuba, Iraq, Libya, Vietnam, Iran or Syria? Will assistance be provided to Afghanistan without a certification, or will assistance be provided inside Afghanistan through the Soviet-controlled government of Afghanistan?

5. **Mob Action** (FAA Sec. 620(j)): Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property? No.

6. **OPIC Investment Guaranty** (FAA Sec. 620(l)): Has the country failed to enter into an investment guaranty agreement with OPIC? No.

7. **Seizure of U.S. Fishing Vessels** (FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 5): (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made? No.

8. **Loan Default** (FAA Sec. 620(q); FY 1993 Appropriations Act Sec. 518 (Brooke Amendment)): (a) Has the government of the recipient country been in default for more than six months on interest or principal of any loan to the country under the FAA? No.
(b) Has the country been in default for more than one year on interest or principal on No.

any U.S. loan under a program for which the FY 1990 Appropriations Act appropriates funds?	
9. **Military Equipment** (FAA Sec. 620(s)): If contemplated assistance is development loan or to come from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget and amount of the country's foreign exchange or other resources spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)	NA
10. **Diplomatic Relations with U.S.** (FAA Sec. 620(t)): Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?	No.
11. **U.N. Obligations** (FAA Sec. 620(u)): What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the A.I.D. Administrator in determining the current A.I.D. Operational Year Budget? (Reference may be made to the "Taking into Consideration" memo.)	While Mozambique was slightly in arrears as of January 1, 1993, it was not delinquent within the meaning of Article 19 of the UN Charter. This arrearage was taken into consideration by the Administrator.
12. **International Terrorism**	
a. **Sanctuary and support** (FY 1993	

Appropriations Act Sec. 554; FAA Sec. 620A): Has the country been determined by the President to: (a) grant sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or (b) otherwise support international terrorism, unless the President has waived this restriction on grounds of national security or for humanitarian reasons?	No. No.
b. **Airport Security** (ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures?	No.
13. **Discrimination** (FAA Sec. 666(b)): Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA?	No.
14. **Nuclear Technology** (FAA Secs. 669, 670): Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.)	No, in response to all questions in section 14.

15. **Algiers Meeting** (ISDCA of 1981, Sec. 720): Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on Sept. 25 and 28, 1981, and did it fail to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the "Taking into Consideration" memo.)	Mozambique was represented and failed to disassociate itself from the communique. This was taken into account by the Adminstrator at the time of approval of Agency OYB.
16. **Military Coup** (FY 1993 Appropriations Act Sec. 513): Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance?	No.
17. **Refugee Cooperation** (FY 1993 Appropriations Act Sec. 538): Does the recipient country fully cooperate with the international refugee assistance organizations, the United States, and other governments in facilitating lasting solutions to refugee situations, including resettlement without respect to race, sex, religion, or national origin?	Yes.
18. **Exploitation of Children** (FAA Sec. 116(b)): Does the recipient government fail to take appropriate and adequate measures, within its means, to protect children from exploitation, abuse or forced conscription into military or paramilitary services?	No.

B. COUNTRY ELIGIBILITY CRITERIA APPLICABLE ONLY TO DEVELOPMENT ASSISTANCE ("DA")

1. **Human Rights Violations** (FAA Sec. 116): Has the Department of State	No.

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

2. **Abortions** (FY 1993 Appropriations Act Sec. 534): Has the President certified that use of DA funds by this country would violate any of the prohibitions against use of funds to pay for the performance of abortions as a method of family planning, to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilization as a method of family planning, to coerce or provide any financial incentive to any person to undergo sterilizations, to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? No.

C. COUNTRY ELIGIBILITY CRITERIA APPLICABLE ONLY TO ECONOMIC SUPPORT FUNDS ("ESF")

Human Rights Violations (FAA Sec. 502B): Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest? No.

3M(2) - ASSISTANCE CHECKLIST

Effective Date: April 19, 1993

A. CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

1.	**Host Country Development Efforts** (FAA Sec. 601(a)): Information and conclusions on whether assistance will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.	The assistance is specifically intended to increase international trade (a), encourage private initiative and competition (b). It will not specifically encourage cooperatives (c) or savings and loan associations (d), labor unions (f), but should help improve agriculture and commerce (e).
2.	**U.S. Private Trade and Investment** (FAA Sec. 601(b)): Information and conclusions on how assistance will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).	It is not anticipated that the project will affect U.S. private trade appreciably, except in procurement of some commodities.
3.	**Congressional Notification**	
	a. **General requirement** FY 1993 Appropriations Act Sec. 522; FAA Sec. 634A): If money is to be	N/A

	obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the Appropriations act notification requirement has been waived because of substantial risk to human health or welfare)?	
b.	**Notice of new account obligation** (FY 1993 Appropriations Act Sec. 514): If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?	Congressional Notification was included under previous notifications.
c.	**Cash transfers and non-project sector assistance** (FY 1993 Appropriations Act Sec. 571(b)(3)): If funds are to be made available in the form of cash transfer or non-project sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted?	N/A
4.	**Engineering and Financial Plans** (FAA Sec. 611(a)): Prior to an obligation in excess of $500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?	Plans have been made, and 611(a) certification is attached.
5.	**Legislative Action** (FAA Sec. 611(a)(2)): If legislative action is required within recipient country with respect to an obligation in excess of $500,000, what is the basis for a reasonable	No legislative action is necessary.

	expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?	
6.	**Water Resources** (FAA Sec. 611(b); FY 1993 Appropriations Act Sec. 501): If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, *et seq.*)?	N/A
7.	**Cash Transfer and Sector Assistance** (FY 1993 Appropriations Act Sec. 571(b)): Will cash transfer or non-project sector assistance be maintained in a separate account and not commingled with other funds (unless such requirements are waived by Congressional notice for non-project sector assistance)?	N/A
8.	**Capital Assistance** (FAA Sec. 611(e)): If project is capital assistance (*e.g.*, construction), and total U.S. assistance for it will exceed $1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively?	A 611(e) certification has been made by the Director.
9.	**Multiple Country Objectives** (FAA Sec. 601(a)): Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.	See A.1 above.
10.	**U.S. Private Trade** (FAA Sec. 601(b)):	The project

Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).	will not encourage U.S. trade directly.

11. **Local Currencies**

a. **Recipient Contributions** (FAA Secs. 612(b), 636(h)): Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.	No host country contributions are ~~being requested~~ required because this is a regional project, ~~and Mozambique is a relatively least developed country~~. Nonetheless, the host country in-kind contribution to the project is estimated at $9,788,000. There are no U.S.-owned currencies.
b. **U.S.-Owned Currency** (Faa Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?	No, the U.S. owns no excess local currency.
	N/A
c. **Separate Account** (Fy 1993 Appropriations Act Sec. 571). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies:	
(1) Has AID (a) required that local currencies bye deposited in a separate account established by the recipient government, (b) entered	

into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of AID and that government to monitor and account for deposits into and disbursements from the separate account?

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

(3) Has AID taken all appropriate steps to ensure that the equivalent of local currencies disbursed form the separate account are used for the agreed purposes? N/A

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

N/A

12. **Trade Restrictions**

a. **Surplus Commodities** (FY 1993 Appropriations Act Sec. 520(a)): If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

b. **Textiles (Lautenberg Amendment)** No.

(FAA 1993 Appropriations Act Sec.520(c)): Will the assistance (expert for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807 which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, pre-feasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?

13. **Tropical Forests** (FY 1991 Appropriations Act Sec. 533(c)(3)(as referenced in section 532(d) of the FY 1993 Appropriations Act): Will funds be used for program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas? — No.

14. **PVO Assistance**

a. **Auditing and registration** (FY 1993 Appropriations Act Sec. 536): If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of AID, and is the PVO registered with AID? — NA

b. **Funding sources** (FY 1993 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): If assistance is to be made a United States PVO (other than a cooperative development organization), does it — N/A

obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?

15. **Project Agreement Documentation** (State Authorization Sec. 139 (as interpreted by conference report)): Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and AID LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).

~~NA~~ CONFIRMATION WILL BE CABLED WITHIN 60 DAYS OF EXECUTION

16. **Metric System** (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through AID policy): Does the assistance activity use the metric system of measurement in its procurement, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will AID specifications use metric units of measure form the earliest programmatic stages, and form the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

Yes.

17. **Women in Development** (FY 1993 Appropriations Act, Title II, under heading "Women in Development"): Will assistance be designed so that the

No, this project will primarily affect the

	percentage of women participants will be demonstrably increased?	rural population, returning refugees, and displaced people. Of the adults in these population, more than 50% women.
18.	**Regional and Multilateral Assistance** (Faa Sec. 209): Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs.	The assistance being provided is being coordinated under an overall multi-donor program supported by the World Bank.
19.	**Abortions** (FY 1993 Appropriations Act, Title II, under heading "Population, DA," and Sec. 524):	
	a. Will assistance be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?	No.
	b. Will any funds be used to lobby for abortion?	No.
20.	**Cooperatives** (FAA Sec. 111): Will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life?	Not directly
21.	**U.S.-Owned Foreign Currencies**	
	a. **use of currencies** (FAA Secs. 612(b), 636(h); Fy 1993 appropriation Act Secs. 507, 509): Are steps being taken to assure that, to the maximum extent	NA

	possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services?	
b.	**Release of currencies** (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for is release?	NA
22.	**Procurement**	
a.	**Small business** (FAA Sec. 602(A)): Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?	Yes, prime contractors are being encouraged to subcontract with Gray Amendment firms.
b.	**U.S. Procurement** (FAA Sec. 604(a) as amended by section 597 of the FY 1993 Appropriations Act): Will all procurement be from the U.S., the recipient country, or developing countries except as otherwise determined in accordance with the criteria of this section?	Yes.
c.	**Marine insurance** (FAA Sec. 604(d)): If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company?	NA
d.	**Non-U.S. agricultural procurement** (FAA Sec. 604(e)): If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in the U.S.)	NA
e.	**Construction or engineering**	No.

	services (FAA Sec. 604(g)): Will construction or engineering services be procured form firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.)	
f.	**Cargo preference shipping** (FAA Sec. 603)): Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned u.S, flag commercial vessels to the extent such vessels are available at fair and reasonable rates?	No.
g.	**Technical assistance** (FAA Sec. 621(a)): If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?	A limited competition for technical services will be used, and a waiver for such limited competition was received.
h.	**U.S. carriers** (International Air Transportation Fair Competitive Practices Act, 1974): If air transportation of persons or property is financed on grant	Yes.

	basis, will U.S. carriers be used to the extent such service is available?	
i.	**Termination for convenience of U.S. Government** (FY 1993 Appropriations Act Sec. 504): If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?	This provision will be included in any contracts involving the U.S. Government.
j.	**Consulting services** (FY 1993 Appropriations Act Sec. 523): If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)	Yes.
k.	**Metric conversion** (Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through AID policy): Does the assistance program use the metric system of measurement in its procurement, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will AID specifications use metric units of measure from the earliest programmatic stages, and from the early documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and	Yes, to the extent possible, all units will be in metric. Engineering designs, plans, and drawings will be in metric. Contracting will be done in metric units. Only in some instances of procurement directly from the U.S. is it likely that non-metric units will be used.

weight), through the implementation stage?	
l. **Competitive Selection Procedures** (FAA Sec. 601(e)): Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?	Competitive procurement will be used, although due to the emergency nature of the project, limited competition will be done in some cases.
23. **Construction**	
a. **Capital project** (FAA Sec. 601(d)): If capital (e.g., construction) project, will U.S. engineering and professional services be used?	Yes. RFPs have already been sent to U.S. professional firms to supply these services.
b. **Construction Contract** (FAA Sec. 601(C)): If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?	Yes, several contracts are planned to be executed on a competitive basis.
c. **Large projects, Congressional approval** (FAA Sec. 620(K)): If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed $100 million (except for productive enterprises in Egypt that were described in the Congressional Presentation), or does assistance have the express approval of Congress?	The assistance does not exceed $100 million.
24. **U.S. Audit Rights** (FAA Sec. 301(d)): If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights?	N/A
25. **Communist Assistance** (FAA SEC. 620(h)): Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes	The project will in no way assist these countries.

or assists the foreign aid projects or activities of the Communist-bloc countries?

26. **Narcotics**

a. **Cash reimbursement** (FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? — No ~~NA~~ yes

b. **Assistance to narcotics traffickers** (FAA Sec. 487): Will arrangements take "all reasonable steps" to preclude use of financing to r through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances): or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, and such controlled substance? — Yes

27. **Expropriation and Land Reform** (FAA Sec. 620(g): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? — NA

28. **Police and Prisons** (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? — Yes.

29. **CIA Activities** (FAA Sec. 662): Will assistance preclude use of financing for CIA activities? — Yes.

30. **Motor Vehicles** (FAA Sec. 636(i)): Will assistance preclude use of financing for purchase, sale, long-term lease, — Yes.

exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained?

31. **Military Personnel** (FY 1993 Appropriations Act Sec. 503): Will assistance preclude use of financing to pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? — Yes.

32. **Payment of U.N. Assessments** (FY 1993 Appropriations Act Sec. 505): Will assistance preclude use of financing to pay U.N. assessments, arrearages or dues? — Yes.

33. **Multilateral Organization Lending** (FY Appropriations Act Sec. 506): Will assistance preclude use of financing to carry out provisions of the FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? — Yes.

34. **Export of Nuclear Resources** (FY 1993 Appropriations Act Sec. 510): Will assistance preclude use of financing to finance the export of nuclear equipment, fuel, or technology? — Yes.

35. **Repression of Population** (FY 1993 Appropriations Act Sec. 511): Will assistance preclude use of financing for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? — Yes.

36. **Publicity or Propaganda** (FY 1993 Appropriations Act Sec. 516): Will assistance be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? — No.

37. **Marine Insurance** (FY 1993 Appropriations Act Sec. 560): Will any AID contract and — Yes.

solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate?

38. **Exchange for Prohibited Act** (FY 1993 Appropriations Act Sec. 565): Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of united States law? No.

39. **Commitment of Funds** (FAA Sec. 635(h)): Does a contract or agreement entail a commitment for the expenditure of funds during a period in excess of 5 years from the date of the contract or agreement? No.

40. **Impact on U.S. Jobs** (FY 1993 Appropriations Act, Sec. 599):

    (a) Will any financial incentive be provided to a business located in the United States for the purpose of inducing that business to relocate outside the U.S. in a manner that would likely reduce number of U.S. employees of that business? No.

    (b) Will assistance be provided for the purpose establishing or developing an export processing zone or designated area in which the country's tax, tariff, labor, environment, and safety laws do not apply? If so, has the President determined and certified that such assistance is not likely to cause a loss of jobs within the U.S.? No.

    (c) Will assistance be provided for a No.

project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country?

B. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

1.	**Agricultural Exports (Bumpers Amendment)** FY 1993 Appropriations Act Sec. 521(b), as interpreted by conference report for original enactment): If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference,or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S.producers?	The project is not an agricultural project.
2.	**Tied Aid Credits** (FY 1993 Appropriations Act, Title II, under heading "Economic Support Fund"): Will DA funds be used for tied aid credits?	No.
3.	**Appropriate Technology** (FAA Sec. 107): Is special emphasis placed on use of appropriate technology (defined as relatively smaller cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?	The roads will be built by contractors but the project and the GRM implementing agency encourage labor intensive methods.

4.	**Indigenous Needs and Resources** (FAA Sec. 281(b)): Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.	The project will use the technical and administrative services of the host government, and use host country contracting for work. It is too short in duration for other institutional development.
4.	**Economic Development** (FAA Sec. 101(a)): Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?	Yes.
5.	**Special Development Emphases** (FAA Secs. 102(b), 113, 281(a)): Describe extent to which activity will: (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) encourage democratic private and local governmental institutions: (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.	The Rural Access Activity specifically addresses all of the points noted. It will be concentrated in a rural area, encourage people to return to productive, labor-intensive employment, help to reunite the area with the rest of the country, help to promote free and democratic elections, ease the burden and open opportunities for all members of the rural area, and help to develop the regional transport system and encour-

		age regional trade.
7.	**Recipient Country Contribution** (FAA Secs. 110, 124(d)): Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?	~~The requirement of host country financial participation has been waived, and~~ The requirements are not applicable ~~for the regional drought relief project~~ To this Project. However, the HC government will contribute a substantial amount of financing in kind during project implementation and for road maintenance after project completion.
8.	**Benefit to Poor Majority** (FAA Sec. 128(b)): If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?	The project is mainly a rural roads project, not institutional or scientific in nature. It does, however, benefit the poor majority.
9.	**Abortions** (FAA Sec. 104(f); FY 1993 Appropriations Act, Title II, under heading "Population, DA," and Sec. 534):	
	a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?	No.
	b. Are any of the funds to be used to pay for the performance of involuntary sterilization as a	No.

	method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?	
c.	Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?	No.
d.	Will funds be made available only to voluntary family planning project which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services?	NA
e.	In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning?	No.
f.	Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?	No.
g.	Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization?	No.
10.	**Contract Awards** (FAA Sec. 601(e)): Will the project utilize competitive selection procedures for awarding of contracts, except where applicable procurement rules allow otherwise?	A waiver was granted for less-than-full competitive bidding for T.A. services.

	All other contracts will be competitive.
11. **Disadvantaged Enterprises** (FY 1993 Appropriations Act Sec. 563): What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?	None, the majority of the funds will be for specific construction materials and host country contracting.
12. **Biological Diversity** (FAA Sec. 119(g): Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?	Funds are limited for road and bridge repair. The USAID Mission has just completed a Program Environmental Assessment to assure the prevention of park, forest or other degradation, or determine what, if any, mitigating measures are needed.
13. **Tropical Forests** (FAA Sec. 118; FY 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act:	
a. **AID Regulation 16:** Does the assistance comply with the environmental procedures set forth in AID Regulation 16?	Yes.
b. **Conservation:** Does the assistance place a high priority on conservation and sustainable	

management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6)conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government	1. Yes 2. Yes 3. No 4. Yes 5. Yes 6. Partially, by returning people to previously cultivated lands. 7. No 8. No 9. The IEE paid particular attention to conserving parks and forests, and assured the Mission that the activities would not harm forest resources, and would, in fact, help to conserve them.

agencies and other donors of the immediate and long-term value of tropical forests; (11) utilize the resources and abilities of all relevant U.S. Government agencies; (12) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land; (and (13) take full account of the environmental impacts of the proposed activities on biological diversity?	10. No 11. No 12. Yes 13. Yes
d. **Sustainable forestry** If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?	The project does not relate to forests.
e. **Environmental impact statements:** Will funds be made available in accordance with provisions of FAA Section 117c) and applicable AID regulations requiring an environmental impact statement for activities significantly affecting the environment?	An environmental impact statement is being prepared for all of the Mission's "transition" activities. An IEE is incorporated in the project paper.
14. **Energy** (Fy 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act): If assistance relates to energy, will such assistance focus on: (a) end-use energy efficiency, least-cost energy planning, and renewable energy resources, and (b) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases?	The assistance does not relate to energy.
15. **Debt-for-Nature** (FAA Sec. 463): If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (a) the wold's oceans and atmosphere, (b) animal and plant species, and (c) parks and reserves; or describe how the exchange	NA

will promote: (d) natural resource management, (e) local conservation programs, (f) conservation training programs, (g) public commitment to conservation, (h) land and ecosystem management, and (i) regenerative approaches in farming, forestry, fishing, and watershed management.

16.	**Deobligation/Reobligation** (FY 1993 Appropriations Act Sec. 515): If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?	NA
17.	**Loans**	NA, the project will be supported with grant funds, therefore this section does not apply.
	a. **Repayment capacity** (FAA Sec. 122(b)): Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.	
	b. **Long-range plans** (FAA Sec. 122(b)): Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?	
	c. **Interest rate** (FAA Sec. 122(b)): If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter?	
	d. **Exports to United States** FAA Sec. 620(d)): If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has	

the requirement to enter into such an agreement been waived by the President because of a national security interest?

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

See number 6 above.

19. **Agriculture, Rural Development and Nutrition,** and **Agricultural Research** (FAA Secs. 103 and 103A:

a. **Rural poor and small farmers:** If assistance is being made available for agriculture, rural development or nutrition, describe extent to which activity is specifically designed to increase productivity and income of rural poor; or if assistance is being made available for agricultural research, has account been taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made.

NA

b. **Nutrition:** Describe extent to which

NA

	assistance is used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people.	
c.	**Food security:** Describe extent to which activity increase national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.	The activity will greatly increase the distribution network for food, encourage greater production by returning rural people to their farms, and improve food security by encouraging business and commerce in the project area.
20.	**Population and Health** (FAA Secs. 104(b) and (c)): If assistance is being made available for population or health activities, describe extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs f mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.	NA
21.	**Education and Human Resources**	NA. The

	Development (FAA Sec. 105): If assistance is being made available for education, public administration, or human resource development, describe (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.	activity will have only minimal training concerns through the technical assistance to the implementing agency component.
22.	**Energy, Private Voluntary Organizations, and Selected Development Activities** (FAA Sec 106: If assistance is being made available for energy, private voluntary organizations, and selected development problems, describe extent to which activity is:	NA
	a. concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment;	
	b. concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;	NA
	c. research into, and evaluation of, economic development processes and techniques;	NA

d.	reconstruction after natural or manmade disaster and programs of disaster preparedness;	The activity will specifically be concerned with rehabilitation of rural roads and bridges after war and drought in the country.
e.	for special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance;	NA
f.	for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.	NA
23.	**Capital Projects** (Jobs Through Export Act of 1992, Secs. 303 and 306(d)): If assistance is being provided for a capital project, is the project developmentally sound and will the project measurably alleviate the worst manifestations of poverty or directly promote environmental safety and sustainability at the community level?	Yes

STATUTORY CHECKLIST SUPPLEMENTS FOR AFRICA FY 1993

The following checklist supplements 5C(2) - ASSISTANCE CHECKLIST:

D. CRITERIA APPLICABLE TO DEVELOPMENT FUND FOR AFRICA ASSISTANCE ONLY

1. (FAA Sec. 496): If assistance will come from the Sub-Saharan Africa DA account (<u>the DFA</u>), is it--

(1) to be used to help the poor majority in Sub-Saharan Africa through a process of — Yes.

long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant;

(2) to be used to promote sustained economic growth, encourage private sector development, promote individual initiatives, and help to reduce the role of central governments in areas more appropriate for the private sector; — Yes.

(3) to be provided in a manner that takes into account, during the planning process, the local-level perspectives of the rural and urban poor, including women, through close consultation with African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; — Yes.

(4) to be implemented in a manner that requires local people, including women, to be closely consulted and involved, if the assistance has a local focus; — Yes.

(5) being used primarily to promote reform of critical sectoral economic policies or to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services education, and income generating opportunities; and — Yes.

(6) to be provided in a manner that, if policy reforms are to be effected, contains provisions to protect vulnerable groups and the environment from possible negative consequences of the reforms? — Yes.

2. (FY 1993 Appropriations Act): Have measures been taken to assure that DFA funds will not be used for tied-aid credits? — NA

E. CRITERIA APPLICABLE TO DFA AND DFA ASSISTANCE TO ETHIOPIA, SOMALIA AND SUDAN — NA

(Horn of Africa Recovery and Food Security Act, P.L. 102-274 April 21, 1992): If DA or DFA assistance is provided to Ethiopia, Somalia or Sudan other than

through--

(1) U.S., international or indigenous PVOs, as defined in FAA §496(e); or — NA

(2) international organizations that have demonstrated effectiveness in working in partnership with local NGOs and are committed to the promotion of local grassroots activities on behalf of development and self-reliance in the Horn of Africa-- — NA

has a certification been made with respect to that country by the President to the appropriate congressional committees that the government of the specified country-- — NA

(1) has begun to implement peace agreements, national reconciliation agreements, or both; — NA

(2) has demonstrated a commitment to human rights within the meaning of FAA §§116 and 502B; — NA

(3) has manifested a commitment to democracy, has held or established a timetable for free and fair elections, and has agreed to implement the results of those elections; and — NA

(4) has agreed to distribute developmental assistance on the basis of need without regard to political affiliation, geographic location, or the ethnic, tribal, or religious identity of the recipient. — NA

F. CRITERIA APPLICABLE TO DA AND DFA ASSISTANCE TO ZAIRE

(FY 1993 Appropriations Act): Have measures been taken to prohibit transfer of DA or DFA funds to the Government of Zaire, recognizing however that this does not prohibit NGOs from working with appropriate ministries or departments of the Government of Zaire. — NA

G. CRITERIA APPLICABLE TO ESF ASSISTANCE TO KENYA

(FY 1993 Appropriations Act Sec 577): If ESF funds are made available for Kenya, has the President of the United States determined and certified to Congress that the Government of Kenya-- NA

(1) has released all political detainees and has ended the prosecution of individuals for the peaceful expression of their political beliefs; NA

(2) has ceased the physical abuse or mistreatment of prisoners; NA

(3) has restored judicial independence; NA

(4) has taken significant steps toward respecting human rights and fundamental freedoms, including the freedom of thought, conscience, belief, expression, and the freedom to advocate the establishment of political parties and organizations; and NA

(5) has set and published an elections schedule or timetable for the holding of multi-party elections. NA

H. CRITERIA APPLICABLE TO ASSISTANCE TO LIBERIA

Democratic and Electorial Assistance (P.L. 102-270, April 16, 1992): is assistance being provided to Liberia notwithstanding FAA Section 620(q) or any similar provision and solely for nonpartisan election and democracy building assistance to support democratic institutions in Liberia or for assistance for the resettlement of refugees, the demobilization and retraining of troops and the provision of other appropriate assistance to implement the Yamoussoukro peace accord. If so, has the President determined and certified to the Committee on Foreign Relations and the Committees on Appropriations of the Senate and the Common Foreign Affairs and the Committee on Appropriations of the House of NA

Representatives -

(1) that Liberia has made significant progress toward democratization, NA

(2) that the provision of such Assistance will assist Liberia in making further progress and NA

(3) that the assistance in the U.S. national interest? NA

ANNEX N World Bank ROCS II Project
(transcribed from FAX copy)

DRAFT FINAL EXECUTIVE PROJECT SUMMARY

Borrower: Republic of MozambiqueDate:June 7, 1993

Project: Second Roads and Coastal Shipping Project

EA Category :B
Appraisal Date:June 1993
Board Date:March 1994

Tentative Financing Plan:	IDA	US $155 Million
	Donors:	Committed280 Million
		Indicative150 Million
	Government:	205 Million
	Total:	US $790 Million

Background: Prolonged insecurity, periodic drought, and ineffective centralized planning and economic management since 1975, brought about widespread economic chaos and human suffering in Mozambique. Many of the rural population either fled the country, or took refuge in urban centers, with resulting overcrowding, chronic unemployment, poverty and famine. Today, Mozambique has the lowest per capita GDP in the world. Since 1987 the Government of Mozambique (GRM) has been addressing the major macro-economic and fiscal instability and has established appropriate growth incentives. Early successes, such as a reversal of the collapse in production and exports and the achievement of an annual real growth rate of 5.4% in GDP from 1987-1990, did not continue into the 1990s (the economy has stagnated), due in large part to the continued insecurity. In October 1992, a peace accord was signed. The reconstruction of the Mozambican economy is now an urgent task. Poverty reduction and economic growth will depend on the recovery of the agricultural sector, which accounts for roughly 50% of both employment and export earnings. (From 1975 to 1986, overall agricultural production fell by about 30% and exports by nearly 75%). The most important requirement for recovery of agricultural production and efficient distribution of marketable surpluses is the restoration of reliable and efficient transport services. About 60% of the 5,000 km paved network and about 90% of the 23,000 km unpaved network are in poor condition or worse, due historically to: (i) lack of security which prevented maintenance from taking place; (ii) inadequate institutional capacity to manage the network; (iii) inefficient operational policies and procedures (especially in procurement and contracting); and (iv) lack of adequate, assured funding. In addition to the poor road conditions, the advanced age, poor

state of repair and low utilization of the trucking fleet limits transportation services. Under the First Roads and Coastal Shipping Project - ROCS-1 (Cr. 2374-Moz), progress has been made in developing an adequate policy and regulatory framework, including greater participation by the private sector and improved operational, financial and managerial efficiency in public enterprises and government departments, the initiation of a comprehensive institution building and training program; and preparation of a civil works program to improve selected road infrastructure. Less than nine months after the effectiveness of ROCS-1, contracts have been signed for 30% of the roads portion of the credit, with procurement well advanced for another 30%. It is now urgent that civil works proceed without delay.

Objectives. The primary objectives of the project are: (i) to improve road transport and to protect selected past road investments through rehabilitation of priority roads and the elimination of much of the huge backlog of periodic maintenance; (ii) to further strengthen the capacity of the Road Sector, by continuing the regulatory reform and institution building initiated under ROCS-1, to ensure effective planning and monitoring by the government; and (iii) to develop private sector contractors and operators.

Description. The project has been designed to be implemented in a flexible manner. Due to uncertainty at this stage surrounding projected agricultural development (and hence traffic levels) and road conditions and rehabilitation costs, pre-determining the detailed investments for the outer years of a five years program would be ill-advised. Hence, the first two years of the program will be defined and appraised in detail, as would the overall scope of the five year program and an illustrative program for years 1996-1998. After the first two years, annual review will determine the details of the next years' program, based on clear criteria/methodology agreed at negotiations, and supported by data to be collected with the assistance of the TA to the provincial engineers. For the five years 1994-1998 the project would include a civil works program comprising: (i) emergency rehabilitation of about 9,000 km of roads and about 5,000 m of Bailey Bridges in all 10 provinces; (ii) "backlogged maintenance on about 1,900 km of priority roads and 2,000 m of bridges; (iii) rehabilitation of about 3,450 km priority trunk roads; (iv) labor based reconstruction of about 3,250 km of feeder roads; and, (v) current routine and periodic maintenance of that portion of the network in good or fair condition. For the first two years, priorities have been set based on the need to open emergency access and implement urgent maintenance, the priority districts program; and ongoing programs and roads that are "ready to go". The first two years would comprise civil works of about $315 million including: (i) a two-year emergency post war program aimed at opening access to key agricultural areas and commencing

urgent preventative maintenance, covering about 8,700 km of roads and 3,000 m of bridges in all 10 provinces (ii) "backlogged" maintenance on about 1,200 km of priority roads (and an additional $6 million Bailey Bridge program); (iii) rehabilitation of about 530 km of paved roads under 4 special projects; (iv) rehabilitation of about 435 km of priority paved trunk roads; (v) implementation of the second phase of the UNDP-coordinated Feeder Road Program (FRP), covering labor based reconstruction of 1,250 km of feeder roads in 40 districts; and (vi) current routine and periodic maintenance of that portion of the network in good or fair condition. The project will also include engineering services comprising (i) further detailed feasibility studies; (ii) engineering/detailed design studies and (iii) supervision of civil works. Finally, the project would finance the continuation of the institution building program begun under ROCS-1 (through 1998), including (i) extension as envisaged in ROCS-1 of long term assistance to DNEP (144 mm), the provincial engineers offices (120 mm) and the training section (144 mm); (ii) assistance to the local contracting industry (100 mm); and (iii) short term assistance (100 mm) for management and technical issues, including strengthening the autonomy of DNEP and the sustainability of the Road Fund, a Road Safety Program and an Axle Load Control Program.

Financing. GRM will contribute the about equivalent US$ 205 million for local project expenditures (including maintenance). Total external financing is estimated to be least US$ 585 million. With IDA providing US$ 155 million, parallel co-financing of US$ 430 million will be needed from the international door community. Significant donor support has already been identified with US$ 280 million already committed, particularly from AfDB, BADEA, EEC, SIDA and USAID. The first two years of the program are fully funded. While donors are unwilling to commit to funding the outer years of the program at this stage, indications are that the additional US$ 150 million could be raised.

Implementation. Because the project focuses exclusively on the roads sector, implementation arrangements are relatively simple. Project investments will be managed by the Ministry of Construction and Water (MCA), through the National Directorate of Roads and Bridges (DNEP), which managed the roads components of ROCS-1 and of the Urban Rehabilitation Project. No new agencies would be created. Priority setting will continue to involve significant input from provincial authorities. The vast majority of road works will be carried out by contractors. who will be encouraged, where applicable, to maximize labor utilization. While most contracts will go to international contractors, careful packaging and the use of alternative forms of contracting will be used to develop the local contracting industry.

Sustainability. The sustainability of the project will depend on

adequate maintenance financing and efficient management support from DNEP. Domestic funding targets (tied to donor funding of future works) and the establishment and strengthening of a Road Fund will try to institutionalize adequate maintenance funding. Policy reform in contracting and equipment management, already under implementation, a comprehensive training program, and substantial management technical assistance (with strict guidelines for monitoring the transfer of expertise) will support the institutional capacity of DNEP. Once the program has commenced, the project will address ways to strengthen the autonomy and management of DNEP, with a view to the possible creation of an independently financed commercially oriented Roads Authority.

Lessons Learned. This would be the first IDA operation in Mozambique's transport sector involving substantial infrastructure rehabilitation civil works in various regions of the country. Lessons learning from: (i) the Beira Transport Corridor project (Credit No. 2065 MOZ), (ii) the Urban Rehabilitation project (Credit No. 1949 MOZ), were built into the design of ROCS-1 (Credit No. 2374-MOZ) and have given full consideration in the design of this operation, particularly in strengthening of procurement and contract management systems and commencing advance procurement. The success of this project will depend on effectiveness of the policy and regulatory reform commenced under ROCS-1.

Rational for IDA Involvement. The proposed project is an integral part of IDA's assistance to GRM aimed at facilitating economic recovery, by focussing on removing the transport sector bottlenecks to recovery of the agricultural sector. In addition the project supports capacity building and manpower development and the implementation of regulatory reform. GRM and the donor community agree that IDA's main role should be to continue to assist GRM in: (i) implementing its regulatory reform and institutional strengthening, (ii) financing priority civil works, and (iii) coordinating donor participation in the transport sector. The project will also provide a model of a flexible sectoral investment approach which could have wider applicability within Mozambique and the Africa Region.

Action to be Agreed. Main conditions: (i) Negotiations: (a) satisfactory road financing plan for 1993 in effect, (b) improved procurement practices and standard documents for the roads sector agreed and advance procurement on target, (c) roads training program agreed and underway (d) action plans adopted for the liberalization of the trucking industry, (e) qualified local counterparts in place and transfer of technology guidelines and monitoring implemented for all major TA contracts; and (f) submission of acceptable draft Letter of Sector Policy (ii) Board: signed Letter of Sector Policy; (iii) Effectiveness: (a) satisfactory regulatory reform in place to liberalize and

increase private-sector participation in trucking sector, (b) GRM's and funding of DNEP's first-year road maintenance and rehabilitation program; (c) tender process commenced for creation of plant pools and privatization of CETA (the largest state-owned contracting company); (iv) Disbursement of IDA funds for the civil works in the "undefined" program would be conditioned on receipt by IDA of an acceptable program. (v) Assurances: (a that the GRM will implement the project and policy reforms according to the Letter of Sector Policy which will provide, inter alia, for: (1) annual and mid-term project implementation reviews (same time as ROCS-1), which will confirm next two years of program, according to agreed criteria, (2) year by year targets for maintenance expenditure, and the % of that expenditure to be met from GRM resources, through user charges, to be confirmed for the following year at each annual project review, and timely annual appropriations made; (3) attainment of the prior year's policy and regulatory reform targets to be reviewed at each annual project review, (4) all new road investments above US$4 million, to be subject to prior consultation with IDA, and all new investments over US$1 million to comply with IDA environmental guidelines and agreed evaluation criteria and methodology, (5) implementation of an acceptable axle load control and road safety program; and (6) arrangements for project reporting, auditing and monitoring.

Environmental Aspects. The project comprises rehabilitation, not construction of new roads and has a "B" rating. Feasibility studies completed for seven of eight priority major trunk roads have assessed the environmental impact of the proposed civil works. Final design studies will ensure that contract documents contain appropriate measures to mitigate adverse environmental effects. Standard Terms of Reference that have been adopted for all future surveys, road feasibility and design studies include specific clauses to deal with environment aspects. Improved maintenance under the project will have a positive environmental impact. Technical Assistance (to be provided under ROCS-1) to strengthen the National Environmental Commission, the GRM agency charged with environmental protection, will be reviewed at appraisal and strengthened either under ROCS-1 [or] under ROCS-2.

Program Objective Categories, Poverty alleviation will be achieved through improved access to rural areas, lower transport cost and employment in civil works; private sector development will be encouraged through the development of small local contractors and general improvements in transport; and public sector management will be improved through road sector reforms and institution building.

Benefits. Substantial quantifiable and non- quantifiable short and long term benefits are expected from the project, particularly increased access and hence increased agricultural production and export of cash crops, reduction in transport and

food costs, injection of cash into local communities and alleviation of poverty. Project works as a whole are expected (by design and selection) to have an ERR of more than 20%. Systematic beneficiary assessments focused primarily on truckers, contractors and local officials, and local involvement in priority setting will be used to maximize benefits.

Indicators Key indicators of successful project implementation include: (i) resumption of regular (private sector) trucking and bus services to currently in-accessible areas; (ii) lower unit road transport costs; (iii) timely and satisfactory completion of rehabilitation of programmed segments of the road infrastructure (esp. km or roads under regular maintenance); (iv) increasing the percentage of roads in good or fair condition from 40% to 80% for paved roads and from 10% to 60% for unpaved roads, over five years; (v) certification of completed training of road engineers and technicians; and (vi) development of local contractors (eg. number of contracts awarded).

Risks and Issues. There are significant risks and uncertainty as to: (i) the timing and extent of regulatory reform and institutional strengthening, in particular in the areas of procurement, contract management and works supervision; (ii) the pattern and speed of agricultural recovery; and (iii) the possibility that reversals of the security situation may delay implementation, increase costs, or restrict road traffic once the works are completed. Flexible overall project design, phased investment plans, substantial technical assistance, training and supervision, frequent formal project reviews, and up-front policy reform have been included to manage the risks.

Tasks Manager: Roome (AF6IN); Division Chief: Pomerantz; CD Director: Denning; Peer Reviewers: Wolden (MN2IN), Alvarez (EDINU)

ANNEX O-1 HCC Assessment

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USAID/MAPUTO

DNEP HOST COUNTRY CONTRACTING ASSESSMENT

EXECUTIVE SUMMARY

As a result of anticipated contracting activities within the framework of the Rural Access Activity (RAA), Peter Argo of the ENG offices of USAID/Maputo requested that the Office of the Controller, Financial Analysis Division, carry out a host country contracting capability assessment on the National Directorate of Roads and Bridges (DNEP). The objective of the assessment was to establish whether or not DNEP was capable of independently handling procurement and contracting activities. Two members of the Financial Analysis Division, Martin Karlsen (Supervisory Financial Analyst) and Alfredo Zucule (Analyst), accompanied by Peter Argo, visited DNEP on May 24 to meet with Director Fragoso and Cecilia Odergren a financial representative of SWEROAD (Swedish National Road Consulting), a firm that acts as a General Consulting to DNEP under a contract financed by the World Bank. At the meeting of May 24, DNEP was supplied with a copy of the scope of the assessment to be performed and Cecilia Odergren was given the task of collecting and assimilating the required information for collection within the following two weeks. The information collected was drafted into a report and forwarded to the Regional Contracts Officer for comments.

Given the information collected over the course of the last month, it is clear that DNEP is not capable of independently handling contracting activities. However, with the continuing assistance of the General Consultant Team and with appointment of suitable technical assistance by USAID, it is our opinion that DNEP would be able to adequately comply with AID procurement regulations. Therefore, in as much as Host Country Contracting is the preferred method of contracting for construction-type activities (Handbook 3, Project Assistance : Supplement B, "Project Officers' Guidebook - Host Country Contracting"), the assessment concludes that DNEP should, with the assistance of USAID financed technical assistance, contract for the construction activities planned under RAA. The basis for this assessment is discussed in the body of this report.

DISCUSSION

In conformity with the AID/W directive on procurement assessments in advance of proceeding with host country contracting, a Mission Assessment Team was formed, comprised of two members of the Financial Analysis Division of the Controller's Office. After discussions with the Offices of the Controller and Engineering, a Scope of Work (SOW) was drafted which was cleared by both the Controller and the responsible engineering staff member, Peter Argo. The Assessment Team and Peter Argo met with the National Director of Roads and Bridges, Carlos Fragoso, on May 24 to discuss the requirements of the assessment. The General Consultant Team financial representative, Cecilia Odergren of Sweco, also attended the meeting.

The scope of the assessment covered the following :

1) An analysis of the organizational structure and DNEP's role, functions as well as position within the framework of the Government of the Republic of Mozambique (GRM);

2) An analysis of DNEP's staffing structure including current staff numbers and qualifications, as well as anticipated future requirements, organizational charts, etc.;

3) An analysis of DNEP's levels of authority looking at the decision making process in the various fields of procurement and management; and

4) A look at the procurement process which DNEP follows.

During the course of this and subsequent meetings the following staff were interviewed:

Carlos Fragoso - National Director of Roads and Bridges,
Cecilia Odergren - Financial Representative of the General Consultant,
Frances Ruhumbica - Acting Head of Department of Investments,
Teresa Lopes Coureio - Engineer
Lars Landerfors - General Consultant Team Leader.

The results of this assessment are as follows :

ACTION MEMORANDUM TO THE ACTING DIRECTOR

FROM: Cheryl A. McCarthy, Program Officer, USAID/Maputo

SUBJECT: Certification of Host Country Contracting Capacity: Directorate of Roads and Bridges (DNEP)

Problem: Your certification that the National Directorate of Roads and Bridges is able to adequately comply with AID procurement rules is required.

Background: As a result of anticipated contracting activities within the framework of the Rural Access Activity (RAA), Peter Argo of the Engineering Office of USAID/Maputo requested that the office of the Controller, Financial Analysis Division, carry out a host country contracting capacity assessment on the National Directorate of Roads and Bridges (DNEP). The objective of the assessment was to establish whether or not DNEP was capable of independently handling procurement and contracting activities.

Discussion: Two members of the Financial Analysis Division, Martin Karlsen (Supervisory Financial Analyst) and Alfredo Zucule (Analyst) accompanied by Peter Argo, visited DNEP on May 24 to meet with Director Fragoso and Cecilia Odergren of SweRoad. At the meeting of May 24, DNEP was supplied with a copy of the scope of the assessment to be performed and Cecilia Odergren was given the task of collecting and assimilating the required information for collection within the following two weeks. The information collected was drafted into a report and forwarded to the Regional Contracts Officer for comments.

In addition to information pertinent to the analysis of DNEP's independent capacity to manage contracting, the following facts are relevant to a determination that DNEP is eligible for contracting certification conditioned on technical assistance.
1) A General Consultant team financed by the World Bank is currently in place at DNEP, insuring the availability of technical and financial expertise necessary to sound contracting. Further, the World Bank team members are under contract to remain at DNEP through at least the end of calendar year 1994. Thus, this expertise will be available to the Project through the PACD.
2) The DNEP/General Consultant team has a track record in contracting through its acceptable handling of the ROCS contracts. Three contracts for engineering studies and seven contracts for engineering design are completed and 13 more are in

progress. Three civil road construction contracts are currently in progress. 3) USAID is supplying an A & E firm to draft the specifications, bills of quantities and other technical requirements for solicitation of construction bids. DNEP's Director has orally advised that the decisions of this firm will be binding on DNEP and the Grant Agreement will contain a condition precedent to ensure that such authority is formalized in writing.

Recommendation: Given the information collected over the course of the last month, it is clear that DNEP is not capable of independently handling contracting activities. However, with the continuing assistance of the General Consultant Team and with appointment of suitable technical assistance by USAID, it is our opinion that DNEP would be able to adequately comply with A.I.D. procurement regulations. Therefore, in as much as Host Country Contracting is the preferred method of contracting for construction type activities (Handbook 3, Project Assistance: Supplement B, "Project Officers' Guidebook - Host Country Contracting"), the assessment concludes that DNEP should, with the assistance of USAID-financed technical assistance, contract for the construction activities planned under RAA.

Approved: _____

Disapproved: _____

Roger D. Carlson
Director

Date: 9-24-93

Drafted: Martin B. Karlsen, CONT _____ 9/23/93
Alfredo Zucule, CONT _____ 9/23/93
Peter Argo, ENG _____ Draft 9/21/93

Clearances: George Jenkins, CONT _____ 9/23/93
Cheryl McCarthy, PRM _____ 9/23/93
Bob Van Horn, RCMO _____ Draft (8/10/93)
Marilyn Buchan, RCO _____
John Miller, DDir _____
Margaret Alexander, RLA _____ 9/23/93

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Approved: _____

Disapproved: _____

Roger D. Carlson
Director

Date: _____

Drafted: Martin B. Karlsen, CONT _____
Alfredo Zucule, CONT _____
Peter Argo, ENG 9/21/93

Clearances: George Jenkins, CONT _____
Cheryl McCarthy, PRM _____
Bob Van Horn, RCMO (draft - Aug 10, 1993)
Marilyn Buchan, RCO _____
John Miller, DDir _____
Margaret Alexander, RLA _____

ORGANIZATIONAL STRUCTURE :

The National Directorate of Roads and Bridges (DNEP) falls under the jurisdiction of the Ministry of Construction and Water (MCA). DNEP is directly responsible for all construction and maintenance work on the national road network. Appendix 1 is an organizational chart indicating DNEP's position in the Ministry.

DNEP receives its funding from the Ministry of Finance (MOF) through the Ministry of Construction and Water (MCA). DNEP reports on all financial matters directly to the MCA who collates all financial reports on the Directorates under its control and reports to the MOF.

The National Director of Roads and Bridges (Director C. Fragoso) reports directly to the Minister of Construction and Water. There are no written regulations on reporting lines and authority levels between the Ministry and DNEP, but the Director discusses all major contracts with the Minister. The position of National Director is nominated by the Minister of Construction and Water and the final decision is made by the President.

DNEP has recently been organized into five departments and three divisions (Refer to Appendix 2). The five Departments are responsible for the following :

1. Department of Studies and Projects acts as a coordinator for different studies and projects and prepares tender documents for their execution and monitoring. A project will pass from this department over to the Department for Inspection once it reaches the implementation stage. This department also handles the procurement function.

2. Department of Inspection follows the project through to completion. This Department also relies on resources from the Provincial Directorate of Construction and Water for inspection of on-going works.

3. Department of Investments handles all aspects of financial management and budgeting of funds received from: a) the central budget of the GRM, b) grants from donors, and c) loans through donors and banks. The Investments Department has no dealings

with the financial management of the operational budget, which is maintained separately and controlled by the Administration Division (Dra. Isaura Gulamo).

The Investment Department is split into two divisions: one for payment of foreign exchange and the other for payments in local currency. The acting head of this department advised that at present there are approximately 20 transactions which flow through these two division a month. The approximate values of the transactions processed monthly by the two divisions are as follows: a) foreign exchange division - US$200,000; and b) local currency division - 200 million meticais. Both the acting head of the investment department, Frances Ruhumbica, and the financial consultant, Cecilia Odergren, agreed that these numbers would increase due to the rapidly expanding activities in which DNEP was getting involved. To cater for this increasing demand, they were already discussing the possible recruitment of additional financial staff.

4. Department of Maintenance conducts ongoing studies on the current state and progressive improvement of the national road network. The Department also coordinates all maintenance work carried out on the roads. In addition, it is the function of this Department to define and improve the maintenance technical standards. Secondary functions also include: a) keeping and updating records on roads as well as producing periodic information about the national roads network, b) promoting and controlling the usage of ferries, bridges and roads of a special nature, and c) proposing training schemes for the maintaining of technical staff standards.

5. Department of Planning is responsible for the following :

a) Planning the needs and requirements of road networks in terms of construction, rehabilitation, and repair and maintenance in the short-, medium-, and long-term;

b) Maintain and update the plan of roads in the face of changing requirements and conditions;

c) Maintain and organize statistical data bank on roads;

d) Collect and analyze statistical data, including road usage and traffic;

e) Participate in meetings on assistance and cooperation relevant to DNEP's activities'

f) Organize a data bank of files of international cooperation within the roads sector;

g) Maintain updated project data banks, whether already funded or not;

h) Interact with international institutions;

i) Prepare project proposals, with the assistance of other departments, for submission to financial institutions; and

j) Propose training schemes and symposiums suitable for keeping staff abreast of changing requirements.

The three Divisions are responsible for the following :

1. Division of Administration controls all aspects of the financial management of the operating budget as well as all personnel functions. There is no mixing of funds between the operational and investment budgets.. From the operational budget payment of salaries, utilities, stationary, and other daily operating expenses are made. DNEP reports directly to the MCA on the usage of these funds. The MCA then collates all financial information received from the Directorates under its control and reports to the MOF.

2. Division of Equipment controls the use and maintenance of equipment as well as ensuring that an adequate supply of spares is on hand. The Division also proposes the withdrawal of obsolete and uneconomical equipment as well as planning for replacement. It is also the function of the Division to issue opinions on technical assessments pertaining to tenders/bids for the acquisition of equipment.

3. Division of Training plans all actions relating to education, training and specialization of all employees of the roads sector. Their functions also include: organizing and updating the staff records; implementing professional training programs; proposing training programs and courses for all staf;f and running and administering a training center.

STAFFING AND PERSONNEL

DNEP is headed by a National and Deputy National Director. The current staff compliment is 127 people with varying grades and qualifications (Refer Appendix 4 - Quadro de Pessoal). The staff level approved by the Ministry of Construction and Water (MCA) is 369, but this is obviously restricted by the availability of funding as well as suitably qualified and experienced personnel.

The staff are divided into the five departments and three divisions as mentioned above. The current staff and the positions they hold are shown in Appendix 12, but there are changes anticipated with an increase of approximately two accountants and fifteen civil engineers over the next five years.

In addition to the above personnel, DNEP is also heavily supported by 8 staff from the Swedish National Road Consulting (SWEROAD), a firm that acts as General Consultant to DNEP under a contract financed by the World Bank. This General Consultant's team is consists of a Team Leader, a Financial Adviser, a Highway Planning and Design Engineer, a Maintenance Engineer, a Construction Engineer, a Bridge Engineer, a Traffic Engineer, and a Systems Analyst. The responsibility of the General Consultant is to coordinate and supervise all consultants providing technical services to DNEP, monitoring their activities and performance. In addition, it also gives advice and assistance directly to DNEP in highway planning, financial management and improved operational procedures. Appendix 8 shows how the General Consultants fit into the DNEP organizational structure. The original objective of the General Consultant team, was to fill the temporary need for technical and financial management expertise.

The function of this General Consultant team, however, has changed into one of a "gap filler", covering for the lack of suitably qualified and experienced staff. The original contract term for the consultant team was three years, but due to the fact that DNEP is currently employing young graduates who still need to acquire practical work experience, negotiations are underway for an extension of this consultant contract. The General Consultant team leader indicated that they would possibly be around for another six to seven years. Their continued assistance is important to DNEP's ability to carry out the Rural Access Activity.

LEVELS OF AUTHORITY

DNEP's management is heavily centralized. Almost all decisions are taken by the National Director or, in his absence, the Deputy National Director. There are plans to nominate a second Deputy Director and redefine/re-delegate levels of authority. Initially, however, only the management authority over the Maintenance and Planning Department will pass to the current Deputy National Director. These changes are all very new due to the recent appointment of a new Deputy National Director. After the previous Deputy National Director left, the authority he exercised in his position, reverted back to the National Director.

DNEP's current policy regarding the levels of authority is noted below with reference to the following specific functions :

a) Finance - All payment vouchers and disbursement requests are prepared by the head of the Department of Investments who passes them on to the National Director for final signature. Where donors require second signatories, and depending on the level of signatory, the Deputy National Director or the Head of the Investment Department may also be required to sign payment documents.

b) Solicitation - Tender documents are prepared within the Studies and Projects Department and are then sent to the National Director for final scrutiny and signature.

c) Negotiation - All DNEP contract negotiations are headed by the National Director, who is also the only person with the authority to sign contracts.

d) Contract award - The National Director nominates members to an evaluation committee through a document called " **ORDEM DE SERVICO .../R/9X** (9X is the year in which such Order is issued); **PROJECTO ROCS-1"** (refer to Appendix 13). Apart from indicating the composition of the evaluation committee, this document also indicates the format to be used for scheduling the assessment activities, the organization and roles of the committee members, the assessment criteria which include the categories that are subject to assessment, namely, the bidding company's experience (10 points out of a possible 100), the compatibility between the

work schedule and the tender documents (20 points), and the personnel (70 points). The committee evaluates all tenders and reports to the National Director who makes the final decision regarding the award of contracts. The committee is sometimes supported by consultants.

e) Performance monitoring - Contractors are expected to submit periodic reports to DNEP to inform on the progress of their activities. The monitoring of the contractors' performance is done by the DNEP's project coordinators. There are neither standardized formats nor pre-conceived guidelines for the presentation and timing of the submission of the reports by the contractors. Both the timing of the reports and the performance monitoring criteria are based on the terms of reference and other conditions that may have been specified for each contract. In the case of major works, a supervision contract is entered into with a resident engineer.

f) Voucher examination - All invoices must first go through the National Director on arrival at DNEP. He then sends these invoices on to the Investments Department for registration. The project coordinator then reviews the technical content of the invoice and then returns it to the Investment Department for financial control and budget follow-up. The National Director then authorizes the invoice.

g) Contract close-out - On completion of a works contract, the resident engineer (a consultant contracted to manage the execution of a project - normally an expatriate), issues a certificate of substantial completion. After a guarantee period of normally one year, a final certificate is issued and any retention money held is repaid to the contractor.

h) Contractor selection - This depends on the guidelines laid down by the donor. Normally, a tendering process is followed.

i) Contractor disputes - FIDIC guidelines are followed. Refer to Appendix 10 for a copy of these guidelines.

j) Operating expenses - Any payment over 100,000 meticais first requires the completion of a payment request which is authorized by the National Director who also authorizes the final payment. The payment limits are reviewed regularly by the head of the Investments Department who recommend any amendments of the limits to the National Director. The amendments to limits are

authorized in service orders which are circulated to all departments to notify all staff members. There is an official cashier position, which is performed by the accountant controlling the Administration Division. There are no cash payments made and all payments are made by check. The only cash handled is when a check is cashed for the payment of salaries.

PROCUREMENT PROCEDURES AND POLICIES

The procurement procedures and policies used by DNEP are the Standard Procurement Cycle as recommended by the World Bank. A sample of DNEP's procurement system is attached as a flow diagram in Appendix 5. A copy of the World Bank Guidelines entitled "Procurement Under IBRD Loans and IDA Credits" are attached as Appendix 11.

VOUCHER EXAMINATION PROCEDURES

All invoices arriving at DNEP follow a process recently been introduced, but not yet formalized, which makes use of a document routing control sheet. This process is as follows:

1) Invoice arrives and goes directly to the National Director;
2) The Director scrutinizes the invoice and sends to the Investment Department;
3) The Investment Department logs the invoice in a register;
4) The Investment Department sends the invoice to the Project Coordinator who checks the validity of the technical content;
5) The Project Coordinator sends the invoice back to the Investment Department for financial and budgetary control;
6) The Investment Department sends the invoice to the Director for authorization;
7) The Director sends the invoice back to the Investment Department for preparation of the letter of payment for the bank/donor; and
8) The Investment Department sends the letter of payment to the Director for final signature.

AUDIT

DNEP has no internal audit department but relies on the limited resources of the GRM Ministry of Finance's Inspector General as well as making use of consultants for this purpose. DNEP is currently in the process of tendering for the services of an internationally recognized auditing firm for the purposes of performing regular audits. In this regard, we (AID) have already contributed to the terms of reference which will be used to contract the auditing firm (See Appendix 6).

CRITICISM

In our discussions with members of the General Consultant Team and DNEP staff there were several criticisms of DNEP and the policies and systems used.

1) Lack of funds creates several problems, including the inability of DNEP is not being able to pay sufficiently attractive salaries to attract and retain qualified and experienced staff;
2) DNEP generally suffers from a lack of organization and coordination;
3) It was generally difficult to find competent counterpart staff with suitable qualifications and experience for the General Consultants to train; and
4) There was an ongoing need for long term technical assistance.

CONCLUSION

It is evident from the information collected that DNEP is not capable of independently handling contracting activities. It is our opinion that given the continuing assistance of the General Consultant Team and with appointment of suitable technical assistance by USAID, DNEP will be able to adequately comply with AID procurement regulations. Therefore, in as much as Host Country Contracting is the preferred method of contracting for construction type activities (Handbook 3, Project Assistance : Supplement B, "Project Officers' Guidebook - Host Country Contracting"), the assessment concludes that DNEP should, with

the assistance of USAID financed technical assistance, contract for the construction activities planned under RAA.

QUESTIONNAIRE

The standard questionnaire as contained in the Project Officers Guide to Host Country Contracting was addressed to Director Fragoso in a facsimile as he was leaving on an overseas trip. The questions and Director Fragoso's response and comments are noted below.

1) Is contracting for services or commodities a regular and continuing function of DNEP?

RESPONSE: Yes.

2) Does DNEP have a technically qualified procurement staff capable of soliciting competition, evaluating and selecting contractors? Capable of negotiating, awarding administering, and monitoring contracts?

RESPONSE: DNEP definitely has competent staff to handle soliciting, competition, evaluating and selection of contractors. However, the experience necessary is limited to a few staff members. The General Consultant's role is to coordinate and supervise, on behalf of DNEP, all consultants providing technical services to the Agency, monitoring their activities and performance.

3) Are DNEP's bidding, evaluation, and award systems fair and defensible?

RESPONSE: Yes.

4) Is DNEP experienced in international competitive bidding? Is DNEP familiar with cost reimbursement and time-rate contracts? Contracting for professional and technical services? Does DNEP have sound procedures for dealing with bid protests?

RESPONSE: Yes to all three questions. DNEP follows the IBRD/IDA guidelines for procurement and use of

consultants. Of interest is also the Council of Ministers' Decree No. 42/89, on acquisitions of goods and services for the State and subordinate organizations.

5) Does DNEP have a disputes and claims settlement process which is considered fair and equitable? Does DNEP have adequate legal council available?

RESPONSE: For this purpose, DNEP has consultants to supervise the works and handle claims. The General Consultant has, as part of its resident team, a Contracts Engineer who will give support in this area.

6) Does DNEP have adequate authority to negotiate and award contracts, approve contractor vouchers, pay contractors promptly, amend contracts, etc. without requiring the approval of other GRM entities? If not, are such external approval requirements likely to delay or complicate the contracting process excessively?

RESPONSE: The rules are the same for all agencies implementing projects. All contracts have to be approved by the Ministry of Construction and Water and the Ministry of Finance. If the contract value is above US$1,000,000, it has to be reviewed by the Commission of External Economic Relations (CREE). DNEP receives its investment budget in local currency from the Ministry of Finance, through the Ministry of Construction and Water. The disbursement of funds is somewhat erratic and this may lead to delays of payment in local currency.

7) Does DNEP have the capacity to expeditiously provide contractors with logistical support functions that are planned to be assigned to it?

RESPONSE: No. It is not the goal of DNEP to support contractors.

8) Are there local laws, regulations or practices governing GRM procurement which are significantly inconsistent with AID rules or which are likely to hamper the procurement process seriously? If so, how specifically can these be reconciled or dealt with?

RESPONSE: No, although the procurement rules in Mozambique are old and cumberson, they are changing to adapt better to external aid and assistance.

9) Are there any impediments ... legal, cultural, administrative, or other... which may make it difficult for U.S. firms to compete?

Response:

10) Are qualified audit facilities available to DNEP to ensure that contracts are properly audited as required?

RESPONSE: Not yet. For this purpose DNEP uses consultants. DNEP is currently in the process of tendering for the services of an internationally recognized audit firm for support in this area.

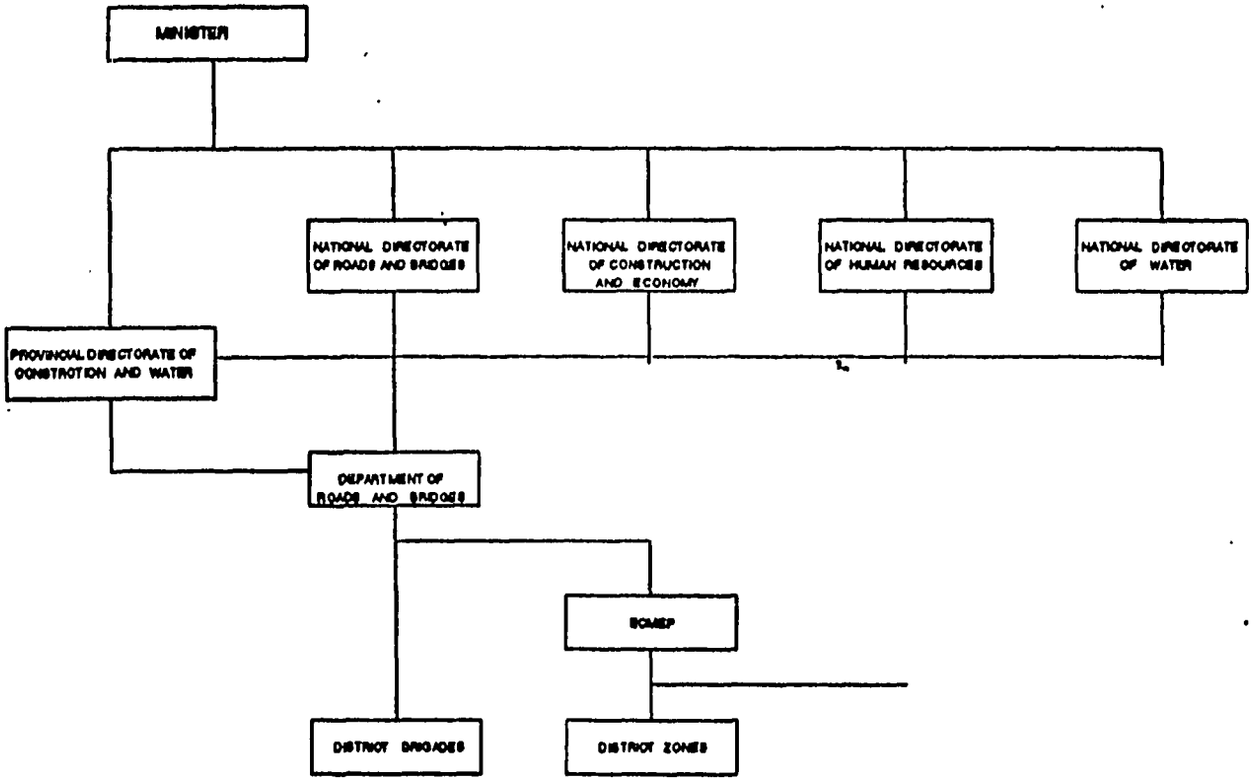
11) Does DNEP have the capacity to provide/arrange for appropriate logistical support of contractors in essential areas such as : i) housing, ii) office space, iii) customs clearance, etc.?

RESPONSE : No, contractor logistical support is not DNEP's goal.

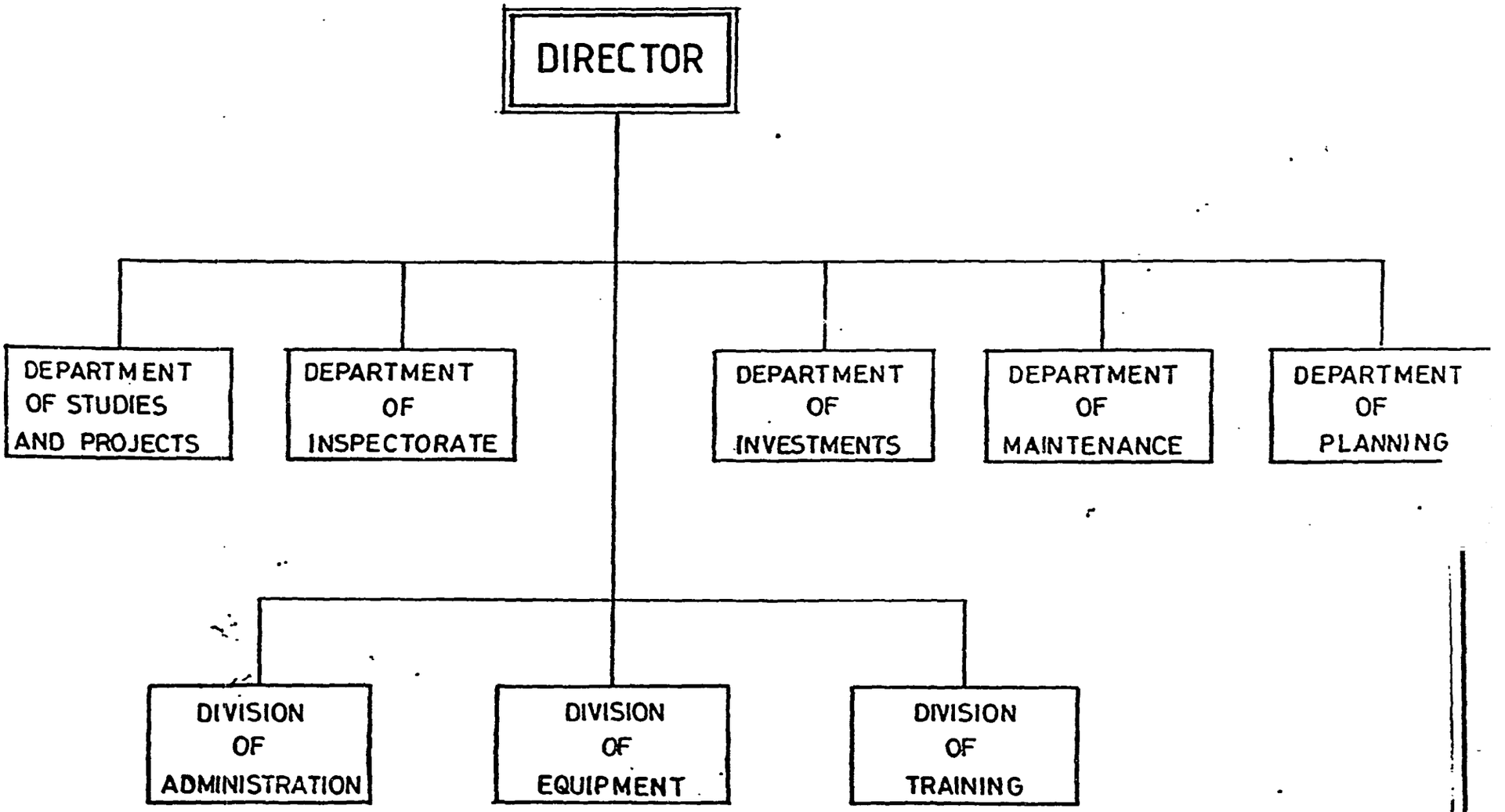
LIST OF APPENDICES:

APPENDIX NO :	DESCRIPTION
O-1	DNEP'S POSITION WITHIN THE MINISTRY
O-2	ORGANIZATIONAL STRUCTURE
O-3	MINISTERIAL DIPLOMA
O-4	PERSONNEL QUALIFICATIONS
O-5	SAMPLE PROCUREMENT CYCLE
O-6	AUDIT TERMS OF REFERENCE
O-7	DEPARTMENT/DIVISION HEADS
O-8	ASSIGNMENT OF DNEP COUNTERPARTS TO GENERAL CONSULTANT
O-9	DEPARTMENT OF FINANCE JOB DESCRIPTIONS
O-10	FIDIC - CONDITIONS OF CONTRACT FOR WORKS OF CIVIL ENGINEERING CONSTRUCTION
O-11	WORLD BANK PROCUREMENT GUIDELINES
O-12	CURRENT PERSONNEL
O-13	DNEP'S WORK ORDER FOR TENDER ASSESSMENT
O-14	INITIAL SCOPE OF WORK

MINISTRY OF CONSTRUCTION AND WATER



NATIONAL DIRECTORATE OF ROADS AND BRIDGES



ANNEX: 3

DIPLOMA MINISTERIAL Nº __/92

A Direcção Nacional de Estradas e Pontes foi criada pelo Diploma Ministerial nº 25/87, de 13 de Janeiro, tendo como principal função a planificação e gestão da rede rodoviária do País, incluindo a construção e manutenção das suas estradas.

As estradas são as principais e as mais importantes vias de circulação de pessoas e bens. A correcta manutenção das estradas tem um efeito determinante para todos os sectores da vida económica do País trazendo, os seguintes benefícios, entre outros:

- redução dos custos de transportes e dos tempos de viagem;
- poupança nos consumos de combustíveis e peças sobressalentes;
- redução de acidentes de viação;
- redução de danos nas mercadorias e dos custos de embalagem;
- aceleração do desenvolvimento regional e da exploração e uso da terra;
- melhoria das condições de vida, nomeadamente, saúde, educação e comunicação social nas zonas rurais.

A devida organização do sector de estradas vai permetir uma planificação e uma execução regular das actividades de manutenção de estradas, sem as quais não é possível satisfazer minimamente as necessidades do transporte rodoviário e de desenvolvimento do País.

Nestes termos, considerando as tarefas definidas no estatuto orgânico do Ministério da Construção e Águas e havendo necessidade de definir com maior desenvolvimento as funções que lhe cabem, bem como as que competem aos seus órgãos, determino:

Artigo único: É aprovado o Regulamento Interno da Direcção Nacional de Estradas e Pontes, bem como o seu quadro de pessoal, que fazem parte integrante do presente diploma ministerial.

Maputo, aos de Março de 1991

O MINISTRO

JOÃO M. SALOMÃO

REGULAMENTO INTERNO DA DIRECÇÃO NACIONAL DE ESTRADAS E PONTES

CAPITULO I

DAS COMPETENCIAS

Art. 1- À Direcção Nacional de Estradas e Pontes, abreviadamente designada por DNEP, compete:

a) Propôr a classificação das estradas;

b) Gerir a rede estradas classificadas e planificar a sua expansão de acordo com o desenvolvimento do País;

c) Promover e assegurar a manutenção das estradas;

d) Promover e reforçar as capacidades da manutenção de estradas e pontes, assegurando o uso eficiente dos seus meios e recursos;

e) Promover a elaboração de estudos e projectos de estradas e pontes, e aprová-los;

f) Assegurar os investimentos para todas as actividades de construção e manutenção de estradas e pontes;

g) Coordenar a cooperação internacional para as infraestructuras rodoviárias, assegurando uma utilização eficiente dos recursos e meios disponibilizados;

h) Organizar e actualizar o cadastro de estradas e pontes;

i) Elaborar cartas e mapas rodoviários e outro tipo de publicações destinadas a facilitar o conhecimento e uso da rede rodoviária;

j) Assegurar a utilização plena e eficiente da rede rodoviária elaborando as normas e os regulamentos necessários;

l) Promover, em coordenação com outras estruturas, a actualização da sinalização de estradas e pontes;

m) Estabelecer a normalização e tecnologias para a construção e manutenção das estradas;

n) Promover acções tendentes à formação e elevação da capacidade técnica e profissional dos quadros;

o) Participar no incremento da segurança rodoviária.

CAPITULO II

DA DIRECÇÃO

Art. 2- A DNEP é dirigida por um Director Nacional coadjuvado por um Director Nacional Adjunto e assistido pelos seguintes órgãos:

a) Orgãos não permanentes

- Colectivo de Direcção;
- Conselho Técnico;
- Gabinete de Organização.

b) Orgãos permanentes

- Secretariado;
- Acessoria Jurídica.

Art. 3- Compete ao Director Nacional de Estradas e Pontes:

a) Dirigir e orientar todas as actividades dos órgãos da DNEP, no sentido da integral execução dos seus objectivos;

b) Providenciar pelo total cumprimento das leis, regulamentos e instruções em vigor;

c) Dar parecer sobre os assuntos da competência da DNEP, quando superiormente solicitado;

d) Apresentar a despacho do respectivo Ministro todos os assuntos que careçam de decisão superior;

e) Corresponder-se directamente, pelas vias oficiais com outros organismos estatais e entidades particulares sobre assuntos da competência da DNEP;

f) Representar a DNEP em juízo e em todos os actos oficiais;

g) Propôr superiormente as medidas que tenha por convenientes à melhoria dos Departamentos ou do seu funcionamento e que careçam de despacho ministerial;

h) Chefiar, se o entender, directamente ou por intermédio de um Director Nacional Adjunto, qualquer Departamento, na falta, ausência ou impedimento do respectivo Chefe;

i) Abrir toda a correspondência de carácter confidencial e secreta de acordo com as normas de segurança superiormente definidas;

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j) Aprovar contratos e adjudicações;

l) Presidir à celebração de contratos;

m) Aprovar os autos de recepção de obras e projectos;

n) Promover a elaboração e publicação de relatórios anuais da DNEP e aprová-los;

o) Presidir aos concursos de ingresso e promoção para a ocupação de cargos na DNEP;

p) Admitir e dispensar, em ordem de serviço e segundo as necessidades, o pessoal assalariado, quando haja verba disponível para satisfação dos respectivos encargos;

q) Designar, colocar e transferir o pessoal da DNEP pelos seus Departamentos e Repartições;

r) Prestar informações anuais de todos os funcionários que lhe estão imediatamente subordinados e rever, modificar ou confirmar as informações dos restantes funcionários, nos termos legais.

Art. 4- Compete ao Director Nacional Adjunto:

a) Coadjuvar o Director Nacional na execução de todas as funções que lhe são atribuídas;

b) Exercer as funções que lhe forem confiadas pelo Director Nacional;

c) Substituir o Director Nacional nas suas faltas, ausências ou impedimentos.

CAPITULO III

DO COLECTIVO DE DIRECÇÃO

Art. 5- O Colectivo de Direcção é composto pelos seguintes membros permanentes:

a) Director Nacional que a ele preside;

b) Director Nacional Adjunto;

c) Chefes de Departamento.

Art. 6- O Director Nacional poderá, sempre que achar conveniente, convidar outros funcionários da DNEP para tomarem parte nas reuniões do Colectivo.

Art. 7- Ao Colectivo de Direcção compete:

a) Pronunciar-se sobre quaisquer medidas de carácter geral que promovam a eficiência e desenvolvimento da DNEP e da rede rodoviária;

b) Pronunciar-se sobre os projectos de orçamento da DNEP e reforços por transferência de verbas;

c) Propôr acções para a formação permanente de pessoal;

d) Dar parecer sobre os planos de admissão, promoção e dispensa de pessoal;

e) Nomear os júris de concurso para ingresso e promoção de pessoal;

f) Apreciar as informações anuais de serviço sobre os funcionários.

Art. 8- O Colectivo de Direcção reúne mensalmente em sessões ordinárias e extraordinàriamente quando convocado pelo Director Nacional.

Art. 9- Das sessões do Colectivo de Direcção lavrar-se-ão actas que serão devidamente arquivadas depois de aprovadas.

CAPITULO IV

DO CONSELHO TÉCNICO

Art. 10- O Conselho Técnico é um orgão consultivo com a seguinte constituição:

- Director Nacional que a ele preside;
- Director Nacional Adjunto;
- Chefes de Departamento de sectores técnicos.

Art. 11- O Director Nacional poderá, sempre que achar conveniente, convidar outros técnicos e especialistas para tomarem parte nas reuniões do Conselho Técnico.

Art. 12- São atribuições do Conselho Técnico dar parecer e pronunciar-se sobre:

a) Quaisquer medidas de carácter técnico que interessem às actividades da DNEP;

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b) A oportunidade e conveniência de adoptar novas técnicas e processos de trabalho;

c) Os trabalhos ou documentos técnicos para publicar como edição da DNEP;

d) Estudos e projectos de obras;

e) Preços;

f) Participação da DNEP ou dos seus funcionários em palestras e congressos;

g) Adjudicação de obras e projectos;

h) Formação profissional.

Art. 13- O Conselho Técnico reunirá trimestralmente em sessões ordinárias e extraordinàriamente sempre que o Director Nacional o convocar.

CAPITULO V

DO GABINETE DE ORGANIZAÇÃO, PLANIFICAÇÃO E INFORMÁTICA

Art. 14- O Gabinete de Organização será orientado pelo Director Nacional e formado por comissões nomeadas para a execução de tarefas específicas e temporárias ligadas à organização de sectores de actividade da DNEP.

CAPITULO VI

DOS DEPARTAMENTOS

Art. 15- A DNEP compreenderá os seguintes Departamentos e Repartições directamente subordinados ao Director Nacional:

- Departamento de Estudos e Projectos;
- Departamento de Fiscalização;
- Departamento de Investimentos;

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- Departamento de Manutenção;
- Departamento de Planificação.
- Repartição de Equipamento;
- Repartição de Formação;
- Repartição Administrativa.

Art. 16- Ao Departamento de Estudos e Projectos compete:

a) Conduzir os trabalhos necessários à elaboração dos projectos de construção e reabilitação das estradas e pontes que compõem a rede nacional a cargo da DNEP.

b) Preparar e organizar concursos e contratos para execução e fiscalização de projectos e obras;

c) Promover, em coordenação com outros Departamentos, a angariação de financiamentos e assistência técnica;

d) Propôr novas classificações de estradas de acordo com a sua importância e inserção no contexto sócio-económico do País;

e) Propôr planos de formação profissional.

Art. 17- Ao Departamento de Fiscalização compete:

a) Elaborar, em coordenação com outros Departamentos, os planos de obras e propôr os orçamentos anuais para a construção e reabilitação de estradas e pontes;

b) Promover, e controlar a fiscalização de obras aprovando a facturação a esta submetida;

c) Promover, em coordenação com outros Departamentos, o ensaio e adopção de novas técnicas e métodos de trabalho;

d) Organizar o arquivo técnico das obras, bem como a compilação de dados estatísticos;

e) Organizar a vistoria e recepção de obras;

f) Propôr planos de formação profissional.

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Art. 18- Ao Departamento de Investimentos compete:

a) Organizar, executar e controlar o orçamento de investimentos, contabilizando as suas operações;

b) Apresentar os balancetes com a movimentação das contas bancárias;

c) Organizar e elaborar a informação sistematizada sobre a execução financeira dos projectos;

d) Propôr planos de formação profissional.

Art. 19- Ao Departamento de Manutenção compete:

a) Estudar, orientar e coordenar a conservação corrente e a progressiva melhoria da rede rodoviária;

b) Definir e aperfeiçoar normas técnicas de manutenção.

c) Manter actualizado o cadastro de estradas, emitindo informação periódica sobre a rede nacional;

d) Promover e controlar a exploração dos batelões, pontes e estradas de natureza especial;

e) Propôr planos de formação profissional.

Art. 20- Ao Departamento de Planificação compete:

a) Planificar as necessidades e exigências da rede de estradas em termos de construção, reabilitação, reparação e manutenção a curto, médio e longo prazo, definindo os respectivos planos;

b) Manter actualizados os planos de estradas para as diversas actividades e para diferentes horizontes, face a novas necessidades, exigências e realizações;

c) Organizar e manter actualizado um banco de dados sobre as estradas;

d) Recolher e tratar dados estatísticos, incluindo os de tráfego;

e) Elaborar, em coordenação com outros Departamentos, todo o tipo de relatórios necessários ou inerentes às actividades da DNEP;

f) Participar nas reuniões sobre cooperação a que a DNEP for convocada;

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g) Organizar os processos de cooperação internacional com o sector de estradas;

h) Manter actualizado o cadastro de projectos quer financiados quer carecendo de financiamento;

i) Relacionar-se com organismos internacionais;

j) Elaborar, em coordenação com outros Departamentos, propostas de financiamento de projectos e submeté-los aos organismos e instituições financeiras;

k) Propôr a participação da DNEP em reuniões, simpósios e congressos;

l) Propôr planos de formação profissional.

Art. 21- À Repartição de Equipamento compete:

a) Controlar a exploração e manutenção do equipamento a cargo da DNEP, assegurando a sua correcta utilização e manutenção;

b) Assegurar a implementação do subsistema de equipamento em todas as frentes de trabalho e oficinas;

c) Manter actualizado o cadastro de equipamento;

d) Propôr o abate de equipamento obsoleto ou econòmicamente não viável;

e) Elaborar e propôr planos de reposição de equipamento e peças;

f) Zelar pela padronização de marcas nas províncias e nas frentes de trabalho, propondo todas as medidas que concorram para este objectivo;

g) Gerir o stock de peças racionalizando a sua utilização;

h) Pronunciar-se sobre a avaliação técnica em concursos de aquisição de equipamento;

i) Propôr planos de formação profissional.

Art. 22- À Repartição de Formação compete:

a) Planificar todas as acções no âmbito da formação e especialização dos trabalhadores do sector de estradas;

b) Organizar e implementar programas de formação profissional;

c) Organizar e manter actualizado o cadastro de quadros, técnicos e operários do sector de estradas;

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d) Inventariar e actualizar todas as realizações externas no âmbito da formação profissional que possam interessar ao sector;

e) Propôr programas de formação individual para os principais quadros e técnicos do sector, acompanhando a sua implementação e os seus resultados;

f) Orientar e supervisar as actividades do Centro de Formação da DNEP;

g) Elaborar e manter actualizado um relatório sobre as actividades, resultados e impacto dos programas de formação profissional.

Art. 23- À Repartição Administrativa compete:

a) Tratar dos assuntos respeitantes ao expediente e ao arquivo geral, centralizando a recepção e expedição de toda a correspondência da DNEP;

b) Executar todo o serviço respeitante ao pessoal e respectivo cadastro;

c) Executar e controlar o orçamento de funcionamento;

d) Zelar pelo património da DNEP;

e) Propôr planos de formação profissional.

CAPITULO VI

DO NUCLEO DE APOIO A EMPRESAS

Art. 24- Funcionará na DNEP um Núcleo de Apoio a Empresas com o objectivo de promover o estabelecimento de empresas locais de manutenção de estradas e de assistir as províncias nas seguintes actividades:

a) implementação racional e efectiva dos planos de manutenção de estradas e pontes;

b) organização do sector executivo da manutenção de estradas;

c) elaboração de planos de aprovisionamento de materiais;

d) gestão de stocks;

e) distribuição de materiais e bens de acordo com os planos de importação e de aquisição;

f) elaboração de planos de formação profissional.

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QUADRO DE PESSOAL

Ocupação Profissional

Direcção e Chefia

1	Director Nacional	1
2	Director Nacional Adjunto	2
3	Chefe de Departamento	9
4	Chefe de Repartição	16
5	Chefe de Secção	33

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Carreira Técnica

1	Engenheiro Civil "A" Principal	2
2	Engenheiro Civil "A" de 1ª	20
3	Engenheiro Civil "A" de 2ª	17
4	Técnico de Const. Civil "B" de 1ª	19
5	Técnico de Const. Civil "B" de 2ª	12
6	Técnico de Const. Civil "C" Principal	9
7	Técnico de Const. Civil "C" de 1ª	32
8	Técnico de Const. Civil "C" de 2ª	27
9	Técnico de Const. Civil "D" Principal	1
10	Técnico de Const. Civil "D" de 1ª	7
11	Técnico de Const. Civil "D" de 2ª	6
12	Auxiliar Téc. de Aprovisionamento de 1ª	2
13	Auxiliar Téc. de Aprovisionamento de 2ª	2
14	Auxiliar Téc. de Aprovisionamento de 3ª	2
15	Auxiliar Téc. de Const. Civil de 1ª	4
16	Auxiliar Téc. de Const. Civil de 2ª	4
17	Economista "A" de 1ª	4
18	Economista "A" de 2ª	4
19	Contabilista "C" Principal	1
20	Contabilista "C" de 1ª	3
21	Contabilita "C" de 2ª	3
22	Técnico Aduaneiro "C" de 1ª	1
23	Técnico Aduaneiro "C" de 2ª	1
24	Engenheiro Mecânico "A" de 1ª	3
25	Engenheiro Mecânico "A" de 2ª	3
26	Engenheiro Mecânico "B" de 1ª	3
27	Engenheiro Mecânico "B" de 2ª	3
28	Técnico Mecânico "C" de 1ª	2
29	Técnico Mecânico "C" de 2ª	2
30	Técnico Electrotécnico "C" de 1ª	2
31	Técnico Electrotécnico "C" de 2ª	2

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Carreira Administ. Estatal

1	1ª Oficial de Administração	3
2	2ª Oficial de Administração	3
3	3ª Oficial de Administração	5
4	Aspirante	5
5	Arquivista	1
6	Auxiliar de Oficial de Protocolo de 2ª	1
7	Operador de Rádio	2
8	Contínuo	9

		29

Carreira de Secrectariado

1	Dactilografo de 1ª	2
2	Dactilografo de 2ª	4
3	Dactilografo de 3ª	4
4	Escriturário-Dactilógrafo	5

		15

Operários

1	Electricista "D" de 1ª	1
2	Electricista "D" de 2ª	1
3	Electricista de 1ª	1
4	Mecânico de 1ª	1
5	Mecânico de 2ª	2
6	Lubrificador de Veículos de 1ª	1
7	Lubrificador de Veículos de 2ª	1
8	Ferramenteiro	1
9	Bate - Chapas	1
10	Abastecedor de combustível	1
11	Ajudante	2
12	Fiel de Armazém	1
13	Condutor de Veículos Pesados de 1ª	5
14	Condutor de Veículos Pesados de 2ª	5
15	Condutor de Veículos Pesados de 3ª	8
16	Guardas	9
17	Serventes	5

		46

TOTAL	369

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QUADRO DE

OCUPAÇÃO PROFISSIONAL

DIRECÇÃO E CHEFIA

1	DIRECTOR NACIONAL	1
2	DIRECTOR NACIONAL ADJUNTO	1
3	CHEFE DE DEPARTAMENTO	5
4	CHEFE DE REPARTIÇÃO	2
5	CHEFE DE SECÇÃO	

CARREIRA TECNICA

1	ENGº CIVIL "A" PRINCIPAL	2
2	ENGº CIVIL "A" DE 1ª	
3	ENGº CIVIL "A" DE 2ª	6
4	TEC.CONST.CIVIL "B" DE 1ª	1
5	TEC.CONST.CIVIL "B" DE 2ª	10
6	TEC.CONST.CIVIL "C" PRINCIPAL	1
7	TEC.CONST.CIVIL "C" DE 1ª	
8	TEC.CONST.CIVIL "C" DE 2ª	8
9	TEC.CONST.CIVIL "D" PRINCIPAL	
10	TEC.CONST.CIVIL "D" DE 1ª	1
11	TEC.CONST.CIVIL "D" DE 2ª	8
12	AUX.TEC.DE APROVISIONAMENTO DE 1ª	
13	AUX.TEC.DE APROVISIONAMENTO DE 2ª	
14	AUX.TEC.DE APROVISIONAMENTO DE 3ª	
15	AUX.TEC.DE CONST.CIVIL DE 1ª	4
16	AUX.TEC.CONST.CIVIL DE 2ª	
17	ECONOMISTA "A" DE 1ª	2
18	ECONIMISTA "A" DE 2ª	
19	CONTABILISTA "C" PRINCIPAL	
20	CONTABILISTA "C" DE 1ª	
21	CONTABILISTA "C" DE 2ª	3
22	TEC.ADUANEIRO "C" DE 1ª	
23	TEC.ADUANEIRO "C" DE 2ª	1
24	ENGº MECANICO "A" DE 1ª	
25	ENGº MECANICO "A" DE 2ª	
26	ENGº MECANICO "B" DE 1ª	3
27	ENGº MECANICO "B" DE 2ª	8
28	TEC.MECANICO "C" DE 1ª	
29	TEC.MECANICO "C" DE 2ª	2
30	TEC.ELECTROTECNICO "C" DE 1ª	
31	TEC.ELECTROTECNICO "C" DE 2ª	

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CARREIRA ADMINIST.ESTATAL

1	1º OFICIAL DE ADMINISTRAÇÃO	
2	2º OFICIAL DE ADMINISTRAÇÃO	3
3	3º OFICIAL DE ADMINISTRAÇÃO	3
4	ASPIRANTE	5
5	ARQUIVISTA	1
6	AUXILIAR DE OFICIAL DE PROTOCOLO DE 2a	1
7	OPERADOR DE RADIO	1
8	CONTINUO	9

CARREIRA DE SECRETARIADO

1	DACTILOGRAFO DE 1a	
2	DACTILOGRAFO DE 2a	2
3	DACTILOGRAFO DE 3a	3
4	ESCRITORARIO-DACTILOGRAFO	

OPERARIO

1	ELECTRICISTA "D" DE 1a	
2	ELECTRICISTA "D" DE 2a	1
3	ELECTRICISTA DE 1a	
4	MECANICO DE 1a	
5	MECANICO DE 2a	1
6	LUBRIFICADOR DE VEICULOS DE 1a	1
7	LUBRIFICADOR DE VEICULOS DE 2a	1
8	FERRAMENTEIRO	
9	BATE-CHAPAS	
10	ABASTECEDOR DE COMBUSTIVEL	
11	AJUDANTE	1
12	FIEL DE ARMAZEM	2
13	CONDUTOR DE VEICULOS PESADOS DE 1a	3
14	CONDUTOR DE VEICULOS PESADOS DE 2a	
15	CONDUTOR DE VEICULOS PESADOS DE 3a	7
16	GUARDAS	11
17	SERVENTES	1
18	JARDINEIRO	1
19	SERRALHEIRO	1
	TOTAL	127

ID	Name	Duration	Scheduled Finish	
1				
2	FULL PROJECT CYCLE 6.6 Y	2046d	6/7/96	
3	IDENTIFY PROJECT	0d	1/9/90	
4	Donor clear and pledge	0d	28/9/90	3FS + 4w
5	Assign coordinator	1d	3/9/90	3
6	FEASIBILITY CYCLE	332d	7/1/92	
7	FEASIBILITY BIDDING	182d	11/6/91	
8	Draft LOI pack and Shortlist	15d	19/10/90	4,5
9	Clear LOI and Shortlist	15d	9/11/90	8
10	Issue LOI	0d	13/11/90	9FS + 2d
11	Receive Proposals	0d	15/1/91	10FS + 45d
12	EVALUATE Proposals	32d	28/2/91	
13	Evaluate Tech Proposals	15d	5/2/91	11
14	Evaluate Fin Proposals	2d	28/2/91	16
15	CLEAR Evaluation	22d	7/3/91	
16	Clear Tech Proposals	15d	26/2/91	13
17	Clear Fin Proposals	5d	7/3/91	14
18	Negotiate Contract	8d	2/4/91	17FS + 10d
19	CLEAR Draft Contract	50d	11/6/91	
20	Clear with Donor	25d	7/5/91	
21	< 2M USD	15d	23/4/91	18
22	> 2M USD	25d	7/5/91	18
23	Clear with MCA	5d	9/4/91	18
24	Clear with CREE	25d	14/5/91	23
25	Clear with MoF	20d	11/6/91	24
26	Sign Contract	0d	11/6/91	20,25
27	FEASIBILITY STUDY	95d	12/11/91	
28	Mobilize	0d	2/7/91	26FS + 15d
29	Inception Report	0d	23/7/91	28FS + 15d
30	Comment on inception Report	15d	13/8/91	29
31	Draft Final Report	0d	24/9/91	30FS + 30d
32	Comment on Draft Final Report	15d	15/10/91	31
33	Final Report	0d	12/11/91	28FS + 19w,32FS + 15d
34	Study considerations	0d	7/1/92	33FS + 8w
35	DESIGN ENGINEERING CYCLE	437d	17/6/93	
36	Donor clear and pledge	0d	15/10/91	32
37	DETAILED DESIGN BIDDING	182d	17/9/92	
38	Draft LOI pack and Shortlist	15d	28/1/92	34,32
39	Clear LOI and Shortlist	15d	18/2/92	36,38
40	Issue LOI	0d	20/2/92	39FS + 2d
41	Receive Proposals	0d	23/4/92	40FS + 45d
42	EVALUATE Proposals	32d	8/6/92	
43	Evaluate Tech Proposals	15d	14/5/92	41
44	Evaluate Fin Proposals	2d	8/6/92	46
45	CLEAR Evaluation	22d	15/6/92	
46	Clear Tech Proposals	15d	4/6/92	43
47	Clear Fin Proposals	5d	15/6/92	44
48	Negotiate Contract	8d	9/7/92	47FS + 10d
49	CLEAR Draft Contract	50d	17/9/92	
50	Clear with Donor	25d	13/8/92	
51	< 2M USD	15d	30/7/92	48

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ID	Name	Duration	Scheduled Finish	Predecessors
52	> 2M USD	25d	13/8/92	48
53	Clear with MCA	5d	16/7/92	48
54	Clear with CREE	25d	20/8/92	53
55	Clear with MoF	20d	17/9/92	54
56	Sign Contract	0d	17/9/92	50,55
57	DETAILED DESIGN	140d	22/4/93	
58	Mobilize	0d	8/10/92	56FS + 3w
59	Inception Report	0d	29/10/92	58FS + 15d
60	Comment on Inception Report	15d	19/11/92	59
61	Draft Final Report	0d	25/2/93	58FS + 20w
62	Comment on Draft Final Report	15d	18/3/93	61
63	Final Report	0d	22/4/93	62FS + 15d,58FS + 28w
64	Study considerations	0d	17/6/93	63FS + 8w
65	WORKS PQ & BIDDING CYCLE	296d	7/1/94	
66	PREQUALIFICATION	112d	26/4/93	
67	Donor pledge Works	1d	20/11/92	60
68	Draft General Procurement Notice	15d	11/12/92	67
69	Clear General Procurement Notice	10d	25/12/92	68
70	Issue General Procurement Notice	2d	29/12/92	69
71	Draft Pre-qualification Documents	20d	17/12/92	60
72	Clear Pre-qualification Documents	15d	7/1/93	71
73	Issue Pre-qualification Notice	2d	11/1/93	72
74	Receive Proposals	0d	15/3/93	73FS + 45d
75	Evaluate Proposals	15d	5/4/93	74
76	Clear Evaluation	15d	26/4/93	75
77	WORKS BIDDING	226d	7/1/94	
78	Draft Specific Bidding Documents	15d	18/3/93	61
79	Clear Bidding Documents	15d	8/4/93	78
80	Issue Bidding Documents	0d	12/4/93	79FS + 2d
81	Receive Bids	0d	14/6/93	80FS + 45d
82	EVALUATE Bids	40d	14/10/93	
83	Evaluate Proposals	25d	23/9/93	117,81
84	Clear proposals	15d	14/10/93	83
85	Negotiate Contract	10d	28/10/93	84
86	CLEAR Draft Contract	50d	6/1/94	
87	Clear with Donor	25d	2/12/93	
88	< 7.5M USD	15d	18/11/93	85
89	> 7.5M USD	25d	2/12/93	85
90	Clear with MCA	5d	4/11/93	85
91	Clear with CREE	25d	9/12/93	90
92	Clear with MoF	20d	6/1/94	91
93	Sign Contract	1d	7/1/94	87,92
94	SUPERVISION CYCLE	1467d	6/7/98	
95	SUPERVISION BIDDING	160d	29/7/93	
96	Draft LOI and Shortlist	15d	10/12/92	60
97	Clear LOI and Shortlist	15d	31/12/92	96
98	Issue LOI	0d	4/1/93	97FS + 2d
99	Receive Proposals	0d	8/3/93	98FS + 45d
100	EVALUATE Proposals	32d	21/4/93	
101	Evaluate Tech Proposals	15d	29/3/93	99
102	Evaluate Fin Proposals	2d	21/4/93	104

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ID	Name	Duration	Scheduled Finish	Predecessors
103	CLEAR Evaluation	22d	28/4/93	
104	Clear Tech Proposals	15d	19/4/93	101
105	Clear Fin Proposals	5d	28/4/93	102
106	Negotiate Contract	5d	19/5/93	105FS + 10d
107	CLEAR Draft Contract	50d	28/7/93	
108	Clear with Donor	25d	23/6/93	
109	< 2M USD	15d	9/6/93	106
110	> 2M USD	25d	23/6/93	106
111	Clear with MCA	5d	26/5/93	106
112	Clear with CREE	25d	30/6/93	111
113	Clear with MoF	20d	28/7/93	112
114	Sign Contract	1d	29/7/93	108,113
115	SUPERVISION SERVICES	1272d	6/7/98	
116	PRE-SUPERVISION	25d	23/9/93	
117	Mobilize 1	0d	19/8/93	114FS + 15d
118	Evaluation Report	15d	23/9/93	117,83FF
119	SUPERVISION	625d	25/4/97	
120	Mobilize 2	0d	28/2/94	
121	Works Supervision	800d	25/4/97	137FF
122	Inception report	0d	8/4/94	120FS + 30d
123	Quarterly report 1	0d	1/7/94	137SS + 13w
124	Quarterly report 2	0d	30/9/94	123FS + 13w
125	etc..	0d	30/12/94	124FS + 13w
126	Certificate of completion	0d	25/4/97	137
127	POST-SUPERVISION	181d	6/7/98	
128	Draft Final Report	0d	24/10/97	126FS + 26w
129	Comments	30d	23/1/98	128FF + 13w
130	Guarantee Inspection	5d	1/5/98	126FS + 52w
131	Maintenance Certificate	2d	5/5/98	130
132	Final Report	1d	6/7/98	130FS + 9w
133	WORKS MODULE	800d	25/4/97	
134	Mobilization & plan	0d	1/4/94	120FS + 25d
135	Local /small contracts	0d	1/4/94	93FS + 30d
136	Internat./large contracts	0d	1/4/94	93FS + 60d
137	Works	800d	25/4/97	134
138	GUARANTEE WORKS	15d	19/6/98	130

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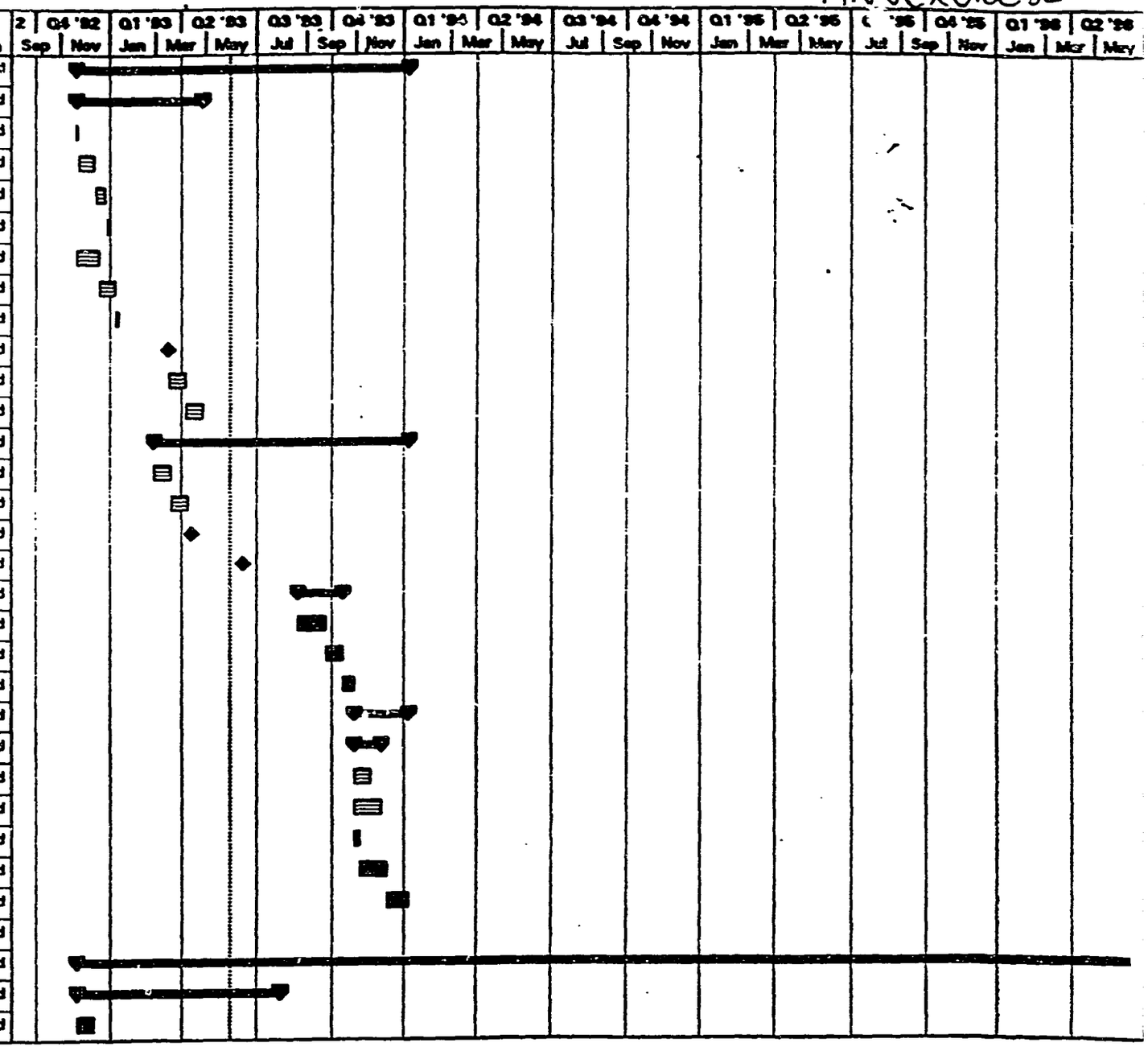
STANDARD PROCUREMENT CYCLE

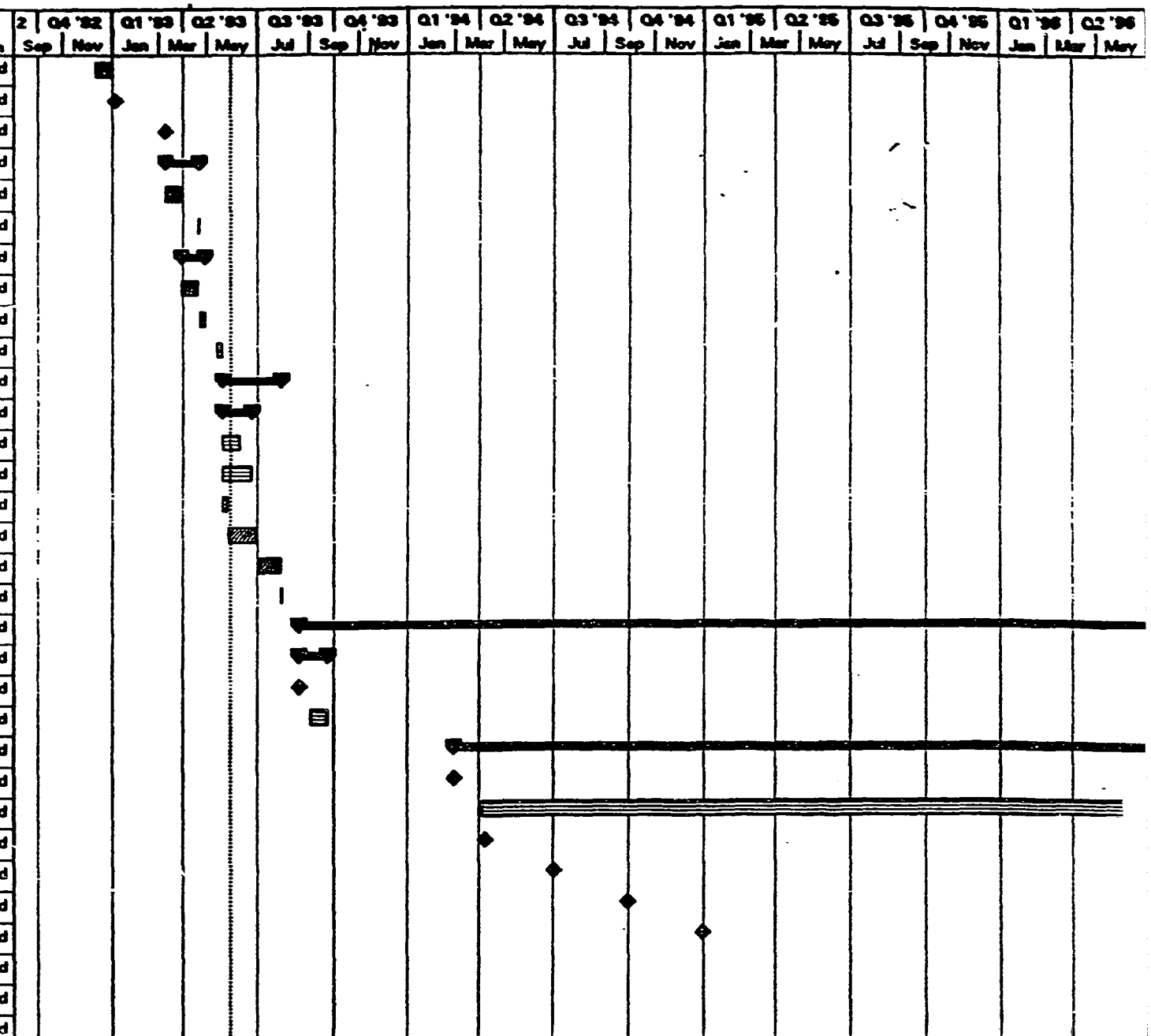
ANNEXURE 5

ID	Name	Duration
	WORKS PQ & BIDDING CYCLE	296d
	PREQUALIFICATION	112d
	Donor pledge Works	1d
	Draft General Procurement	15d
	Clear General Procurement	10d
	Issue General Procurement	2d
	Draft Pre-qualification Docu	20d
	Clear Pre-qualification Docu	15d
	Issue Pre-qualification Notic	2d
	Receive Proposals	0d
	Evaluate Proposals	15d
	Clear Evaluation	15d
	WORKS BIDDING	226d
	Draft Specific Bidding Docu	15d
	Clear Bidding Documents	15d
	Issue Bidding Documents	0d
	Receive Bids	0d
	EVALUATE Bids	40d
	Evaluate Proposals	25d
	Clear proposals	15d
	Negotiate Contract	10d
	CLEAR Draft Contract	50d
	Clear with Donor	25d
	< 7.5M USD	15d
	> 7.5M USD	25d
	Clear with MCA	5d
	Clear with CREE	25d
	Clear with MoF	20d
	Sign Contract	1d
	SUPERVISION CYCLE	1467d
	SUPERVISION BIDDING	180d
	Draft LOI and Shortlist	15d



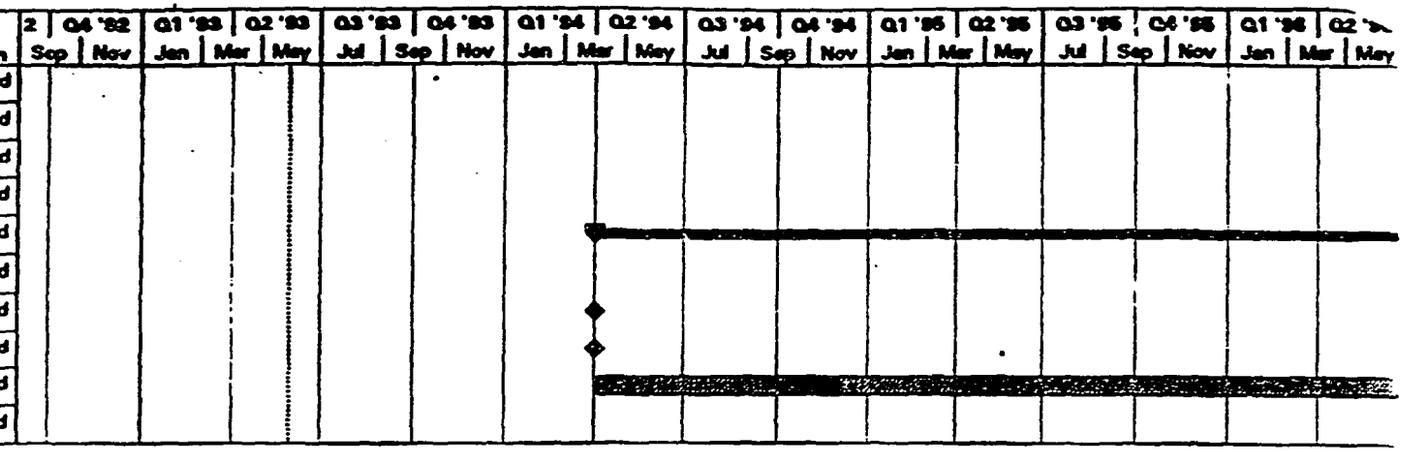
STANDARD PROCUREMENT CYCLE

ID	Name	Duration
97	Clear LOI and Shortlist	15d
98	Issue LOI	0d
99	Receive Proposals	0d
100	EVALUATE Proposals	32d
101	Evaluate Tech Proposal	15d
102	Evaluate Fin Proposals	2d
103	CLEAR Evaluation	22d
104	Clear Tech Proposals	15d
105	Clear Fin Proposals	5d
106	Negotiate Contract	5d
107	CLEAR Draft Contract	50d
108	Clear with Donor	25d
109	< 2M USD	15d
110	> 2M USD	25d
111	Clear with MCA	5d
112	Clear with CREE	25d
113	Clear with MoF	20d
114	Sign Contract	1d
115	SUPERVISION SERVICES	1272d
116	PRE-SUPERVISION	25d
117	Mobilize 1	0d
118	Evaluation Report	15d
119	SUPERVISION	825d
120	Mobilize 2	0d
121	Works Supervision	800d
122	Inception report	0d
123	Quarterly report 1	0d
124	Quarterly report 2	0d
125	etc...	0d
126	Certificate of completi	0d
127	POST-SUPERVISION	181d
128	Draft Final Report	0d



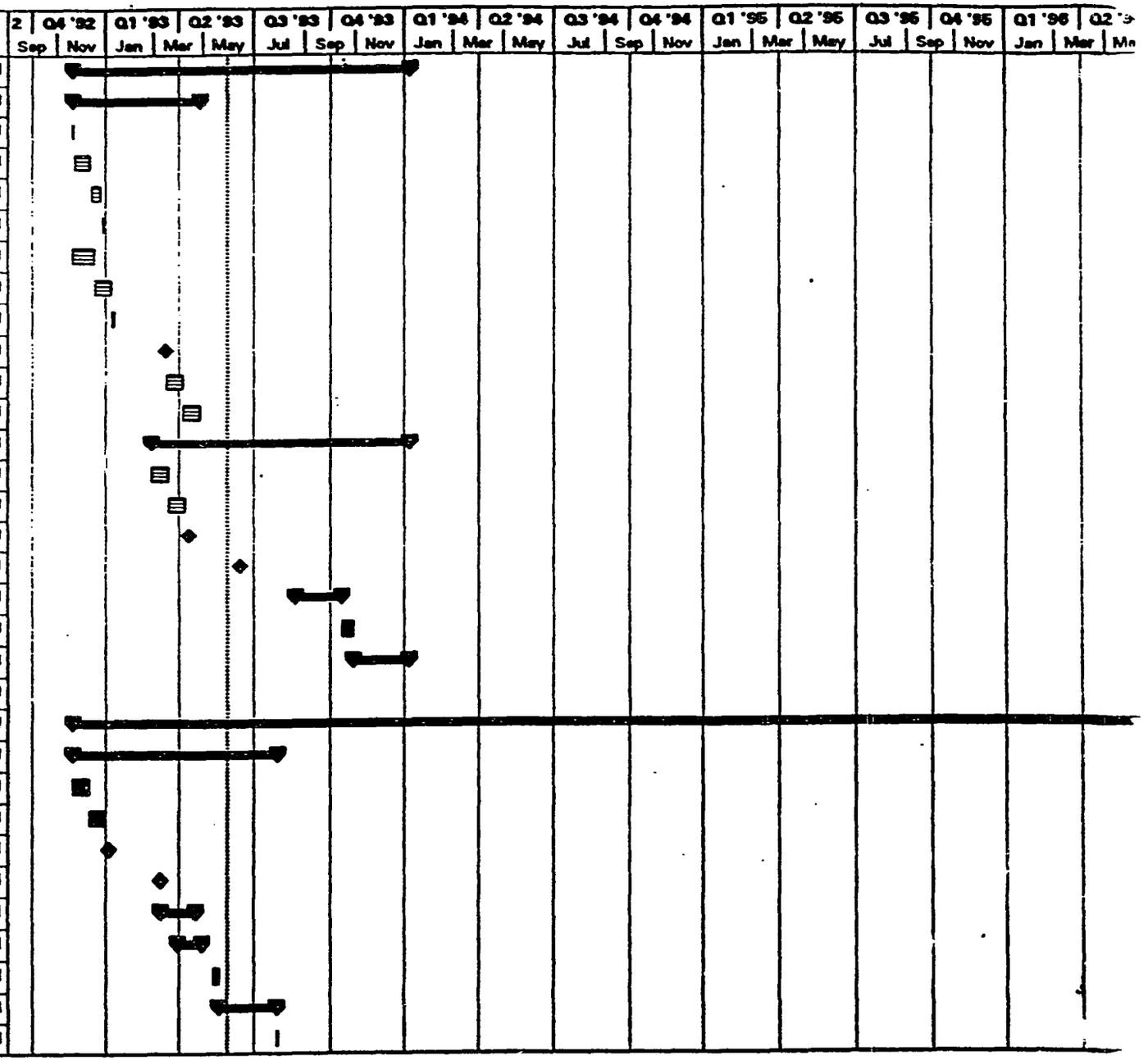
STANDARD PROCUREMENT CYCLE

ID	Name	Duration
129	Comments	30d
130	Guarantee inspection	5d
131	Maintenance Certificate	2d
132	Final Report	1d
133	WORKS MODULE	800d
134	Mobilization & plan	0d
135	Local /small contracts	0d
136	Internat./large contracts	0d
137	Works	800d
138	GUARANTEE WORKS	15d



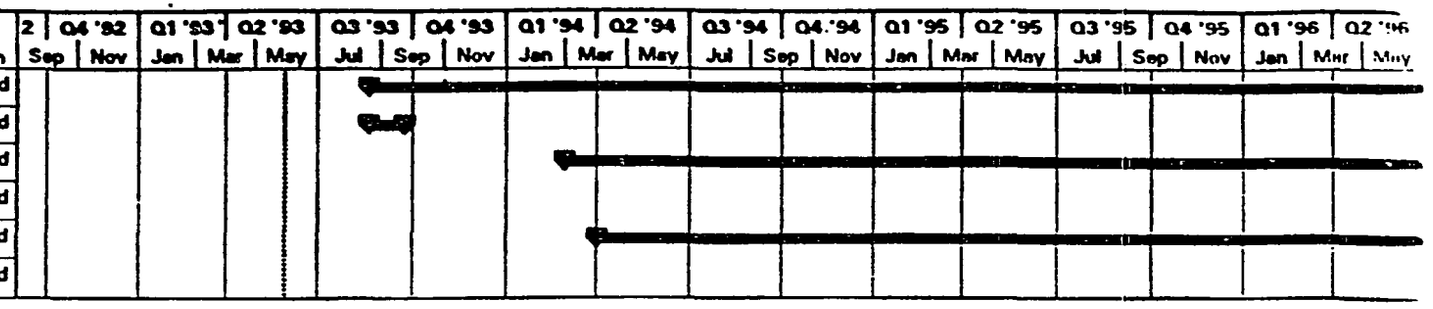
STANDARD PROCUREMENT CYCLE

ame	Duration
WORKS PQ & BIDDING CYCLE	296d
PREQUALIFICATION	112d
Donor pledge Works	1d
Draft General Procurement	15d
Clear General Procurement	10d
Issue General Procurement	2d
Draft Pre-qualification Docu	20d
Clear Pre-qualification Docu	15d
Issue Pre-qualification Notic	2d
Receive Proposals	0d
Evaluate Proposals	15d
Clear Evaluation	15d
WORKS BIDDING	226d
Draft Specific Bidding Docu	15d
Clear Bidding Documents	15d
Issue Bidding Documents	0d
Receive Bids	0d
EVALUATE Bids	40d
Negotiate Contract	10d
CLEAR Draft Contract	50d
Sign Contract	1d
SUPERVISION CYCLE	1467d
SUPERVISION BIDDING	180d
Draft LOI and Shortlist	15d
Clear LOI and Shortlist	15d
Issue LOI	0d
Receive Proposals	0d
EVALUATE Proposals	32d
CLEAR Evaluation	22d
Negotiate Contract	5d
CLEAR Draft Contract	50d
Sign Contract	1d



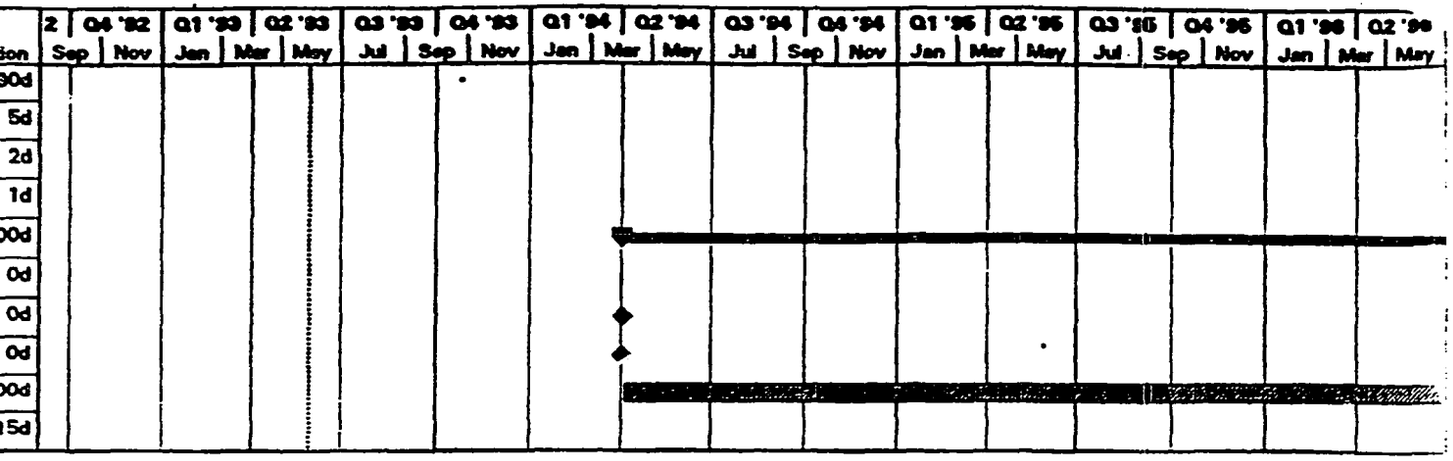
STANDARD PROCUREMENT CYCLE

ame	Duration
SUPERVISION SERVICES	1272d
PRE-SUPERVISION	25d
SUPERVISION	825d
POST-SUPERVISION	181d
WORKS MODULE	800d
GUARANTEE WORKS	15d

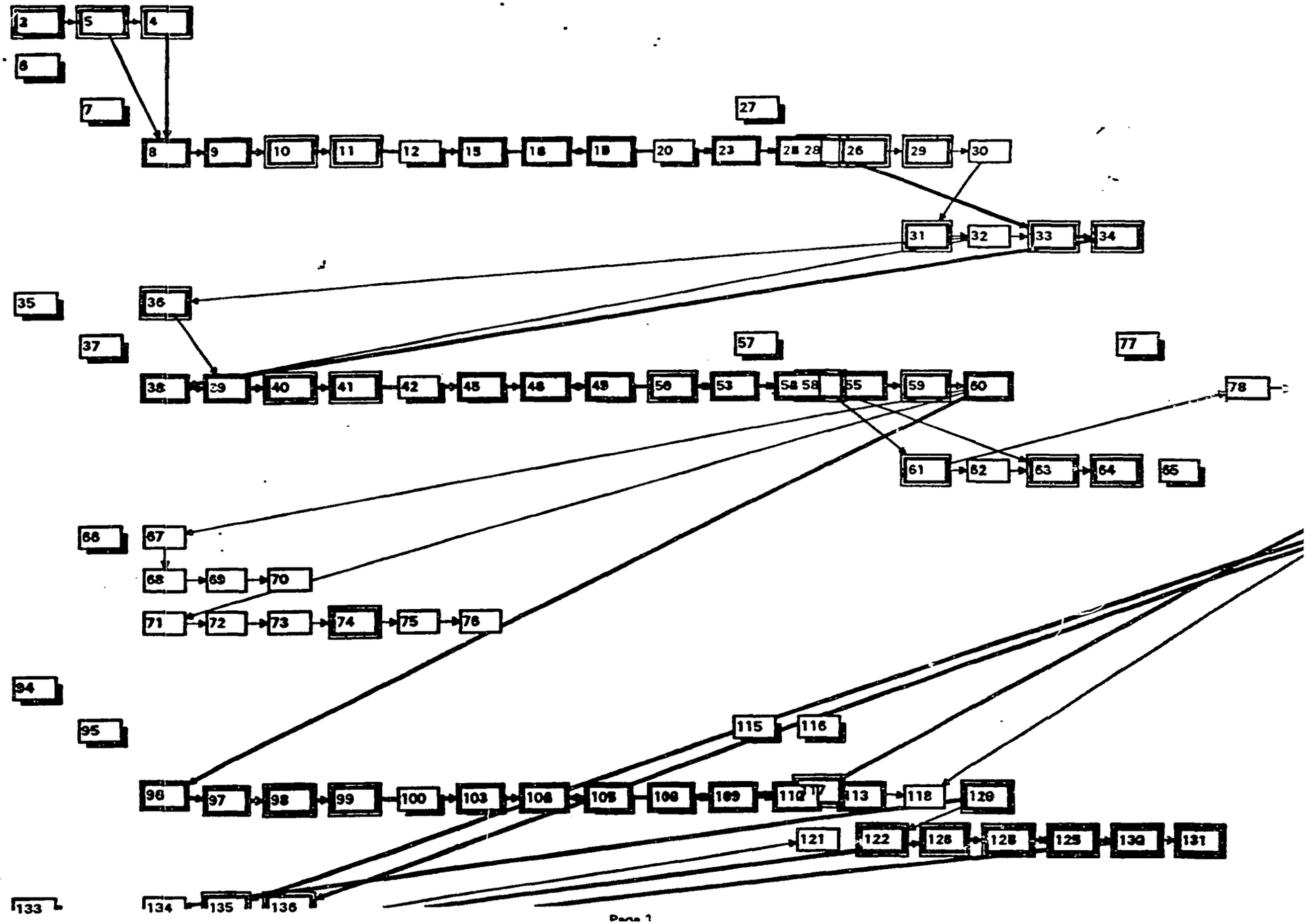


STANDARD PROCUREMENT CYCLE

Name	Duration
Comments	30d
Guarantee inspection	5d
Maintenance Certificate	2d
Final Report	1d
WORKS MODULE	800d
Mobilization & plan	0d
Local /small contracts	0d
Internat./large contracts	0d
Works	800d
GUARANTEE WORKS	15d



STANDARD PROCUREMENT CYCLE



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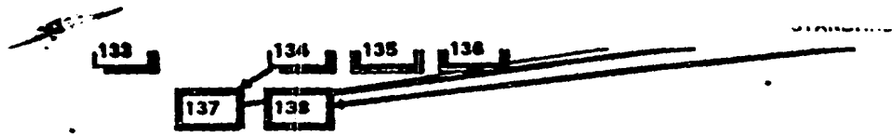
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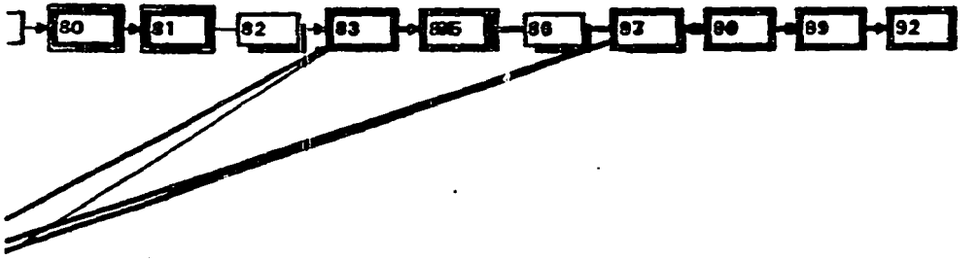
STANDARD PROCUREMENT CYCLE



TERMS OF REFERENCE OF THE SERVICES FOR AUDITING

Background

1. The Republic of Mozambique has received advances from Project Preparation Facility (PPF) and a credit from the International Development Association (IDA) toward the cost of the ROADS AND COASTAL SHIPPING (ROCS-1) PROJECT.

2. The amount of the credit is in various currencies equivalent to SDR 54.1 million.

3. The amount of the Credit may be withdrawn from the credit account in accordance with the provisions established in the Development Credit Agreement (DCA).

4. One of the requirements of the DCA is that the Borrower would open and maintain three Special Accounts in dollars. The Special Accounts will be used by Direccao National de Estradas e Pontes(DNEP), Gabinete de Projectos Maritimos(GAPROMAR) and Banco de Mocambique(BdM).

5. The Borrower's, i.e. the Government's obligations in respect to maintaining accounts and having them audited are detailed in Article IV of the DCA, shown as Annex 1 to these TOR.

6. It is the Borrower's wish that, in DNEP's case, the audit should not only cover the ROCs-1 project, but also all donor supported projects within DNEP.

7. The fiscal year in Mozambique is the same as the calendar year.

8. The credit has become effective on September 17, 1992.

Objective

9. The main purpose of the audit is to ensure that the proceeds of the credit and grants were used exclusively for eligible expenditures, with due attention to economy and efficiency and the procurement guidelines of IDA, and only for the purpose for which the financing was provided. In the audit of the Project Accounts the auditor will employ generally accepted methods and procedures used in audits of accounts of this type.

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The audit should also include the PPF accounts of 1990, 1991 and 1992.

10. It is expected that the audit will be carried out in accordance with generally accepted auditing standards. Since Mozambique has not adopted auditing standards, the auditor will be expected to indicate whether he will use internationally accepted standards or those of a particular country. The auditor should also indicate the degree to which he was unable to follow those standards.

e of the audit

11. The audit will undertake a thorough review of the files, records and reports at DNEP, GAPROMAR and BdM to:

- ascertain whether the conditions of the DCA for the credit were met;

- review control procedures adopted by the implementing agency in processing goods, works and services funded by IDA and other donors. This will include:

(i) review of invitations to bid/invitations to submit proposals, together with contracts let, to ensure that the goods, works and services are in line with the objectives and terms of the credit or grant agreement;

(ii) on a sample basis, review of all stages of bidding and procurement procedures to ensure that IDA or other relevant guidelines are being followed. (In this respect, the auditor will focus particularly on those items not requiring prior clearance from the donor agency).

- verify the appropriateness of procedures for receipt and recording of goods, works and services, including entry (if appropriate) in stock, asset or other registers, and on a test basis physically verify the location and use of those purchases;

- carry out an audit of the transactions and balances on the Special Account where such account is used for payment of IDA/co-financiers funds, with a view to certifying that the transactions conform with Bank of Mozambique and implementing agency records for the project, and that the statements may be relied upon by IDA and other donors;

- to the extent practicable, examine the overall accounts of the implementing agency to ensure, on a test basis, that the project accounts are incorporated into the overall accounts;

asis of statements of expenditure procedures, internal-control systems, records and files provide reliable support for related withdrawals.

Reports

12. The auditor will prepare separate reports for DNEP, BdM and GAPROMAR. Each report should consist of the following:

(A) A short-form report, which should comment on expenditures financed by the IDA credit, and also by, in the case of DNEP, donor supported projects covered by other financial agreements. Separately in the short-form report, the auditor will also give an opinion on the Special Account. The auditor will also present a separate opinion on expenditures with respect to which withdrawals were made on the basis of statements of expenditures (SOE's).

(B) A long-form report or management letter, which should inform project management and the IDA of (i) the standards and procedures which the auditor used in the audit and (ii) the findings and recommendations of the auditor for improvements in accounting and financial management sys'ems and practices and in internal control procedures.

AUD.TOR

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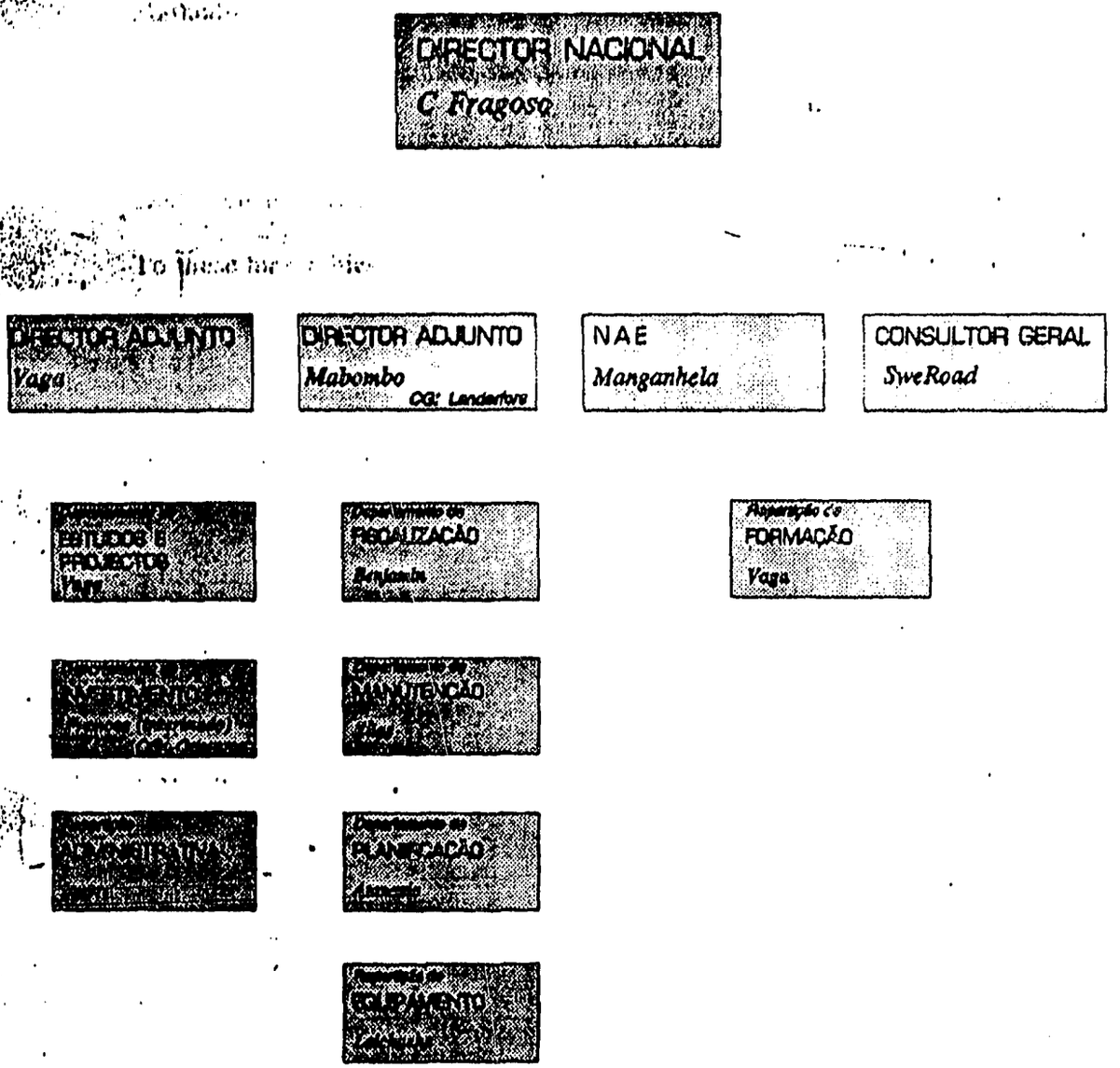
DIRECÇÃO NACIONAL DE ESTRADAS E PONTES



ANNEX: 8

Assignment of DNEP Counterparts to the General Consultant

POSITION NO	PRINCIPAL COUNTERPART TASKS	QUALIFICATIONS	NAME	AVAIL ABLE
GC Team Leader Euison				
1. National Director			Carlos Fragoso	Started
2. Deputy National Director I	Management Information System		João Mabombo	April 93
3. Deputy National Director II	Strategic Planning	Highway Engineer with long experience from transport or highway planning	>[9]	June 93
To GC Cost Accountant /Financial Analyst				
4. Head of Dept of Investments	ROCS and DNEP financial management	Business Admin Degree	Francis (temp)	Started
5. Head of Section for Foreign Payments	Operation of special account	Accounting Degree, Computer	Francis	Started
6. Road Fund Economist	Road's Fund financial management	Business Admin Degree	>	>
To GC Highway Planning /Design Engineer				
7. Head of Dept of Studies & Projects	10-year rehabilitation strategy and plan		Tiago	June 93
9. Design Engineer	Design standards	Engineer, supervision experience	>	June 93
10. Head of Dept of Planning	Functional road classification		Atanásio	August 9
11. DNEP data systems engineer	Road survey methods, data system, equipment, data validation & presentation Running HDM-III rehabilitation strategy /survey analysis	Engineer, profound computer systems experience	>	June 93
[illegible] Head of Dept of Maintenance	Specific survey elements & condition rating criteria		Elias	June 93

[9] The arrow > indicates a need of assignment or recruitment

POSITION NO	PRINCIPAL COUNTERPART TASKS	QUALIFICATIONS	NAME	AVAIL ABLE
To GC Road Maintenance Engineer				
15. Head of Dept of Maintenance	Review maintenance policy & strategies Revise maintenance planning & reporting Outline an action plan for MMS implementation		Elias	July 93
12. DNEP Road surveyor	Organize & supervise road inventory /survey Road survey analysis	Technician, supervision experience	>	July 93
11. DNEP data systems engineer	Running HDM-III preventive maintenance strategy analysis	Technician, computer experience	>	June 93
To GC Systems Analyst				
10. Head of Dept of Planning	Outline DNEP automation plan, incl specification of hardware & software and training program Development of road & bridge data bases, and applications Plan for computerization of MMS		Atanásio	April 93
11. DNEP data systems engineer	Develop responsibility and expertise in DNEP computer systems	Engineer, experience from systems engineering	>	April 93
13. DNEP computer operator	Entry and validation of road and bridge survey data	Technician, computer experience	>	June 93
To GC Bridge Engineer				
7. Head of Dept of Studies & Projects	Outline a bridge replacement strategy and program		>	July 93
16. DNEP principal bridge engineer	Organize & supervise bridge inventory /survey Bridge survey analysis	Engineer, bridge construction experience	>	July 93
17. Head of Dept of Inspectorate	Develop cost estimates for road and bridge works		Benjamin	August 93

POSITION NO	PRINCIPAL COUNTERPART TASKS	QUALIFICATIONS	NAME	AVAIL ABLE
To GC Traffic Engineer				
10. Head of Dept of Planning	Network analysis for traffic survey Traffic survey methodology and data system Axle load survey methodology and data system		Atanásio	May 93
14. DNEP Traffic surveyor	Traffic and axle load surveys: data entry & validation	Technician, survey experience		August 93
19. NAE technician	Organizing crews for traffic and axle load surveys	Technician, supervision experience	>	July 93
2. Deputy National Director	Traffic signs policy & specifications for action plan		João Mabombo	Jan 94
To GC Construction Engineer /Contracts Administrator				
17. Head of Dept of Inspectorate	Outline a contract management system Develop statistics of construction data and costs		Benjamín	May 93
8. Contract Management Analyst	Develop general, standard solicitation documents Develop master rehabilitation contracts	Engineer, supervision experience	>	May 93
7. Head of Dept of Studies & Projects	Supervise further LRCi activities		>	
15. Head of Dept of Maintenance	Organize new rehabilitation & maintenance contracts		Elias	August 93
18. Head of NAE	Perform a brief field organization analysis		Manganhela	August 93
20. Head of Section for Equipment	Feasibility of bitumen & emulsion plants at DNEP Study of plant resource requirements and availability "Plant action plan"		Virgílio	August 93

All counterparts should have some knowledge of English.

FINANCE DEPARTMENT
JOB DESCRIPTIONS

Head of Department

Qualifications: University degree in Business A[illegible]ration. Knowledge of English. Computer skills.
Reports to: National Director
Supervises the staff of the Finance Department

Tasks:
- to direct the work of the department
- to be responsible for the elaboration of the d[illegible] investment budgets and their follow-up
- to be responsible for the accounting of the DNEP
- to be reponsible for the management of DNEP bank accounts
- to be responsible for the management of the Special Account of the ROCS project
- to be responsible for monthly reconciliation of accounts
- to be responsible for the preparation of fina[illegible]eports
- to be responsible for proper filing systems o[illegible]al records are maintained
- to be responsible for the handling of invoices within DNEP

Head of Section for payments in foreign currency

Qualifications: Diploma in accounting and fina[illegible] relevant work experience. Knowledge of English. Computer s[illegible]
Reports to: Head of Department
Supervises staff of section

Tasks:
- to be responsible for payment of invoices in foreign currency
  . double-check invoice amount
  . process payments
  . maintain control and follow-up
- make monthly reconciliation of accounts
- maintain control of payments against project bu[illegible]
- operate the Special Account
- carry out the accounting of transactions in f[illegible]n currency
- prepare financial reports
- maintain files of supporting documents

Head of Section for payments in local currency

Qualifications: Diploma in accounting and fina[illegible] relevant work experience. Computer skills.
Reports to: Head of Department
Supervises staff of section

Tasks:
- to be responsible for payment of invoices in lo[illegible]rrency
  . double-check invoice amount
  . process payments
  . maintain control and follow-up

- maintain control of payments against project budgets and ECMEP accounts
- carry out the accounting of transactions in local currency
- make monthly reconciliation of accounts
- prepare financial reports
- maintain files of supporting documents

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FEDERATION INTERNATIONALE DES INGENIEURS-CONSEILS

CONDITIONS OF CONTRACT FOR WORKS OF CIVIL ENGINEERING CONSTRUCTION

Annexure 10

PART I GENERAL CONDITIONS

WITH FORMS OF TENDER AND AGREEMENT

FIRST EDITION 1987

Reprinted 1988 with editorial amendments

Provided that against any payment due from the Employer under this Sub-Clause, the Employer shall be entitled to be credited with any outstanding balances due from the Contractor for advances in respect of Contractor's Equipment, materials and Plant and any other sums which, at the date of termination, were recoverable by the Employer from the Contractor under the terms of the Contract. Any sums payable under this Sub-Clause shall, after due consultation with the Employer and the Contractor, be determined by the Engineer who shall notify the Contractor accordingly, with a copy to the Employer.

Release from Performance

Payment in Event of Release from Performance

66.1 If any circumstance outside the control of both parties arises after the issue of the Letter of Acceptance which renders it impossible or unlawful for either party to fulfil his contractual obligations, or under the law governing the Contract the parties are released from further performance, then the sum payable by the Employer to the Contractor in respect of the work executed shall be the same as that which would have been payable under Clause 65 if the Contract had been terminated under the provisions of Clause 65.

Settlement of Disputes

Engineer's Decision

67.1 If a dispute of any kind whatsoever arises between the Employer and the Contractor in connection with, or arising out of, the Contract or the execution of the Works, whether during the execution of the Works or after their completion and whether before or after repudiation or other termination of the Contract, including any dispute as to any opinion, instruction, determination, certificate or valuation of the Engineer, the matter in dispute shall, in the first place, be referred in writing to the Engineer, with a copy to the other party. Such reference shall state that it is made pursuant to this Clause. No later than the eighty-fourth day after the day on which he received such reference the Engineer shall give notice of his decision to the Employer and the Contractor. Such decision shall state that it is made pursuant to this Clause.

Unless the Contract has already been repudiated or terminated, the Contractor shall, in every case, continue to proceed with the Works with all due diligence and the Contractor and the Employer shall give effect forthwith to every such decision of the Engineer unless and until the same shall be revised, as hereinafter provided, in an amicable settlement or an arbitral award.

If either the Employer or the Contractor be dissatisfied with any decision of the Engineer, or if the Engineer fails to give notice of his decision on or before the eighty-fourth day after the day on which he received the reference, then either the Employer or the Contractor may, on or before the seventieth day after the day on which he received notice of such decision, or on or before the seventieth day after the day on which the said period of 84 days expired, as the case may be, give notice to the other party, with a copy for information to the Engineer, of his intention to commence arbitration, as hereinafter provided, as to the matter in dispute. Such notice shall establish the entitlement of the party giving the same to commence arbitration, as hereinafter provided, as to such dispute and, subject to Sub-Clause 67.4, no arbitration in respect thereof may be commenced unless such notice is given.

If the Engineer has given notice of his decision as to a matter in dispute to the Employer and the Contractor and no notice of intention to commence arbitration as to such dispute has been given by either the Employer or the Contractor on or before the seventieth day after the day on which the parties received notice as to such decision from the Engineer, the said decision shall become final and binding upon the Employer and the Contractor.

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Amicable Settlement 67.2 Where notice of intention to commence arbitration as to a dispute has been given in accordance with Sub-Clause 67.1, arbitration of such dispute shall not be commenced unless an attempt has first been made by the parties to settle such dispute amicably. Provided that, unless the parties otherwise agree, arbitration may be commenced on or after the fifty-sixth day after the day on which notice of intention to commence arbitration of such dispute was given, whether or not any attempt at amicable settlement thereof has been made.

Arbitration 67.3 Any dispute in respect of which:

(a) the decision, if any, of the Engineer has not become final and binding pursuant to Sub-Clause 67.1, and

(b) amicable settlement has not been reached within the period stated in Sub-Clause 67.2

shall be finally settled, unless otherwise specified in the Contract, under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed under such Rules. The said arbitrator/s shall have full power to open up, review and revise any decision, opinion, instruction, determination, certificate or valuation of the Engineer related to the dispute.

Neither party shall be limited in the proceedings before such arbitrator/s to the evidence or arguments put before the Engineer for the purpose of obtaining his said decision pursuant to Sub-Clause 67.1. No such decision shall disqualify the Engineer from being called as a witness and giving evidence before the arbitrator/s on any matter whatsoever relevant to the dispute.

Arbitration may be commenced prior to or after completion of the Works, provided that the obligations of the Employer, the Engineer and the Contractor shall not be altered by reason of the arbitration being conducted during the progress of the Works.

Failure to Comply with Engineer's Decision 67.4 Where neither the Employer nor the Contractor has given notice of intention to commence arbitration of a dispute within the period stated in Sub-Clause 67.1 and the related decision has become final and binding, either party may, if the other party fails to comply with such decision, and without prejudice to any other rights it may have, refer the failure to arbitration in accordance with Sub-Clause 67.3. The provisions of Sub-Clauses 67.1 and 67.2 shall not apply to any such reference.

Notices

Notice to Contractor 68.1 All certificates, notices or instructions to be given to the Contractor by the Employer or the Engineer under the terms of the Contract shall be sent by post cable, telex or facsimile transmission to or left at the Contractor's principal place of business or such other address as the Contractor shall nominate for that purpose.

Notice to Employer and Engineer 68.2 Any notice to be given to the Employer or to the Engineer under the terms of the Contract shall be sent by post, cable, telex or facsimile transmission to or left at the respective addresses nominated for that purpose in Part II of these Conditions.

Change of Address 68.3 Either party may change a nominated address to another address in the country where the Works are being executed by prior notice to the other party, with a copy to the Engineer, and the Engineer may do so by prior notice to both parties.

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Procurement under IBRD Loans and IDA Credits

Guidelines Procurement under IBRD Loans and IDA Credits

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I. INTRODUCTION

1.1 The purpose of these Guidelines is to inform those carrying out a project that is financed in part by the International Bank for Reconstruction and Development (IBRD) or the International Development Association (IDA),[1] of the arrangements to be made for procuring the goods and works (including related services)[2] required for the project. The Loan Agreement governs the legal relationships between the Borrower and the Bank, and the Guidelines are made applicable to procurement of goods and works for the project, to the extent provided in the agreement. The rights and obligations of the Borrower and the providers of goods and works for the project are governed by the bidding[3] documents, and by the contracts signed by the Borrower with the providers of the goods and works, and not by these Guidelines or the Loan Agreements. No party other than the parties to the Loan Agreement shall derive any rights therefrom or have any claim to loan proceeds.

General Considerations

1.2 The responsibility for the execution of the project, and therefore for the award and adminis-

1. Since the procurement requirements of IBRD and IDA are identical, references in these Guidelines to the Bank include both IBRD and IDA, and references to loans include credits.

2 "Goods" and "works" include related services such as transportation, insurance, installation, training, initial maintenance and other similar services, but not consultants' services, to which the current "Guidelines for the Use of Consultants by World Bank Borrowers and by the World Bank as Executing Agency" apply.

3. For the purpose of these Guidelines, the words "bid" and "tender" shall have the same meaning.

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the Borrower.[4] The Bank, for its part, is required by its Articles of Agreement to "ensure that the proceeds of any loan are used only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations,"[5] and it has established detailed procedures for this purpose. While in practice the specific procurement rules and procedures to be followed in the execution of a project depend on the circumstances of the particular case, three considerations generally guide the Bank's requirements:

(a) The need for economy and efficiency in the execution of the project, including the procurement of the goods and works involved;
(b) The Bank's interest, as a cooperative institution, in giving all eligible bidders from developed and developing countries,[6] an opportunity to compete in providing goods and works financed by the Bank; and
(c) The Bank's interest, as a development institution in encouraging the development of local contractors and manufacturers in the borrowing country.

1.3 The Bank has found that, in most cases, these needs and interests can best be realized through international competitive bidding, properly administered, and with suitable allowance for preferences for local or regional manufacturers of goods and, where appropriate, for local contractors for works under prescribed conditions. In such cases, therefore, the Bank requires its Borrowers to obtain goods and works through international competitive bidding open to eligible suppliers and contractors.[7] On the other hand, there are cases where international competitive bidding is clearly not the most economic and efficient

4. In some cases, the Borrower acts only as an intermediary, and the project is carried out by another agency or entity. References in these Guidelines to the Borrower include such agencies and entities.

5. The Bank's Articles of Agreement; Article 3, Section 5(b).

6. See para 1.5.

7. See para 1.5.

other methods of procurement are prescribed in the loan documents. Section II of these Guidelines describes procedures for international competitive bidding. Section III describes other methods of procurement and elaborates situations where their application would be more appropriate. The particular methods to be followed for the procurement of goods and works for a given project are specified in the loan documents for such project.

Applicability of Guidelines

1.4 Generally the Bank finances only a part of the cost of the project. The procedures outlined in these Guidelines apply to all procurement of goods and works financed wholly or in part by the loan proceeds. For the procurement of those goods and works not financed out of the proceeds of the loan, the Borrower may adopt other procedures. In such cases the Bank should be satisfied that the procedures to be used will fulfill the Borrower's obligations to cause the project to be carried out diligently and efficiently, and that the goods and works to be procured:

(a) are of satisfactory quality and are compatible with the balance of the project;
(b) will be delivered or completed in timely fashion; and
(c) are priced so as not to affect adversely the economic and financial viability of the project.

Eligibility

1.5 Funds from Bank loans may be disbursed only on account of expenditures for goods and services provided by nationals of, and produced in or supplied from, Bank member countries and Switzerland.[8] Under this policy, nationals of other countries or bidders offering goods and services from other countries should be disqualified from bidding for contracts intended to be financed wholly or in part from Bank loans.

1.6 Transportation of goods is not financed by the Bank if the services are rendered by enter-

8 For the purposes of these Guidelines, suppliers and contractors in Taiwan, China are eligible to compete in providing goods and works financed by the Bank.

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prises from ineligible sources, excep
ing arrangements in shipping conferences in which shipping lines from eligible sources hold the major share make the nationality of the carrier immaterial, or where other means of transportation are not available or would cause excessive costs or delays.[9] Insurance services connected with Bank-financed contracts are eligible for financing out of the proceeds of Bank loans only when rendered by insurers from eligible sources.

1.7 In connection with any contract to be financed by the Bank, the Bank does not permit a Borrower to deny prequalification, if required, to a firm for reasons unrelated to its capacity to supply the goods and works in question; nor does it permit a Borrower to disqualify any bidder for such reasons. As an exception to the foregoing, firms of a member country or goods manufactured in a member country may be excluded if, as a matter of law or official regulation, the Borrower's country prohibits commercial relations with that country, provided that the Bank is satisfied that such exclusion does not preclude effective competition for the supply of goods or works required.

Advance Contracting and Retroactive Financing

1.8 In certain circumstances, advance contracting, whereby the Borrower signs a contract before the signing of the related Bank loan, may be acceptable in the interests of more rapid and efficient execution of the project. The procurement procedures, including advertising, should be in accordance with the Guidelines in order for advance contracts to be eligible for Bank financing, and the normal review process by the Bank should be followed. A Borrower undertakes advance contracting at its own risk, and any concurrence by the Bank with the procedures, documentation or proposal for award does not commit the Bank to make a loan for the project in question. The reimbursement by the Bank of any payments made by the Borrower under the contract prior to loan signing is referred to as retroactive financing and is only permitted within the limits specified in the Loan Agreement.

9. See also paras. 2.36 and 2.37.

1.9 Manufacturers and contractors in the Borrower's country are encouraged to participate in the procurement process since the Bank seeks, through its procurement procedures, to encourage the development of local industry. Manufacturers and contractors in the Borrower's country may bid independently or in joint venture with foreign manufacturers or contractors, but the Bank does not approve conditions of bidding which require mandatory joint ventures or other forms of association between local and foreign firms.

Bank Review

1.10 The Bank reviews the Borrower's procurement procedures, documents, bid evaluations and contract awards to ensure that the procurement process is properly carried out. These review procedures are described in Appendix 1. The Loan Agreement will specify the extent to which these review procedures will apply in respect of the different categories of goods and works to be financed out of the proceeds of the loan.

Misprocurement

1.11 The Bank does not finance expenditures for goods and works which have not been procured in accordance with the agreed procedures and it is the policy of the Bank to cancel that portion of the loan allocated to the goods and works that have been misprocured. The Bank may, in addition, exercise other remedies under the Loan Agreement.

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II. INTERN[illegible]
BIDDING (ICB)

A. General

Introduction

2.1 International competitive bidding, as used in these Guidelines, has the purpose of affording all eligible prospective bidders[1] adequate notification of a Borrower's requirements and of providing all such bidders an equal opportunity to bid on the necessary goods and works.

Reserved Procurement

2.2 When ICB would be the appropriate method of procurement for particular goods or works but the Borrower wishes to reserve this procurement for local suppliers or contractors, the Bank may accept such reserved procurement only on condition that:

(a) it is not eligible for financing under the Bank loan; and
(b) it will not significantly affect the satisfactory execution of the project in terms of costs, quality and completion time.

Type and Size of Contracts

2.3 The bidding documents should clearly state the type of contract to be entered into and contain the proposed contract provisions appropriate therefor. The most common types of contracts provide for payments on the basis of a lump sum, unit prices, cost plus fees or combinations thereof. Cost reimbursable contracts are acceptable to the Bank only in exceptional circumstances such as conditions of high risk or where costs cannot be determined in advance with sufficient accuracy. Such contracts should include appropriate incentives to limit costs.

2.4 The size and scope of individual contracts will depend on the magnitude, nature and location of the project. For projects requiring a variety of works and equipment, separate contracts generally are awarded for the works and for the supply and/or installation of different major items of plant and equipment.

1. See para 1.5.

2.5 [illegible]ng similar but separate civil works or items of equipment, bids may be invited under alternative contract options that would attract the interest of both small and large firms. Contractors or manufacturers should then be allowed to bid for individual contracts (slices) or for a group of similar contracts (package) at their option, and all bids and combinations of bids should be opened and evaluated simultaneously so as to determine the bid or combination of bids offering the most advantageous solution for the Borrower.[2]

2.6 In certain cases, e.g., where special processes or closely integrated manufacturing are involved, the Bank may accept turnkey arrangements under which the design and engineering, the supply and installation of equipment and the construction of a complete plant are provided under one contract. Alternatively, the Borrower may be responsible for the design and engineering, and invite bids for a single responsibility contract for the supply and installation of all goods and works required for the plant.

2.7 Detailed design and engineering of the goods and works to be provided, including the preparation of technical specifications and other bidding documents, should precede the invitation to bid for the contract. However, in the case of turnkey contracts or contracts for large complex process plants, it may be undesirable or impractical to prepare complete technical specifications in advance. In such a case, it will be necessary to use a two-step procedure, first inviting unpriced technical proposals subject to technical clarifications and adjustments, to be followed by the submission of priced bids in the second step.

Notification and Advertising

2.8 Timely notification of bidding opportunities is essential in competitive bidding. For projects which include the procurement of goods or works on the basis of international competitive bidding, the Borrower is required to prepare and forward to the Bank as soon as possible, and in any event

2. See paras. 2.49-2.54 for the bid evaluation procedures.

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ity to the public of the tender documents relating to such goods or works, as the case may be, a General Procurement Notice. The Bank will arrange for the publication of such Notice in the United Nations' *Development Business*. The Notice should contain information concerning the recipient (or prospective recipient), amount and purpose of the loan, describe the goods and works to be procured under international competitive bidding, indicate, where known, the scheduled date for availability of the bidding or prequalification documents and specify the Borrower's agency responsible for procurement. The Borrower is required to provide the necessary information to update such Notice annually so long as any goods or works remain to be procured on the basis of international competitive bidding.

2.9 The international community should also be notified in a timely manner of the opportunities to bid for specific contracts. To that end, invitations to prequalify or to bid should be advertised in at least one newspaper of general circulation in the Borrower's country (and in the official gazette, if any). Copies of such invitations, or the advertisement thereof, should also be transmitted to local representatives of eligible countries that are potential suppliers of the goods and works required and to those who have expressed interest in response to the general procurement notice. Publication of the invitations in the United Nations' *Development Business* is also encouraged. For large, specialized or important contracts, the Bank may require Borrowers to advertise the invitations to prequalify or to bid in well-known technical magazines, newspapers and trade publications of wide international circulation. Notification should be given in sufficient time to enable prospective bidders to obtain documents and prepare and submit their responses.[3]

Prequalification of Bidders

2.10 Prequalification is advisable for large or complex works and, exceptionally, for custom

3. See para 2.44.

ensure, [illegible] to bid are extended only to those who are capable. The Loan Agreement with the Bank will specify if prequalification is required for particular contracts. Prequalification may also be useful to determine a contractor's eligibility for domestic preference where this is allowed.[4] Prequalification should be based entirely upon the capability of prospective bidders to perform the particular contract satisfactorily, taking into account, *inter alia*, their (i) experience and past performance on similar contracts, (ii) capabilities with respect to personnel, equipment and plant, and (iii) financial position. The invitation to prequalify for bidding on specific contracts should be advertised and notified as described in paras. 2.8 and 2.9 above. The scope of the contract and a clear statement of the requirements for qualification should be sent to all those that wish to be considered for prequalification. As soon as prequalification is completed, the bidding documents should be issued to the qualified bidders. All such bidders that meet the specified criteria should be allowed to bid.

B. Bidding Documents

General

2.11 The bidding documents[5] should furnish all information necessary for a prospective bidder to prepare a bid for the goods and works to be provided. While the detail and complexity of these documents will vary with the size and nature of the proposed bid package and contract, they should generally include: invitation to bid; instructions to bidders; form of bid; form of contract; conditions of contract, both general and special; technical specifications; list of goods or bill of quantities and drawings, as well as necessary appendices, such as formats for various securities. If a fee is charged for the bidding documents, it

4. See paras. 2.55–2.57.

5. Sample bidding documents for goods and works which meet the requirements of these Guidelines are available in the Bank for the guidance of Borrowers.

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courage qualified bidders. Guidelines on critical components of the bidding documents are given in the following paragraphs. The Loan Agreement will specify whether the bidding documents should be submitted to the Bank for review before they are issued to prospective bidders.

References to Bank

2.12 If the Borrower wishes to refer to the Bank in bidding documents the following language should be used:

> "(name of Borrower) has received (or in appropriate cases 'has applied for') a loan from the International Bank for Reconstruction and Development in various currencies equivalent to US$.... toward the cost of (name of project), and intends to apply a portion of the proceeds of this loan to eligible payments under the contract (contracts) for which this invitation to bid is issued. Payment by the International Bank for Reconstruction and Development will be made only at the request of (name of Borrower) and upon approval by the International Bank for Reconstruction and Development and will be subject, in all respects, to the terms and conditions of the Loan Agreement. No party other than (name of Borrower) shall derive any rights from the Loan Agreement or have any claim to loan proceeds."

Validity of Bid and Bid Security

2.13 Bidders should be required to submit bids valid for a period, specified in the invitation to bid, sufficient to enable the Borrower to complete the comparison and evaluation of bids, review the recommendation of award with the Bank (if required by the Loan Agreement), and obtain all the necessary approvals so that the contract can be awarded within that period.

2.14 Bid security, in the form and amount specified in the bidding documents, affording the Borrower reasonable protection, may be required, but it should not be set so high as to discourage bidders. Bid security should remain valid for a

rower to act if the security is to be called. Bid security should be released to unsuccessful bidders once it is determined that they will not be awarded a contract.

Conditions of Contract

2.15 The contract documents should clearly define the scope of work to be performed, the goods to be supplied, the rights and obligations of the Borrower and of the contractor or supplier, and the functions and authority of the engineer or architect, if one is employed by the Borrower, in the supervision and administration of the contract. In addition to the general conditions of contract, any special conditions appropriate to the nature and location of the project should be included.

Clarity of Bidding Documents

2.16 Bidding documents should be so worked as to permit and encourage international competitive bidding and should set forth clearly and precisely the work to be carried out, the location of the work, the goods to be supplied, the place of delivery or installation, the schedule for delivery or completion, and the warranty and maintenance requirements as well as any other pertinent terms and conditions. In addition, the bidding documents, where appropriate, should define the tests, standards, and methods that will be employed to judge the conformity of equipment as delivered, or works as performed, with the specifications. Drawings should be consistent with the text of the technical specifications. The bidding documents should specify any factors which will be taken into account in addition to price in evaluating bids, and how such factors will be quantified or otherwise evaluated. If bids based on alternative designs, materials, completion schedules, payment terms, etc., are permitted, conditions for their acceptability and the method of their evaluation should be expressly stated. Any additional information, clarification, correction of errors or alterations of bidding documents should be sent to each recipient of the original bid-

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priate actions.

Standards

2.17 If particular national or other standards with which equipment, materials or workmanship must comply are cited, bidding documents should state that equipment, materials or workmanship meeting other standards which ensure equivalent or higher quality than the standard specified will also be accepted.

Use of Brand Names

2.18 Technical specifications should be based on relevant characteristics and/or performance requirements. References to brand names, catalog numbers or similar classifications should be avoided. If it becomes necessary to quote a brand name or catalog number of a particular manufacturer to clarify an otherwise incomplete specification, the words "or equivalent" should be added after such reference. The specification should permit the acceptance of offers for goods which have similar characteristics and which provide performance and quality at least equal to those specified.

Limits on Disbursements

2.19 Bidding documents should state that disbursements[6] from the proceeds of Bank loans will be limited to financing goods and works provided from eligible sources.[7] The Bank requires information concerning the country of origin of the goods and works it finances, and the bidding documents should require the supplier or contractor to furnish the necessary information.

Currency Provisions

2.20 Bidding documents should state the currency or currencies in which bidders are to state their prices, the procedure for conversion of prices expressed in different currencies into a single currency for the purpose of comparing bids, and the currencies in which the contract price will be paid. The following provisions (paras. 2.21-2.26) are

6. See paras 2.29-2.30 for disbursement procedures.

7. See para. 1.5.

rency of bid and of payment, and hence may offer their best prices; (ii) give bidders in countries with weak currencies the option to use a stronger currency and thus provide a firmer basis for their bid price; and (iii) enable the Borrower to select the lowest responsive bidder as of the date of its decision to award the contract, but, at the same time, ensure fairness to all the bidders.

Currency of Bid

2.21 Bidding documents should state that the bidder may express the bid price in his country's currency or, at his option, in a currency widely used in international trade. Such international currency will be selected by the Borrower and specified in the bidding documents.[7a] A bidder who expects to incur expenditures in more than one currency and wishes to be paid accordingly should state the respective portion of his bid price in each such currency.[7b] Alternatively, the bidder may express the entire bid price in one currency and indicate the percentages of the bid price required to be paid in other currencies and the exchange rates used in the calculations.

2.22 In the bidding documents for the supply and/or installation of equipment, the Borrower may require bidders to state the portion of the bid price representing local costs in the Borrower's currency.

2.23 In bidding documents for works, the Borrower may require bidders to state the bid price entirely in the Borrower's currency, along with the requirements for foreign currency payments expressed as a percentage of the bid price for each such foreign currency. Each bidder should specify the exchange rates he has used in such calculations. Alternatively, the Borrower may require

7a. In addition, the bidding documents may specifically permit bidders to use the European Currency Unit (ECU) instead of the international trading currency specified in the bidding documents.

7b. The use of the European Currency Unit (ECU) is permissible, if a bidder expects to pay for inputs from outside his (the bidder's) and the Borrower's country in ECU, even if the bidding documents do not specify ECU.

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Currency Conversion for Bid Comparison

2.24 The bid price is the sum of all payments in various currencies required to be made to the bidder. For the purpose of comparing prices, all bid prices should be converted to a single currency selected by the Borrower and stated in the bidding documents. The Borrower should make this conversion by using the selling (exchange) rates for those currencies quoted by an official source (such as the Central Bank) for similar transactions:

(a) on a date selected in advance and specified in the bidding documents, provided that such date should not be earlier than thirty days prior to the date specified for the openings of bids nor later than the original date prescribed in the bidding documents for the expiry of the period of bid validity; or

(b) on the date of decision[8] to award the contract or on the original date prescribed in the bidding documents for the expiry of the period of bid validity, whichever is earlier.

One of the above options should be selected by the Borrower and clearly stated in the bidding documents.

Currency of Payment

2.25 Payment of the contract price should be made in the currency or currencies in which the bid price is stated in the bid of the successful bidder.

2.26 When the bid price is stated in one currency but the bidder has also requested payment in other currencies and has expressed the requirements in other currencies as a percentage of the bid price, the exchange rates to be used for purposes of payments shall be those used by the bidder in his bid, so as to ensure that the value of the foreign currency portions of his bid price is maintained without any loss or gain.

8. The date on which a decision is reached by the approving authority.

2.: 'ayment terms s in accordance with the international commercial practices applicable to the goods and works and the market in question. Contracts for supply of goods should provide for full payment on the delivery and inspection, if so required, of the contracted goods except for contracts involving installation and commissioning, in which case a portion of the payment may be made after the supplier has complied with all his obligations. The use of documentary letters of credit is encouraged so as to assure prompt payment to the supplier. In major contracts for plant and equipment, provision should be made for suitable advances and, in contracts of long duration, for progress payments.

2.28 Contracts for civil works should provide in appropriate cases for mobilization advances, advances on plant and material, regular progress payments and reasonable retention amounts.

2.29 Bidding documents should specify the payment method and terms offered, whether alternative payment methods and terms would be allowed and, if so, under what circumstances. The method of payment should take into account the available procedures for withdrawals of the proceeds of the loan. Disbursements of the proceeds of the loan are made at the request of the Borrower, generally through reimbursements for eligible amounts already paid by the Borrower to the supplier or contractor. However, the Bank may agree to make direct payment to a supplier or contractor, at the Borrower's specific disbursement request for each payment, or to make direct reimbursements to a commercial bank which has issued to a supplier or contractor a letter of credit that is covered by an agreement to reimburse, issued by the Bank at the request of the Borrower.

2.30 A more complete description of the Bank's disbursement procedures is provided in the current Guidelines for Withdrawal of Proceeds of IBRD Loans and IDA Credits.

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2.31 Bidding documents should state either that bid prices will be fixed or that price adjustments (upwards or downwards) will be made in the event changes occur in major cost components of the contract such as labor, equipment, materials and fuel. Price adjustment provisions are usually not necessary for simple contracts involving delivery of goods or completion of works within about a year, but should be included in works contracts which extend over several years. It is normal commercial practice to obtain firm prices for some types of equipment regardless of the delivery time and, in such cases, price adjustment provisions are not needed.

2.32 Contract prices may be adjusted by the use of a prescribed formula (or formulae) which breaks down the total contract cost into components that are adjusted by price indices specified for each component or, alternatively, on the basis of documentary evidence (including actual invoices) provided by the supplier or contractor. The use of the formula method of price adjustment is preferable to that of documentary evidence. The method to be used, the formula (if applicable) and the base date for application should be clearly defined in the bidding documents so that the same provisions will apply to all bidders.

Advance Payments

2.33 Any advance payment, made upon signature of a contract for goods or works, for mobilization and similar expenses should be related to the estimated amount of these expenses and be specified in the bidding documents. Amounts and timing of other advances to be made, such as for materials delivered to the site for incorporation in the works, should also be described in the bidding documents. The bidding documents should specify the arrangements for any security required for advance payments.

Performance Security

2.34 Bidding documents for works should require security in an amount sufficient to protect contractor. This securi , by a performance bond or a bank guarantee, at the contractor's option, in an appropriate form and amount as specified in the bidding documents. The amount of the bond or guarantee may vary, depending on the types of security furnished and on the nature and magnitude of the works. Contracts may provide for a percentage of the total payment to be held as retention money to secure full performance by the contractor. Security should extend sufficiently beyond the estimated date for completion of the works to cover the warranty or maintenance period specified in the contract. Alternatively, a separate security may be obtained for that period.

2.35 In contracts for the supply of goods, the need for performance security will depend on the market conditions and commercial practice for the particular kind of goods. Suppliers or manufacturers may be required to provide a bank guarantee to protect against non-performance of the contract. Such guarantee may also cover warranty obligations or, alternatively, a percentage of the payments may be held as retention money to cover warranty obligations. The guarantees or retention money should be reasonable in amount.

Transportation and Insurance

2.36 Bidding documents for goods should invite bids on cost, insurance and freight (c.i.f.) port of entry border point terms, permitting, at the bidder's option, transportation and insurance from any eligible source.[9] The evaluation and selection of the lowest evaluated bid should be on the basis of these c.i.f. prices. If the contract is signed on c.i.f. terms, the suppliers may arrange for transportation and insurance from any eligible source.

2.37 If the Borrower wishes to provide external transportation and insurance through national companies, bidders should be asked to quote free on board (f.o.b.) port of shipment prices in addition to the c.i.f. port of entry border point price. Selection of the lowest evaluated bid will be on

9. See paras 1.5 and 1.6.

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sign the contract on f.o.b. terms and make its own arrangements for transportation and insurance. Disbursements under the Bank loan will be limited to the c.i.f. price quoted by the bidder. If the costs of transportation and insurance arranged by the Borrower exceed the costs for those services as quoted in the c.i.f. price by more than 15%, the entire costs of transportation and insurance will be financed by the Borrower.

2.38 The indemnity payable under the insurance should be in a freely convertible currency to enable prompt replacement of lost or damaged goods. If the Borrower does not wish to insure through an insurance company, evidence is needed that resources are readily available for prompt payment in a freely convertible currency of the indemnities required to replace lost or damaged goods.

2.39 Bidding documents should state the types and terms of insurance to be provided by the bidder. For civil works, a contractor's All Risk form of policy usually will be required. Bidding documents should permit contractors to place insurance with insurers from any eligible source. For large projects with several contractors on a site, a "wrap-up" or total project insurance arrangement may be provided by the Borrower, in which case Borrowers should seek competition for such insurance.

Liquidated Damages and Bonus Clauses

2.40 Provisions for liquidated damages or similar provisions in an appropriate amount should be included in bidding documents when delays in the completion of works or delivery of goods, or failure of the works or goods to meet performance requirements would result in extra cost or loss of revenue or of other benefits to the Borrower. Provision may also be made for a bonus to be paid to contractors or suppliers for completion of works or delivery of goods ahead of the times specified in the contract when such earlier completion or delivery would be of benefit to the Borrower.

2.41 The conditions of contract included in the bidding documents should stipulate that failure on the part of the parties to perform their obligations under the contract would not be considered a default if such failure were the result of an event of force majeure as defined in the conditions of contract.

Language

2.42 Bidding documents should be prepared in one of the languages[10] customarily used in international commercial transactions and should specify that the text of the documents in that language is governing.

Settlement of Disputes

2.43 The conditions of contract should include provisions dealing with the applicable law and the forum for the settlement of disputes. International commercial arbitration may have practical advantages over other methods for the settlement of disputes. Borrowers should, therefore, consider providing for this type of arbitration in contracts for the procurement of goods and works. The Bank should not be named arbitrator or be asked to name an arbitrator.

C. Bid Opening, Evaluation and Award of Contract

Time Interval between Invitation and Submission of Bids

2.44 The time allowed for the preparation and submission of bids should be determined with due consideration of the particular circumstances of the project and the magnitude and complexity of the contract. Generally, not less than 45 days from the date of the invitation to bid or the date of availability of bidding documents, whichever is later, should be allowed for international bidding. Where large works or complex items of equipment

10. English, French, Spanish. However, contracts entered into with local bidders (excluding joint ventures between local and foreign bidders) may, at the Borrower's option, be in the local language, which shall be the governing language for such contracts.

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conduct investigations before submitting their bids. In such cases, the Borrower is encouraged to convene pre-bid conferences and arrange site visits. Bidders should be permitted to submit bids by mail or by hand. The date, hour and place for latest delivery of bids should be specified in the invitation to bid.

Bid Opening Procedures

2.45 The time for the bid opening should be the same as for the latest delivery of bids or promptly thereafter, and should be announced, together with the place for bid opening, in the invitation to bid. The Borrower should open all bids at the stipulated time. Bids should be opened in public; i.e., bidders or their representatives should be allowed to be present. The name of the bidder and total amount of each bid, and of any alternative bids if they have been requested or permitted, should be read aloud and recorded when opened and a copy of this record sent to the Bank if so requested. Bids received after the time stipulated should not be considered.

Clarification or Alterations of Bids

2.46 Except as otherwise provided in para. 2.60 of these Guidelines, no bidder should be requested or permitted to alter his bid after the first bid has been opened. The Borrower should ask any bidder for clarification needed to evaluate his bid but should not ask or permit any bidder to change the substance or price of his bid after the bid opening.

Process to be Confidential

2.47 After the public opening of bids, information relating to the examination, clarification and evaluation of bids and recommendations concerning awards should not be disclosed to bidders or other persons not officially concerned with this process until the award of contract is announced.

Examination of Bids

2.48 The Borrower should ascertain whether the bids (i) meet the eligibility requirements specified

required securities; (iv) are substantially responsive to the bidding documents; (v) have any material errors in computation; and (vi) are otherwise generally in order. If a bid is not substantially responsive, i.e., it contains material deviations from or reservations to the terms, conditions and specifications in the bidding documents, it should not be considered further. The bidder should not be permitted to correct or withdraw material deviations or reservations once bids have been opened.[11]

Evaluation and Comparison of Bids

2.49 The purpose of bid evaluation is to determine the cost of each bid to the Borrower in a manner that will permit a comparison of bids on the basis of their evaluated cost. The bid with the lowest evaluated cost,[12] but not necessarily the lowest submitted price, should be selected for award.

2.50 The bid price read out at the bid opening should be adjusted to correct any arithmetical errors. For the purpose of evaluation, adjustments should be made for the costs to the Borrower of any quantifiable non-material deviations or reservations. Price adjustment provisions applying to the period of execution of the contract should not be taken into account in the evaluation.

2.51 Bidding documents should specify the relevant factors in addition to price to be considered in bid evaluation and the manner in which they will be applied for the purpose of determining the lowest evaluated bid. Factors which may be taken into consideration include, *inter alia*, the costs of inland transport to the project site, the payment schedule, the time of completion of construction or delivery, the operating costs, the efficiency and compatibility of the equipment, the availability of service and spare parts, the reliability of proposed construction methods, and minor deviations, if any. The factors other than price to be used for

11 See para 2.50.

12. See para. 2.51.

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terms or given a relative weight in the evaluation provisions of the bidding documents.

2.52 For the purpose of evaluation and comparison of bids for the supply of goods to be procured on the basis of international competitive bidding:

(a) Bidders will be required to state in their bids the c.i.f. port of entry price for the imported goods or the ex-factory price or off-the-shelf price of other goods offered in such bid;
(b) Customs duties and other import taxes levied in connection with the importation or the sales and similar taxes levied in connection with the sale or delivery of the goods, pursuant to the bids, will not be taken into account in the evaluation of the bids; and
(c) The cost of inland freight and other expenditures incidental to the transportation and delivery of the goods to the place of their use or installation for purposes of the project should be included if specified in the bidding documents.

2.53 Under works contracts, contractors are responsible for all duties, taxes and other levies, and bidders should take these factors into account in preparing their bids. The evaluation and comparison of bids shall be on this basis. Any procedure under which bids above or below a predetermined assessment of bid values are automatically disqualified is not permitted.

2.54 The Borrower should prepare a detailed report on the evaluation and comparison of bids setting forth the specific reasons on which the recommendation is based for the award of the contract. The Loan Agreement with the Bank will specify whether this report should be submitted to the Bank for its review before or after the award is made by the Borrower.

Domestic and Regional Preferences

2.55 At the request of the borrowing country, and under conditions to be agreed with the Bank and set forth in the bidding documents, a margin

(a) goods manufactured in the borrowing country when comparing domestic bids with those from foreign manufacturers;
(b) goods manufactured in other member countries which have joined with the borrowing country in a regional preferential tariff agreement among developing countries designed to foster their economic integration by a customs union or free trade area, when comparing bids from such manufacturers with other foreign bids; and
(c) civil works, in member countries below a specified level of GNP per capita, when comparing bids from eligible domestic contractors with those from foreign contractors.

2.56 Where preference for domestic manufacturers or domestic contractors is allowed in accordance with the provisions of the Loan Agreement, the methods and stages set forth in Appendix 2 to these Guidelines should be followed in the evaluation and comparison of bids.

Postqualification of Bidders

2.57 If bidders have not been prequalified, the Borrower should determine whether the bidder whose bid has been evaluated the lowest has the capability and resources effectively to carry out the contract concerned. The criteria to be met should be set out in the bidding documents and if the bidder does not meet them, his bid should be rejected. In such an event, the Borrower should make a similar determination for the next lowest evaluated bidder.

Award of Contract

2.58 The Borrower should award the contract, within the period of the validity of bids, to the bidder whose bid has been determined to be the lowest evaluated bid and who meets the appropriate standards of capability and financial resources. A bidder should not be required, as a condition of award, to undertake responsibilities for work not stipulated in the specifications or otherwise to modify his bid.

evaluation and award within the initial period of bid validity so that extensions are not necessary. An extension of bid validity, if justified by exceptional circumstances, should be requested in writing from all bidders before the expiration date and the Bank should be notified. When an extension of bid validity period is requested, bidders should not be requested or be permitted to change the price or other conditions of their bid. Bidders should have the right to refuse to grant such an extension without forfeiting their bid security, but those who are willing to extend the validity of their bid should be required to provide a suitable extension of bid security.

Rejection of All Bids

2.60 Bidding documents usually provide that Borrowers may reject all bids. However, the Borrower should consult with the Bank before holding any negotiations, or rejecting all bids or soliciting new bids. All bids should not be rejected and new bids invited on the same specifications solely for the purpose of obtaining lower prices, except in cases where the lowest evaluated bid exceeds the cost estimates by a substantial amount. In such cases, the Borrower may, as an alternative to rebidding, negotiate with the lowest evaluated bidder (or failing a satisfactory response, with the next lowest bidder) to try to obtain a satisfactory contract. Rejection of all bids is also justified when bids are not substantially responsive or there is lack of effective competition. If all bids are rejected the Borrower should review the causes justifying the rejection and consider making either revisions in the specifications or modifications in the project or both before inviting new bids.

General

3.1 There are circumstances where international competitive bidding would not be the most economic and efficient method of procurement, and where other methods are deemed more appropriate. The particular methods and the categories of goods and works to which they apply are determined by agreement between the Bank and the Borrower, and are specified in the Loan Agreement. The Bank's policies with respect to margins of preference do not apply to methods of procurement other than international competitive bidding. The more common procurement methods which are generally considered in situations where international competitive bidding may not be suitable are set forth in paras. 3.2-3.6.

Limited International Bidding (LIB)

3.2 Limited international bidding is essentially international competitive bidding by direct invitation without open advertisement, and may be an appropriate method of procurement in cases where (i) the amounts are small, (ii) there are only a limited number of suppliers of the particular goods or services needed, or (iii) other exceptional reasons may justify departure from full ICB procedures. Under LIB, Borrowers should seek bids from a list of potential suppliers broad enough to assure competitive prices. Domestic or regional preferences are not applicable in the evaluation of bids under LIB. In all respects other than advertisement and preferences, ICB procedures should apply.

Local Competitive Bidding (LCB)

3.3 Competitive bidding advertised locally and in accordance with local procedures may be the most efficient and economical way of procuring goods or works which, by their nature or scope, are unlikely to attract foreign competition. LCB may be the preferred method of procurement where foreign bidders are not expected to be interested because (i) the contract values are small; (ii) works are scattered geographically or spread over

(c) work must be carried out without disrupting ongoing operations;
(d) the risks of unavoidable work interruption are better borne by the Borrower than by a contractor; or
(e) no contractor is interested in carrying out the works.

Procurement from UN Agencies

3.7 There may be situations in which procurement through UNICEF, WHO or one of the other specialized agencies of the UN may be the most economical and efficient way of procuring goods and equipment, primarily in the fields of education, health and rural water supply and sanitation.

Use of Procurement Agents

3.8 Where procurement is particularly complex, or Borrowers lack the necessary organization and experience, Borrowers may wish to consider employing as their agent one of the firms which specialize in handling international procurement. Procurement carried out under such an arrangement would be in accordance with the Bank's Guidelines.

Procurement in Loans to Financial Intermediaries

3.9 Where the loan provides funds to an institution such as an agricultural credit institution or a development finance company, to be re-lent to beneficiaries such as farmers or business firms for the partial financing of subprojects, the procurement is usually undertaken by the respective beneficiaries in accordance with established commercial practices, acceptable to the Bank. However, even in these situations, international competitive bidding may be the more efficient and economic procurement method for the purchase of large single items or in cases where large quantities of like goods can be grouped together for bulk purchasing.

imports program, including structural adjustment loans, international competitive bidding with simplified advertising and currency provisions should be used for large value contracts. Other procurement is normally carried out in accordance with procedures followed by the private or public entity handling the imports or other established commercial practices acceptable to the Bank.

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Appendix 1

REVIEW OF PROCUREMENT DECISIONS BY THE BANK

1. In cases where prequalification is required under the Loan Agreement, the Borrower shall, before qualification is invited, inform the Bank in detail of the procedure to be followed, and shall introduce such modifications in said procedure as the Bank shall reasonably request. The list of prequalified bidders, together with a statement of their qualification and of the reasons for the exclusions of any applicant for prequalification, shall be furnished by the Borrower to the Bank for its comments before the applicants are notified of the Borrower's decision, and the Borrower shall make such additions to, deletions from or modifications in the said list as the Bank shall reasonably request.

2. With respect to all contracts which, in accordance with the Loan Agreement, are made subject to the Bank's prior review:

(a) Before bids are invited, the Borrower shall furnish to the Bank for its comments, the text of the invitations to bid and the specifications, other bidding and draft contract documents for the civil works, supply of goods, or installation of equipment, etc., as the case may be, together with a description of the advertising procedures to be followed for the bidding, and shall make such modifications

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modification of the bidding documents shall require the Bank's concurrence before it is issued to the prospective bidders;

(b) After bids have been received and evaluated, the Borrower shall, before a final decision on the award is made, inform the Bank of the name of the bidder to which it intends to award the contract and shall furnish to the Bank, in sufficient time for its review, a detailed report (prepared, if the Bank shall so request, by experts acceptable to the Bank), on the evaluation and comparison of the bids received, together with the recommendations for award and such other information as the Bank shall reasonably request. The Bank shall, if it determines that the intended award would be inconsistent with the Loan Agreement or the Guidelines, promptly inform the Borrower and state the reasons for such determination;

(c) The terms and conditions of the contract shall not, without the Bank's concurrence, materially differ from those on which bids were asked or prequalification of contractors, if any, was invited; and

(d) Two conformed copies of the contract[1] shall be furnished to the Bank promptly after its execution and prior to delivery to the Bank of the first application for withdrawal of funds from the Loan Account in respect of such contract.

3. With respect to each contract[1] not governed by the preceding paragraph, the Borrower shall furnish to the Bank, promptly after its execution and prior to delivery to the Bank of the first application for withdrawal of funds from the Loan Account in respect of such contract, two con-

1. If a contract awarded under ICB procedures to a local bidder is written in the local language (see footnote 10 on page 23), two copies of a certified translation of the contract into one of the accepted international languages (English, French, Spanish) shall be furnished to the Bank together with the conformed copies of the contract. Such certified translations shall also be furnished to the Bank, for any subsequent modification of such contracts.

shall reasonably request. The determines that the award of the contract itself, is not consistent with Agreement or the Guidelines, prompt the Borrower and state the reasons for suc determination.

4. Before agreeing to any material modification or waiver of the terms and conditions of a contract, or granting a material extension of the stipulated time for performance of such contract, or issuing any change order under such contract (except in cases of extreme urgency) which would increase the cost of the contract by more than the percentage of the original price specified in the Loan Agreement for the purpose of this paragraph, the Borrower shall inform the Bank of the proposed modification, waiver, extension or change order and the reasons therefor. The Bank, if it determines that the proposal would be inconsistent with the provisions of the Loan Agreement, shall promptly inform the Borrower and state the reasons for its determination.

BEST AVAILABLE COPY

Appendix 2

PREFERENCE FOR DOMESTIC MANUFACTURERS AND CONTRACTORS

Preference for Domestic Manufacturers

1. The Borrower may, with the agreement of the Bank, grant a margin of preference to certain domestic manufacturers when comparing domestic with foreign bids. All bidding documents for the procurement of goods will clearly indicate any preference to be granted to domestic manufacturers and the information required to establish the eligibility of a bid for such preference. The methods and stages set forth hereunder should be followed in the evaluation and comparison of bids.

2. For comparison, responsive bids will be classified in one of the following three groups:

(a) Group A: bids offering goods manufactured in the country of the Borrower if the bidder shall have established to the satisfaction of the Borrower and the Bank that the manufacturing cost of such goods includes a value added in the country of the Borrower equal to at least 20% of the ex-factory bid price of such goods;

(b) Group B: all other domestic bids; and

(c) Group C: bids offering any other goods.

shall first be compared among themsel[illegible]h-out taking into account customs duties and other import taxes levied in connection with the importation, and sales and similar taxes levied in connection with the sale or delivery, pursuant to the bids, of the goods. Such lowest evaluated bids shall then be compared with each other and if, as a result of this comparison, a bid from Group A or Group B is the lowest, it shall be selected for the award.

4. If, as a result of the comparison under para. 3 above, the lowest evaluated bid is a bid from Group C, all Group C bids shall be further compared with the lowest evaluated bid from Group A after adding to the evaluated bid price of the imported goods offered in each Group C bid, for the purpose of this further comparison only, an amount equal to: (i) the amount of customs duties and other import taxes which a non-exempt importer would have to pay for the importation of the goods offered in such Group C bid; or (ii) 15% of the c.i.f. bid price of such goods if said customs duties and taxes exceed 15% of such price. If the Group A bid in such further comparison is the lowest, it shall be selected for the award; if not, the lowest evaluated bid from Group C, as determined from the comparison under para. 3, shall be selected.

Preference for Domestic Contractors

5. For contracts for works to be awarded on the basis of international competitive bidding the Borrower may, with the agreement of the Bank, grant a margin of preference of 7-1/2% to domestic contractors,[1] in accordance with, and subject to, the following provisions:

(a) Contractors applying for such preference shall be asked to provide, as part of the data for qualification,[2] such information, includ-

1. Preference for domestic contractors is applicable only in countries which qualify because of their low per capita income.

2. In certain cases prequalification, as provided in the Loan Agreement, will be required of such contractors or groups.

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esta [illegible] orrower and [illegible] ne Bank, a particular firm or group of firms qualifies for a domestic preference. The bidding documents shall clearly indicate the preference and the method that will be followed in the evaluation and comparison of bids to give effect to such preference; and

(b) After bids have been received and reviewed by the Borrower, responsive bids shall be classified into the following groups:

(i) Group A: bids offered by domestic contractors eligible for the preference; and

(ii) Group B: bids offered by other contractors.

For the purpose of evaluation and comparison of bids, an amount equal to 7-1/2% of the bid amount will be added to bids received from contractors in Group B.

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DIRECTOR NACIONAL ADJUNTO

JOÃO DAVID MABOMBO	ENGo CIVIL DE 1a

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MARIA CHISSANO	ASPIRANTE
VITORINA CONXIXE	DACTILOGRAFA DE 2a

SECERTARIA

REGINA NHAMPINGANE	DACTILOGRAFA DE 3a

MOTORISTAS

EDUARDO MARREGULA	MOTORISTA
ANSELMO MACHAVA	MOTORISTA
SALVADOR CHALANE	MOTORISTA

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JOSE MOHAMED KAVOMA	
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FUNDO

MONICA LINA
MANUEL MUIANGA
CLEMENTE MAVILA

ORDEM DE SERVIÇO ..../R/92

PROJECTO ROCS-1

.....

1. INTRODUÇÃO

1.1- No âmbito do Projecto de Estradas e Cabotagem 1 (ROCS-1), o Banco Mundial financia um projecto de assistência técnica para a DNEP designado .....
.....

1.2- Foi lançado um concurso internacional para a contratação do consultor que vai prestar os serviço inerente a esta assistência técnica.

1.3- As empresas convidadas são:

- .....
- .....
- .....
- .....
- .....
- .....

1.4- O prazo limite para a entrega das propostas é .....
.....

1.5- É nomeada a seguinte Comissão de Avaliação, daqui em diante designado Comissão:

- ..... - PRESIDENTE
- ..... - RELATOR
- .....
- .....

1.6- A cada membro da Comissão deve ser entregue um exemplar dos documentos de concurso (DC) que incluem os Termos de Referência (TDR).

2. PROGRAMA DE TRABALHOS

2.1- Na página seguinte apresenta-se um programa de trabalhos que preve um total de 7 reuniões:

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DIRECÇÃO NACIONAL DE ESTRADAS E PONTES

AVALIAÇÃO DE PROPOSTAS

.....

PROGRAMA

Reunião 1 - Abertura das propostas:
.....

Reunião 2 - Classificação da experiência das firmas, programa de trabalhos e compatibilidade PT/TDR:
.....

Reunião 3 - Classificação de C.V.:
.....

Reunião 4 - Classificação de C.V.:
.....

Reunião 5 - Classificação de C.V.:
.....

Reunião 6 - Verificação das Classificações:
.....

Reunião 7 - Aprovação do relatório:
.....

2.3 Para cada reunião será elaborada uma acta.

2.3- Todos os membros da Comissão, execeptuando o Presidente, irão trabalhar a tempo inteiro na avaliação da proposta.

2.5- O relatório da avaliação deverá ser submetido à aprovação superior nos dias .....

2.6- O relatório de avaliação será enviado ao Banco Mundial em Washington, em .....

3. <u>ORGANIZAÇÃO DA COMISSÃO</u>

3.1- A Comissão possui quatro membros, um dos quais é o Presidente e outro Relator.

3.2- Cada membro da Comissão irá, no acto da abertura das propostas, receber um exemplar de cada PT aceite pela Comissão. As propostas financeiras manter-se-ão fechadas e devão ser entregues ao Director Nacional.

3.3- Até ....., os membros deverão ter completado:

- o estudo dos documentos de concurso
- o estudo da presente ordem de serviço
- a leitura das PT
- a análise da experiência das firmas, seus programas de trabalhos e compatibilidade PT/TDR

3.4- Com base no programa de trabalho atrás referido, as PT serão classificadas simultâneamente por etapas. Para cada etapa haverá uma sessão para colocação de dúvidas e esclarecimentos.

3.5- Cada membro da Comissão irá classificar individualmente todas as PT. A classificação é confidencial e subjectiva com base nos documentos de concurso e da presente ordem de serviço.

3.6- As classificações individuais deverão ser apresentadas no fim da reunião 5.

3.7- As classificações apresentadas pelos membros são definitivas exceptuando-se a correcção de falhas aritméticas e erros graves que se impuser fazer.

3.8- Cada membro irá receber no fim da reunião 5 uma cópia da classificação de outros membros para proceder à detenção de erros graves e falhas aritméticas.

3.9- Nenhum caso de classificação subjectiva que não contrarie os documentos de concurso e a presente ordem de serviço será sujeito a correcção.

3.10-Na reunião 6, proceder-se-á à verificação geral das classificações individuais.

3.11-O Relator irá proceder ao cálculo das médias que serão a classificação final das PT.

4. CRITÉRIOS DE CLASSIFICAÇÃO

4.1- Os critérios gerais de classificação das propostas estão definidas nos DC.

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4.2- Para todas as categorias suceptíveis de classificação utilizar-se-á o sistema de pontuação que vai de 1 a 100 com base nos seguintes leques:

0 - 39	-	péssimo e inaceitável	P
40 - 59	-	mau e inaceitável	I
60 - 70	-	razoável	R
71 - 80	-	bom	B
81 - 90	-	muito bom	M
91 - 100	-	excelente	E

4.3 Para todas as outras medidas gerais de tempo não especificadas nos TDR considerar-se-ão os seguintes leques:

0 - 50	-	menos de 5 anos
51 - 70	-	5 a 10 anos
71 - 80	-	10 a 25 anos
81 - 90	-	15 a 20 anos
91 - 100	-	20 a 30 e mais que 30 anos

4.4- As categorias sujeitas a classificação são, conforme os documentos de concurso:

- Experiência da firma	-	10 pontos
- Compatibilidade PT/TDR	-	20 pontos
- Pessoal	-	70 pontos

4.4.1 - <u>Experiência da Firma</u>

Esta categoria divide-se em duas partes:

- no próprio país	-	5 pontos
- nos países em vias de desenvolvimento	-	5 pontos

Para esta categoria, cada membro deverá preencher o mapa A1, a partir das PT, que será apresentado, rotativamente, por um membro da Comissão e, posteriomente, verificado e comentado pelos restantes membros da Comissão antes de se proceder à respectiva classificação, que será feita no Mapa A.

4.4.2 - <u>Compatibilidade PT/TDR</u>

Os principais aspectos a serem considerados nesta categoria são (consultar o item 2.2 dos TDR):

- ..... pontos
- ..... pontos
- ..... pontos
- ..... pontos
- ..... pontos
..... pontos
- ..... pontos
- ..... pontos
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..... pontos
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- ..... pontos
- ..... pontos
- ..... pontos
- ..... pontos
- ..... pontos
- ..... pontos

Para esta categoria, a classificação será feita directamente no Mapa B.

4.4.3 - Pessoal

As considerações básicas nesta categoria são:

- qualificação académica e profissional	18 pontos
- experiência profissional total	7 pontos
- experiência relevante para os TOR	25 pontos
- experiência de trabalho nos Países em via de desenvolvimento (a experiência em Africa é uma vantagem)	10 pontos
- fluência na língua portuguesa	10 pontos

4.4.3.1 - Qualificação Académica e Profissional

Considerar:

- qualificação académica	6 pontos
- posição e anos na firma	4 pontos
- responsabilidades assumidas em projectos	8 pontos

4.4.3.2 - Experiência Profissional Total

Considerar:

- anos de experiência na profissão	3 pontos
- anos de experiência na especialidade actual	4 pontos

4.4.3.3 - Experiência Relevante para os TDR

Considerar:

- experiência em assistência técnica	10 pontos
- experiência em assistência técnica similar à dos TDR	15 pontos

4.4.3.4 - Experiência em Países em Vias de Desenvolvimento

Considerar:

- experiência em países em vias de desenvolvimento em geral	6 pontos
- experiência em África	4 pontos

4.4.3.5 - Fluência na Língua Portuguesa

Os conhecimentos mínimos de português ou fluência no espanhol serão classificados com 0 pontos

Para esta categoria, cada mebro deverá preencher o Mapa C1, para cada posto de ocupação, a partir das PT, que será apresentado, rotativamente, por um membro da Comissão e, posteriomente, verificado e comentado pelos restantes membros da Comissão antes de se proceder à respectiva classificação, através dos Mapas C2, C3, C4, C5 e C6.

4.5 A partir dos dados dos Mapas A, B e C, cada membro irá preencher o Mapa D e Mapa E. Note-se que o Mapa E é preenchido tal e qual como o Mapa D, variando apenas os técnicos visados.

5. <u>RELATORIO FINAL</u>

5.1- Corrigidos os erros aritméticos e graves que forem detectados, o Relator, através dos quatro mapas D, irá calcular as médias das classificações dadas pelos quatro membros. Estas médias serão a classificação final da comissão e serão apresentados através de um Mapa D.

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6. CONSULTAS

Nenhum concorrente será consultado no decurso da avaliação das PT.

6. DISPOSIÇÃO TRANSITÓRIAS

As instruções contidas nesta Ordem de Serviço visam diminuir os aspectos subjectivos de classificação de ordem organizativa e metodológica.

A presente ordem de serviço será analisada na reunião 2, fazendo-se as correcções que se impuserem.

Maputo, ... 1992

O DIRECTOR NACIONAL

/ CARLOS FRAGOSO /

USAID / MAPUTO

DNEP - HOST COUNTRY CONTRACT ASSESSMENT

SCOPE OF WORK

OBJECTIVES :

1. To assess DNEP's capacity to properly manage the procurement process.

2. To assess DNEP's contracting capacity.

3. To confirm any additional steps which the Mission should approve in the award process.

4 To highlight where the Mission should act as an observer of the evaluation and contractor selection process.

SCOPE OF ASSESSMENT - DAY 1 :

1. Introduction to DNEP management and presentation of the objectives of the assessment.

2. Presentation of requirements for follow-up visit :

   i) ORGANIZATIONAL STRUCTURE : including DNEP's role, functions, position in the GRM structure, reporting lines, etc.

   ii) STAFFING STRUCTURE : including an organizational staff diagram, current staff grades/levels, anticipated staff changes, highlight staff involved in this activity, etc. Also include current qualifications and experience required for the following : a) procurement personnel, audit personnel, voucher examiners/accounting personnel.

   iii) LEVELS OF AUTHORITY : include organizational diagram indicating levels of authority in the decision making process in the fields of : a) finance, b) solicitation, c) negotiation, d) award of contracts, e) performance monitoring, f) voucher examination, g) contract closeout, h) contractor selection, i) handling contractor disputes and bid protests, etc.

iv) PROCUREMENT PROCESS : using procedural flowcharts and document flow include : a) solicitation, b) negotiation, c) award of contracts, d) performance monitoring, e) voucher examination, f) voucher processing, g) audit procedure, h) audit records, and i) contract closeout. The following should also be included : advertising, competition, evaluation, contractor selection, handling of contractor disputes and bid protests.

3. Set follow up meeting date.

SCOPE OF ASSESSMENT - DAY 2 :

1. Review information requested at first visit : 1) Organizational Structure, 2) Staffing Structure, 3) Decision making authority, and 4) Procurement Process for clarity and understanding.

2. Select at random a number of issues for testing.

3. Interview procurement staff, voucher examiners, and audit staff.

4. Go through questionnaire.

5. Summarize findings and responses with DNEP Management and report back.

6. Draft report and circulate for comments.