

Agency for International Development
Washington, D.C. 20523

To Mr. Beana 6/16/93
PD-ABL-115
944790

RECEIVED

JUN 3 1993

MAY 25 1993

Mr. Sean Callahan
Catholic Relief Services
209 West Fayette Street
Baltimore, MD 21201-3443

Subject: GRANT No. AOT-1007-G-00-3068-00

Dear Mr. Callahan:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby provides to Catholic Relief Services (hereinafter referred to as "CRS" or "Grantee"), the sum of Three Hundred Forty Five Thousand, One Hundred Seventy Four Dollars (\$345,174.00) to provide seed distribution in Hararge, Ethiopia. The program shall be as more fully described in Attachment No. 1 of the Grant entitled "Schedule" and the Grantee's application entitled "Emergency Seed Distribution Program for Hararge" dated January 12, 1993, incorporated herein by reference.

This Grant is effective and obligation is made as of the date of this cover letter and shall apply to commitments and expenditures made and/or incurred by the Grantee in furtherance of the project objectives during the period March 15, 1993 through March 14, 1994.

This Grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment No. 1, the Schedule; Attachment No. 2, Mandatory Standard Provisions; Attachment No. 3, Optional Standard Provisions; and the Grantee's proposal/application entitled "Emergency Seed Distribution Program in Hararge" dated January 15, 1993, which have been agreed to by your organization.

The total estimated amount of AID support is \$345,174.00, which is hereby obligated. AID shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

Please acknowledge receipt of this Grant by signing all copies of this cover letter, retaining one set for your files, and return the remaining copies to Ms. Amanda Downing, Agency for International Development, OFDA/OS, Room 1262A NS, Washington, D.C. 20523-0008.

Sincerely,


Sharon L. Zvestoski
Grant Officer
A Division, AOT Branch
Office of Procurement

Attachments:

1. Schedule
- ~~2. Mandatory Standard Provisions~~
- ~~3. Optional Standard Provisions~~

ACKNOWLEDGED:

CATHOLIC RELIEF SERVICES

BY: Valarie L. Barksdale

TYPED NAME: Valarie L. Barksdale

TITLE: Public Donor Liaison

DATE: June 7, 1993

FISCAL DATA

PIO/T No.	:968-1007-93-70-3684941
Appropriation No.	:72-11X1040
Budget Plan Code	:EADX-93-16830-IG41
Total Estimated Cost	:\$345,174
Total Obligated Amount	:\$345,174
Project Officer	:Polly Byers, OFDA/DRD
CEC	:068205541
TIN	:13-5563422

SCHEDULE

A. BACKGROUND

Hararge is mainly dependent on agriculture, and the region's economy has been seriously affected by recurrent drought in the last 3 to 5 years. Also, the agricultural activity was disrupted due to ethnic conflicts since the take over of the new government. In most parts of Hararge region, a 40% to 60% reduction in yield for 1992 harvest has been forecast. Therefore, farmers are not expected to have enough food from 1992 harvest to permit use of harvested grains for planting in all area's of Hararge for the next planting season.

B. PURPOSE OF GRANT

1. OBJECTIVE

The goal of this project is to increase the farmers' ability to attain food self sufficiency in the areas targeted by the project. The objective of this project is to provide 552MT of essential seed to 37,200 needy farmers in Hararge in the two 1993 planting seasons.

2. SCOPE OF WORK

In order to achieve the foregoing objective, Catholic Relief Services (CRS) will in conjunction with their counterpart in Hararge, the Hararge Catholic Secretariat/ Asmara (HCS), :

- Purchase seeds for distribution.
- Provide distribution of seeds to approximately 37,200 households in Anchar, d. Dawa, Fedis and Hurer Zuria. CRS/HCS will keep a list of the recipients of seeds and the list shall be used for monitoring the project.
- CRS and HCS shall provide required monitoring of the project. Starting with the distribution of the seeds until the collection of the harvest, CRS/HCS will make sufficient site visits to monitor the project. Adequate follow up shall be made to assure the seeds are used for the intended purpose.
- CRS program staff will make at least three field visits to the distribution areas. The first two will be monitoring visits, one during the purchase and distribution of the seeds and the second before harvest. The third will be the evaluation visit in collaboration with HCS and the branch office of MOA in eastern Hararge, before the harvest.

C. PERIOD OF GRANT

1. The effective date of this grant is the date on the Grant Cover Letter and the Completion Date is March 14, 1994.

2. Funds obligated hereunder are available for expenditures for the period March 15, 1993 through March 14, 1994.

D. AMOUNT OF GRANT AND PAYMENT

1. The total amount of this Grant for the period shown in Section C.1. above, is \$345,174.

2. A.I.D. hereby obligates the amount of \$345,174 for project expenditures during the period set forth in Section C.2. above, and as shown in the Grant Budget in Section E.

3. Payment will be made to the Grantee in accordance with procedures set forth in Attachment 3 - Additional Standard Provision No. 1 entitled "Letter of Credit".

a. The Grantee shall submit the required documentation to the following address:

Agency for International Development
Office of Financial Management (FA/FM/CMP/CGLC)
Room 703, SA-2
Washington, DC 20523-0209

b. In addition, one copy of all financial reports shall be submitted to the A.I.D. Project Officer, Polly Byers or her designee, at the following address:

Polly Byers
FHA/OFDA/DRD
Room 1262A NS
Washington, DC 20523-0008

E. GRANT BUDGET

The following is the budget for this Grant. The Grantee may not exceed the total obligated amount. The Grantee may adjust line item amounts within the grand total as may be reasonably necessary for the attainment of project objectives, consistent with restrictions cited in Attachment 2 - Standard Provision No. 4 of this Grant entitled "Revision of Grant Budget".

BUDGET

<u>LINE ITEMS</u>	<u>QTY</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
Sorghum	373MT	\$420pmt	\$ 156,660
Teff	44MT	500pmt	22,000
Harricott Beans	44MT	375pmt	16,500
Horse Beans	32MT	450pmt	14,400
Chick Peas	57MT	375pmt	21,375
Wheat	2MT	360pmt	720
Sub. Total			\$ 231,655
Transport			43,126
Loading/Unloading			3,312
Monitoring/Evaluation			2,498
Audit			1,000
Total Direct Cost			\$ 281,591
O/H @ (22.58%)			63,583
Total Est. Cost			\$ 345,174

F. REPORTING

1. Financial Reporting

a. Financial reporting requirements shall be in accordance with the Additional Standard Provisions No. 1 of this Grant entitled "Payment - Letter of Credit", as shown in attachment No. 3.

b. The original and two copies of all financial reports (Financial Status Report - Form 269) shall be submitted to the Office of Financial Management, whose address is listed in Section D.3.a. of this Schedule.

c. In addition, two copies of all financial reports shall be submitted to OFDA, Rm 1262A NS, Washington, DC 20523-0008, one copy for the Project Officer, Polly Byers, and one copy for the Operations Support Division, Amanda Downing.

d. Each financial report shall include:

PIO/T	: 968-1007-93-70-3684941
Project No.	: 1007
Project Name	: ETHIOPIA: CRS Emergency Seed Distribution in Hararge
Grant No.	: AOT-1007-G-00-3068-00
Project Officer	: Polly Byers

2. Program Evaluation Reporting

The Grantee shall submit a mid-term and a final report. The reports should document progress vis-a-vis program objectives, problems encountered, corrective procedures that were followed, significant program development during the period and projected accomplishments for the coming quarter. Analysis and explanation of actual unit costs versus budgeted costs should also be included here. Two (2) copies of each program performance report should be submitted to OFDA. The final report should be received by OFDA no later than 90 days after completion of the project.

G. INDIRECT COST RATE

Pursuant to the Optional Standard Provisions of this Grant entitled "Negotiated Indirect Cost Rates -- Provisional", a rate or rates shall be established for each of the Grantee's accounting periods which apply to this Grant. Pending establishment of revised provisional or final indirect cost rates for each of the Grantee's accounting periods which apply to this Grant, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate applied to the base, which is set forth below:

<u>TYPE</u>	<u>RATE</u>	<u>BASE</u>	<u>PERIOD</u>
Provisional	22.58%	Total Direct Cost*	1-1-90 until amended

*Total direct costs less commodities, ocean freight, equipment, construction, alterations and renovations.

Should final rates result in upward adjustments, payment of such upward adjustments would only be allowable within the total obligated amount of the Grant.

H. SPECIAL PROVISIONS

1. Due to the emergency nature of the program and the need to respond quickly to changing situations and pursuant to Section 491 of the FAA, as amended, the geographic code for procurement of goods and services is authorized as "935" (Special Free World) including the Host Country.

2. Delivery of Notices. For purposes of "Notices" delivered to the A.I.D. Grant Officer, pursuant to the Standard Provision 13 of this Grant entitled "Notices", the following address shall be used:

a. Regular U.S. Mail

Grant Officer
Agency for International Development
Office of Procurement
Division A - AOT Branch
Washington, DC 20523-1425

b. Express Mail or Hand Delivery

Grant Officer
Agency for International Development
Office of Procurement
Division A - AOT Branch
15th Floor Receptionist
1100 Wilson Blvd.
Arlington, VA 22209

3. Zip Codes. Use the following nine-digit zip codes instead of the five digit codes shown in the Standard Provisions and Additional Standard Provisions.

<u>Standard Provision</u>	<u>Zip Code</u>
Disputes Clause	20523-0051
Payment - Letter of Credit	20523-0209
Procurement of Goods and Services	20523-1414

(END OF SCHEDULE)

PROJECT DESCRIPTION

BACKGROUND

Hararge is mainly dependent on agriculture, and the region's economy has been seriously affected by recurrent drought in the last 3 to 5 years. Also, the agricultural activity was disrupted due to ethnic conflicts since the take over of the new government. In most parts of Hararge region, a 40-60% yield reduction is expected from 1992 harvest. Therefore, farmers are not expected to have enough food from 1992 harvest which will enable them to put aside for seeds for the next sowing season.

OBJECTIVES

The goal is to purchase 552MT of a variety of seeds locally for distribution to 37,200 needy households by CRS' counterpart, Hararge Catholic Secretariat (HCS). Seed distribution will take place in the areas of Anchar, Dire Dawa, Fedis and Harer Zuria, CRS' traditional food distribution areas.

To effect this goal, OFDA is requested to provide funding support in the amount of \$345,174, which will cover the seed purchases, primary and secondary transport from supplier to HCS warehouse to the distribution sites, loading/unloading, distribution and monitoring/evaluation, and audit costs.

SCOPE OF WORK

-- HCS will take full responsibility for the seeds purchase.

-- CRS and HCS have agreed to carry out the seed distribution for 37,200 households in the following areas: Anchar, D. Dawa, Fedis and Hurer Zuria. HCS will keep the lists of the farmers who received the seeds and the list will later serve for monitoring the project.

-- HCS has an organized Development Unit which could effectively carry out the monitoring of the project. The Unit is staffed with agricultural technicians and assisted by a Consultant. Starting from the time of the seeds distribution until the collection of the harvest, HCS development staff will make sufficient site visits to monitor the project. They will make adequate follow up so that the seeds will be utilized for the intended use. HCS will submit at least two reports to CRS; one on the purchase and distribution of seeds and the second on the harvest.

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-- CRS program staff will make at least three field visits to the distribution areas. The first two will be monitoring visits, on during the purchase and distribution of the seeds and the second before harvest. The third will be an evaluation visit to be carried out in collaboration with HCS and branch office of MOA in Eastern Hararge, before the collection of the harvest.

SPECIAL PROVISIONS

Due to the emergency nature of the program and the need to respond quickly to changing circumstances, and pursuant to section 491 of the FAA, as amended, the geographic code for procurement of goods and services is authorized as "935" (Special Free World), including the Host Country.

REPORTS REQUIRED

Financial Reports

The original and two copies of all financial reports shall be submitted to A.I.D., Office of Financial Management (FM/CMPD/DCB), Room 700, SA-2, Washington, D.C. 20523-0209. In addition, two copies of all financial reports shall be submitted to OFDA, Rm 1262A NS, Washington, D.C. 20523-0008, one copy for the Project Officer, Polly Byers, and one copy for the Operations Support Division, Amanda Downing.

Grant Performance Reports

The grantee shall submit a mid-term and a final report. The reports should document progress vis-a-vis program objectives, problems encountered, corrective procedures followed, significant program developments during the reporting period and projected accomplishments for the coming quarter. Analysis and cost should also be included here. Two copies of each program performance report should be submitted to OFDA. The final report should be submitted no later than ninety (90) days after the completion of the project.

PERIOD OF ACTIVITY

Project dates are March 15, 1993 - March 14, 1994.

BUDGET

Purchase of Seeds	\$ 231,655
Primary Transport	40,042
Secondary Transport	3,084
Loading Unloading	3,312
Monitoring/Evaluation Costs	2,498
Audit fee	1,000
Sub Total	\$ 281,591
CRS/Baltimore Overhead (22.5%)	63,583

Break down of Project Costs

ANNEX A

a) Purchase of Seeds						
	Quantity (in MTs)	Price/MT (in Birr)	Total Cost (in Birr)	Total Cost (in \$)	CRS' Account Codes	
Borghum	373	2,100	783,300	154,440		
Teff	44	2,500	110,000	22,000		
Harricott Beans	44	1,875	82,500	16,500		
Horse Beans	32	2,250	72,000	14,400		
Chick Peas	57	1,875	106,875	21,375		
Wheat	2	1,800	3,600	720		
Total	552		1,158,275	231,485	6107	
b) Transportation & Loading/Unloading						
Primary transport						
	Quantity (in MTs)	Estimated Distance	Rate per MT/km	Total Cost (in Birr)	Total Cost (in \$)	
Borghum	373	463	.75	130,084	26,017	
Teff	44	720	.75	23,760	4,752	
Harricott Beans	44	400	.75	13,200	2,640	
Horse Beans	32	460	.75	11,040	2,208	
Chick Peas	57	500	.75	21,375	4,275	
Wheat	2	300	.75	750	150	
Total	552			200,209	40,042	6983
Secondary transport						
	Quantity (in MTs)	Estimated Distance	Rate per MT/km	Total Cost (in Birr)	Total Cost (in \$)	
Fodis	186	55	1.20	12,276	2,455	
Harar Zuria	30	50	.75	2,175	435	
Dire Dawa	43	30	.75	968	194	
Total	259			15,419	3,084	6983
Loading/Unloading						
	552 MT @ Birr 30/MT			16,560	3,312	6900
c) Distribution & Monitoring/Evaluation						
Perdiem/Hotel - MCS staff						
	Distribution 3 people x 10 days x Birr 80			2,400	480	6706
	Monitoring 2 people x (7 days x 2) x Br. 20			2,240	448	6706
- CRS staff						
	Monitoring 1 person x (7 days x 2) Birr 80			1,120	224	6703
	Evaluation 3 people x 7 days x Birr 80			1,680	336	6703
Transport						
	Air Ticket for CRS staff 5 round trips			1,050	210	6703
	Vehicles expenses (fuel & oil)			3,000	600	6803
	Vehicle maintenance			1,000	200	6803
Total				12,490	2,498	
d) Accounting & Audit Fee						
				5,000	1,000	6301
Grand Total				1,407,952	281,591	

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**UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT
MISSION TO ETHIOPIA**

FAX COVER SHEET

ENTOTO ROAD
P.O. BOX 1014
ADDIS ABABA
TELE: 55 00 00
FAX : 55 00 00

FAX NUMBER: (202) 647-5269

DATE: 3/11/93

TO: Mendi White West

OFFICE: OFDA

PHONE NO.: (202) 647-7437

FROM: Wendy Fenton *WJnt*

Program Asst.

OFFICE: USAID/ETHIOPIA FAX NO.: 251-1-550866

OFFICIAL: X PERSONAL: _____ EXO CLEARANCE: None DATE: 11/02/93

*****THIS IS PAGE 1 OF 1 PAGES TRANSMITTED*****
IF YOU DO NOT RECEIVE ALL PAGES, PLEASE FAX BACK.

MESSAGE:

Thanks for your fax which I just received an hour ago. I've spoken to CRS who say they submitted a request to OFDA/W for a preauthorization letter to be effective January 25, 1993. No response was ever received. They have gone ahead and advanced money for the purchase of seed from Jan. 25, so some seed has already been bought. Most of the seed should be bought and distributed by the end of April or beginning of May, depending on the type of seed. The longer we wait, of course, the more expensive and harder to find the seed will be. What is OFDA's position regarding the fact that CRS began purchasing seed even though the requested preauthorization letter was not provided? (Mission was not aware that CRS had requested such a letter until today).

Irish Concern telephoned about the status of their no-cost extension request as well as their Gode grant? Any news?

The response to your request for additional info re: the locust disaster declaration has been delayed on Bill Garvelink's request while he clarifies some funding source concerns. We still hope to get it out by COB 3/12.

Thanks for your help,

Wendy *Wendy*

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AGENCY FOR INT'L DEV.
TELECOMMUNICATIONS CENTER

INCOMING
TELEGRAM

AD: MW/42
2193

PAGE 01 ADDIS 00631 00 OF 02 291410Z 1155 066317 AID7621
ACTION AID-00

ADDIS 00631 00 OF 02 291410Z 1155 066317 AID7621

ACTION OFFICE AFEA-04

INFO OL-01 FAPB-02 GC-01 GCAF-02 FVPP-01 RDA-01 OFDA-02
STN-01 FNA-01 SEOP-01 FFP-09 SERP-01 SECS-02 AMAD-01
COM-02 FAPB-02 PRIO-01 /035 AB 30/1209Z

INFO LOG-00 AF-00 CIAE-00 DODE-00 EB-00 FDRE-01 TRSE-00
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P 291410Z JAN 93
FM AMEMBASSY ADDIS ABABA
TO SECSTATE WASHDC PRIORITY 4851
INFO AMEMBASSY NAIROBI

UNCLAS ADDIS ABABA 00631

AID/W FOR AFR/EA, FNA/OFDA (GOTTLIEB), AND FNA/FFP
NAIROBI FOR REDSO ES4/FFPO

E.O. 12356, W/A
SUBJECT: ETHIOPIA - CRS PROPOSALS FOR 1993 SEED AND
TOOLS DISTRIBUTION IN HARARGE, TIGRAY AND ERITREA

1. THIS IS AN ACTION CABLE FOR OFDA/W (SEE PARA 4).
2. MISSION RECENTLY RECEIVED THE THREE SUBJECT PROPOSALS, TOTALING USD 836,529, FROM CATHOLIC RELIEF SERVICES ETHIOPIA (CRS) TOGETHER WITH A REQUEST FROM WFPD FOR USD 717,426 IN OPERATIONAL SUPPORT - INCLUDING A SEEDS TOOLS COMPONENT - TO BE ADDRESSED SEPTEL. AS THE PROPOSALS HAVE ALREADY BEEN FORWARDED TO OFDA THROUGH CRS BALTIMORE OFFICE THEY ARE NOT REPRODUCED HERE. CRS/ERITREA CATHOLIC SECRETARIAT

LECS AND CRS/HARARGE CATHOLIC SECRETARIAT (MCS) PROPOSE TO PROVIDE LOCAL VARIETIES OF SEED TO SELECTED NEEDY FARMERS IN THE PREVIOUSLY DROUGHT AND WAR-AFFECTED AREAS IN WHICH THEY HAVE BEEN WORKING. CRS/MCS WILL BE PROVIDING ADDITIONAL SEED AND TOOLS USING FUNDS ALREADY PLEDGED BY EUROPEAN DONORS. CRS RELIEF SOCIETY OF TIGRAY (REST) PLAN TO PROVIDE IMPROVED AND OF CAREFULLY SELECTED LOCAL SEED TOGETHER WITH TERRACING TOOLS TO FARMERS IN SIMILARLY AFFECTED AREAS. THE PROPOSALS ARE SUMMARIZED IN THE FOLLOWING TABLE:

REGION	CPART	USD	NM	SEED MT	TOOLS
HARARGE	MCS	354,174	37,200	552	-
TIGRAY	REST	197,727	5,057	310	5,077
ERITREA	ECS	292,626	9,200	600	-
TOTAL		836,529	51,457	1,462	5,077 PCES

3. ALL THREE PROPOSALS ADDRESS EMERGENCY/REHABILITATION NEEDS IN WAR AND DROUGHT AFFECTED AREAS WHERE CRS HAS BEEN WORKING FOR A NUMBER OF YEARS THROUGH WELL ESTABLISHED LOCAL COUNTERPARTS WITH PROVEN RECORDS OF SUCCESSFUL SIMILAR PROGRAM IMPLEMENTATION. ALTHOUGH CRS' RELATIONSHIP WITH REST IS RELATIVELY RECENT, REST HAS HAD WELL-DOCUMENTED SUCCESS IN THE EXECUTION OF EMERGENCY AND REHABILITATION PROJECTS THROUGH LOCAL COMMUNITIES IN TIGRAY.

4. MISSION BELIEVES THE RELATIVE PEACE PREVAILING IN ALL THREE AREAS WILL PERMIT MORE INTENSIVE MONITORING AND FOLLOWUP, ENSURING BETTER UNDERSTANDING OF PROGRAM

IMPACT. ALTHOUGH ALL THREE PROPOSAL BUDGETS ALLOW FOR SEPARATE EVALUATIONS, MISSION SUGGESTS A COMPARATIVE EVALUATION OF THE THREE PROJECTS BE UNDERTAKEN INSTEAD. A NUMBER OF AD HOC SEED PROJECTS HAVE BEEN CARRIED OUT DURING THE PAST FEW YEARS WITH, WE SUSPECT, VARYING DEGREES OF SUCCESS. MISSION IS INTERESTED IN TRYING TO GAUGE THE BROADER IMPACT OF SEED/TOOLS INTERVENTIONS ON ASSET-POOR FARMERS' PRODUCTION IN THE SHORT-TERM AND ON THEIR GENERAL RECOVERY/REHABILITATION IN THE LONGER-TERM. FUNDS ALREADY BUDGETTED FOR MONITORING AND EVALUATION IN THE INDIVIDUAL PROJECTS SHOULD COVER THIS ACTIVITY.

4. ACTION REQUEST: AFTER CAREFUL REVIEW, MISSION RECOMMENDS OFDA/W PROVIDE FULL FUNDING TO THE LEVEL OF USD 836,529 FOR ALL THREE CRS-SPONSORED PROPOSALS (ENDORSEMENT OF THE WFPD PROPOSAL TO FOLLOW SEPTEL). AID COORDINATOR/ERITREA CONCURS WITH MISSION RECOMMENDATION TO FUND THE CRS/ECS PROPOSAL. MISSION BELIEVES THESE PROPOSALS ADDRESS LEGITIMATE EMERGENCY NEEDS IN THE TARGETED AREAS. MISSION IS CONFIDENT THE PROPOSALS ARE TECHNICALLY SOUND, BUDGETS ARE REASONABLE, AND BENEFICIARY SELECTION CRITERIA VALID.

VARIATIONS IN SEEDING RATES AND COSTS ARE ATTRIBUTABLE TO REGIONAL DIFFERENCES IN SEED AVAILABILITY, TERRAIN AND DEGREE OF INTEGRATION OF LOCAL MARKETS. MISSION

NOTES THAT SUCCESSSES AND CONSTRAINTS ENCOUNTERED IN THE 1991/92 OFDA-FUNDED SEED PROJECTS IN ERITREA AND HARARGE HAVE BEEN TAKEN INTO ACCOUNT IN PROGRAM DESIGN AND IMPLEMENTATION. MISSION BELIEVES THE SIMULTANEOUS IMPLEMENTATION OF THESE THREE EMERGENCY/REHABILITATION PROJECTS WILL PROVIDE A UNIQUE OPPORTUNITY TO COMPARE THE RESULTS IN THREE DIFFERENT AREAS WHICH HAVE BEEN SIMILARLY RAVAGED BY WAR AND DROUGHT. PLEASE ADVISE BAAS

UNCLASSIFIED



CATHOLIC RELIEF SERVICES

Giving Hope To A World Of Need

January 12, 1993

Ms. Mary Rita Zelzeke
FHA/OFDA
320 21st Street, N.W.
Washington, DC 20523

Re: CRS/Ethiopia's 1993 Emergency Seed Distribution
Program in Hararge

Dear Ms. Zelleke:

Enclosed, please find the above mentioned proposal for your review.

The goal is to purchase 552MT of a variety of seeds locally for distribution to 37,200 needy households by CRS' counterpart, Hararge Catholic Secretariat (HCS). Seed distribution will take place in the areas of Anchar, Dire Dawa, Fedis and Harer Zuria, CRS' traditional food distribution areas.

To effect this goal, OFDA is requested to provide funding support in the amount of \$345,174, which will cover the seed purchases, primary and secondary transport from supplier to HCS warehouse to the distribution sites, loading/unloading, distribution and monitoring/evaluation, and audit costs.

In the proposal, CRS/Ethiopia describes the degree of its involvement through monitoring and the counterpart's responsibilities with regard to the purchases, beneficiary selection and appropriate followup.

CRS/Ethiopia has requested that purchases begin in January as it is the best time to buy quality seeds at a low price and which serves to maximize OFDA's fixed resources. The effective date of this project is January 25, 1993.

Given the time constraint with making the seed purchases, we also request a pre-grant authorization for CRS/Ethiopia to begin

World Headquarters

Catholic Relief Services

274 West Fayette Street, Baltimore, Maryland 21201-3443
Telephone: 410-625-2220 Fax: 410-685-1635 Telex: 9100000451 (CRS LQ)

The Overseas Relief and Development Agency of the United States Catholic Conference

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implementation January 25, 1993 and that all its expenses incurred, in relation to the project as of that date, be reimbursed under the subsequent Grant Agreement.

We greatly appreciate and are thankful for your efforts toward a quick review.

Sincerely,



Valarie L. Barksdale
OFFICE OF PROJECT
RESOURCE MANAGEMENT

encs.

PROJECT PROPOSAL FOR
1993 EMERGENCY SEED DISTRIBUTION PROGRAM
FOR HARERGE REGION

COUNTRY : ETHIOPIA
REGION : HARERGE
PROJECT AREA : ANCHAR
DIRE DAWA
FEDIS
HARER SURIA
PROJECT PERIOD : JANUARY 25, 1993 - MARCH 31, 1994
PROJECT NUMBER : 634-93-002
PROJECT TITLE : 1993 HARERGE EMERGENCY SEED DISTRIBUTION
PROJECT APPLICANT : HARERGE CATHOLIC SECRETARIAT
PROJECT IMPLEMENTER : HARERGE CATHOLIC SECRETARIAT
P.O.BOX 279
NO. OF BENEFICIARIES: 37,200 HOUSEHOLDS
(APPROXIMATELY 186,000 INDIVIDUALS)
FUNDING REQUIREMENT : \$ 345,174
REQUESTED FROM USAID: \$ 345,174
CRS/BALT. CONTACT : PAUL MILLER/LAURA JOSEPH

I. SUMMARY

Harerge is mainly dependent on agriculture, and the region's economy has been seriously affected by recurrent drought in the last 3 to 5 years. Also, the agricultural activity was disrupted due to ethnic conflicts since the take over of the new government. In most parts of Harerge region, a 40 - 60 % yield reduction is expected from 1992 harvest. Therefore, farmers are not expected to have enough food from 1992 harvest which will enable them to put aside for seeds for the next sowing season.

The objective of this project is to purchase and provide 552 MT of different local variety seeds for 37,200 needy households. Harerge Catholic Secretariat has ascertained the availability of seeds in the local market and will take the responsibility to purchase the seeds from Seed Corporation in Addis Ababa and from individual suppliers in Harerge, Arsi and Shoa Regions.

Most of the beneficiaries under this project will be the drought affected people in CRS/HCS traditional emergency food distribution areas, viz., Fedie, Dire Dawa and Harer areas. The selection of the beneficiaries will be carried out by HCS development staff in collaboration with committees of the respective community in the distribution areas. In order to get good quality seed at a relatively lower price the purchase should be carried out in January 1993.

Under this project proposal, CRS/Ethiopia requests USAID's approval of \$ 345,174 to cover the total costs of the project. The project cost includes purchase and distribution cost of \$ 281,591 and CRS/Baltimore overhead of \$ 63,583.

II. BACKGROUND

Harerge Catholic secretariat (HCS), the development and relief coordination office of the Apostolic Vicariate of Harer, is CRS' major counterpart in Harerge region. The two organisations have been involved in various development and relief activities in the region since 1987 when HCS was established with CRS assistance. During the last 5 years, HCS has been the implementing agency of CRS' and US Government's enormous emergency relief programs which have been assisting a monthly average of 150,000 beneficiaries.

During the last several years, Harerge region was affected by recurrent drought which paralyzed the region's food self sufficiency. In addition the Derg's forced resettlement program and the grain quota imposed on farmers to supply a certain portion of their products at a very low price to the government owned Agricultural Marketing Corporation had worsened the region's economy. The situation was aggravated following the take over of

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the new government. Just after the take over of the new government, there was a serious tribal conflict among the Amhara, Oromo, Issa and other tribes. In addition there was fighting among the different Oromo factions and also between the Oromos and the new government forces. Due to these clashes many people were displaced from their home of origin.

In these conflict areas farmers were not able to cultivate their land. Many lost assets like livestock and farming equipment. The region is also known for its high number of returnees and refugees. The UNHCR estimates the number of returnees in the Eastern Region as 252,250. Some of the Somali refugees are not confined to the refugee camps. So they have become a social and economic burden to the region.

During September 14 - October 4, 1992, a team made up of Eastern Harerge Administration Office, HCS, CARE and branch offices of RRC, MOA and MOH carried out a thorough rainfall and crop assessment in Eastern Harerge. The preliminary report of the team indicated that although a better harvest than the previous years is expected in most parts of the region, still the region will be one of the food deficit areas in the country owing to the following factors:

- the tribal clashes and the conflicts among political organizations have displaced the farmers and they were not able to prepare the fields in time;
- the lowlands did not receive sufficient rain nor was the rainfall evenly spread out;
- since the MOA extension agents were not operational since the fall of the Derg regime, farmers are not getting technical advice and agricultural services like control of pests.

At present, the situation is normal and the tribal clashes seem to be over, although one could not be certain about the future, as politics is inconstant in nature. Unless there are new developments in the future, CRS and HCS believe that the existing situation will allow the implementation of the project without difficulty. Therefore, in order to alleviate the food deficit of the region, seeds and tools distribution to selected individual farmers could be a short term solution.

Being one of the active organizations in the region, HCS has developed Seeds and Tools distribution projects. It should be noted that at present neither the MOA nor other NGOs have planned similar activities in the areas targeted by HCS. The tools proposal has been submitted to CRDA and the seeds proposal has been

given to CRS and European donors. HCS' emergency seed distribution project has a plan to benefit 93,014 households of beneficiaries in 7 different 'avrajas'. HCS has already had an affirmative response from European donors on funding 60 % of their overall seed program; this proposal represents the balance of 40 % which has not yet been funded. It has been the tradition to share the funding for Emergency Relief Distribution projects in these areas among the JRP members. The USAID and European donors were the major financiers for Emergency projects in these areas. The 60% of funding already approved by European donors represents the total amount requested from them.

III. PROJECT DESCRIPTION

A. Goal

- the goal of the project is to assist selected individual farmers to improve their production which will have a contribution towards alleviating the food deficit of the region.

B. Objective

The objectives of the project are:

- to provide 552 MT of locally purchased seeds to selected individual farmers to encourage their agricultural activities.
- to promote our goal of shifting from free food distribution programs towards development oriented programs by assisting farmers to increase their production.

C. Implementation Plan

1. Selection of Beneficiaries

In the past, in addition to the free food distribution programs run by CRS and HCS, the HCS development unit had experience in seed distribution and other rehabilitation efforts on a smaller scale. During 1991 HCS received 150 mt of seeds (100 mt of Katumani maize and 50 mt of wheat) through CRS from an OPDA funded project. This seed was distributed to 14,975 selected individual farmers. But, lack of rain and insecurity in the distribution areas caused most farmers to lose their crop with little to no yield. Estimates of the number of beneficiaries for this project are based on recent harvest assessments carried out by HCS, the MOA, RRC, CRS and other NGOs in the area.

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The September 1992 rainfall and crop assessment report had sufficient data on Eastern Harerge with regard to every PA in Fedis and Harer Zuria awrajas. For Dire Dawa and Anchar, the MOA & RRC will provide the necessary data which will be refined by information gathered by HCS. HCS has a consultant and agricultural development staff who can carry out this activity and the implementation of the project effectively. Already HCS' development staff have made assessments in the project areas. In addition, CRS/Ethiopia's management and program staff have been to most of these areas to make similar assessments. Based on the team's preliminary study and HCS/CRS own assessments selection of beneficiaries will not be a difficult task.

Drawing on its previous experience, HCS, the MOA and the community will work together on beneficiary selection. HCS in collaboration with the elders and committee elected by the community will select the most needy farmers in our four preferred 'awrajas' (province) viz., Anchar, Dire Dawa, Fedis and Harer Zuria. In the selection process, first the relatively most affected Peasants Associations (PAs) are selected, and then depending on the need and population size of the PAs further selection of individual beneficiaries is carried out within a PA. The selection criteria are based on previous year's harvest and a household's relative possession of livestock and other means of income.

2. Purchase of Seeds

HCS will take full responsibility for the seeds purchase. HCS has made a preliminary assessment on the availability of seeds in the local market. The current harvest has not yet been collected in most places. But crop situation in the surplus crop areas of Arsi and Shoa (Bishoftu, Adama and Ambo) regions is promising, and should provide what is required for this project. Although Government owned firms are weaker these days, HCS will approach the Seeds Corporation (a government owned enterprise) to secure the purchase of certain variety seeds. Otherwise HCS will buy from individual grain merchants in the following areas:

Type of Seeds	Planned Area of Purchase
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Sorghum seeds	Harerge, Shoa
Teff, Harriocott beans	
Chick peas, Wheat	Shoa
Horse beans	Arsi

In the purchasing process, HCS will collect proforma invoices from individual suppliers and Seeds Corporation and make selection on cost and other factors like availability of transport and reliability of the suppliers. After the selection of the suppliers, contracts will be entered with the selected suppliers. The contract to be entered with the suppliers could have two options. In the first option, the supplier will be responsible only for the supply of the seeds at the supplier's own stores and the transport will be the responsibility of HCS. In the second option the supplier will be responsible for the delivery of the seeds up to HCS primary warehouses at Harer and Dire Dawa. HCS will decide on either of the two options in consultation with CRS depending on practical issues arising during the purchase. Irrespective of the two options, HCS will take the responsibility of the transport from PDPs to distribution sites. HCS will either use its own trucks or private trucks for the secondary transport. Currently, as the 'Ketena' system is abolished, HCS could easily negotiate with private truckers with out difficulty if need be. HCS' stores at Dire Dawa and Harer are sufficient and suitable for storing the seeds for duration of one to three months of purchase/distribution of the seeds.

3. Distribution of Seeds

The following table shows the global plan for the seed distribution proposal in terms of area, number of beneficiaries and tonnages required.

Awraja	No. of PAs	No. of House-holds	Sorghum	Teff	Horse Beans	Harricot Beans	Chick Peas	Wheat	Total MT
Anchor	29	20,000	204	70	50	15	80	2	421
D. Dawa	14	5,600	56			11			67
Fedis	47	24,911	208			32	11		251
Harer									
Zuria	22	8,200	72			10			82
Jarso	26	16,000	160			40			200
Nelka									
Bello	26	10,000	110			20			130
Wobera	24	8,000	70			20			90
Total	188	93,014	880	70	50	148	91	2	1,241

The total tonnage of seeds required for the project amounts to 1,241 MT of different varieties. HCS has estimated the total cost of the project at \$ 710,747. Of this total requirement

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CRS/Ethiopia requests from OFDA to provide \$ 280,591 assistance which will account for nearly 40% of the global project cost. Although the requested funds are budgeted to cover 40% of the total project cost, CRS is also selective of the areas to be covered under the OFDA grant. The preferred areas are: Anchar, Dire Dawa, Fedis and Harer Zuria. Except Anchar, the rest are CRS' traditional food distribution areas. Most of the beneficiaries that are expected to be selected to get seeds under this project are likely to be those who are receiving Title II emergency food distribution in the mentioned CRS/HCS' areas. In Anchar CRS has started a seed production project for 3 years period which is to be carried out by 120 selected farmers. Considering the monitoring and follow up aspect of the project by HCS and CRS, CRS would prefer that the project covers the four areas only. There are no duplication of other similar projects by NGOs or NOA in these areas at present.

Based on the factors described above, CRS and HCS have agreed to carry out the seed distribution for 37,200 households in the following areas:

Awraja	No. of Benef. House- holds	Sorghum	Teff	Horse Beans	Harr- icott Beans	Chick Peas	Wheat	Total NT
Anchar	12,670	127	44	32	10	50	2	268
D. Dawa	3,550	36			7			43
Fedis	15,780	158			21	7		186
Harer Zuria	5,200	52			6			58
Total	37,200	373	44	32	44	57	2	552

The land holding of the households ranges from 0.5 ha - 1.5 ha. Estimated requirement of seeds/ha is 15kg/ha for sorghum, 20kg/ha for 'teff', 50kg/ha for horse beans, 70kg/ha for harricott beans, 50kg/ha for chick peas and 90kg/ha for wheat. Each household will receive 10 - 20 kgs of seeds depending on the size of the land holding and the type of seeds, as well as the suitability of the area for particular crops.

HCS will distribute the seeds to the beneficiaries based on the list submitted by NOA and further screening by HCS in collaboration with the elders and committee elected by the community. HCS will keep the lists of the farmers who received the seeds and the list will later serve for monitoring the project.

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4. Monitoring and Evaluation

HCS has an organized Development Unit which could effectively carry out the monitoring of the project. The Unit is staffed with agricultural technicians and assisted by a Consultant. Starting from the time of the seeds distribution until the collection of the harvest, HCS development staff will make sufficient site visits to monitor the project. They will make adequate follow up so that the seeds will be utilized for the intended use. HCS will submit at least two reports to CRS; one on the purchase and distribution of seeds and the second on the harvest.

Also, CRS program staff will make at least three field visits to the distribution areas. The first two will be monitoring visits, one during the purchase and distribution of the seeds and the second before harvest. The third will be an evaluation visit to be carried out in collaboration with HCS and branch office of MOA in Eastern Hararge, before the collection of the harvest. CRS/Ethiopia will submit a one time report to OFDA after harvest.

5. Budget.

CRS/Ethiopia estimates the budget of this project at \$ 343,948 including 22.58% CRS/Baltimore overhead of \$ 63,357. The following is the break down of the costs.

Purchase of Seeds	\$ 231,655
Primary Transport	40,042
Secondary Transport	3,084
Loading Unloading	3,312
Monitoring/Evaluation Costs	2,498
Audit fee	1,000
Sub Total	\$ 281,591
CRS/Baltimore Overhead (22.58%)	63,583
Total	\$ 345,174

The details of the budget are shown under Annex A. In calculating the budget CRS/Ethiopia used fair estimates for the purchase of the seeds. The Country is found in a transition period of Socialist economy to free market economy. Also de-nationalization of the major economic sectors is in process. So, CRS/Ethiopia estimates, mainly with regard to purchase of seeds and transport could be affected unless the funds are obtained and purchase & transport of the seeds carried out by the end of January.

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For the calculation of the primary transportation costs, different kilometers are applied considered the places the purchases are to be made. Secondary transport is calculated for Fedis, Harer Zuria and Dire Dawa. For Anchar a one way transportation will be arranged. Travel costs are to be incurred by HCS and CRS staff. One MOA staff will be involved in the evaluation process.

The budget for the Audit line item is planned to cover the cost of an external financial audit to be carried out at the end of the project.

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Break down of Project Costs

ANNEX A

a) Purchase of Seeds						
	Quantity (in MTs)	Price/MT (in Birr)	Total Cost (in Birr)	Total Cost (in \$)	CRS' Account Codes	
Sorghum	373	2,160	783,300	124,440		
Teff	44	2,500	110,000	22,000		
Harricott Beans	44	1,875	82,500	16,500		
Horse Beans	32	2,250	72,000	14,400		
Chick Peas	57	1,875	106,875	21,375		
Wheat	2	1,800	3,600	720		
Total	552		1,158,275	231,655	6107	
b) Transportation & Loading/Unloading						
Primary transport						
	Quantity (in MTs)	Estimated Distance	Rate per MT/km	Total Cost (in Birr)	Total Cost (in \$)	
Sorghum	373	465	.75	130,064	26,017	
Teff	44	720	.75	23,760	4,752	
Harricott Beans	44	400	.75	13,200	2,640	
Horse Beans	32	460	.75	11,040	2,208	
Chick Peas	57	500	.75	21,375	4,275	
Wheat	2	300	.75	750	150	
Total	552			200,209	40,042	6983
Secondary Transport						
	Quantity (in MTs)	Estimated Distance	Rate per MT/km	Total Cost (in Birr)	Total Cost (in \$)	
Fedis	106	35	1.20	12,276	2,455	
Harar Zuria	90	50	.75	2,175	435	
Dire Dawa	43	30	.75	960	194	
Total	287			15,411	3,084	6903
Loading/Unloading						
	552 MT @ Birr 30/MT			16,560	3,312	6909
c) Distribution & Monitoring/Evaluation						
Particular/Netel - MCS staff						
Distribution	3 people x 10 days x Birr 80			2,400	480	6706
Monitoring	2 people x (7 days x 2) x Br. 80			2,240	448	6706
- CRS staff						
Monitoring	1 person x (7 days x 2) Birr 80			1,120	224	6708
Evaluation	3 people x 7 days x Birr 80			1,680	336	6708
Transport						
Air Ticket for CRS staff	5 round trips			1,050	210	6703
Vehicles expenses (fuel & oil)				3,000	600	6803
Vehicle maintenance				1,000	200	6803
Total				12,490	2,498	
d) Accounting & Audit Fee						
				5,800	1,000	6301
Grand Total				1,407,932	281,391	