

United States Agency for International Development

***ACTION MEMORANDUM  
FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA***

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**Date:** March 14, 1994

**From:** Barbara Kennedy, USAID Representative, USAID/Cape Verde

**Subject:** Phase-out of the USAID Cape Verde Program

**Problem:**

Pursuant to the guidance contained in State 349291 the USAID Program in Cape Verde will be phased-out by the end of FY 1996. The attached phase-out plan requests your concurrence in five (5) actions which provide for the orderly termination of the bilateral project portfolio and the elimination of all operating expenses and USDH personnel prior to September 30, 1996.

**Background:**

On November 17, 1993 the Secretary of State approved USAID/W's plan to close out 21 posts worldwide, including the bilateral assistance program to Cape Verde. On November 19, 1993, the Government of Cape Verde was notified by the U.S. Ambassador and the Director of USAID of the United States Government's intention to discontinue the USAID program in 1996. Among other points covered in State 349291 were the following: (a) the United States considers Cape Verde to be one of the best performers in Sub-Saharan Africa in terms of its economic policy environment and democratic governance practice; (b) Cape Verde's level of economic development and per capita income suggests the appropriateness of a different type of U.S. economic assistance relationship from that which currently exists; and, (c) given that the termination of an in-country presence does not necessarily mean the end of all programs, USAID is reviewing the possibility of administering projects from regional offices.

Cape Verde's reaction to the planned close out, contained in Praia 3045, was to remark that while the country was making developmental progress, they still had a long way to go. Government officials went on to say there were political and economic costs associated with liberalizing the economy, especially during the

transition to a full-fledged democracy. Concern was also expressed that current budget levels be maintained for the next few years to give the government time to reprogram and obtain alternative funding.

**Discussion:**

The attached phase-out plan, which has been prepared in conformity with recent USAID/W guidance, constitutes a general plan of action to phase-out of the USAID program in Cape Verde by September 30, 1996, but leaving in place carefully selected activities which satisfy the Agency's criteria for a program without a presence.

By the end of FY 1996, USAID/Cape Verde is proposing to: wind-up activities in agriculture and natural resources management by completing the Watershed Development and the Watershed and Applied Research Development Projects; phase-out of training under the Human Resource Development Assistance (HRDA) Project; and conclude activities in private sector development by completing the Export Development Services (EDS) Project.

Beyond 1996, we are proposing to continue activities currently funded under the Family Health Initiatives Project, through an expanded reproductive health and HIV/AIDS effort. This proposed activity would increase the provision of quality reproductive health services and increase the use of HIV/AIDS prevention practices. A direct grant to the International Planned Parenthood Federation (IPPF) or a PVO is proposed which could become part of the new Regional Family Planning and Health Project to be managed out of REDSO/WCA.

USAID/Cape Verde is also proposing that the PL 480 Title II Food Aid Program continue beyond 1996, and that long term participant training through the African Training for Leadership and Advanced Skills (ATLAS) Project be continued at a modest level. Both of these activities are being successfully managed by U.S. PVOs or contractors and could continue with minimal management from REDSO/WCA, Dakar or USAID/W.

Staffing at USAID/Cape Verde has always been kept at a "bare bones" minimum. With the assignment of the new USAID Representative and a Program Officer in 1993, we now have a full complement of two USDHs. Local staff include one part-time USRH Executive Assistant, three (3) local hire project-funded PSCs, twelve (12) FSNPSCs and one (1) FSNDH. The program phase-out recommended by USAID/Cape Verde would require the continuation of the staff through FY 1994 and FY 1995 except for a decrease of two (2) positions. A reduction in staff

would begin at the end of FY 1995 culminating in the complete closure of the office by September 30, 1996.

**Recommendations:**

**1. The Export Development Services Project**

USAID/Cape Verde recommends a PACD extension of the Export Development Services Project until September 30, 1996 with an increase in the authorized life-of-funding by \$1,400,000. This will permit the implementing institution to achieve financial sustainability and programmatic autonomy which cannot be reasonably attained within the current life-of-project.

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_

**2. The Watershed and Applied Research Development (WARD) Project**

USAID/Cape Verde recommends that the WARD Project PACD be shortened to September 30, 1996, the life-of-project funding decreased to \$3,300,000, and the revised project purpose approved. The project will begin implementation in April 1994, in accordance with the REDSO/WCA approved amended project paper.

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_

**3. Continuation of the PL 480 Title II Food Aid Program**

After FY 1996, USAID/Cape Verde recommends the continuation of the PL 480 Title II Food Aid Program, currently implemented by the U.S. PVO, Agriculture Cooperative Development International (ACDI), in order to help offset the chronic and irreversible food deficit in Cape Verde. After close-out, program monitoring would be carried out by REDSO/WCA, Dakar or from USAID/W.

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_

**4. Continuation of Participant Training**

- a. USAID/Cape Verde recommends that long-term participants under the ATLAS and HRDA projects be allowed to complete programs already in progress. After FY 1996, it is suggested that REDSO/WCA, Dakar or USAID/W monitor the return of participants funded under HRDA and USAID/W monitor the return of participants under ATLAS. All participants currently programmed are expected to complete their programs by the end FY 1998.

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_

- b. It is further recommended that participants continue to be programmed under ATLAS at a modest level of 6-8 new trainees per year.

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_

**5. Reproductive Health and HIV/AIDS Grant**

USAID/Cape Verde recommends that a grant be awarded to a U.S. or international PVO to continue activities in family planning and AIDS prevention which would decrease fertility, increase contraceptive prevalence, and decrease the transmission of the HIV virus.

## USAID/Cape Verde Phase Out-Plan

### Action Memorandum

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USAID/Cape Verde requests approval to initiate negotiations in FY 1994 with the International Planned Parenthood Federation (IPPF), London for a program that will take into account the unique socio-economic, geographic and language variables of Cape Verde. This activity could be absorbed into the proposed FY 1995 REDSO/WCA Regional Health and Family Planning Project.

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_

Date: \_\_\_\_\_

## I. Project and Program Analysis

### A. Background

By any definition, Cape Verde is unique. An archipelago of ten islands plus a few barren islets, this small African Republic in many ways has more in common with Europe and the United States than with its West African neighbors. As a result of devastating droughts and famine, Cape Verdeans began a longstanding pattern of emigration which began during the early 19th century. The United States has one of the largest ex-patriate Cape Verdean communities, and of the one million Cape Verdean descendants worldwide, only one-third live in the country. After 500 years of Portuguese colonization, followed by 16 years of a one-party moderate socialist regime, in 1990 Cape Verde opted for a democratic multi-party system of government. In January 1991, the country's first free and open elections were held which resulted in a peaceful transition of power from one form of government to another.

Cape Verdean economic development has historically been linked to fragile rainfed agriculture, foreign assistance, outmigration, and private transfers from emigrants. However, the dominance of official transfers as a source of growth is declining. The primary domestic source of economic growth is shifting from agriculture and an import substitution-based industry to exportable services and light manufacturing. Following elections in 1991, Cape Verde took on **the worthy and ambitious challenge to refurbish its economy in a dynamic, outward-looking and competitive mode.** This determination to integrate Cape Verde into the world economy and to cooperate more actively at the regional level holds the promise of a viable development path in the long term. If successful, it will develop an economic base that can bring about sustainable growth, create new jobs, and improve export earning capacity, reducing, in turn, the high dependence on foreign savings.

Cape Verde embarks on this new economic reform program with some obvious **strengths**. They include: a tradition in services; largely unexploited tourist and fisheries potential; a convenient geographical location and a maritime-related service tradition; relatively low wage rates and a trainable labor force with a good basic literacy rate; stable exchange rate and sound external policies; improved foreign investment laws; and political and social stability.

At the same time, **the country faces major development constraints**. Some include:

- **Lack of Natural Resources -- Cape Verde has one of the most limited and unproductive natural resource endowments in the world.** The islands are of volcanic origin and are for the most part steep and rocky. As is typical of the Sahelian zone, for almost six months each year dry winds blow off the Sahara desert across the ocean and cause severe erosion and agricultural problems. In years of good rainfall the country can only produce 15 percent of its annual food grain requirements. More frequently, in years of drought, such as 1993, this figure falls to 3-5 percent.
  
- **Dependence upon Private and Official Transfers to Keep the Economy Buoyant --** Cape Verdeans living and working abroad continue to send home large sums of remittances which have frequently meant the difference between "survival" and "disaster" during periods of drought and famine. For the most part, these remittances are sent directly to family members and while amounts have increased slightly in the past few years, this trend is not expected to continue over the long-run. **The international donor community has made significant contributions, but levels of assistance have been decreasing and are expected to decrease more over the next few years.** This comes at a critical time when

the government is just beginning to implement a massive privatization program, and increase exports.

- **Unemployment and Underemployment** -- National unemployment is 23 percent of the economically active population, but when disaggregated for some of the smaller islands or for rural areas, these rates are much higher. In addition, underemployment is estimated at almost 25 percent. As the government plans a major divestiture of its state-owned holdings as part of its privatization effort, the resultant labor dislocation needs to be planned for carefully. Even though unemployment is high, there is a shortage of skilled and managerial labor, especially to work in the expanding private sector. Re-training and vocational training of existing workers and carefully selecting high demand skill areas for students studying abroad is a critical part of the economic program for creating new employment opportunities.
  
- **Overpopulation** -- **The most critical constraint the country faces is overpopulation in relation to productive capacity.** The natural population growth rate is currently estimated at about 2.7% and is expected to reach 3% by the year 2000. **Population is expected to increase from 342,000 in 1990 to 550,000 in 2010.** Fertility rates for women of reproductive age are 6.4 children. This, coupled with a low rate of family planning usage of about 20 percent and the lack of a vigorous family planning program, is alarming. For example, only 19 percent of all health units in the country offer a full range of family planning services. The government is currently in the process of adopting a population policy and an action plan, incorporating a public and private sector partnership in tackling this major problem. Faced with reduced opportunities to emigrate (which has been an important safety valve), the necessity to create jobs for the high proportion of youth entering the labor force, and the serious imbalance between

the population carrying capacity of the natural resource base, fertility control is a critical and important concern which needs immediate attention.

- Private Sector -- As the government begins to dismantle ownership of public enterprises, reduce tight control over all sectors and decentralize decision-making to the regions, and promote private sector development, it is faced with **a small and unorganized local private sector that lacks a spirit of entrepreneurship**. As employment creation hinges on developing the private sector, a significant increase and creation of productive employment is only likely to result in the long term from new investment in key growth sectors (fisheries, tourism, export-manufacturing, and services), and accompanying support activities (small and medium-scale services meeting demand expected from investment in the key sectors). However, the transformation of a small domestic private sector into an export-oriented, competitive one is a major challenge. The Cape Verdean private sector will require substantial assistance in identifying export markets and developing locally into a viable sector in the provision of goods and services. As previously indicated, the private sector is small in Cape Verde, and financial resources through commercial credit are limited. The government recognizes these problems and is in the process of developing initiatives to create efficient and competitive private businesses.

Cape Verde has taken on a major economic reform program and has already made good progress in revamping legislation and designing a major privatization and financial sector reform program. However, the country is just beginning to move from the commitment and design stage to the full implementation of the program. The next few years will be critical as Cape Verde begins to carry out these important bold efforts.

## B. Overview of Current Portfolio

USAID has enjoyed a longstanding partnership with Cape Verde for the past seventeen (17) years. The USAID program to Cape Verde began as a joint program with Guinea-Bissau in 1977. While the program was initially managed from Bissau, the Office of the AID Representative was established in Cape Verde in 1979. USAID assistance through September 1993 has totalled \$54.7 million in program support and \$55.5 million in food assistance. Average annual development assistance has been approximately \$7.8 million. The current program includes three bilateral projects, three regional projects and a Title II monetization program.

Major emphasis over the past ten (10) years has been placed on the areas of natural resource management and sustainable agriculture. The current **Watershed Development Project (WDP)** is scheduled for completion in August 1994. The **Watershed and Applied Research Development Project (WARD)** has been designed to capitalize upon USAID's involvement in improved soil and watershed management, and adaptive on-farm research. It proposes to transfer planning skills and specialized technology to local research and watershed management institutions to permit them to efficiently manage their programs for sustainable, measurable impact.

A few years ago, USAID changed its major program focus to emphasize export-led growth and private sector development in line with the government's new economic liberalization program. Cape Verde's only hope for sustained economic growth lies in the creation of an export-oriented private sector. In 1989, the **Export Development Services Project** was initiated. It included technical assistance for revising and creating legislation to create a more conducive local environment for attracting investment and carrying out various feasibility and market studies. The project has also supported the creation of the country's first Center for Investment and Export Promotion (PROMEX).

USAID participates in two regional training projects, the **African Training for Leadership and Advanced Skills (ATLAS)**, and the **Human Resources Development Assistance (HRDA)** projects. Both long and short term out-of-country and short term in-country training are supported. To date, over 1,500 Cape Verdeans have received training, including 300 enrolled for long term academic training. As Cape Verde has no university, long term academic training fills an extremely important gap in human resource development.

The Mission's third regional project is the Africa Bureau's **Family Health Initiatives Project**. Through a buy-in to the centrally funded INTRAH project, family planning training, equipment and information, education and communication services have been provided to the Ministry of Health.

Cape Verde has a severe structural food deficit in cereals, and this shortfall is made up by donors and limited commercial imports. The United States is one of the largest volume food donors. The current **PL 480 Title II program** is fully monetized and managed locally by a U.S. PVO, Agricultural Cooperative Development International (ACDI). The current MYOP agreement will terminate in FY 1996. In this agreement USAID will provide 80,000-100,000 tons of corn, or 18,000-20,000 tons per year which will generate approximately \$9.0 million in local currency. The local currency is being used for public works projects and innovative private sector development activities.

While by global standards the USAID program in Cape Verde is small, locally we are a major donor both in terms of the size of our program and the leadership and innovation we have shown in the various sectors we support. For example, in food assistance we have changed the way government has traditionally done business by having a U.S. PVO manage the program. For a government, which until recently, did not permit local PVOs much less foreign PVOs to operate in-country, this has been a breakthrough. Also, USAID is taking the lead among donors in trying to identify

alternatives to the government's subsidized public works program by developing pilot projects to enhance rural employment. In the private sector, USAID supported the first major study on privatization, which later became the backdrop for the World Bank's privatization program. Through our EDS project we are providing technical direction to the export development sector.

In the area of population we are beginning to explore how we can leverage our assistance to encourage not only full adoption of the government's population policy, but equally important, the creation of an action plan for the immediate implementation of a strong family planning program

In training, we have worked for almost a year setting up an open and transparent participant selection process which, for the first time, includes local private sector participation. USAID is also taking the lead and becoming pro-active in the process of the design and implementation of local training activities. We are organizing a two day workshop to invite participants from both the public and private sector to develop proposals for funding of local training in priority areas identified in our HRDA training plan.

The Mission was in the process of finalizing a new strategy for FY 1994-1998 when the decision was made by USAID/W to phase-out the U.S. presence in Cape Verde. It should be noted even before the phase-out decision, USAID was planning to develop a focused program with one or two strategic objectives and a complete phase-out of the USAID presence by FY 1999. It was proposed that continued assistance be provided under the Africa Bureau's Small Country Program, for which Cape Verde seems to meet all the criteria.

Based on approval from AA/AFR and AFR/DP, in early December 1993 Cape Verde began development of a program strategy framework which presents two strategic

objectives and a set of alternatives for implementation, with corresponding budgets. The FY 1996 phase-out of presence is factored into all options. The strategy document is to be used to analyze the current portfolio and recommend continuation of activities beyond 1996, within the context of a clear strategic framework.

The USAID/Cape Verde Phase-Out Plan is predicated on USAID/W approval of the **Population Medium Option** of the Program Strategy. It is this alternative which the Mission feels is most prudent and easier to manage off-shore. It enables USAID/Cape Verde to complete all existing agreements and proposes the continuation of food assistance, limited academic training and a more focused population effort. These few activities will permit USAID to have a measurable impact without a presence, and within a limited time frame, as we build upon past experience and current need.

The phase out comes at a critical juncture in Cape Verde's transition to participatory democracy and economic policy reform. While the FY 1996 phase-out date permits us time to finish ongoing commitments, a complete phase out of presence and program in 1996 could be misinterpreted as the United States abandoning a close friend and high performing development partner, just at the moment they are attempting to do everything right politically and economically. Given the fragile economy and dependence on donor assistance, we need to plan a reasonably phased reduction of resources and take care that other donors do not interpret our phase-out as lack of interest in Cape Verde's emerging democracy or encouragement for them to do the same. Most important, the United States needs to make sure that other African countries and other "small" vulnerable nations understand that we strongly support Cape Verde's model of democracy and market-led economic growth.

## **C. Bilateral and Regional Projects**

### **1. Export Development Services Project (EDS) (655-0014)**

#### **Overview**

The purpose of the EDS project, authorized on August 25, 1989, is to provide support to Cape Verde's private sector by addressing constraints to expanding export-oriented production, trade and private sector development. The project includes four areas of activity to achieve this objective: (1) the creation of a Center for Investment and Export Promotion (PROMEX); (2) identifying and encouraging the implementation of policy and administrative reforms to reduce bureaucratic constraints to private investment and export production; (3) strengthening the institutional capacity for investment promotion in Cape Verde by development of a data base on the country's economic potential and a marketing strategy for PROMEX; and (4) developing the human resource capacity for the private sector by individual training, seminars, and conferences for Cape Verdeans in the public and private sectors.

By the end of 1993, the project has accomplished the following: (1) PROMEX became operational, established an office headquarters and recruited highly qualified professional staff; (2) PROMEX drafted new legislation for an External Investment Law, a Free Enterprise Law, an Export Promotion Law, and an Investment Promotion Law which were all adopted; (3) PROMEX helped to revise the Labor Code which has gone into effect; and (4) new foreign investments totalling \$8.5 million were negotiated by PROMEX on behalf of the government. Other significant investment leads were also in various stages of approval.

## **Project Status**

Due to local elections which resulted in a complete turnover of government and coupled with USAID start-up delays, in September 1991, the PACD of the project was extended by one year, or until September 30, 1994. In May 1993, a mid-term evaluation was carried out which documented the impressive progress PROMEX had made by taking the lead in changing the local regulatory environment to be more conducive to investment and in attracting some concrete foreign investments. The evaluation also outlined several weaknesses such as: (1) the need to replace the entire long term technical assistance team; (2) the lack of progress in developing the comprehensive training plan; (3) delay in opening a regional office on the island of Sao Vicente, the country's commercial center; and (4) structural problems within PROMEX, which prevented it from being able to implement a "One-Stop-Shop" to review and approve investment proposals. Incorporating evaluation findings, an amendment to the project was authorized in August 1993 to increase the life-of-project funding by \$700,000.

PROMEX has submitted an ambitious workplan for 1994 which includes opening the regional office, organizational development of the center and staff, and targeting promotional activities by region (Portugal and Hong Kong) and sector (light manufacturing). A series of promotional trips, seminars, training workshops and specialized short-term technical assistance is planned.

Since the EDS project includes investment promotion and exports, project activities were reviewed with respect to Section 599 of the FY 1993 Foreign Appropriations Act, as defined by USAID Policy Determination 20 guidelines. USAID/Cape Verde and the REDSO/WCA Legal Advisor examined the project, using the interim guidelines, in August 1993 during the last project amendment approval process. This review resulted in the determination that the project's potential for attracting U.S. investment and loss of U.S. jobs was not in violation of the policy. The Grant Agreement Amendment Number

4 includes a prohibition against using USAID funds for any direct activities related to export processing zones. Given the recent release of the final guidelines, the project is being closely reviewed again with REDSO/WCA legal assistance. Based on a positive outcome of this review, future amendments will include language to strengthen the prohibitions against promotional activities in the United States.

### Current and Projected Financial Status

Project Element	Cumulative Obligations	Cumulative Expenditures	Pipeline 02/4/94	Est. Pipeline 09/30/94
Technical Assistance	2,895,000	1,908,950	986,050	0
Commodities	500,000	396,242	103,758	27,000
Training	400,000	225,884	174,116	4,000
Other	745,000	448,996	296,004	0
Evaluation	100,000	39,498	60,502	0
Audit	60,000	0	60,000	0
<b>TOTAL</b>	<b>\$4,700,000</b>	<b>3,019,570</b>	<b>1,680,430</b>	<b>31,000</b>

As of February 4, 1994 the project pipeline was \$1,680,430. Based on a carefully prepared 1994 workplan and WAAC advice on how to resolve some of PROMEX's project accounting problems, this pipeline is expected to decrease to \$31,000 by September 30, 1994. A US Resident Hire has replaced the previous Project Manager and she is spending more time monitoring the usage of project funds to assure they are programmed and spent within planned time frames.

By project element, **Technical Assistance** will include \$890,000 to the technical assistance contractor, Nathan & Associates, and \$96,000 for the Project Management. **Commodities** will include purchase of computers, spare parts, office equipment and a project vehicle for \$77,000. **Training** will include training out-of-country and in-country and promotional trips (Portugal and Asia) for \$310,000. An evaluation and audit, each for \$60,000, are also planned. The end-of-project evaluation scheduled for 1994 may be postponed until 1995 pending approval of the project extension.

### **Statement of Termination Provisions from the Obliging Document**

The grant agreement dated August 28, 1989 wrongly contains provisions for termination of a loan funded project. The current PACD is September 30, 1994 by which time USAID/Cape Verde proposes to have negotiated a grant agreement amendment that will extend the life of project and provide for a new, corrected termination clause (as contained in 93 State 233538).

### **Local Currency**

The EDS project does not generate any U.S. local currency, does not have any host country-owned local currency on deposit, and as of now, cannot generate enough host country owned local currency to continue project activities beyond the current PACD.

### **Recommendations on Continuation of Assistance**

USAID/Cape Verde recommends a two-year cost extension of \$1,400,000 in DFA funds to complete the Export Development Services Project. The new PACD would be September 30, 1996.

Due to delays in start-up and implementation, the project is behind schedule. For example, there was almost a two-year delay in the competitive process for selecting the contractor and deploying the long term technical assistance team. There was a year delay in hiring both the President of PROMEX and the USPSC Project Manager. In fact, the full in-country team was not in place until August 1992, or three years after the project started. In addition to these delays, the mid-term evaluation pointed out that, within the original project design, it was too soon to expect PROMEX to be financially independent at the current PACD. No sustainability plan has been developed.

At the same time, the project success to date is impressive. PROMEX has already shown that it can attract foreign investment to the country. However there is a need for PROMEX to develop and implement a business plan that would: 1) elaborate their strategy and action plans; 2) create an organizational structure with clear lines of responsibility and authority; and 3) develop a financial plan for the allocation of resources that would permit them to achieve their goals and objectives within a specific time frame. This would include planning for the phase out of all USAID support by 1996. Work on this is just beginning.

Also, an extension is necessary in order to make the structural changes required to create a functioning "One Stop Shop" and make PROMEX more responsive to the needs of the local private sector. The implementation of the training plan is also behind schedule. The additional monies will be used for technical assistance, training, and a phased decrease of PROMEX operational expenses. The requested funds are broken down by fiscal year and project element as follows:

Project Element	1994	1995
Technical Assistance <sup>1</sup>	385,000	375,000
Commodities	25,000	25,000
Training	50,000	30,000
Other <sup>2</sup>	180,000	150,000
Evaluation	60,000	60,000
Audit	0	60,000
<b>Total</b>	<b>\$700,000</b>	<b>700,000</b>

1 Includes short-term and long-term technical assistance.

2 PROMEX operational expenses and in-country training are part of this element.

## 2. Watershed Development Project (WDP) (655-0013)

### Overview

The goal of the Watershed Development Project (WDP) is to develop and protect the soil and water resources of three (3) designated watersheds on the island of Santiago. It supports the GOCV's program of soil and water conservation through a combination of foreign exchange and local currency. The use of PL 480 generated local currency has been used to pay for employment of rural laborers to carry out construction and public works. This, integrated with technical assistance, has helped to achieve the project's conservation goals. The WDP project consolidates and continues efforts of two previous projects: The Watershed Management Project (655-0013) and the earlier Food for Development Program. The project is 95% complete and will terminate in August 1994.

## **Project Status**

The WDP has already exceeded its quantitative goals for the construction of soil and water conservation structures, reforestation activities and employment generation. In addition to the creation of employment opportunities, the target population of rural unemployed men and women have learned valuable conservation practices, increased the productive potential of the land, increased potable water supplies and reduced the possibilities for substantial flash flood damage.

In September 1993, the PACD was extended nine (9) months to: (1) allow commodities already purchased to be delivered to the project; (2) utilize the remainder of unexpended funds to procure important equipment and spare parts for previously purchased heavy equipment; (3) conduct a required financial audit of the PL 480 local currency for previous years; and (4) provide transition local currency financing until the anticipated start-up of the Watershed and Applied Research Development (WARD) project.

**Current and Projected Financial Status**

<b>Project Element</b>	<b>Cumulative Obligations</b>	<b>Cumulative Expenditures</b>	<b>Pipeline 02/04/94</b>	<b>Estimated Pipeline 08/20/94</b>
Technical Assistance	3,395,000	3,316,924	78,076	28,076
Equipment and Commodities	2,936,000	2,539,277	396,723	6,723
Training	692,000	685,354	6,646	6,646
Construction	167,000	165,550	1,450	1,450
Other	195,000	180,418	14,582	14,582
Contingency	41,000	40,786	214	214
Audit	50,000	0	50,000	20,000
Evaluation	135,000	130,001	4,999	4,999
<b>Total</b>	<b>\$7,611,000</b>	<b>7,058,310</b>	<b>552,690</b>	<b>82,690</b>

The project procurement plan is to draw down on the pipeline as follows:

Technical Assistance:

Project Manager Salary	20,000
PSC Civil Engineer Salary	30,000
<b>Sub-total</b>	<b>50,000</b>

Equipment and Spare Parts:	280,000
6 Diesel Pick-ups	110,000
<b>Sub-total</b>	<b>390,000</b>
Audit	30,000
<b>TOTAL</b>	<b>\$470,000</b>

### **Statement of Termination Provisions from the Obligating Document**

The grant agreement for the Watershed Development Project (655-0013) dated August 21, 1984 wrongly contains provisions for termination of a loan funded project. Since this project will be completed by August 20, 1994, the termination provisions will not be amended.

### **Local Currency**

The Watershed Development Project does not generate any U.S. local currency. The project does utilize host country-owned local currencies generated by the monetization of PL 480 Title II commodities. These local currencies are used to procure the services of local laborers and materials for the public works and forestry activities carried out under the project.

### **Recommendations on Continuation of Assistance**

When the Watershed Development Project terminates in August 1994, all goods and services to be provided under the project will have been purchased. A project completion report will be prepared and contract close-out procedures started shortly thereafter.

### **3. Watershed and Applied Research Development Project (WARD) (655-0017)**

#### **Overview**

The WARD project was designed in 1991 to assist the GOCV's watershed development and agricultural research institutions. The project was authorized at \$9 million over a seven year life-of-project. The Project Grant Agreement was signed on September 30, 1991, and obligations to date total \$3.8 million.

Although WARD was authorized in 1991, implementation never proceeded. Initially, the proposed contracting mechanisms underwent an intensive review of alternative options. Then there were delays in meeting conditions precedent because the Government of Cape Verde reorganized. Further delays resulted when the Mission wanted to reconsider the project in light of the development of a new strategy which would restructure and focus the USAID/Cape Verde program.

Due to the changes in circumstances described above, the WARD project has been redesigned with a purpose that is achievable within the reduced time frame and a reduced budget. The project purpose is to increase the sustainable impact of watershed development institutions on rural Cape Verdeans. The project budget is reduced to \$3.3 million which is to be expended over two and a half years. USAID/Cape Verde believes that the important activities in watershed management and agriculture research, which were conducted during the ten year life of the Watershed Development and Food Crop Research Project, can be institutionalized and made self-sustaining within the revised WARD objectives.

Assistance to GOCV institutions under the **watershed development component** will be channeled through Agriculture Cooperative Development International (ACDI), a U.S. PVO currently implementing the PL-480 Title II Program. ACDI has submitted

a concept paper highlighting their proposed involvement in the WARD project. They will provide technical support to the Ministry of Agriculture in the following three areas: a) strategic planning and soil and water conservation activities; b) oversight of public works/workfront activities; and c) institutionalization of an effective monitoring and evaluation system. Assistance under the **agricultural research component** will be channeled through a buy-in to the Sustainable Agriculture and Natural Resource Management Collaborative Research Program (SANREM) CRSP. This CRSP provides the type of agriculture and natural resource management required under the WARD project.

### **Project Status**

The WARD project was redesigned in the fall of 1993 with the assistance of REDSO/WCA technical staff and in collaboration with the Government of Cape Verde. The revised project paper has been reviewed by REDSO/WCA management and the REDSO Director provided concurrence to proceed with the amendment, subject to USAID/Cape Verde obtaining approval from USAID/W to proceed with the revised project purpose (Abidjan 01995).

The Regional Contracting Officer in Dakar and FA/OP have been consulted regarding the proposed grant to ACDI and the buy-in to SANREM. Both are in a position to proceed immediately. A draft grant proposal has been prepared by ACDI and SANREM has already drafted an initial Scope of Work. Given USAID/W approval, the project can begin in April 1994.

### Current and Projected Financial Status

Project Element	Cumulative Obligations	Cumulative Expenditures	Pipeline 01/15/94	Est.Pipeline 09/30/96
Technical Assistance	2,600,000	none to date	2,600,000	
Training	360,000		360,000	
Commodities	500,000		500,000	
Operating Expense	130,000		130,000	
Project Management	80,000		80,000	
Audit	50,000		50,000	
Contingency	80,000		80,000	
<b>TOTAL</b>	<b>\$3,800,000</b>		<b>\$3,800,000</b>	

Although there have been no expenditures, based on the reduced budgetary requirements of the amended project, the Mission plans to deobligate \$500,000 from the project during FY 1994.

### Statement of Termination Provisions from the Obligating Document

The Limited Scope Grant Agreement for the WARD Project (655-0017) dated September 30, 1991, wrongly contains provisions for termination of a loan funded project. The current PACD is September 30, 1998. A new corrected termination clause (as contained in 93 State 233538) will be included in the amendment to the entire agreement planned in April 1994.

## **Local Currency**

The WARD project does not generate any U.S. local currency, but does utilize host country-owned local currencies generated under the monetization of PL 480 Title II commodities. These local currencies are used to procure the services of local laborers, purchase local construction materials and pay for local research and extension costs. Management of the local currencies is handled by ACDI and USAID authorizes the release of all funds.

## **Recommendations on Continuation of Assistance**

USAID/Praia recommends that USAID/W approve the implementation of the amended WARD Project, including the revised project purpose. The project will be scaled back by two (2) years and will terminate on September 30, 1996, at a total cost of \$3.3 million.

USAID has been involved in assisting Cape Verde's agricultural and natural resource sectors for over 15 years and has built-up considerable country-specific expertise in both watershed development and food crop research. The WARD project is the culmination of all our previous efforts and will concentrate on strengthening the Cape Verdean institutions involved in watershed development and agricultural research to enable them to function more efficiently, utilize learned technical and planning skills, and sustain program activities after project phase-out.

The amended project will place more emphasis on institutional strengthening, reduce the scope of activities from the original design, and simplify the contracting modalities for implementation. It will also provide time for the GOCV to find alternatives to the work-front and other activities supported under the project. In sum,

WARD will enable USAID to "cap-off" our investment in watershed management and agriculture research.

#### **4. PL 480 Title II Food Aid Program**

##### **Overview**

Cape Verde has a structural food deficit in basic cereals which can not be addressed through increasing local production due to inherent land, water, and climatic constraints. Extremely low yields are due to poor soils, scarce water for irrigation, and poor farming practices. In fact, much of the cultivation is environmentally destructive and being carried out on steep hillsides and other marginal lands. For most of its history, Cape Verde has suffered from drought, with local crop production yielding at best 15%-20% of the population's needs. Depending on erratic rainfall, Cape Verde is only able to produce between 5,000 - 16,000 tons of corn and beans per year. Annual cereal requirements run in the vicinity of 100,000 tons. Commercial imports are approximately 30-35,000 tons, with the rest provided by international donors. Since the early 1980's, the U.S. has been a major food donor providing 15,000 -18,000 tons of corn per year.

U.S. donated food aid helps Cape Verdean agriculture and the rural population in several ways: (1) providing employment and income security to the rural poor; (2) supporting public work activities such as soil and water conservation; and (3) supporting afforestation and farm-to-market road construction.

##### **Project Status**

USAID/Cape Verde has a multi-year operational plan (MYOP) agreement with a U.S. PVO, Agricultural Cooperative Development International (ACDI), to monetize 75,000 to 100,000 metric tons of PL 480 commodities over the five year period FY 1992 to FY 1996. The average annual value of the donated corn has been \$1,900,000. Corn

is sold on the local market according to a sales agreement negotiated with the GOCV's designated agent. Local currency proceeds are used to support activities under the Watershed Development Project as well as other pilot activities to promote private sector employment and sustainable income producing activities.

### **Local Currency**

The PL 480 Title II Program does not generate U.S. owned local currency, however it does generate host country owned local currency. Part of this is programmed by the GOCV as its contribution to USAID's WDP project. After donated Title II commodities are imported and sold, the host country-owned local currency is deposited in a separate account in the Commercial Bank of Cape Verde. The account is managed by the cooperating sponsor, ACDI, in support of salary payments to work crews and for the purchase of materials related to the work front activities. Management of these funds for other approved uses is also handled by ACDI.

### **Recommendations on Continuation of Assistance**

It is recommended that USAID continue the food aid program beyond 1996, when the current program terminates. Any follow-on program could be managed from REDSO/WCA, Dakar or USAID/W. USAID/Cape Verde has already had preliminary discussions with the GOCV on their ability to pick up freight costs of commodities beyond 1996. The Mission will continue to require that the sales price of the commodities approach what it would cost to purchase them on the open market.

For Cape Verde, the continuation of a PL 480 Title II monetization program is essential for food security. Given the lack of adequate rainfall and arable land, there is no possibility for Cape Verde to become self-sufficient in local cereals production. At present, the local economy with its high dependence on external remittances and donor

assistance, can not afford to pay for required food imports. Lastly, valuable public works such as construction of irrigation canals, check dams and other watershed improvement projects would halt without PL480 Title II food aid generated local currencies.

At least in the foreseeable future USAID is faced with a choice of providing for developmental food assistance now or a high probability of having to provide emergency food assistance later on.

## **5. Human Resources Development Assistance (HRDA) (698-0463)**

### **Overview**

The purpose of the Cape Verde HRDA Project, which was authorized on July 29, 1988, is to assist the GOCV to meet priority requirements for managerial and technically skilled human resources. Training under this project has included long-term academic training and short-term technical training in the United States and third countries. In-country seminars, workshops and special courses have also been supported.

### **Project Status**

By the end of 1993, a total of 36 participants had received training in the U.S., 35 in third countries and 1,250 had attended in-country training activities. Current long-term participants include three (3) participants in the U.S. and four (4) due to leave shortly, five (5) third-country participants in Senegal, and thirty (30) in Brazil, as shown in the following table:

Country	Participants in Training	Completion Dates				
		94	95	96	97	98
U.S.	7 <sup>1</sup>	1		4	2	
Senegal	5	5				
Brazil	30				10	20 <sup>2</sup>

1. Four (4) long term master participants have been selected and are due to leave shortly.
2. USAID/Cape Verde understands that HRDA will be extended until September 1997. If this is not the case, or if HRDA funding is not approved beyond 1996, the GOCV will locate alternative financing (as outlined in a signed HRDA PIL) for these students to complete their studies.

Through the project, a comprehensive training plan has recently been developed to focus support of training in areas of high priority for the Mission, which are economic and social development, private sector development and population/family planning.

### Current and Projected Financial Status

Project Element	Cumulative Obligations	Cumulative Expenditures	Pipeline 01/15/94	Est. Pipeline 09/30/95
Long-term Training	715,000	421,481	293,519	13,519
Short-term Training	529,000	379,362	149,638	0
3rd Country Training	907,000	227,315	679,685	250,000 <sup>1</sup>
In-Country Training	558,000	110,293	447,707	0
Advisory Services	110,000	0	110,000	0
<b>TOTAL</b>	<b>\$2,819,000</b>	<b>1,138,451</b>	<b>1,680,549</b>	<b>263,519</b>

By the current PACD of September 30, 1995, most of the remaining pipeline will be programmed. By project element: **Long Term Training**, \$280,000, to cover four (4) participants for U.S. training; **Short Term Training**, \$149,638, programmed for short term courses in the U.S. during 1994; **Third Country Training**, \$679,685, earmarked for 30 participants to Brazil; **In-Country Training**, \$300,000, to be programmed during a March 1994 workshop; **In-Country Training**, \$147,707 already earmarked and committed for private sector training; and **Advisory Services**, \$80,000, for institutional support to the Ministry of Education Scholarship Division, \$10,000, for a PTMS computer system, and \$20,000, for an internal evaluation.

### **Statement of Termination Provisions from the Obligating Document**

Section N of the Limited Scope Grant Agreement for the Human Resources Development Project (698-0463.55) dated July 29, 1988 contains the following termination provision:

" . . . Either party may terminate this Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Termination of this Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 3 and 4 of this Agreement, except for payments which they are committed to make pursuant to commitments entered into with third parties prior to termination of the Agreement. . ."

### **Local Currency**

The HRDA project does not generate any local currency, does not have any local currency on deposit, and will not generate any local currency that can be used to continue project activities.

## **Recommendations on Continuation of Assistance**

USAID/Cape Verde recommends this project terminate in FY 1998 to coincide with completion dates of participants in long-term training. Pending the availability of funds and an extension of the HRDA PACD, Mission requests \$600,000 in new obligation authority for FY 1994 and \$300,00 for FY 1995 for in-country training activities. All activities will be completed by September 30, 1996.

### **6. African Training for Leadership and Advanced Skills (ATLAS - 698-0475)**

#### **Overview**

USAID/Cape Verde accesses the regional ATLAS Project through annual OYB transfers. The contractor, the African American Institute (AAI), has an in-country representative to coordinate the participant selection and departure process. USAID/Cape Verde and the Government of Cape Verde have agreed to training priorities which include private sector development, reproductive health and family planning, and natural resources management. These criteria are applied by AAI who manages the entire participant selection and departure process.

#### **Project Status**

Under the project, 17 participants are currently in the U.S. and another 10 participants have been selected for 1994 departure. These 27 students will return in 1996 and 1997. USAID/Cape Verde is proposing additional funding for FY 1994 - FY 1996 in order to continue training participants at a modest level of 6-8 participants per year. Those selected in 1996 would return in 1999. Since the project completion date is the

year 2006, the program could be monitored either by REDSO/WCA or USAID/W after the FY 1996 Mission close-out.

### **Current and Projected Financial Status**

Between FY 1990 - FY 1993 \$1,850,000 has been obligated. USAID/Cape Verde recommends to continue the program for FY 1994 - FY 1996 at a level of \$450,000 per year. The financial status of the fully funded PIO/Ps does not appear within USAID/Cape Verde's MACS reports.

### **Statement of Termination Provisions from the Obligating Document**

The obligating documents are a USAID/W contract with the African American Institute and funded PIO/Ps. There are no termination provisions which could be implemented by USAID/Cape Verde.

### **Local Currency**

The ATLAS project does not generate any local currency, does not have any local currency on deposit, and will not generate any local currency that can be used to continue project activities.

### **Recommendations on Continuation of Assistance**

USAID/Cape Verde recommends that the ATLAS program be funded through FY 1996 and continue at a very low modest level beyond the FY 1996 Mission close-out. Monitoring could be carried out by the ATLAS contractor, with assistance from Dakar, REDSO/WCA or USAID/W.

The ATLAS Project offers excellent training opportunities for small countries like Cape Verde. Such small countries often have no universities - much less any post-graduate level training programs. Bilateral projects with substantial participant training are also frequently limited. Training in U.S. technology in the sciences, education and business management along with the cross-fertilization of ideas and exposure to different forms of organization, management, and technical approaches promotes creative leaders who develop a longstanding affiliation with the United States. This training also provides high exposure for the USAID Mission and Embassy.

In the last three years, Cape Verde lost opportunities to place students in Portugal and previous Communist Bloc countries, which were major providers of scholarships. For example, Russia and Eastern Europe used to offer one hundred and seventy (170) scholarships per year. This has now stopped completely. Likewise, due to new restrictions on acceptance of foreign students in Portuguese Universities, there has been a decrease in scholarships by about fifty (50) per year. Cuba also cut off their scholarship program of 150 students per year. Additionally, the Cape Verdean economy is becoming more sophisticated and its population requires graduate level training if economic progress is to continue. Considering Cape Verde's lack of indigenous capacity in specialized skills coupled with its strong desire to expand beyond the influence of Portuguese-style governing and management, the ATLAS program is an important mechanism to assist Cape Verde in considering different models for economic and democratic growth.

## **7. Family Health Initiatives II (698-0462)**

### **Overview**

The purpose of the Family Health Initiatives II Project, which was authorized on August 22, 1989, is to assist the GOCV's Maternal Child Health/Family Planning Program, specifically to improve the provision of family planning information and services.

The project includes three main activities: (1) in-service training for health personnel in clinical and supervisory skills; (2) clinical equipment and supplies for family planning and maternal child health centers; and (3) information, education and communication (IE&C) technical assistance and production costs for the national program.

### **Project Status**

Through the FHI-II Project, the Mission has been assisting the government integrate family planning into the public health system. Achievements during the past four (4) years have included: a) training of sixty six (66) health care providers in family planning methods, supervision and evaluation; b) two hundred and sixty five (265) people trained in IEC; c) conducting a national inventory of family planning clinical equipment and supplies; d) procurement of family planning equipment and supplies (for Santiago island only); e) development of a standard family planning curriculum to be adopted by nursing schools; and f) development of a family planning services standards manual.

The project will terminate September 30, 1994. The Mission accesses services through a buy-in to a central contractor, INTRAH. It is expected that all planned activities under this program will be completed in July 1994.

**Current and Projected Financial Status**

<b>Project Element</b>	<b>Cumulative Obligations</b>	<b>Cumulative Expenditures</b>	<b>Pipeline 01/15/94</b>	<b>Est. Pipeline 09/30/94</b>
Training	240,000	143,647	96,353	5,000
Clinical Equipment	190,000	117,897	72,103	3,000
IEC Activities	65,000	21,257	43,743	2,000
Advisory Services	5,000	0	5,000	5,000
<b>TOTAL</b>	<b>\$500,000</b>	<b>282,801</b>	<b>217,199</b>	<b>15,000</b>

Of the total funding, approximately \$300,000 has been disbursed. The existing pipeline will be drawn down by July 1994. Since disbursement under the INTRAH buy-in has been extremely slow, it is possible that by September 1994 a small pipeline will be awaiting voucher processing.

**Statement of Termination Provisions from the Obligating Document**

Section N of the Limited Scope Grant Agreement for the Family Health Initiatives II Project (698-0462.55) dated August 27, 1989 contains the following termination provision:

" . . . Either party may terminate this Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Termination of this Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 3 and 4 of this Agreement, except for payments which they are committed to make pursuant to commitments entered into with third parties prior to termination of the Agreement. . . "

## **Local Currency**

The FHI II project does not generate and U.S. host country owned local currency, does not have any local currency on deposit, and will not generate any local currency that can be used to continue project activities.

## **Recommendations on Continuation of Assistance**

USAID/Cape Verde proposes to continue providing family planning assistance under a U.S. or international PVO which could be included in the proposed REDSO/WCA Regional Family Planning and Health Project.

## **8. Reproductive Health and HIV/AIDS**

Just this year the GOCV began to demonstrate more interest in population and reproductive health. The government, in fact is in the final stage of adopting a Population Policy that will include targets to: reduce population growth rate; reduce fertility level; strengthen and expand family planning services nationwide; and increase spacing between pregnancies. The policy will be translated into an action plan in mid-1994 and then integrated into a national development strategy.

Given the GOCV's recent interest in addressing the serious imbalance between high population growth and lack of natural resources and due to the impressive achievements of the FHI-II Project, the Mission proposes to continue this support after the FY 1996 phase-out. A grant to the International Planned Parenthood Federation (IPPF) or another similar organization could be initiated before phase-out. IPPF currently has a close working relationship with a local Cape Verdean NGO and is the only outside internationally-recognized family planning organization which has experience

working in Cape Verde. In order not to break the momentum of the achievements made under the current FHI-II program, it is recommended this project be initiated in FY 1994 or FY 1995. Thereafter, the activity could become part of the REDSO/WCA Regional Family Planning and Health project, if appropriate.

USAID has a long and successful history working in population in collaboration with local and international PVOs. USAID/Cape Verde is the only donor supporting family planning service delivery, except for limited commodity assistance from UNFPA.

Given the emerging potential problem of HIV/AIDS, a small component to support HIV/AIDS prevention will also be included in the grant. While there have been less than one hundred (100) cases of AIDS reported deaths, this is a potentially serious problem for Cape Verde because of the mobility of its population, the prevalence of multiple partners, and high rates of sexually transmitted diseases.

A draft summary of the Reproductive Health and HIV/AIDS project follows:

**Project Goal:** Reduce population growth and improve family health.

**Purpose:** Increase the provision of quality reproductive health services and increase the use of HIV/AIDS prevention practices.

**Activities:** Project activities will include: a) Training all family planning service providers in the country; b) Procurement of equipment and supplies for all one hundred and five (105) service delivery points; c) Development of community-based distribution services; d) Support to local NGOs in family planning information and services; e) Introduction of an HIV/AIDS educational campaign in all secondary schools; f) Design of an HIV/AIDS and family planning IE&C program geared toward those targeted at high risk; and g) conducting family health

surveys and special targeted operations research to gather information on family planning usage and to test various models of non-traditional family planning service delivery.

**Expected Achievements:** By the end of the project, USAID will have helped the GOCV achieve the following:

1. More sustainable, efficient and effective systems to support family planning and HIV/AIDS prevention programs developed and in place, in both the public and the private sectors;
2. Target populations aware of importance of spacing births, various methods available and knowledge of where family planning services can be obtained;
3. High risk groups for HIV/AIDS aware of threat of spread of HIV/AIDS and knowledgeable of AIDS prevention practices;
4. Increased utilization of family planning services and HIV/AIDS prevention practices;
5. Increased financing available for family planning and HIV/AIDS prevention programs.

End of project status indicators may include: (1) Increased contraceptive prevalence rate (CPR); (2) Increased access to modern contraceptive methods, with adequate method mix; (3) Increased participation of private sector service providers in population/family planning and HIV/AIDS prevention activities; (4) Installed capability within GOCV for research and evaluation.

**Project Budget: (\$000)**

Technical Assistance	900
Training	500
IE&C	800
Survey Research	300
Commodities	1,000
NGO Sub-Grants	1,000
	<hr/>
TOTAL	\$4,500

## II. Financial Management Plan

### A. Program Costs for FY 1994 - FY 1996 USAID/Cape Verde - Project Summary

(All amounts expressed in US\$000)

Project Name	PACD current	PACD prop.	LOP planned	Obs.to Date	Pipeline 01/15/94	1994 planned OYB	1995 proposed OYB	1996 proposed OYB	Issues <sup>1</sup>
<i>ONGOING PROJECTS:</i>									
1. PD&S (655-0015)	9/94	9/96	967	817	235 <sup>2</sup>	50 <sup>3</sup>	100 <sup>4</sup>	0	All funding to go toward project and program design
2. Watershed Development (WDP 655-0013)	8/94	8/94	7,611	7,611	553	0	0	0	Final procurement actions pending
3. Watershed & Applied Research Development (WARD 655-0017)	9/98	9/96	3,300	3,800	3,800	0	0	0	PP amendment approval pending, PACD to be decreased
4. Export Development Services (EDS/PROMEX 655-0014)	9/94	9/96	6,100	4,700	1,680	700	700	0	Two year cost extension included
5. African Training for Leadership and Advanced Skills (ATLAS 698-0475)	9/06	9/99 <sup>5</sup>	5,450	1,850	0	450	450	450	ATLAS contractor to pick up proj. mgt. after '96
6. Human Resources Development Assistance (HRDA 698-0463.55)	9/95	9/98 <sup>6</sup>	3,719	2,819	1,681	600	300	0	Continuation of project for 94' & 95 to support in-country and short-term training
7. Family Health Initiatives II (FHI-II 698-0462.55)	9/94	9/94	500	500	217	0	0	0	
<i>PROPOSED CONTINUATION:</i>									
1. Population and Reproductive Health Initiative (655-0019)		5 Years	4,500	0	0	900	900	1,000	Continuation of population activities to begin FY 94
<b>TOTALS</b>			\$31,897	22,097	8,166	2,700	2,450	1,450	

1. For a more detailed discussion of issues consult narrative section.
2. Contracts being drawn down (\$119,000), remainder to be used for population.
3. Additional costs for population project design.

4. Design of follow-on PL 480 Title II food aid program.
5. PACD to accommodate candidates selected FY 1994 - FY 1996 only.
6. To allow participants to finalize training and return.

**B. Estimated Deobligations**

USAID/Cape Verde  
FY 1994 Deobligation Plan

Project	Cumulative Obligations	Cumulative Earmarks 01/15/94	Pipeline 01/15/94	Estimated Deoblig. 09/30/94
Watershed Development (655-0013)	7,611,000	7,247,196	552,690	82,690
Watershed Applied Research and Development (655-0017)	3,800,000	-0-	3,800,000	500,000
1990 Project Development and Support (655-0015)	154,453	137,057	8,395	8,395
1991 Project Development and Support (655-0015)	100,000	97,253	2,747	2,747
TOTAL				\$593,832

**III. Program Evaluation and Audits**

The Mission proposes to carry out two (2) financial reviews and a financial audit in 1994. In 1995 three (3) evaluations will be carried out and in 1996 one performance review and one project evaluation.

**USAID/Cape Verde**  
**Audit Management and Resolution Program 1994-1996**

PROJECT DATA				A M R P			REMARKS
PROJECTS	PLANNED LOP	CUR PACD	PROP PACD	1994	1995	1996	
1. PD&S (655-0015)	967	9/94	9/96				
2. Watershed Development (655-0013)	7,611	8/94	8/94	FR			
3. Export Development Services (655-0014)	6,100	9/94	9/96	FA	FE <sup>1</sup>	PA	The PP requires FAs "as needed"
4. Human Resources Development Assistance (698-0463.55)	3,719	9/95	9/98		FE		Internal Evaluation in July '95, no activity beyond FY 96.
5. African Training for Leadership and Advanced Skills (698-0475)	5,450	9/06	9/99				
6. Watershed and Applied Research Development (655-0017)	3,300	9/98	9/96			FE	Per PP, USAID/Praia will not be responsible for any audits under this project <sup>2</sup>
7. PL 480 Title II Monetization Program		9/96	9/01	FR	FE		Non-Federal audit of cooperating sponsor (ACDI) planned for FY 94

PA - Performance Audit    FA - Financial Audit    ME - Mid-term Evaluation    FE - Project Final Evaluation    FR - Financial Review

This chart does not include Federal Audits to be done by FM/OP

Notes:

- The final evaluation in 1995 is contingent upon two-year EDS extension.
- The objective of the Final Evaluation will be to assess progress to date in meeting the input and output objectives of the revised project logframe, and progress toward the project purpose, and to make recommendations to USAID/Praia aimed at ensuring that all planned project activities are completed prior to the PACD.

## IV. Participant Training

USAID/Cape Verde has been supporting training since 1977. To date, about 1,561 Cape Verdeans (56% men, 44% women) have been trained under long and short-term programs in the United States (229), in Third Countries (82) and In-Country (1,250). Priority fields of study have included agriculture, business and management, environment and forestry, energy, arts and sciences and education.

There are 32 participants undergoing long-term training through three projects (HRDA, AFGRAD and ATLAS). An additional 47 participants are in the final selection process or due to leave shortly for long-term academic training. Of this number, 30 participants will be in Brazil, the remainder will go to the United States. The return dates for all candidates can be seen on the following chart.

**USAID/Cape Verde  
Participant Training Status by Training Project**

Project	Training Site	Participants Currently in Training	Participants to leave in 1994	Participant Selection			Completion Dates						
				94	95	96	94	95	96	97	98	99	00
HRDA, 698-0463.55	U.S.	1	4	2	-	-	1	-	2	2	-	-	-
	Third Country (Brazil Senegal)	5	30	-	-	-	5	-	-	10	20	-	-
AFGRAD, 698-0455.55	U.S.	12	-	-	-	-	5	7	-	-	-	-	-
ATLAS, 698-0475.55	U.S.	14	13	7 <sup>1</sup>	7	7	1	1	11	14	7	7	7
<b>TOTAL</b>	(232)	32	47	9	7	7	12	8	13	26	27	7	7

1. Contingent upon approval to continue ATLAS.

In summary by project:

**HRDA:** (1) Two masters participants are currently under selection. Their return would be in 1997. If the HRDA PACD is not extended, these scholarships will be canceled.

(2) Thirty (30) participants will be leaving shortly for Brazil. It is expected that 10 will complete their programs in 1997 and 20 in 1998. In the event the HRDA PACD is not extended to cover this period, the GOCV would pick-up the final costs of training for these participants. This has been agreed to under an HRDA PIL Number 698-0463.55-22, dated February 1994.

**AFGRAD:** The remaining twelve (12) participants will complete their training by 1995.

**ATLAS:** (1) Three selected candidates under Wave III (1992/93) are still awaiting final placement for masters programs. They are expected to leave for training within the next few months.

(2) Ten (10) participants have been selected under Wave IV. They are for Masters training and all are expected to leave for training in 1994. Anticipated completion dates for these participants are 1997. It is recommended the ATLAS Contractor continue to manage these participants through the end of their academic programs.

(3) If USAID approves the continuation of ATLAS for FY 1994 - FY 1996, seven (7) participants each year would be selected for masters level training. They would complete their training in 1999.

## **V. Administrative and Management Issues**

### **A. Mission Staffing**

#### **1. Phase-out Plan**

The Mission's proposed staffing phase-out plan as presented on the next page allows for an orderly phase-out of all bilateral projects by September 30, 1996, while leaving behind Title II Food Aid, a small ATLAS training activity and a Reproductive Health and HIV/AIDS activity.

As the total Mission staff level is only eighteen (18), and there will be a need in FY 1994 - FY 1995 to implement programs and continue operations, staffing levels will only decrease by two (2) positions during this period.

FY 1996 would be the year when on-going contracts and projects would be terminated. In the first four months, an additional five (5) staff would be leaving, with the remainder phased-out over the last eight (8) months of the year.

The eight (8) core staff (O.E. and USAID/W funded) who would remain include the AIDREP (or Program Officer), a P/T USRH Executive Assistant, the FSN GDO, the FSN Financial/Systems Manager, the FSN Secretary, the FSN GSO Assistant and FSN Janitress. Three (3) project-funded local hires would also be phased-out during this period. The core staff will also call upon REDSO/WCA and USAID/W for administrative, contract and legal assistance in addition to the financial services currently received from REDSO/WCA/WAAC.

USAID/Cape Verde will also need the services of an experienced Executive Officer for four (4) to five (5) weeks during late FY 1994 to help finalize implementation aspects of the Phase-Out Plan. An Executive Officer will also be needed for two months during early FY 1996 to review checklist items, determine what final steps need to be taken, and to assist in the final phase-out process.

USAID/CAPE VERDE					
Mission Staffing Phase-Out					
USAID/CAPE VERDE	CURRENT	03/94-09/94	10/94-09/95	10/95-01/96	02/96-09/96
Staffing Pattern	FY 94	FY 94	FY 95	FY 96	FY 96
<b>O.E. FUNDED</b>					
<b>USDH:</b>					
1. AID REP	1	1	1	(1)	-
2. Program Officer	1	1	1	1	(1)
<b>FNDH:</b>					
1. Driver	1	1	1	(1)	-
<b>FNPS:</b>					
1. Executive Asst	1	1	1	1	(1)
2. GDO	1	1	1	1	(1)
3. Fin/System Mgr	1	1	1	1	(1)
4. C&R/Procurement	1	1	1	(1)	-
5. Accounts Asst	1	1	1	(1)	-
6. GSO	1	1	1	1	(1)
7. Prog Asst	1	(1)	-	-	-
8. Janitress	1	1	1	1	(1)
9. Janitress	1	1	(1)	-	-
10. Warehouseman	1	1	1	1	(1)
11. Property Guard	1	1	1	(1)	-
<b>PROJECT-FUNDED:</b>					
1. ATLAS Proj Adm	1	1	1	1	(1)
2. Prog Management Spec.	1	1	1	1	(1)
3. Prog Management Spec.	1	1	1	1	(1)
<b>AID/W-FUNDED USRH:</b>					
1. Admin Officer	1	1	1	1	(1)
<b>TOTAL</b>	<b>18</b>	<b>17</b>	<b>16</b>	<b>11</b>	<b>0</b>

Key: ( ) indicates terminated position

## 2. Severance and Local Compensation

The local labor law of Cape Verde calls for an increasing scale of severance based on years of creditable service and other factors. As of January 1994, the law was revised, however most Mission's staff fall under the "old labor law". Based on the current local compensation plan and in consultation with the Embassy Administrative Officer, an initial estimate of severance figures by fiscal year has been calculated.

In summary, severance pay/local compensation will necessitate a sizable one-time charge to the O.E. budget of approximately \$200,000 during FY 1994 or FY 1995. USAID/Cape Verde is prepared to front-load FSNPSC contracts during FY 1994 for this payment, contingent upon the Africa Bureau locating the additional funds.

USAID/CAPE VERDE				
Mission Local Hire Staff Severance Pay				
(\$000)				
Operating Expense	FY 94	FY 95	FY 96	TOTAL
8 FNPSCs hired before 1/1/94	157,397	19,407	14,778	191,582
3 FNPSCs hired after 1/1/94	992	1,411	1,235	3,638
1 FNDH hired before 1/1/94	36,150	3,505	1,172	40,827
<b>TOTAL O.E.</b>	<b>\$194,539</b>	<b>24,323</b>	<b>17,185</b>	<b>236,047</b>
Project-Funded				
2 FNPSCs hired before 1/1/94	34,076	7,546	7,546	49,168
1 FNPSC hired after 1/1/94	0	1,267	1,308	2,575
<b>TOTAL PROJECT:</b>	<b>34,076</b>	<b>8,813</b>	<b>8,854</b>	<b>51,743</b>
<b>TOTAL PHASE-OUT SEV.</b>	<b>\$228,615</b>	<b>33,136</b>	<b>26,039</b>	<b>287,790</b>

Exchange rate used: CVE 82.00 = \$1.00 USD

B. OE Budget Estimates for FY 1994-FY 1996

Except for additional severance cost requirements, the Mission anticipates declining levels of overall OE needs during FYs 1994-1996 as indicated by the following chart.

**USAID/CAPE VERDE  
OE BUDGET ESTIMATES 1994 - 1996**

EXPENSE CATEGORY	FUNC CODE	ACTUAL 1993	EST 1994	EST 1995	EST 1996
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<b>U.S. Direct Hire</b>	<b>U100</b>	<b>78,351</b>	<b>45,550</b>	<b>66,150</b>	<b>49,370</b>
Other Salary	U105				
Educ. Allow's	U106	19,000	23,650	40,950	
COLA	U108				
Other Benefits	U110	1,400			
Post Assign Trv	U111	12,792			12,000
Post Assign Frt	U112	29,525			30,000
Home Lv Trv	U113	7,634	7,900		
Home Lv Frt	U114	8,000	7,200		
Educ Trv	U115				
R & R Trv	U116			18,500	11,000
Other Trv	U117		6,800	6,700	7,370

<b>F.N. Direct Hire</b>	<b>U200</b>	<b>29,955</b>	<b>15,900</b>	<b>17,490</b>	<b>0</b>
F.N. Basic Pay	U201	9,031	9,608	9,608	3,202
Overtime/Holiday Pay	U202	1,037	1,317	1,317	439
All Other Code 11-F.N.	U203	1,804	1,928	1,928	642
All Other Code 12-F.N.	U204	1,415	36,150	3,505	1,172
Benefits - Former F.N.	U205	16,668			

EXPENSE CATEGORY	FUNC CODE	ACTUAL 1993	EST 1994	EST 1995	EST 1996
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Contract Personnel	U300	110,808	288,282	128,784	36,658
U.S. PSC Sal/Benefits	U302				
All Other US PSC Costs	U303				
FN PSC Sal/Benefits	U304	109,395	114,893	107,967	65,686
All Other FN PSC Costs	U305	1,413	158,389	20,817	16,012
Manpower Contracts	U306				

Housing	U400	55,974	44,055	38,823	16,358
Res. Rent	U401	33,681	23,405	16,133	3,766
Res. Utilities	U402	8,860	17,400	19,140	10,527
M & R	U403	13,183	3,000	3,300	1,815
LQA	U404				
Security Guards	U407				
ORE	U408				
REP	U409	250	250	250	250

Office Operations	U500	153,273	157,600	159,120	83,013
Office Rent	U501	3,882	4,400	4,840	5,324
Office Utilities	U502	6,686	8,200	9,020	9,922
Bldg. M & R	U503	3,465	2,800	3,080	3,388
Equip. M & R	U508	2,065	8,400	9,240	4,000
Communications	U509	15,899	18,300	12,200	11,000
Security Guards	U510				
Printing	U511				
Site Visit-Mission	U513	1,082	2,400	2,640	1,452
Site Visit-AID/W	U514	13,361	12,000	12,000	5,000
Info Meetings	U515		10,000	10,000	5,000
Training	U516	2,609	6,000	6,000	
Conference Attendance	U517	2,514	8,300	8,300	74,200
Other Ops Travel	U518	4,261	6,000	6,000	6,000

EXPENSE CATEGORY	FUNC CODE	ACTUAL 1993	EST 1994	EST 1995	EST 1996
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Supplies	U519	27,208	20,700	22,770	9,000
FAAS	U520				
Cont Consult Svcs.	U521	22,085	26,000	28,600	15,730
Cont Mgt/Prof Svcs.	U522				
Spec Studies/Analysis	U523				
ADP H/W Leases/Maint	U525				
ADP S/W Leases/Maint	U526				
Trans/Freight U500	U598	1,756	3,300	3,630	1,997
All Other Cont. Svcs	U599	46,400	20,800	20,800	6,000

<b>NXP Procurement</b>	<b>U600</b>	<b>105,639</b>	<b>0</b>	<b>0</b>	<b>0</b>
Vehicles	U601				
Res. Furniture	U602	11,162			
Res. Equipment	U603	15,602			
Office Furniture	U604	12,019			
Office Equipment	U605	7,214			
Other Equipment	U606	23,909			
ADP H/W Purchases	U607	9,822			
ADP S/W Purchases	U608	2,002			
Trans/Freight U600	U698	23,909			

636(c)	U900				
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<b>Total OE Expense Budget</b>		<b>\$534,000</b>	<b>584,490</b>	<b>409,235</b>	<b>276,894</b>
<b>Severance Pay</b>			<b>194,539</b>	<b>24,322</b>	<b>17,184</b>
			<b>389,951</b>	<b>384,913</b>	<b>259,710</b>

The AIDREP and Program Officer are budgeted to leave the Mission in FY 1996. Based on transfer to USAID/W, high amounts are needed to fund employees/dependents outward travel and freight. The assumption is AIDREP's HL/RTP in FY 1994, will be

followed by a RR in FY 1995. Program Officer's RR is scheduled for end of 1994 (i.e. 1st quarter FY 95) and a HL/RTP in FY 1995 or early FY 1996. However, if designated to remain at post until 9/96 close-out, another RR would probably be taken instead. Education allowance covers school year 93/94 for 4 dependents with FY 1994 O.E. funds. The following year's estimate is increased by one (1) away from post for Program Officer's dependent.

Residential rent/utilities and expenses are adjusted to reflect one (1) USDH early departure from post. Amounts include expenses relating to restoring the houses before turning them over to the landlords.

Half the warehouse annual rent is paid by O.E. and this will continue right up to FY 1996. With the operation of the LAN, communication charges are expected to fall. The office operation costs are maintained for FY 94/95. A decrease will occur in FY 1996, when the Mission will accelerate close-out.

### **C. Real Property**

USAID/Cape Verde owns the small three (3) story office building where the Mission is located. It was purchased in 1989 for \$113,924. A recent locally-contracted building appraisal of the real property is \$111,623 (see copy of Building Appraisal in Annex 5). The USAID office building is located directly adjacent to the U.S. Embassy in Praia, and the Embassy has expressed interest in purchasing the building. They are presently seeking authorization and means of funding to do so. The office building will be occupied by USAID until 9/30/96.

USAID also rents a warehouse and two residences. A list of current leases is included in Annex 4.

**D. Non-Expendable Property**

During FY 1993, the Mission purchased \$68,773 of NXP through our approved operating expense budget. Annex 3 is a complete listing of all major NXP purchased during FY 1993.

The total value of NXP in-transit as of 2/4/94 was \$16,219. Most of it will arrive within the next few months. A list of all NXP in-transit is included as Annex 2.

The Mission LAN is scheduled to come on-line during the summer of 1994 thus enabling quick response to written E-mails and easier access to USAID/W and REDSO/WCA and WAAC for advice and assistance. All LAN hardware and software was purchased by USAID/W IRM and has been received at post. LAN wiring is being finished and installation is expected to be completed by mid-March, 1994. In April, the Mission will be offering twelve (12) WANG PC 350s to USAID's worldwide as a part of this changeover to the LAN. USAID/Cape Verde considers the LAN an essential component of a timely and successful close out. Rapid and effective communication through the use of the LAN will be a cost-effective way of phasing-out of this small, two USDH post.

**Attachments: Annex 1 Estimated Severance Costs by Fiscal Year**

**USAID/CAPE VERDE SEVERANCE PAYMENTS: FY 1994**

PAYEE	EOD	END FY	YRS	Gr/Step	ANNUAL SALARY	EA. YR.	TOTAL		GRAND TOTAL		
							CVE	USD(*)			

OE											
FNPSC (3 mths)						3 MTHS					
Antero Veiga	11/04/91	09/30/94	2.9	11/05	1,172,225	341,899	993,849	12,120			
Pedro Moreira	10/22/84	09/30/94	9.9	09/09	1,082,759	315,805	3,140,743	38,302			
Renato Freire	02/01/82	09/30/94	12.7	07/10	918,384	267,862	3,393,408	41,383			
Madelena Macedo	05/18/92	09/30/94	2.4	07/05	800,644	233,521	553,413	6,749			
Joao Almeida	09/29/86	09/30/94	8.0	06/04	706,453	206,049	1,650,084	20,123			
Manuela Tavares	08/01/87	03/07/94	6.6	08/01	777,097	226,653	1,496,533	18,250			
Marcelina Barros	01/01/84	09/30/94	10.8	02/07	438,192	127,806	1,374,352	16,760			
Silvina Tavares	10/23/89	09/30/94	4.9	01/06	211,142	61,583	304,204	3,710			
<b>T O T A L</b>									<b>157,397</b>		

FNPSC (1 mth)						1 MTH					
Angela Sapinho	01/12/94	09/30/94	0.7	07/01	706,452	68,683	49,113	599			
Domingos Ribeiro	01/01/94	09/30/94	0.7	02/01	182,580	17,751	13,228	161			
Timas A.	01/01/94	09/30/94	0.7	01/01	262,288	25,500	19,003	232			
<b>T O T A L</b>									<b>992</b>		

PAYEE	EOD	END FY	YRS	Gr/Step	ANNUAL SALARY	EA.YR.	TOTAL		GRAND TOTAL		
							CVE	USD(*)			

FNDH (4 mths)						4 MTHS					FY 93
Daniel Silva	09/09/79	09/30/94	15.1	04/10	739,099	287,427	4,331,098	36,150		52,818	(16,668.00)
<b>TOTAL</b>									<b>36,150</b>		

<b>TOTAL OE</b>									<b>194,540</b>		
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PROJECTS												
FNPS (3 mths)						3 MTHS						
Barber J.	07/18/88	09/30/94	6.2	09/09	1,082,759	315,805	1,959,720	23,899				
Resende C.	11/04/91	09/30/94	2.9	08/09	984,321	287,094	834,538	10,177				

<b>TOTAL PROJECTS</b>									<b>34,076</b>		
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<b>TOTAL FOR FY 1994</b>									<b>228,616</b>		
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(\*) USD = CVE 82

USAID/CAPE VERDE SEVERANCE COSTS: FY 1995

	EOD	END FY	YR	Gr/Step	ANNUAL SALARY	EA. YR.	TOTAL		GRAND TOTAL
							CVE	USD(*)	

OE									
FNPSC (3 mths)					3 MTHS				
Antero Veiga	10/01/94	09/30/95	1.0	11/06	1,206,702	351,955	350,990	4,280	
Pedro Moreira	10/01/94	09/30/95	1.0	09/10	1,111,253	324,115	323,227	3,942	
Renato Freire	10/01/94	09/30/95	1.0	07/10	918,384	267,862	267,128	3,258	
Madelena Macedo	10/01/94	09/30/95	1.0	07/06	824,192	240,389	239,731	2,924	
Joao Almeida	10/01/94	09/30/95	1.0	06/05	727,861	212,293	211,711	2,582	
Manuela Tavares	10/01/94	09/30/95	1.0			0	0	0	
Marcelina Barros	10/01/94	09/30/95	1.0	02/08	450,364	131,356	130,996	1,598	
Silvina Tavares	10/01/94	09/30/95	1.0	01/07	217,175	63,343	63,169	770	
<b>T O T A L</b>									<b>19,353</b>
FNPSC (1 mth)					1 mth				
Angela Sapinho	10/01/94	09/30/95	1.0	07/02	730,000	70,972	70,778	863	
Domingos Ribeiro	10/01/94	09/30/95	1.0	02/02	188,666	18,343	18,292	223	
Timas A.	10/01/94	09/30/95	1.0	01/02	271,031	26,350	26,278	320	
<b>T O T A L</b>									<b>1,407</b>

	EOD	END FY	YR	Gr/Step	ANNUAL SALARY	EA.YR.	TOTAL		GRAND TOTAL
							CVE	USD(*)	

FNDH (4 mths)					4 MTHS				
Daniel Silva	10/01/94	09/30/95	1.0	04/10	739,099	287,427	286,640	3,496	
<b>TOTAL</b>									<b>3,496</b>

<b>TOTAL OE</b>									<b>24,255</b>
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PROJECTS									
FNPS (3 mths)					3 MTHS				
Barber J.	10/01/94	09/30/95	1.0	09/10	1,111,253	324,115	323,227	3,942	
Resende C.	10/01/94	09/30/95	1.0	08/10	1,010,224	294,649	293,841	3,583	
FNSPC (1 mth)					1 MTH				
Vice-Nunes	10/01/94	09/30/95	1.0	11/02	1,068,794	103,911	103,626	1,264	

<b>TOTAL PROJECTS</b>									<b>8,789</b>
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<b>TOTAL FY 95</b>									<b>33,044</b>
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(\*) USD = CVE 82  
2/13/94

USAID/PRAIA SEVERANCE COSTS: FY 1996

PAYEE	EOD	FY 1964	YR	Gr/Step	ANNUAL SALARY	EA. YR.	TOTAL			
							CVE	USD(*)		

OE										
FNPSC (3 mths)				3 MTHS						
Antero Veiga	10/01/95	09/30/96	1.0	11/07	1,241,179	362,011	362,011	4,415		
Pedro Moreira	10/01/95	09/30/96	1.0	09/10	1,111,253	324,115	324,115	3,953		
Renato Freire	10/01/95	01/31/96	0.3	07/10	918,384	267,862	89,532	1,092		
Madelena Macedo	10/01/95	01/31/96	0.3	07/07	847,740	247,258	82,645	1,008		
Joao Almeida	10/01/95	09/30/96	1.0	06/06	749,269	218,537	218,537	2,665		
Marcelina Barros	10/01/95	09/30/96	1.0	02/09	462,536	134,906	134,906	1,645		
<b>T O T A L</b>									<b>14,777</b>	
FNPSC (1 mth)				1 MTH						
Angela Sapinho	10/01/95	09/30/96	1.0	07/03	753,548	73,262	73,262	893		
Domingos Ribeiro	10/01/95	09/30/96	1.0	02/03	194,752	18,934	18,934	231		
Timas A.	10/01/95	01/31/96	0.3	01/03	279,774	27,200	9,092	111		
									<b>1,235</b>	

<b>FNDH (4 mths)</b>						<b>4 MTHS</b>				
Daniel Silva	10/01/95	01/31/96	0.3	04/10	739,099	287,427	96,072	1,172		
<b>TOTAL</b>								<b>1,172</b>		

<b>TOTAL OE</b>	<b>17,184</b>
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<b>PROJECTS</b>										
<b>FNPSC (3 mths)</b>						<b>3 MTHS</b>				
Barber J.	10/01/95	09/30/96	1.0	09/10	1,111,253	324,115	324,115	3,953		
Resende C.	10/01/95	09/30/96	1.0	08/10	1,010,224	294,649	294,649	3,593		
<b>FNPSC (1 mth)</b>						<b>1 MTH</b>				
Vice-Nunes	10/01/95	09/30/96	1.0	11/03	1,103,271	107,262	107,262	1,308		

<b>TOTAL PROJECTS</b>	<b>8,854</b>
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<b>TOTAL FY 1996</b>	<b>26,038</b>
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(\*) USD = CVE 82

## Annex 2 NXP in Transit

## Listing of NXP in Transit - Feb 4, 1994 Praia, Cape Verde

P.O. No.	Items <sup>1</sup> Ordered	Date Ordered	Item Vendor	Estimated Cost	Freight
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3062	Filing Cabinets	7/93	GSA <sup>2</sup>	\$ 1,222	\$367
3064	Computer Printer	7/93	USAID/W/I	995	597
3096	Kitchen Table/Chair	9/93	MASCO	1,818	545
3098	8 PCs	9/93	AID/W/IRM	IRM	0
3118	Office Chairs	9/93	Amotek/Lusa	4,563	685
			Totals	\$ 8,598	\$ 2,194

1. All item are in transit to post; ETA 2/94.
2. This item appears to be "lost in transit".

3/3/94

**Annex 3 FY 1993 NXP Purchases****1993 FY NXP Purchases/Praia, Cape Verde**

P.O.#	ITEMS ORDERED	COSTS
3010	Office Equipment - Typewriters	\$ 2,812
3011	Other Equipment - Air Conditioners	6,842
3019	Office Equipment - Copier	3,408
3037	Residential Furniture	6,093
3050	Office Equipment - FAX Machine	1,827
3057	Residential Equipment - Vacuum Cleaner	293
3064	Office Equipment - printer	1,090
3161	Transformers	831
3065/29	Office/Res Equipment - Air conditioners, fans	9,808
3066	Bar Code Reader for NXP	1,288
3070	Small Generator (2)	2,380
3073	Water Heaters - Local procurement	750
3021	Residential Equipment - Exhaust fans - Local Procurement	450
3093	Office Equipment - file cabinets	1,222
3097	Res/Office Equipment - Carpet Cleaner, calculators	612
3098	LAN Computer Equipment (funded by AID/W/IRM)	0
3099	Welcome Kit	535
3108	Office Furniture - bookcases	756
3107	Rep item for entertaining (stainless steel, dinnerware, glasses)	1,334
3114	Res/Office Equipment - surge protectors - Local procurement	2,640
3118	Office Furniture - Chairs	4,563
3121	Household Appliance/Other Equipment - A/Cs, 1 refrig, 1 freezer 2 wash	13,635
3127	Office Furniture - Local Procurement - Accounting, AIDREP	3,979
3129	Res Furniture (collapsible Tables)	1,625
	<b>TOTAL</b>	<b>\$ 68,773</b>

2/14/94

## Annex 4 Current Leases

## Current Leases - USAID/Praia, Cape Verde

Property ID	Lease Number	Property Use	Lease Term		Paid	
			Start Date	End Date	Annual Rent	Thru
S00008	AID-655-LE-93-3089	OE/Project Warehouse	09/01/93	08/31/98	\$12,200	8/94
S00002	AID-655-LE-93-3052	AIDREP Residence	01/06/93	09/01/96	14,200	8/94
S00006	AID-655-LE-90-67	Program Officer's Residence	07/01/90	06/30/94	9,730	6/94

Feb 14, 1994

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**Annex 5 USAID Office Building Appraisal**

**BUILDING ASSESSMENT**

**SUBJECT: USAID/Praia Building Assessment  
Located at Praia**

At USAID/Praia request the following procedure was followed in the assessment to the subject building:

1. Local assessment.
2. Market quotations inquiry as to the construction and land's price.
3. Application of the assessment formula (method).

**Building Description**

It deals with a three-story building where the USAID offices functions facing to the North with the U.S. Embassy, to the South with Emanuel Correia Pinto's building and to the East with Abilio Macedo street (Ex-Hoji-Ia-Henda Street).

The first floor is composed of an entrance hall, 3 offices, 1 bath room and an access stairway to the second floor, a patio and a supply room.

**2nd Floor:** An entrance hall, 3 offices, 1 bath room and an access stairway to the third floor.

**3rd Floor:** An entrance hall, 3 offices, 1 bath room and 1 corridor.

**Free area**

**1st Floor:** 77.00 sq.m.

**2nd Floor:** 67.00 sq.m.

**3rd Floor:** 59.24 sq.m.

**Total:** 203.24 sq.m.

**Nature of the Construction:**

Concrete structure with basalt masonry and concrete blocks laid with mortar of cement and sand.

**Pavements:** Tile mosaic

**Hollows:** mahogany carpentry and aluminum.

**Building Cost**

**Formula**

$$V = C_f \times C_c \times A_u \times P_c (1 - 0,85 V_t)$$

$C_t$  = Cost of the land =  $A_b \times \text{cost/sq.m}$  where:

$A_b$  = External area

$C_f$  - factor concerning the comfort level

$c_c$  = factor concerning the maintenance status

$P_c$  = updated cost of construction per sq.m.

$V_t$  = Coefficient of ancientness

$A_u$  = Free area

$$A_u = 203,24$$

$$P_c = 40,000 \text{ CVE} = (\text{US Dols } 470.58 \text{ per } 1 \text{ US Dol} = 85 \text{ CVE})$$

$$V_t = 0,15$$

$$V \text{ (cost of Building)} = 9,247,420 \text{ CVE} = (\text{US DOLS } \$108,790)$$

$$C_t \text{ (cost of land)} = 241,200 \text{ CVE} = (\text{US DOLS } \$2,837.64)$$

$$V_T \text{ (total cost)} = 9,488,620 \text{ CVE} = (\text{US DOLS } \$111,630)$$

Rounding = 620 CVE = (US DOLS \$7.29)

VT (rounded total cost) = 9,488.000 CVE - US DOLS \$111,623)

The present assessment is equivalent to **Nine Million Four Hundred and Eighty Eight Thousand Cape Verdean Escudos.**

Praia, February 7, 1994.

Assessed by,

(signed)

**Fernando Jorge dos Santos Fonseca**  
Architect