

PD-ABM-766

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Uganda Agricultural Non-Traditional Export Promotion Program

PP Amendment

617-0113/617-T-601

Amendment No. 2

Submitted by
USAID/Uganda

September 27, 1991

UNITED STATES OF AMERICA

AGENCY FOR INTERNATIONAL DEVELOPMENT

U.S.A.I.D. MISSION TO UGANDA

UNITED STATES POSTAL ADDRESS
USAID/KAMPALA
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20520

INTERNATIONAL POSTAL ADDRESS
P O BOX 7007
KAMPALA, UGANDA

ACTION MEMORANDUM FOR THE MISSION DIRECTOR

FROM: Shirley A. Erves, A/Program Officer *Shirley A Erves*

SUBJECT: Uganda Agricultural Non-Traditional Export
Promotion Program PP Amendment
617-0113/617-T-601 Amendment #2

PROBLEM: To approve the PP Amendment for the Uganda
Agricultural Non-Traditional Export Promotion
Program

DISCUSSION: The Ugandan economy has stabilized, the trade regime has been significantly liberalized and market oriented private businesses are emerging. ANEPP has made significant progress since its beginning in FY 88. What is required now is a continuation of the policy analysis work initiated in the first phase and an expansion in the technical assistance support available to the producers and exporters of non-traditional agricultural exports.

To assist the Government of Uganda (GOU), AID/W at USAID request has made available \$2.5 million for the ongoing technical assistance grant to extend the work initiated during the first phase of ANEPP. This Amendment #2 to the PP describes the technical assistance required to continue and expand our support for export diversification and development. A brief project description is attached outlining the total program.

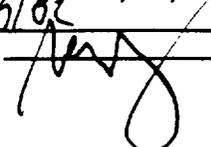
The PP amendment was prepared by Mission and REDSO/ESA personnel. The document has been thoroughly reviewed within USAID/Uganda and we all concur that the PP Amendment meets all relevant AID requirements. AID/W notified the Mission that the TN expires 26 September (State 303146).

RECOMMENDATION: That you sign approving the PP amendment.

Approved: 

Disapproved: _____

Date: 9/27/91

Drafted: A/ADO: ^{EM}EMartella: jyn: 9/16/91
CONT: RRyley 01/02
D/DIR: SCryner 

Doc. 147

PROJECT AUTHORIZATION AMENDMENT NUMBER ONE

Country: Uganda
Project Name: Agricultural Non-Traditional Export
Promotion Program (ANEPP)
Project Number: 617-0113

1. Background. Pursuant to provisions in the appropriations heading "Sub-Saharan Africa, Development Assistance" contained in the FY1988 Continuing Resolution, and the Foreign Assistance Act of 1961, as amended, the Agricultural Non-Traditional Export Promotion Program (ANEPP) was originally authorized on August 15, 1988 with a life of project funding of One Million Five Hundred Thousand United States Dollars (\$1,500,000) in grant funds over a two year period from the date of that authorization. In July, 1990, said Project Authorization was amended by increasing the authorized life of project funding to US\$ 3 million and extending the life of project to March 31, 1993.

2. The Authorization cited above is hereby further amended as follows:

A. Additional Funds. Paragraph 1 of the Authorization is deleted in its entirety and replaced by the following paragraph:

Pursuant to the Foreign Assistance Act of 1961, as amended, I hereby authorize the Agricultural Non-Traditional Export Promotion Program (ANEPP) with a new life of project funding of Five Million Five Hundred Thousand United States Dollars (\$5,500,000) in grant funds over a two year period from the date of authorization, subject to the availability of funds, and in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project component is approximately six years from the date of initial obligation.

B. Project Activities. Paragraph 2 of the Authorization is deleted in its entirety and replaced by the following paragraph:

The project component will provide long-term technical assistance, short-term technical assistance, in-country and off-shore training, and limited commodity support for the Cooperating Country which will assist in achieving the goal and purpose established under this project component.

3. Covenant. A new section 3.c. is added to the authorization and shall provide as follows:

"The Grantee agrees that the Export Policy Analysis and Development Unit (EPADU) in the Ministry of Planning and Economic Development will, within twelve (12) months of the date on which the Second Amendatory Agreement to the Agricultural Non-Traditional Export Promotion Program (ANEPP) is signed, prepare a Five-Year Program Strategy and Financial Plan that addresses the future structure of EPADU and sources of funding from the Government of Uganda and from the private export industry."

4. Status of Original Authorization. Except as amended herein, the original Project Authorization, as amended, remains in full force and effect.



Stephen C. Ryner, Acting Mission Director

Dated: 9/27/91

A/ADO:EMartella 
CONT:RRyley (Draft)
A/PRM:SErves (Draft)
RLA:AVance(Draft)

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT

RECEIVED
23 SEP 1991
USAID/UGANDA

REGIONAL ECONOMIC DEVELOPMENT SERVICES OFFICE
FOR EAST AND SOUTHERN AFRICA (REDSO/ESA)

United States Postal Address
USAID
BOX 221
APO NEW YORK 09675

FAX TRANSMISSION

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POST OFFICE BOX 30261
NAIROBI KENYA

FROM:
TELEPHONE NO: 254-2-331180 FAX NO: 254-2-830948

TO: J. MARTELLA FAX NO: 256-A1-233417
OFFICE: USAID/KAMPALA TELEPHONE NO: 245052
FROM: ANTHONY VANCE, REDSO/ESA/LEG TOTAL NO. OF PAGES: 4
APPROVED BY: ANTHONY VANCE DATE: SEPTEMBER 23, 1991
REDSO-DIR: _____ OFFICIAL: XX PERSONAL: _____

MESSAGE:

SUBJECT: Amendment No. 2 to Technical Assistance Component of ANEPP

Attached please find the first three pages of the subject amendment. You already have Annex 1A which I have cleared. RLA clearance of this Amendment is effective after the CN has expired.

Attachments: a/s

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AID Project No. 617-0113

AMENDMENT NO. 2

TO THE LIMITED SCOPE GRANT AGREEMENT

BETWEEN

THE REPUBLIC OF UGANDA

AND

THE UNITED STATES OF AMERICA

ACTING THROUGH

THE AGENCY FOR INTERNATIONAL DEVELOPMENT

(A.I.D.)

FOR THE AGRICULTURAL NON-TRADITIONAL EXPORT PROMOTION PROGRAM

This increment: \$2,500,000
Appropriation:
BPC:
RCN:

AMENDMENT NO. 2
to the
Limited Scope Grant Agreement

Between

The Republic of Uganda

And

The United States of America, acting through the Agency
for International Development.

WHEREAS, the Republic of Uganda and the United States of
America entered into a Limited Scope Project Grant Agreement
("Agreement") dated August 26, 1988 which was amended on July
31, 1990;

WHEREAS, the Republic of Uganda and the United States of
America desire to amend the Agreement to provide additional
funds for the project component of the Agricultural
Non-Traditional Export Promotion Program;

NOW THEREFORE, the said Agreement is amended as follows:

1. Block 3 "Amount of Grant" is deleted in its entirety and
the following substituted in lieu thereof:

"3. Amount of AID Grant: \$5,500,000"

2. Block 5, "Project Assistance Completion Date", is deleted
in its entirety and the following is substituted in lieu
thereof:

"5. Project Assistance Completion Date: July 31, 1994"

4. Annex A, Project Description, is supplemented by the
attached Annex 1A.

5. Except as expressly modified herein, the Agreement, as amended, remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the Government of the Republic of Uganda and the United States of America, each acting through its duly authorized representative(s) have caused this Amendment to be signed in their name and delivered as of the day and date last below written.

FOR THE GOVERNMENT OF THE
REPUBLIC OF UGANDA

FOR THE UNITED STATES OF AMERICA

NAME

Johnnie Carson
Ambassador of the United States of
America in Uganda

TITLE

AGENCY FOR INTERNATIONAL DEVELOPMENT

BY: _____
Stephen C. Ryner
Acting Director, USAID/Kampala

Date: _____

1422v

I. SUMMARY PROJECT DESCRIPTION

The Agricultural Non-Traditional Export Promotion Program (ANEPP) is designed to increase rural production and employment in Uganda by expanding the range and volume of non-traditional agricultural exports. To achieve these objectives, ANEPP (a) serves as a vehicle for discussion of policy reform objectives between the Government of Uganda and USAID/Uganda, (b) provides technical assistance in analysis of policy and operational constraints to export growth, and (c) provides resources for the importation of commodities essential to the growth of agriculture in general and exports in particular.

As originally authorized in 1988, ANEPP provided a total of U.S. \$14 million, of which \$12.5 million was authorized as a policy-based program (NPA), focused on exchange rate policy and export-related policies and procedures. The dollar resources were used to finance commodity imports needed to support export growth, such as packaging materials, production implements, and seasonal inputs. The remaining \$1.5 million was authorized as a technical assistance project. During this initial phase, the technical assistance effort, working in support of the Export Policy Analysis and Development Unit (EPADU) of the Ministry of Planning and Economic Development, focused primarily on preparation of a Non-Traditional Export Strategy for Uganda, which was adopted by the President's Economic Committee in May, 1990.

In 1990, the ANEPP NPA component was amended to provide an additional \$20 million cash grant. As before, the policy agenda focused mainly on exchange rate policy and export-related policies and procedures. The dollars were used to finance petroleum imports, essential to continued agricultural production and exports. The ANEPP project component was also amended in 1990, providing an additional \$1.5 million for technical assistance. During this second phase, the technical assistance effort supported EPADU in preparation of an overall Export Strategy for Uganda, coupled with technical papers identifying supportive policy adjustments. Some of these proposals have been adopted by the Government of Uganda and others are still under review.

EPADU's analytic activities have brought into clear focus specific constraints that continue to hinder the growth and diversification of exports in Uganda. First, there are a large number of "second-order" policy and regulatory barriers, often specific to particular commodities or marketing channels, which require specialized empirical analysis as a basis for developing recommendations for policy or procedural change. Second, there is a lack of private sector capacity in essential export support

functions, such as commodity inspection and grading, quality control, packaging and handling, market analysis, and brokering. To address these constraints, this Project Paper Supplement provides an additional \$2.5 million to finance (a) 48 person-months of long-term technical assistance, (b) 20 person-months of short-term technical assistance, and (c) modest support for training, special activities, and related commodities.

II. BACKGROUND

A. Economic Setting

Recent Macroeconomic Trends. Recent economic trends in Uganda are encouraging. Real gross domestic product (GDP) grew by an annual average of 6 percent over the past three years, and inflation has declined from over 200 percent in 1986/87 to less than 30 percent in 1990. The major sources of economic growth are agricultural production and exports; the former has grown at 5.5 percent per year from 1987 to 1990, while non-coffee exports have tripled in value.

Despite this progress, Uganda's balance of payments situation remains very weak, due to lower coffee prices, higher oil prices, heavy external debt, a narrow export base, and limited private capital inflows. The 1990/91 current account deficit was \$238 million (8 percent of GDP), foreign exchange reserves are estimated to be less than two weeks of imports, and outstanding arrears at the end of fiscal 1990/91 was estimated at \$95 million.

The budget deficit in fiscal 1990/91 was 3.5 percent of GDP (6.5 percent excluding budgetary grants). However, revenue performance is improving (7.2 percent of GDP in fiscal 1990/91), while total expenditures and net lending were in line with the IMF financial program. IMF targets for monetary and credit expansion were exceeded (28 percent versus an agreed 21 percent), but high real interest rates are expected to contain resultant inflationary pressures.

Progress in Economic Reform. In recent years, Uganda has pursued a wide range of economic and institutional reforms. This includes reducing the overvalued exchange rate, instituting a foreign exchange retention system for exporters, de facto legalizing of the parallel exchange market, streamlining export licensing, eliminating the parastatal coffee export monopoly, raising net producer prices of traditional export crops, instituting a limited open general licensing system for imports, promulgating an Investment Code, moving toward comprehensive tax reform, and instituting government budget and civil service reform programs.

These reforms have contributed to relatively good growth performance during the last few years, but sustained economic recovery is still in doubt. Future growth depends on macroeconomic stability, improved resource mobilization, and a successful transition to a more open and export-led economy.

B. Export Diversification

GOU Export Diversification Efforts. In 1988, non-coffee exports stood at \$8 million, accounting for 2-3 percent of all exports. By 1990, non-coffee exports had grown to \$30 million, accounting for close to 20 percent of the value of all exports (the total value of exports has dropped sharply due to a fall in coffee export earnings). This substantial growth in non-coffee exports has been due to the positive effects of GOU policy and regulatory reforms, and modest improvements in agricultural marketing infrastructure, especially roads.

Export diversification and growth has been encouraged by many policy and regulatory changes, some of which have been noted above, including legalizing the parallel foreign exchange market, devaluing the official exchange rate, enacting a new Investment Code, establishing a Uganda Investment Authority, allowing private trade in commodities formerly the exclusive province of parastatals, improving export licensing procedures, and facilitating cross-border trade.

Other Donor Efforts. A number of multi-lateral and bilateral agencies are providing support to Uganda in ways that encourage export growth and diversification. Multilateral donors include the IMF (economic stabilization), the World Bank (agricultural, industrial, and infrastructural rehabilitation), the African Development Bank (agricultural manufacturing), and the EEC (infrastructure). In addition, there are bilateral programs supporting the export sector indirectly, including those of Denmark (railway/ferry rehabilitation), and Germany (road and railway rehabilitation).

USAID and British Overseas Development Assistance (ODA) are supporting the newly-established Uganda Investment Authority (UIA), charged with fostering domestic and foreign investment in Uganda. USAID/Uganda and ODA will be providing long-term advisors to this unit (under separate funding). USAID is also using local currency support to the UIA to foster greater coordination with EPADU in areas where the interests of the two units coincide.

There are also signals that the Government of Uganda and UNDP/UNIDO are about to re-activate the moribund Export Promotion Council (EPC). If this occurs, EPADU may be relieved of its export promotion role to concentrate on policy analysis in support of export development. USAID/Uganda would welcome this

development, which would not affect the deployment of technical assistance and training envisioned in this PP Supplement.

A.I.D. Activities. In 1988, USAID/Uganda obligated \$14 million for the Uganda Agricultural Non-Traditional Export Promotion Program (ANEPP). Policy dialogue and reform measures associated with implementation of ANEPP have focused on exchange rate policy, streamlined export/import licensing policies, and support for non-coffee exports. The ANEPP program component provided \$12.5 million to finance the import of commodities required for expanded agricultural exports, and the ANEPP project component provided \$1.5 million for technical assistance in support of trade policy analysis and export promotion. A covenant stipulated the establishment of a unit later named the Export Policy Analysis and Development Unit (EPADU), located in the Ministry of Planning and Economic Development. A.I.D. has provided EPADU with (effectively) one long-term advisor, short-term consultants, equipment, training, and a local currency budget. In 1990, USAID/Uganda amended the ANEPP project agreement to provide an additional \$1.5 million for technical assistance to EPADU, and also amended the ANEPP program agreement to provide an additional \$20 million for commodities (petroleum) required to support agricultural growth and export expansion.

ANEPP Accomplishments. USAID/Uganda has supported two evaluations to document ANEPP impacts, which fall into several areas. First, ANEPP has contributed to substantial macroeconomic reform, leading to: impressive economic growth and dramatic declines in inflation during the past three years; increases in the value of non-coffee exports; and growing private sector involvement in exporting. Second, EPADU has established a research and policy analysis program that deals directly with the policy and regulatory issues affecting the ability of private agribusiness firms to engage in export-oriented production and marketing activities, and has effectively kept these issues in front of GOU decision-makers on a regular basis. Third, EPADU has established a program of training and technical assistance to exporters designed to identify and help resolve operational problems impeding growth of the export industry. Finally, the ANEPP commodity import program and cash grant have made a significant positive contribution to Uganda's balance of payments situation by providing petroleum and other commodities essential to a growing agricultural export sector.

The immediate short-term beneficiaries of these activities have primarily been exporters. The new ease and speed of export licensing has been felt throughout the export sector, as have provisions for foreign exchange retention. The withdrawal of formal parastatal monopolies in traditional and some non-traditional export commodities has also contributed to strong growth in private sector exports. However, export processors and producers have also benefitted. For instance, a vanilla

processing firm has expanded from a crude plant processing 1 ton of vanilla to a modern plant of international quality control standards with a capacity to process 36 tons per season. ANEPP assisted the extension of production technology to smallholders, increasing the number of vanilla growers from 250 to 650, and the delivery of quality beans from 40 percent to 70-90 percent.

Emerging Constraints. EPADU's analytic and export promotion activities have brought into clear focus specific constraints that continue to hinder the growth and diversification of exports in Uganda. First, there are a large number of "second-order" policy and regulatory barriers, often specific to particular commodities or marketing channels, which require specialized empirical analysis as a basis for developing recommendations for policy or procedural change. Second, there is a lack of private sector capacity in essential export support functions, such as commodity inspection and grading, packaging and handling, market analysis, and brokering. Some of these operational weaknesses are of concern to the export industry generally, while others affect specific segments of the industry.

III. PROJECT DESCRIPTION

A. Goal and Purpose

The Agricultural Non-Traditional Export Promotion Program (ANEPP) is designed to increase rural production and employment in Uganda by increasing the range and volume of non-traditional agricultural exports. To achieve these objectives, ANEPP (a) serves as a vehicle for discussion of policy reform objectives between the Government of Uganda and USAID/Uganda, (b) provides technical assistance in analysis of policy and operational constraints to export growth, and (c) provides resources for the importation of commodities essential to the growth of agriculture in general and exports in particular. These objectives and approaches are consistent with and supportive of the Mission's Country Program Strategy Paper (CPSP); indeed, ANEPP is likely to play a growing role in USAID/Uganda's program by serving as a vehicle for expanded policy dialogue associated with further NPA resources.

The ANEPP goal therefore remains as stated in the 1990 program amendment -- to increase rural production and employment. The ANEPP purpose also remains as stated in the 1990 program amendment -- to increase the range and volume of non-traditional exports. This PP Supplement builds upon ANEPP's solid progress toward achieving this goal and purpose by providing increased resources for policy analysis and operational problem-solving in the export sector.

B. Project Components

This PP Supplement provides additional support primarily for technical assistance and training, with modest resources provided for special activities and commodity support. Each of the new activities to be supported through this PP Supplement is discussed below.

1. Technical Assistance and Training

Long-Term Technical Assistance. Approximately 48 person-months of long-term technical assistance will be provided in two areas: analysis of policy and regulatory constraints to export and investment growth, and resolution of operational problems in the post-harvest handling and marketing of export crops.

Export and Investment Analysis. This advisor will focus on the "second-order" policy and regulatory constraints affecting specific export commodities and specific marketing channels, and will give special attention to problems constraining increased investment in the export sector. Apart from analytic responsibilities, this advisor will also prepare scopes of work for specialized analytic consultancies and assist in locating well-qualified local and expatriate consultants to perform them. The types of analysis envisioned include (a) quantification of the returns to Uganda associated with EPADU activities; (b) projections of the impact of various exchange rates on the competitiveness of Uganda's exports; (c) demand analysis for selected export products at various prices; (d) projected revenue implications associated with replacement of the duty drawback scheme, and reduction or elimination of protective tariffs; (e) projected investment and revenue implications associated with various levels of investment tax incentives; and (f) projected implications for revenue and air cargo space of a reduction in the tax applied to aviation fuel. Expanded small farmer participation and the role of women as entrepreneurs and producers in the export sector are cross-cutting issues that will have a prominent place in this analytic agenda.

Post-Harvest Handling/Marketing. This advisor will focus on operational constraints in bringing export crops to market. An important part of this work will be to help the Uganda private sector take up export support functions in such areas as crop inspection, commodity handling and packaging, market identification, and commodity brokering. This advisor will spend nearly all of his or her time in the field, with producers or at export points or somewhere in the marketing channel in between. If possible, USAID/Uganda intends that this function will be sponsored by a membership association representing much or all of the Uganda export industry. If necessary, the advisor will be located in EPADU, but will spend a relatively small proportion of time in EPADU offices. Other important tasks include contacting

brokers and agents, seeking export markets for Ugandan products, preparing scopes of work for specialized technical consultancies, and assisting in locating well-qualified technical experts to perform them. The budget will include limited resources for sample shipments of Ugandan commodities to evaluate market potential. This advisor will also address expanded participation by small farmers and women in Uganda's export sector.

Short-Term Technical Assistance. This amendment provides funds for an additional estimated 20 person-months of short-term technical assistance which will be used for (a) specialized analytic consultancies addressing policy and regulatory constraints to growth of exports and export-related investments, and (b) specialized technical consultancies addressing post-harvest handling and marketing constraints. The types of short-term assistance envisioned include:

- Assist the Government of Uganda to establish uniform grades, quality control standards, and weights for Ugandan export commodities;
- Assist exporters with the organization of a membership association to promulgate uniform grades, quality control standards, and weights to improve the reputation of Ugandan exports in world markets;
- Provide assistance and training to private sector firms serving the exporters (fumigation services, cold storage, refrigeration, packaging manufacturers, transporters);
- Prepare highly trained technical personnel (university faculty, research scientists, extension specialists) with export-relevant specializations to provide consulting services to the export community;
- Provide highly specialized assistance to support the efforts of the long-term advisors in export/investment policy analysis and post-harvest handling/marketing; and
- Identify and address constraints specific to selected commodity groups, marketing channels, and producers or marketers (e.g. small farmers, women-owned firms).

Training. EPADU's training activities have been well-received, and should be expanded in terms of topics addressed and locations presented. The training activities should also be tailored increasingly to specific policy, regulatory and technical issues. This amendment provides for 4-6 workshops each year for in-country training of this type. Many of the short-term consultancies discussed above will also serve an important training function; however, in selected instances (e.g., to observe crop inspection procedures and computerized brokering

operations), it will be more efficient to provide for off-shore training. Accordingly, this amendment provides modest funding for off-shore training in selected export support functions. The special requirements of women (as producers and as export-oriented entrepreneurs) and the participation of current and potential small-scale producers of export crops will receive attention in these training activities.

2. Special Activities

Modest funds will be made available (approximately \$120,000 total) for special activities needed to follow through on promising areas of EPADU involvement. This may include further support for the on-going Operational Constraints Analysis Program (jointly funded with the Africa Project Development Facility), small buy-ins to appropriate A.I.D. centrally-funded projects in support of medium-term analytic objectives not amenable to short-term consultancies, or medium-term research projects with Ugandan institutions such as Makerere University, the Chamber of Commerce, and other appropriate private and non-governmental organizations. An indicative budget for special activities of this kind is included in Annex VI (PP Supplement Budget).

3. Commodities

This amendment provides for commodities required to support the long-term technical advisors and the EPADU training program. An illustrative list includes:

- Two vehicles (one for each long-term advisor);
- One computer with printer and software (to augment the single desktop machine already provided);
- Two sets of office equipment (one for each long-term advisor, consisting of desk, chairs, filing cabinet, and other small items); and
- Expendable supplies used in office work and training activities.

These and other commodities that may be procured are all additional commodities, not previously planned, and are required for support of the technical assistance and training planned under this PP Supplement.

IV. FINANCIAL PLAN

A. Overall Budget

USAID/Uganda's ANEPP program consists of non-project and project components, both of which have been amended as shown below.

<u>Non-Project Assistance</u>	<u>Project Assistance</u>
1988: \$12.5 million CIP (TA)	1988: \$1.5 million project
<u>1990: \$20.0 million Cash Grant (TA)</u>	<u>1990: \$1.5 million amend 1</u>
Total: \$32.5 million	Total: \$3.0 million

This amendment to the ANEPP project component will provide \$2.5 million in additional funding from A.I.D., bringing the total ANEPP project LOP to \$5.5 million. The LOP for ANEPP project and non-project activities taken together will total \$38 million. The Government of Uganda contribution to the ANEPP program consists of the \$20 million local currency equivalent provided within the context of the 1990 cash grant.

B. Project Components and Methods of Financing

<u>Item</u>	<u>Implementation Method</u>	<u>Method of Payment</u>
TA/Training	AID Contract/Grant	AID Direct
Commodities	AID Contract	AID Direct
Special Activities		
1. Buy-Ins	AID Contract	AID Direct
2. Others	AID Contract/Grant	AID Direct
Audit	AID Contract	AID Direct

C. A.I.D. Contribution - Orig & Amend Budgets (U.S. \$000)

<u>Item</u>	<u>Original</u>	<u>Amend. No. 1</u>	<u>Amend. No. 2</u>	<u>Total</u>
TA/Training	1250	1350	2350	4950
Commodities	250	50	100	400
Evaluation	0	100	0	100
Audit	0	0	50	50
Total	1500	1500	2500	5500

D. Summary Budgets for Project Components (This Amendment)

<u>Item</u>	<u>Amount (U.S. \$000)</u>
TA/Training	2,073
Support Commodities	86
Special Activities	120
Audit	51
Inflation/Contingency	170
Total	2,500

V. IMPLEMENTATION PLAN

A. Technical Assistance Procurement

Most of the long and short-term technical assistance related to export and investment policy analysis will be secured through a buy-in to an A.I.D. centrally-funded project (e.g., Implementing Policy Change, Consulting Assistance on Economic Reform). The buy-in mechanism will provide (a) quick access to short-term TA within the next few months, (b) access to a well-qualified pool of candidates for the long-term advisor position, and (c) a relatively less management-intensive source of short-term TA during the course of project implementation. The buy-in contract will provide for approximately 24 person-months of long-term TA, a portion of the short-term TA specified, and will include funds for training in export/investment policy analysis and related concerns.

Because of the hands-on nature of the post-harvest handling/marketing advisor position, and the premium placed on experience with production in and marketing from Africa to developed-country markets, USAID/Uganda plans to secure these services through an institutional contract, following a direct solicitation to be advertised in appropriate U.S. and international media. This institutional contract will also provide for short-term TA as a means of easing the management burden on USAID/Uganda associated with procuring short-term technical services. This institutional contract will provide for approximately 24 person-months of long-term TA, a portion of the short-term TA specified, and will include funds for training in post-harvest handling/marketing issues and related concerns.

B. Training

To the extent possible, long and short-term technical assistance personnel will be used to provide in-country training. The emphasis will be on strengthening private sector skills and preparing public sector employees to establish service-related firms to support expansion of the export sector. A limited

allowance for off-shore training and representation at key conferences, workshops, and seminars will be included as well. As noted above, these training resources will be included in the buy-in (export and investment policy analysis) and the institutional contract (post-harvest handling/marketing).

C. Commodity Procurement

The limited commodity procurement planned is in direct support of the planned technical assistance. Besides providing for vehicles and essential office equipment/supplies, there is some provision for replacement of expended equipment in accordance with standard A.I.D. procedures. All commodities will be procured and utilized in accordance with standard A.I.D. procurement and record-keeping procedures as established by USAID/Uganda.

D. Anticipated Source/Origin of Project Inputs

TA in Export/Investment Analysis:	Code 935
TA in Post-Harvest Handling/Marketing:	Code 935
Short-Term TA:	Code 935
Commodities:	Code 935

E. Project Assistance Completion Date (PACD)

The PACD for this project will be extended to July 31, 1994, to provide adequate time (a minimum of 24 months) for the long-term advisors to perform the work required.

F. Evaluation and Audit

The ANEPP program has been evaluated twice (in July 1990 and August 1991). These evaluations provided valuable information on program performance and impact which has been taken into account in preparing this Project Paper Supplement. The first ANEPP project amendment provided US \$100,000 for an evaluation to take place in August, 1992. That evaluation will now take place in June, 1993, that is, approximately 12 months after the arrival of the two long-term technical advisors. At that time, the Mission or Regional Environmental Officer will perform an environmental review as part of the evaluation. This ANEPP project amendment (No. 2) provides a further US \$50,000 for a non-federal audit to take place during FY1992.

G. Covenant

EPADU, with primarily A.I.D. financing, has established itself as an institution valuable both to the government and to the private sector export industry. At this point it is appropriate to consider what EPADU's long-term program strategy should be, as well as what complementary sources of funding will be necessary and appropriate over the longer term. Accordingly, USAID/Uganda

will include as a covenant the requirement that EPADU agree to prepare, within 12 months, a Five-Year Program Strategy, together with a Financing Plan, that outlines the structure of EPADU and future financial support from exporters, export-related membership associations, fee-for-service procedures, and government sources as appropriate.

H. Implementation Schedule

<u>Action</u>	<u>Date</u>
Amendment authorized	September, 1991
Grant Agreement Amendment signed	September, 1991
PIO/T for buy-in approved	October, 1991
RFP for institutional contract approved	November, 1991
Solicitation for institutional contract	December, 1991
Buy-in work initiated	January, 1992
Review of proposals	January, 1992
Negotiation (institutional contract)	February, 1992
Award institutional contract	March, 1992
Long-Term advisors arrive	May, 1992
Audit	June, 1992
Evaluation	June, 1993
In-House final evaluation	June, 1994
Project completed	July, 1994

ANNEX I: GOU Request for Assistance

TELEGRAMS: "ECSTATIC", KAMPALA

DIRECT TELEPHONE NO.:
MINISTER 241825
PERMANENT SECRETARY 232758
GENERAL 238061/A

TELEX: 61117. ECONOMY UGA.

IN ANY CORRESPONDENCE ON
THIS SUBJECT PLEASE QUOTE NO. ED/C/USA/1/00



THE REPUBLIC OF UGANDA

MINISTRY OF PLANNING AND
ECONOMIC DEVELOPMENT.

P.O. BOX 7086,

KAMPALA, UGANDA

13 September 1991

Mr Keith Sherper
USAID Mission Director
KAMPALA

Dear Mr Sherper

REQUEST FOR FURTHER TECHNICAL ASSISTANCE FOR EXPORT DEVELOPMENT

I refer to discussions between USAID and officials from this Ministry regarding our continuing requirements for technical assistance in support of our efforts to expand and diversify our export base.

Trade promotion, especially of the non-traditional exports, has been given top priority by the NRM Government and assistance in this area is vital to achieving our export growth targets. It is imperative that we continue and build on the work begun. To this end, I wish to formally request the Government of the United States of America to provide an Export/Investment Policy Analyst, Marketing Advisor, Complementary short-term Technical Assistance and training to EPADU and other institutions/actors involved in the promotion of exports.

Finally, I wish to express the Government of Uganda's appreciation for the United States Government's support for our various programmes and for the encouragement and assistance in our development efforts.

Yours sincerely

A handwritten signature in black ink, appearing to read 'E. Tumusiime-Mutebile', written over a horizontal line.

E. Tumusiime-Mutebile
PERMANENT SECRETARY

ANNEX II: Revised Logical Framework

ANEPP LOGICAL FRAMEWORK (AMENDMENT NO. 2)

<u>Narrative Summary</u>	<u>Objectively Verifiable Indicators</u>	<u>Means of Verification</u>	<u>Important Assumptions</u>
Goal			
To increase rural production and employment	By 1994, employment in the NTAE sector measured by numbers employed, hours worked, and total wage bill will increase by 10 percent	- GOU - BOU reports	- Peace and stability are maintained - Economic reforms are continued and new ones implemented - External factors (access to markets) are favorable - Industrialized countries' economies experience healthy growth
Purpose			
To increase the range and volume of non-traditional exports	Over a 100% increase in value of recorded NTAEs by 1994 *	- Evaluation - BOU reports - Customs reports - ICI financial reports - MPED statistics	- Exporters continue to have relatively free access to foreign exchange - Importers are able to deliver appropriate commodities and equipment - Exporters are able to export non-traditional agricultural products
Outputs			
- Policy Discussion Papers reviewed at senior levels of government	4-6 total	- Evaluation - MPED statistics	* - Technical assistance effectively managed and utilized
- Operational Technical Reports and recommendations implemented by exporters and/or export support firms	10-15 total	- MOA reports - Customs reports	- Training activities effective and focused on genuine problems
- new firms enter export and related activities	5-10		
- existing firms expand their export and support operations	5-10		
Inputs			
- Long-Term TA	24 person-months	- PILs	USAID/Uganda OYB and allocation to ANEPP maintained at planned levels
- Short-Term TA	20 person-months	- PIRs	
- In-Country Training	8-12 workshops/seminars	- Activity reports	
- Off-Shore Training	5-10 seminars		
- Special Activities	2-3 research/pilot activities		

24

ANNEX III: Initial Environmental Examination Amendment

25

INITIAL ENVIRONMENTAL EXAMINATION
or
CATEGORICAL EXCLUSION

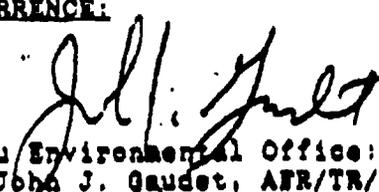
PROJECT COUNTRY: Uganda
PROJECT TITLE AND NO: Agricultural Non-Traditional Export
Promotion Program (617-0113)
Amendment No. 2
FUNDING: FY1991 US \$ 2,500,000
IEE PREPARED BY: Patrick Fleuret, PDO (REDSO/ESA)
ENVIRONMENTAL ACTION RECOMMENDED:

Positive Determination	_____
Negative Determination	_____
Categorical Exclusion	_____ X _____
Deferral	_____

SUMMARY OF FINDINGS:

Justification: See next page

CONCURRENCE:


Bureau Environmental Office:
John J. Gaudet, AFR/TR/ANR

APPROVED: X
DISAPPROVED: _____
DATE: 9/20/91

CLEARANCE:

GC/AFR: MA Kleuyam DATE: 9/25/91

Project Goal and Purpose:

The goal of the Agriculture Non-Traditional Export Promotion Program (ANEPP) is to increase rural production and employment. The purpose of the program is to increase the range and volume of non-traditional exports.

This amendment provides increased resources for technical assistance and training to support policy analysis and operational problem-solving in the export sector. Therefore, funding for technical assistance, training and a limited amount of commodities (such as vehicles and office equipment) for institutional support will be funded under this amendment.

Environmental Impacts and Mitigation:

It is obvious that export programs may have environmental impacts, but these are usually of an indirect nature and may or may not be significant over the long-run. It should be pointed out that this program has been in operation for over three years, and has been evaluated twice (in 1990 and 1991). Although environmental concerns were not especially targeted for review, the evaluations uncovered no obvious, significant environmental impacts. However, in order to ensure that such concerns are addressed in the future, the next evaluation will include an environmental review by the Mission and/or Regional Environmental Officer.

Recommendation:

The technical assistance, training and limited amount of commodities (such as vehicles and office equipment) for institutional support qualify for a Categorical Exclusion as provided for in Reg 16, Section 216.2 (c)(2)(i).

On the basis that an environmental review will be part of the next evaluation, and given the fact that this amendment provides increased resources only for technical assistance and training to support policy analysis and operational problem-solving in the export sector, a categorical exclusion is recommended.

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**ANNEX IV: Indicative Terms of Reference for Long-Term
 Technical Assistance**

A. Export and Investment Policy Analyst

Job Description

The Export Policy Analysis Development Unit (EPADU) is seeking a long-term consultant (two years with a possible extension for a third year) to perform quantitative analysis to support policy reforms under consideration by the Government of Uganda. The economist must have applied, analytical experience related to policy formulation.

Examples of the types of analyses envisioned include, 1) quantification of the returns to Uganda associated with EPADU's contributions since its mobilization (completed in July 1990); 2) projections of the impact, on the competitiveness of selected Uganda exports, associated with various exchange rates; 3) demand analysis for selected export products at various prices; 4) projected revenue implications associated with replacement of the duty drawback scheme (for imported inputs used in the production/marketing of exports), reduction/elimination of protective tariffs; 5) projected investment and revenue implications associated with various levels of investment tax incentives; and 6) projected implications (revenue, access to air cargo space) associated with a reduction in the tax applied to aviation fuel.

In addition to the consultant's own analytical work, he/she will be called on to prepare terms of reference for highly specialized analyses and assist in the identification of appropriate personnel to perform the work.

Qualifications/Experience

- Ph.D. in Economics/Agricultural Economics with strong quantitative analytical skills and experience related to policy reform and formulation;
- At least three years experience working in less developed countries on export and investment policy matters;
- At least five years experience preparing quantitative economic analyses on policy issues related to export, investment and revenue policy reform;
- List of most significant and relevant 3-4 analyses performed individually (including time required to complete the work and results, if any, associated with the conclusions and recommendations reached).

B. Post-Harvesting Handling/Marketing Advisor

Job Description

The U.S. Agency for International Development (A.I.D.) is seeking a long-term consultant (two-years with a possible extension for a third year) to serve, principally, as a field advisor to producers and exporters of a variety non-traditional agricultural exports, but also to assist with market contacts and facilitate trial shipments.

As the position is envisioned, the advisor will work with either a Ugandan organization of exporters or the Export Policy Analysis Development Unit (EPADU). The sponsoring organization will advertise the availability of this resource person to the export community and take responsibility for booking his time on a "request" basis. We expect the individual selected will spend four and one half days a week either in farmers' fields or at export points (Entebbe International Airport or selected border posts) or somewhere in the marketing channel in between. The other half day a week we would expect him/her to spend (1) contacting brokers/agents and seeking export markets for Ugandan products and (2) specifying terms of reference for highly specialized technical advisors and helping to identify appropriate personnel to fulfil those terms.

The consultant's budget will include limited resources to enable him/her to take the initiative and send out sample shipments to evaluate market potential.

Qualifications/Experience

- Seven or more years experience producing agricultural commodities for export from a less developed country to Uganda relevant developed country markets (preference to African production experience);
- Uganda - relevant commodity specialization (bananas, pineapple, produce, cut flowers, spices, etc.) complemented with broader, generalist skills which prepares advisor to provide generic guidance to a variety of producers and exporters on techniques and practices (harvesting, sorting, grading, field cooling, packaging, transport) to improve the quality of final export products;
- The proposing firm does direct market trading itself or has a subsidiary/affiliated firm through which its knowledge of market requirements is honed.

ANNEX V:

AID/W Cables

RECEIVED
26 SEP 1991
USAID/UGANDA

LDC: 269 452
26 SEP 91 0528
CN: 18454
CHRG: AID
DIST: AID

VZCZCAWA824ESA761
OO RUTAKM
DE RUEHC #8988 2693126
INR UUUUU ZCZ
O 2621077 SEP 91
FM SECRETARY WASHDC
TO AMEMBASSY CONAKRY IMMEDIATE 0528
RUEHIG/AMEMBASSY LISALI IMMEDIATE 6530
RUEHIG/AMEMBASSY LILONGWE IMMEDIATE 6347
RUEHIG/AMEMBASSY TABORONE IMMEDIATE 6339
RUEHIG/AMEMBASSY MACHO IMMEDIATE 7402
RUEHIG/AMEMBASSY KAMPALA IMMEDIATE 0074
RUEHIG/AMEMBASSY ABIDJAN IMMEDIATE 0911
RUEHIG/AMEMBASSY NAIROBI IMMEDIATE 7674
RUEHIG/AMEMBASSY MBABANE IMMEDIATE 2670
BT
UNCLAS STATE 31998

AIDAC ABIDJAN FOR REDSO AND NAAC; NAIROBI FOR

E.O. 12856: N/A
TABS:

SUBJECT: CONGRESSIONAL/TECHNICAL NOTIFICATION EXPIRATIONS

AIDAC CONT'D: REDSO AND REMC

NOTIFICATIONS FOR THE PROJECTS LISTED BELOW EXPIRED ON
SEPTEMBER 25. FUNDS CAN BE OBLIGATED ON/AFTER SEPTEMBER
26.

COUNTRY/PROJECT	AMOUNT NOTIFIED
GUINEA RURAL ROADS, 675-2215	DOLS 5,300,000
GUINEA RIS, 695-0510	DOLS 450,000
UGANDA AG NON-TRADITIONAL EXPORT PROMOTION, 617--0113	DOLS 2,500,000
UGANDA DEMOCRATIC INITIATIVES, 696-3027	DOLS 3,300,000
UGANDA RIS, 696-0510	DOLS 675,000
UGANDA PARASTATAL INVESTMENTS, 612-3227	DOLS 250,000
BOTSWANA RAST II, 637-3241	DOLS 610,000

R. ADVISOR AFB/DP BY IMMEDIATE CABLE WHEN FUNDS ARE
OBLIGATED. PLEASE INCLUDE DATE FUNDS OBLIGATED, PROJECT
TITLE/NUMBER, AND THE EXACT AMOUNT OBLIGATED. THANKS.
#8988/888

Date	
ACTION COPY	
Action taken	
No Action necessary	
Initials	(Date)
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CONT
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ACTION: AID-2 INFO: A18 DCM

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PF RUTAKM
DE RUEHC #3265 2631713
ZNR UUUUU ZH
P 201714Z SEP 91
FM SECSTATE WASHDC

RECEIVED
23 SEP 1991
USAID/UGANDA

LOC: 854 167
21 SEP 91 8511
CN: 17783
CHR: AID
DIST: AID

TO RUTARY/AMEMBASSY CONAKRY PRIORITY 2555
RUEHLGB/AMEMBASSY KIGALI PRIORITY 6456
RUEHLG/AMEMBASSY LILONGWE PRIORITY 5921
RUEHOR/AMEMBASSY GABORONE PRIORITY 6299
RUEHTO/AMEMBASSY MAPUTO PRIORITY 7368
RUTAK4/AMEMBASSY KAMPALA PRIORITY 2225
INFO RUEHAB/AMEMBASSY ABIDJAN PRIORITY 8772
RUEHNR/AMEMBASSY NAIROBI PRIORITY 7498
RUEHMB/AMEMBASSY MBABANE PRIORITY 2548
BT
UNCLAS STATE 313265

AIDAC ABIDJAN FOR REDSO AND WAAC; NAIROBI FOR

E.O. 12356: N/A

TAGS:

SUBJECT: CONGRESSIONAL/TECHNICAL NOTIFICATION EXPIRES

AIDAC CONT'D REDSO AND RPMC

THE FOLLOWING NOTIFICATIONS WENT TO THE HILL ON SEPTEMBER 11 AND ARE EXPECTED TO EXPIRE ON SEPTEMBER 25. AFR/DP WILL ADVISE MISSIONS WHEN FUNDS CAN BE OBLIGATED.

Date	
ACTION COPY	
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PEM	
LANE	
Chrs	
Date Due	

COUNTRY/PROJECT AMOUNT NOTIFIED

GUINEA RURAL ROADS, 5750216	DOLS 5,300,000
BURUNDI PDS, 595-3518	DOLS 450,000
UGANDA AG NON-TRADITIONAL EXPORT PROMOTION, 617--8113	DOLS 2,500,000
MOLAMBIQUE DEMOCRATIC INITIATIVES, 686-8227 PDS, 585-8510	DOLS 3,270,000 DOLS 675,000
MALANI PARASITIAL DIVERSITY, 612-8227	DOLS 250,000
BOTSWANA BRIST II, 633-8241	DOLS 610,353

Date	
ACTION COPY	
Action taken	
No Action Necessary	
Initials (Date)	
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D	
C.A.R	
PF	
Chrs	
Date Due	

2. PLEASE CONTACT AFR/DP ON 547-2989 IF YOU HAVE QUESTIONS.
EAGLEBURGER
BT
#3265

UNCLASSIFIED

STATE 304225

ACTION: AID-2 INFO: A4B DCM

RECEIVED
16 SEP 1991
USAID/UGANDA

LOC: 058 028
14 SEP 91 0547
CN: 16965
CHRG: AID
DIST: AID

VZCZCAWA315ESA378
OO RUTAKM
DE RUEHC #4225 2562202
ZNR UUUUU ZZH
O 132202Z SEP 91
FM SECSTATE WASHDC
TO RUTAKM/AMEMBASSY KAMPALA IMMEDIATE 2165
INFO RUEHRR/AMEMBASSY NAIROBI IMMEDIATE 7200
BT
UNCLAS STATE 304225

AIDAC NAIROBI FOR REDSO/EA

E.O. 12356: N/A

TAGS:

SUBJECT: SS1 ALLOWANCE

1. APPROPRIATION 72-111/21014, BUDGET PLAN CODE GSS1-91-21617-KG13 (ALLOWANCE 101-52-617-00-69-11) INCREASED BY DOLLARS 2,500,000 PROJECT 617-0113, AGRICULTURE AND NON-TRADITIONAL EXPORT PROMOTION PROGRAM.

2. FUNDS FOR THE ABOVE-MENTIONED FUNDS CANNOT BE OBLIGATED UNTIL MISSION NOTIFIED TN WAITING PERIOD HAS EXPIRED.

3. ADVICE OF ALLOWANCE FOLLOWS. EAGLEBURGER

BT

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9/26

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 ZNR 00000 ZZH
 P 240753Z JUL 91
 FM AMEMBASSY KAMPALA
 TO SECSTATE WASHDC PRIORITY 9948
 BT
 UNCLAS KAMPALA 03364

CLASS: UNCLASSIFIED
 CHRG: AID 22/07/91
 APPRV: DIR:KWSHERPER
 DRFTD: AE:EMARTELLA:JYN
 CLEAR: ADO:GBAYER
 DISPS: AID-2 AMB DCM
 CHRON

AIDAC
 FOR AFR/EA AND AFR/DP

E. O. 12356 N/A
 SUBJECT: UGANDA - INCREASE IN FUNDING FOR AGRICULTURAL
 - AND NONTRADITIONAL EXPORT PROGRAM PROJECT
 - (617-0113) TECHNICAL ASSISTANCE

REF: A) KAMPALA 2394

THE PROJECT'S LONG TERM ADVISOR'S CONTRACT EXPIRES END
 OF JANUARY 1992. UNRESERVED FUNDS ARE INSUFFICIENT TO
 TENDER FOR ADDITIONAL TECHNICAL ASSISTANCE REQUIRED.
 PLEASE ADVISE STATUS OF REQUEST SUBMITTED REFTEL AND
 WHEN MISSION MAY EXPECT FUNDS (IF APPROVED) TO BE
 AVAILABLE.

BORROUGHS
 BT
 #3364

NNNN

RETURN TO -> MARTELLA

UNCLASSIFIED

KAMPALA 2394

VZCZCKMD
PP RUEHC RUEHR
DE BUTAKM #2394 152 **
ZNR UUUUU ZZH
P 010532Z JUN 91
FM AMEMBASSY KAMPALA
TO RUEHC / SECSTATE WASHDC PRIORITY 9442
INFO RUEHR / AMEMBASSY NAIROBI 4170
BT
UNCLAS KAMPALA #2394

CLASS: UNCLASSIFIED
CHRG: AID 05/29/91
APPRV: AG/DIP/TCRYNER
DRFTD: AE:EMARTELLA:PT
CLEAR: ADO:GLBAYER
PRM:WOLSEN
CONT:RRILEY
DISTR: AID-2 CHARGE

AIDAC

FOR AFR/EA, B. HOWARD
NAIROBI FOR REDSO/ESA, RLA

S.O. 12356 N/A
SUBJECT: UGANDA - INCREASE IN FUNDING FOR ANEPP
- (617-0113) TECHNICAL ASSISTANCE (TA)

1. IN ORDER TO CAPITALIZE ON THE POLICY AND EXPORT DEVELOPMENT GAINS ACHIEVED TO DATE, THE GOVERNMENT OF UGANDA HAS REQUESTED ADDITIONAL FUNDING FOR THE EXPORT POLICY ANALYSIS DEVELOPMENT UNIT (EPADU). WITH USAID'S SUPPORT, EPADU HAS IMPROVED THE QUALITY OF ITS ANALYTICAL WORK AND HENCE, THE REGARD FOR ITS RECOMMENDATIONS. LIKEWISE, EPADU HAS EXPANDED ITS RESPONSIVENESS AND THEREFORE ITS CREDIBILITY WITH AND EFFECTIVENESS IN SERVING PRIVATE EXPORTERS. THUS USAID CONCURS IN THE GOVERNMENT OF UGANDA REQUEST AND ASKS AID/W SUPPORT. MISSION HAS NO FUNDS AVAILABLE TO FUND THE REQUEST OUT OF FY91 OYB.

2. PROJECT FUNDS PRESENTLY AVAILABLE ARE INSUFFICIENT TO RETAIN THE TWO INTENDED LONG TERM TECHNICAL ADVISORS. SUBMISSION OF THIS REQUEST WAS, HOWEVER, HELD UNTIL THE MISSION COMPLETED THE PROGRAM LOG-FRAME, WITH ASSISTANCE FROM AID/W, AND VERIFIED THAT PROGRAM OBJECTIVES WERE STILL CRITICAL TO AND SUPPORTIVE OF THE STRATEGIC OBJECTIVES OF THE MISSION. THIS HAS NOW BEEN CONFIRMED.

3. THE EXISTING TA CONTRACT EXPIRES JANUARY 1992. REDSO HAS ADVISED THE MISSION THAT IT CANNOT AMEND THE CONTRACT TO INCREASE THE LEVEL OF EFFORT BECAUSE THE RFP CONTAINED NO PROVISION FOR SUCH AN ADDITION. THE MISSION, THEREFORE, PLANS TO PREPARE AND ISSUE A NEW RFP IN JULY/AUGUST 1991.

4. MISSION REQUESTS US DOLLARS 2.2 MILLION (TWO THIRDS FOR LONG TERM T.A. AND ONE THIRD FOR SHORT TERM SUPPORT PERSONNEL AND OTHER DIRECT COSTS) FOR THE ADDITIONAL T.A. REQUIRED. RLA HAS ADVISED MISSION THAT THE ADDITIONAL FUNDS, WHICH WOULD INCREASE TOTAL LOP FUNDING TO US DOLS. 5.2 MILLION, IS STILL WITHIN THE TERMS OF DOA 551.

5. MISSION IS PREPARING CH FOR THE INCREASE IN LOP AND

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FY91 OBLIGATION FUNDS.

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ANNEX VI: PP Supplement Budget

Budget: ANEPP Project Amendment No. 2

I. Technical Assistance and Training

A. Export/Investment Policy Advisor (Long-Term)					
Number	Line Items		Year 1	Year 2	Total
1.	Salary		80,000	84,800	164,800
2.	Benefits @	15%	12,000	12,720	24,720
3.	Differential @	25%	20,000	21,200	41,200
4.	Contractor Logistic Support		25,000	25,000	50,000
5.	Furnitures/Appliances/Generator		50,000	0	50,000
6.	Housing Rental		25,000	25,000	50,000
7.	Travel To/From Post		16,000	16,000	32,000
8.	Packing/Storage/Transport		20,000	20,000	40,000
9.	Education		19,000	19,000	38,000
10.	Insurance: Health		3,271	3,271	6,542
	Life		500	500	1,000
11.	Other Direct Costs		5,000	5,000	10,000
12.	Overhead @	100% of Salary	80,000	84,800	164,800
	Total:		355,771	317,291	673,062

B. Post-Harvest Handling/Packaging Advisor (Long-Term)					
Number	Line Items		Year 1	Year 2	Total
1.	Salary		80,000	84,800	164,800
2.	Benefits @	15%	12,000	12,720	24,720
3.	Differential @	25%	20,000	21,200	41,200
4.	Contractor Logistic Support		25,000	25,000	50,000
5.	Furnitures/Appliances/Generator		50,000	0	50,000
6.	Housing Rental		25,000	25,000	50,000
7.	Travel To/From Post		16,000	16,000	32,000
8.	Packing/Storage/Transport		20,000	20,000	40,000
9.	Education		19,000	19,000	38,000
10.	Insurance: Health		3,271	3,271	6,542
	Life		500	500	1,000
11.	Other Direct Costs		5,000	5,000	10,000
12.	Overhead @	100% of Salary	80,000	84,800	164,800
13.	Pilot Shipping Expenses		20,000	20,000	40,000
	Total:		375,771	337,291	713,062

C. Short-Term Technical Assistance					
Number	Line Items		Year 1	Year 2	Total
1.	Salary @	300 /day, 10 pm/year	90,000	90,000	180,000
2.	Perdiem @	150 /day, - 10 pm/year	36,000	36,000	72,000
3.	Travel @	4,000 /trip, 10 r/year	40,000	40,000	80,000
4.	Overhead @	100% of salary	90,000	90,000	180,000
	Total:		256,000	256,000	512,000

D. Training		Year 1	Year 2	Total
Number	Line Items			
1.	Intl Meetings/Travel	28,000	32,000	60,000
2.	In-Country Workshops	55,000	60,000	115,000
	Total:	83,000	92,000	175,000

II. Commodities		Year 1	Year 2	Total
Number	Line Items			
1.	Vehicles 25,000 ea x 2	50,000	0	50,000
2.	Maintenance 4,000 ea x 2	8,000	8,000	16,000
3.	Computer 8,000 ea x 1	8,000	0	8,000
4.	Office Eq. 4,000 ea x 2	8,000	0	8,000
5.	Expendables 1,000 ea x 2	2,000	2,000	4,000
	Total:	76,000	10,000	86,000

III.	Special Activities	60,000	60,000	120,000
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IV.	Audit	50,753	0	50,753
-----	-------	--------	---	--------

SUBTOTAL, I-IV:		1,257,296	1,072,582	2,329,877
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	Inflation @ 5%	0	53,629	53,629
	Contingency @ 5%	62,965	53,629	116,494
TOTAL:		1,320,160	1,179,840	2,500,000

Indicative Budgets for Special Activities

Example A: Medium-Term Research Activity with Local Institution			
Item	Amount	Unit Cost	Total
Salaries			
Principal Researcher	60 days	\$150	\$9,000
Research Assistant	60 days	\$50	\$3,000
Transport			
Vehicle Hire	20 days	\$75	\$1,500
Miscellaneous			
Secretarial	20 days	\$50	\$1,000
Supplies			\$500
Telephone			\$100
Xerox			\$200
Total Direct Costs			\$15,100
Overhead	@	50% of direct costs	<u>\$7,650</u>
Total			\$22,750

Example B: Analytic Buy-in with A.I.D. Centrally-Funded Project			
Item	Amount	Unit Cost	Total
Salaries			
Principal Researcher	60 days	\$250	\$15,000
Research Assistant	60 days	\$50	\$3,000
Transport			
Airfare, US-Uganda RT			\$2,500
Vehicle Hire	20 days	\$75	\$1,500
Miscellaneous			
Secretarial	20 days	\$50	\$1,000
Supplies			\$500
Telephone			\$200
Xerox			\$200
Total Direct Costs			\$23,700
Overhead	@	65% of salaries	<u>\$11,700</u>
Total			\$35,400

Example C: Small Grant for Operational Constraints Analysis			
Item	Amount	Unit Cost	Total
Salaries			
Consultant	10 days	\$100	\$1,000
Transport			
Vehicle Hire	10 days	\$75	\$750
Miscellaneous			
Secretarial	2 days	\$50	\$100
Supplies			\$50
Telephone			\$50
Xerox			<u>\$50</u>
Total Direct Costs			\$1,950

9

ANNEX VII: Statutory Checklists

Listed below are statutory criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive assistance. This section is divided into three parts. Part A includes criteria applicable to both Development Assistance and Economic Support resources. Part B includes criteria applicable only to Development Assistance resources. Part C includes criteria applicable only to Economic Support Funds.

CROSS REFERENCE: IS COUNTRY CHECKLIST UP TO DATE?

A. CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT RESOURCES:

1. Host Country Development Efforts (FAA Sec. 601 (a)): Information and conclusions on whether assistance will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.

2. U.S. Private Trade and Investment (FAA Sec. 601 (b)): Information and conclusions on how assistance will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance program (including use of private trade channels and the services of U.S. private enterprise).

3. Congressional Notification

a. General requirement (FY 1991 Appropriations Act Secs. 523 and 591; FAA Sect 634A): If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the notification requirement has been waived

a. Yes, this is the purpose of the project.
b. Yes, through private sector exporters.
c. N/A
d. Yes, through greater involvement of private sector in exports.
e. Yes, through TA.
f. N/A

U.S. universities and/or consulting firms will share in implementation. As much procurement as possible will come from the U.S.

A Technical Notification has been sent to Congress as required.

15

because of substantial risk to human health or welfare)?

b. Notice of new account obligation (FY 1991 Appropriations Act Sec. 514): If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?

N/A

c. Cash transfers and nonproject sector assistance (FY 1991 Appropriations Act Sec. 575 (b) (3)): If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted?

N/A

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

a. Yes
b. Yes

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

N/A

6. Water Resources (FAA Sec. 611(b); FY 1991 Appropriations Act Sec. 501): If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.)

N/A

7. Cash Transfer and Sector Assistance (FY 1991 Appropriations Act Sec. 575 (b)): Will cash transfer or nonproject sector assistance be maintained in a separate account and not commingled with other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance)?

N/A

8. Capital Assistance (FAA Sec. 611(e)): If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively?

N/A

9. Multiple Country Objective (FAA Sec. 601 (a)): Information and conclusions on whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

a. Yes, this is the purpose of the project.

b. Yes, through private sector exporters.

c. N/A

d. Yes, through greater involvement of private sector in exports.

e. Yes, through TA.

f. N/A

10. U.S. Private Trade (FAA Sec. 501 (b)): Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

U.S. universities and/or consulting firms will share in implementation. As much procurement as possible will come from the U.S.

11. Local Currencies

a. Recipient Contributions (FAA Secs. 612 (b), 636 (h)): Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owed by the U.S. are utilized in lieu of dollars.

GOU has contributed local currency equivalent to \$20 million as part of ANEPP program.

b. U.S.-Owned Currency (FAA Sec. 612 (d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No

c. Separate Account (FY 1991 Appropriations Act Sec. 575): If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies: N/A

(1) Has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?

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

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

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

12. Trade Restrictions

a. Surplus Commodities (FY 1991 Appropriations Act Sec. 521 (a)): If assistance is for the production of any N/A

commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

b. Textiles (Lautenberg Amendment) (FY 1991 Appropriations Act Sec. 521 (c)): Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?

N/A

13. Tropical Forests (FY 1991 Appropriations Act Sec. 533 (c) (3)): Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas?

No

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

N/A

15. PVO Assistance

a. Auditing and registration (FY 1991 Appropriations Act Sec. 537): If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of

N/A

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A.I.D., and is the PVO registered with A.I.D.?

b. Funding sources (FY 1991 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?

N/A

16. Project Agreement Documentation (State Authorizations Sec. 139 (as interpreted by conference report)): Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).

Mission will comply when date of signing is confirmed.

17. Metric System (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

No. Most procurement is for computers and office equipment.

18. Women in Development (FY 1991 Appropriations Act, Title II, under heading

Yes

"Women in Development"): Will assistance be designed so that the percentage of women participants will be demonstrably increased?

19. Regional and Multilateral Assistance (FAA Sec. 209): Is assistance more efficiently and effectively provided through regional or multilateral organizations? Is so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs.

No

20. Abortions (FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 525):

N/A

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

b. Will any funds be used to lobby for abortion?

21. Cooperatives (FAA Sec. 111): Will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life?

N/A

22. U.S.-Owned Foreign Currencies

a. Use of currencies (FAA Secs. 612(b), 636(h); FY 1991 Appropriations Act Secs. 507, 509): Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services.

Ugandan shillings will be used in the project.

b. Release of currencies (FAA Sec. 612 (d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

The U.S. does not own excess Ugandan currency.

23. Procurement

a. Small business (FAA Sec. 602(a)): Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? Small business are expected to supply commodities and technical services.

b. U.S. procurement (FAA Sec. 604(a)): Will all procurement be from the U.S. except as otherwise determined by the President or determined under delegation from him? Yes

c. Marine insurance (FAA Sec. 604(d)): If the cooperating country discriminated against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? N/A

d. Non-U.S. agricultural procurement (FAA Sec. 604(e)): If non-U.S. procurement of an agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A

e. Construction or engineering services (FAA Sec. 604(g)): Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.) N/A

f. Cargo preference shipping (FAA Sec. 603): Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities No

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(computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates?

g. Technical assistance (FAA Sec. 621 (a)): If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

Yes
Yes

h. U.S. air carriers (International Air Transportation Fair Competitive practices Act, 1974): If air transportation of persons or property is financed on a grant basis, will U.S. carriers be used to the extent such service is available?

Yes

i. Termination for convenience of U.S. Government (FY 1991 Appropriations Act Sec. 504): If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

Yes, standard clauses.

j. Consulting services (FY 1991 Appropriations Act Sec. 524): If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)?

Yes

k. Metric conversion (Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance program use the metric system of measurement in its procurements, grants, and other business-related activities, except to

N/A

the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate?

Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance process (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage? N/A

1. Competitive Selection Procedures (FAA Sec. 601(e)): Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes

24. Construction

a. Capital project (FAA Sec. 601(d)): If capital (e.g., construction) project, will U.S. engineering and professional services be used? N/A

b. Construction contract (FAA N/A

c. Large projects, Congressional approval (FAA Sec. 620(k)): If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the Congressional presentation), or does assistance have the express approval of Congress? N/A

25. U.S. Audit Rights (FAA Sec. 301(d)): If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A

26. Communist Assistance (FAA Sec. 620(h)). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? **Yes**

27. Narcotics

a. Cash reimbursements (FAA Sec. 483): Will arrangements preclude use of financing to make reimbursements, in the form of cash payments, to persons whose illicit drug crops eradicated? **Yes**

b. Assistance to narcotics traffickers (FAA Sec. 487): Will arrangements take "all reasonable steps" to preclude use of financing to or through individuals or entities which we know or have reason to believe have either: **N/A**

(1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or

(2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance?

28. Expropriation and Land Reform (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated ornationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? **N/A**

29. Police and Prisons (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? **Yes**

30. CIA Activities (FAA Sec. 622): Will assistance preclude use of financing for CIA activities? **Yes**

31. Motor Vehicles (FAA Sec. 636(i)): Will assistance preclude use of financing for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes
32. Military Personnel (FY 1991 Appropriations Act Sec. 503): Will assistance preclude use of financing to pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? No
33. Payment of U.N. Assessments (FY 1991 Appropriations Act Sec. 505): Will assistance preclude use of financing to pay U.N. assessments, arrearages or dues? Yes
34. Multilateral Organization Lending (FY 1991 Appropriations Act Sec. 506): Will assistance preclude use of financing to carry out provisions of FAA Section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes
35. Export of Nuclear Resources (FY 1991 appropriations Act Sec. 510): Will assistance preclude use of financing to finance the export of nuclear equipment, fuel, or technology? Yes
36. Repression of Population (FY 1991 Appropriations Act Sec. 511): Will assistance preclude use of financing for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes
37. Publicity or Propaganda (FY 1991 Appropriations Act Sec. 516): Will assistance be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? No
38. Marine Insurance (FY 1991 Appropriations Act Sec. 5633): Will any Yes

A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate?

39. Exchange for Prohibited Act (FY 1991 Appropriations Act Sec. 569): Will any assistance be provided to any foreign government (included any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law?

Yes

B. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

1. Agricultural Exports (Bumpers Amendment) (FY 1991 Appropriations Act Sec. 521 (b), as interpreted by conference report for original enactment): If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

No. Assistance is provided to develop export markets in tropical commodities (such as vanilla) not competing with U.S. producers.

2. Tied Aid Credit (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund"): Will DA funds be used for tied aid credits?

N/A

3. Appropriate Technology (FAA Sec. 107): Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using

N/A

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technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

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

The project works through the Ugandan private sector and will involve primary producers of export commodities.

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

Yes

6. Special Development Emphases (FAA Secs. 102(b), 113, 281(a)): Describe extent to which activity will: (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

- a. Poor participate as producers of commodities.
- b. N/A
- c. N/A
- d. Women's roles are part of project design.
- e. N/A

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

Yes

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

9. Abortions (FAA Sec. 104(f); FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 535):

a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions? N/A

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

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

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

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

f. Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions? N/A

procedures set forth in A.I.D. Regulation 16?

b. Conservation: Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest sources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watershed and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; (11) utilize the resources and abilities of all relevant U.S. Government agencies; (12) be based upon careful analysis of the alternatives available to

N/A

achieve the best sustainable use of the land; and (13) take full account of the environmental impacts of the proposed activities on biological diversity?

c. Forest degradation: Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas; (3) activities which would result in the conversion of forest lands to the rearing of livestock; (4) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands; (5) the colonization of forest lands; or (6) the construction of dams or other water control structures which flood relatively undegraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

No

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

N/A

e. Environmental impact statements: Will funds be made available in accordance with provisions of FAA Section 117(c) and applicable A.I.D. regulations requiring an environmental impact statement for activities significantly affecting the environment?

This is a technical assistance/training project and qualifies for a categorical exclusion.

14. Energy (FY 1991 Appropriations Act Sec. 533(c)): If assistance relates to energy efficiency, least-cost energy, and renewable energy resources, the countries where assistance will have the greatest impact on reducing greenhouse gases? N/A

5. Sub-Saharan Africa Assistance (FY 1991 Appropriations Act Sec. 562, adding chapter 10 (FAA Sec. 496)): If assistance will come from the Sub-Saharan Africa account, is it: (a) to be used to support a process of long-term development that is equitable, environmentally sustainable, and (b) to be used to promote economic growth, encourage private investment, promote individual entrepreneurship, help to reduce the role of government in areas more appropriate for the private sector; (c) provided in accordance with the guidelines contained in FAA Section 102; (d) provided in close consultation with the United States and other PVOs that have demonstrated effectiveness in the area of local grassroots activities on long-term development in Sub-Saharan Africa; (e) being used to support the critical sector of agricultural production and resources, health, voluntary family services, education, and income opportunities, to bring about sectoral restructuring of the African economies, to support public administration and finances, to create a favorable environment for private enterprise and self-sustaining development, take into account, in the design of programs, the need to protect the environment; (f) being used to support agricultural production in ways that will increase and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and improve the renewable natural resource base, and to increase agricultural production.

a. Yes

b. Yes

c. Yes

d. N/A

e. Yes

f. N/A

production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

16. Debt-for-Nature Exchange (FAA Sec. 463): If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (a) the world's oceans and atmosphere, (b) animal and plant species, and (c) parks and reserves; or describe how the exchange will promote: (d) natural resource management, (e) local conservation programs (f) conservation training programs, (g) public commitment to conservation, (h) land and ecosystem management, and (i) regenerative approaches in farming, forestry, fishing, and watershed management.

N/A

17. Deobligation/Reobligation (FY 1991 Appropriations Act Sec. 515): If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

N/A

18. Loans

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

N/A

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

Yes

c. Interest rate (FAA Sec. 122(b)): If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter?

N/A

d. Exports to United States (FAA Sec. 629(d)): If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

N/A

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

a. Poor participate as producers of commodities.

b. N/A

c. N/A

d. Women's roles are part of project design.

e. N/A

20. Agriculture, Rural Development and Nutrition, and Agricultural research (FAA Secs. 103 and 103A):

a. Rural poor and small farmers: If assistance is being made available for agriculture, rural development or nutrition, describe extent to which activity is specifically designed to

Rural poor and small farmers participate as producers of export commodities.

increase productivity and income of rural poor, or if assistance is being made available for agricultural research, has account been taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made.

b. Nutrition: Describe extent which assistance is used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people. N/A

c. Food security: Describe extent to which activity increases national security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution. N/A

21. Population and Health (FAA Secs. 104(b) and (c)): If assistance is being made available for population or health activities, describe extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community outreach. N/A

22. Education and Human Resources Development (FAA Sec. 105): If assistance is being made available for education, public Project involves training for private sector exporters.

administration, or human resource development, describe (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

23. Energy, Private Voluntary Organizations, and Selected Development Activities (FAA Sec. 106): If assistance is being made available for energy, private voluntary organizations, and selected development problems, describe extent to which activity is:

N/A

a. Concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources, energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment;

b. Concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

c. Research into, and evaluation of, economic development processes and techniques;

d. Reconstruction after natural or manmade disaster and programs of disaster preparedness;

e. For special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance;

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f. For urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.

24. Sahel Development (FAA Secs. 120- 21): If assistance is being made available for the Sahelian region, describe: (a) extent to which there is international coordination in planning and implementation; participation and support by African countries and organizations in determining development priorities; and a long-term, multidonor development plan which calls for equitable burden-sharing with other donors; (b) whether a determination has been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom). N/A

C. CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY

1. Economic and Political Stability (FAA Sec. 531(a)): Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA? Yes

2. Military Purposes (FAA Sec. 531(e)): Will this assistance be used for military or paramilitary purposes? No

3. Commodity Grants/Separate Accounts (FAA Sec. 609): If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A

4. Generation and Use of Local Currencies (FAA Sec. 531(d)): Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent N/A

with the objectives of FAA Sections 103 through 106?

5. Cash Transfer Requirements (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund", and Sec. 575(b)): If assistance is in the form of a cash transfer:

N/A

a. Separate account: Are all such cash payments to be maintained by the country in a separate account and not to be commingled with any other funds?

b. Local currencies: Will all local currencies that may be generated with funds provided as a cash transfer to such a country also be deposited in a special account, and has A.I.D. entered into an agreement with that government setting forth the amount of local currencies to be generated, the terms and conditions under which they are to be used, and the responsibilities of A.I.D. and that government to monitor and account for deposits and disbursements?

c. U.S. Government use of local currencies: Will all such local currencies also be used in accordance with FAA Section 609, which requires such local currencies to be made available to the U.S. Government as the U.S. determines necessary for the requirements of the U.S. government, and which requires the remainder to be used for programs agreed to by the U.S. Government to carry out the purposes for which new funds authorized by the FAA would themselves be available?

d. Congressional notice: Has Congress received prior notification providing in detail how the funds will be used, including the U.S. interests that will be served by the assistance, and, as appropriate, the economic policy reforms that will be promoted by the cash transfer assistance?