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AFRICARE/ERITREA

**P.L. 480 TITLE II
FY 1996 202(e) GRANT**

**QUARTERLY PERFORMANCE REPORT
COVERING THE 2ND QUARTER**

**Submitted to:
AID/BHR/FFP**

**CONTACT PERSON:
Judy C. Bryson
Director
Food for Development**

"Improving the quality of life in rural Africa through the development of water resources, increased food production and the delivery of health services."

**P.L. 480 TITLE II
FY 1995 202(e) GRANT
QUARTERLY PERFORMANCE REPORT
COVERING THE 2ND QUARTER**

The scope of this review report encompasses the second quarter of Fiscal Year 1996 (FY '96) project activities supported by the 202(e) grant funds. The commodity request of 660 MT placed in October 1995, was received during the quarter. A total of 5,252,740.87 Birr (approximately \$832,447) was generated by the sale of the commodities.

EXECUTIVE SUMMARY:

I. PROGRAM GOALS AND OBJECTIVES

Africare/Eritrea's (AFR/E) P.L. 480 Title II program aims to address both short and long term food security issues in Eritrea through support for a water development project, the reestablishment of agricultural and labor markets, and the promotion of agricultural development.

The program aims to significantly decrease the vulnerability of the Bada population to recurrent droughts through the construction of a permanent diversion dam. The project also seeks to increase agricultural production in the region and promote the marketing of goods. In addition, the project will interface with the Africare/Ministry of Health primary health care activities in the region.

The 202(e) grant supports Africare in meeting specific administrative, management, personnel and internal transportation costs for carrying out the Title II program in Eritrea.

II. PROGRAM ACTIVITIES

The following activities were executed during the reporting period:

Second Quarter
January, 1996

Substantial progress was made in project developments this month. Dr. Albert L. Agard Jr., Country Representative, met with officials from the Ministry of Agriculture (MOA) to suggest that a steering committee be established to oversee project activities. The committee will be comprised of representatives from the MOA, USAID/ER, and Africare. The committee is deemed necessary because a project manager/coordinator has not been appointed to manage the project. The MOA agreed with the suggestion and a committee made up of representatives from various departments at the MOA, Africare, and ERREC started meeting this month.

The MOA visited the Bada Project site after which several actions were initiated by the Ministry. These include:

- * Delivery of the gabions ordered by Africare to the project site;
- * A team from the irrigation section of the Land Resources and Environmental Protection Department visited the project site.
- * Mobilizing of equipment and machinery for the project site - bulldozer, front end loader, stone crusher, tractor, excavator, dump trucks, a mobile garage - including fuel and water tanks.
- * The mobilizing of labor for the project site.

The Letters of Credit for the purchase of commodities were fully executed in January. Five buyers bought six lots with the highest bidder purchasing two lots. The entire shipment was sold at 6.31 Birr to the dollar. In January, at the time the letters of credit were received, the total estimated income for the sale was expected to be about 5.5 million Birr.

A new monetization proclamation was issued by the GOE on January 1, 1996. Legal notice #26/1996, entitled "The Food Aid Monetization Regulations", informed donors and NGO's that food aid commodities may no longer be distributed and that ERREC will be responsible for food aid monetization.

Discussions continued with the consultant in an effort to finalize the baseline survey. The consultant thus far has prepared the draft questionnaire for collecting household, agronomic and marketing information for the project. The data, when collected, will be used to measure the impact of the activities in the project area.

The Title II 202(e) grant funded a portion of the salaries and benefits for Africare expatriate staff. Charges against this grant also include per diem for the project engineer, vehicle insurance, office supplies, and communications cost.

February, 1996

Tom Ray, FFP Officer, Food for Peace/Washington, visited Eritrea this month. He held meetings with American NGO's in Eritrea -- which Africare\Eritrea attended -- to discuss their strategies with respect to the new monetization proclamation. Mr. Ray also presented the NGO's with some issues being discussed in Washington.

An agreement was reached with the consultant with whom Africare/Eritrea has been negotiating to conduct the baseline survey. A fixed fee contract was signed between Dr. Tesfay, the consultant, and AFR/ER after lengthy negotiations. Dr. Tesfay immediately traveled to Bada start work on the pre-testing of the questionnaire and other preliminary work associated with the baseline survey. Prior to the signing of the contract, the consultant produced a draft version of the questionnaire which was reviewed and approved by USAID/ER, the MOA, AFR/ER, and AFR/W.

A check for Birr 2,731,250 was released by the Eritrean Relief and Rehabilitation Agency to Africare/Eritrea. 2.5 million Birr was later released to the MOA and the remaining balance was deposited into Africare's newly established overhead account. Questions on the purpose of the release of overhead amount were raised by ERREC. This matter was later settled by USAID/ER and AFR/ER

The ship transporting the 660MT of vegetable oil arrived in Massawa on February 28, 1996. The off loading commenced thereafter. The first barge which was opened was not full and as a result, there was considerable movement of the cases of oil. Several cans of oil were damaged and also several cases of oil were stained with leaking oil. However the overall losses were minimal.

Significant progress occurred with the Agricultural Project, during this reporting period. The steering committee made up of officials from USAID/ER, AFR/ER, and the MOA is in place and have began meeting on a regular basis. The Ministry of Agriculture has sent additional staff to the project site in Bada and members of the National Service who are stationed in Bada have started collecting stones for the project site. The draft action plan prepared by the MOA, with support from Africare, was completed during the reporting period.

Mohammed Y. Mohammed continued his role as engineering consultant to the Bada agricultural project. He spent a major part of this month working with the MOA in an attempt to finalize the MOA's action plan as well as the budget. Later in the month Mohammed spent several days in the field with the baseline survey team.

Expenses charged against the 202(e) grant this month include the purchase of a project vehicle, storage cost for the Country Representative, communication cost, and salaries and benefits for Africare expatriate staff.

March, 1996

Africare's Regional Director for the East Region was in Eritrea this month on official business. His functions in Eritrea included meetings with officials from the MOA and USAID as well as spending several days at Bada visiting the project site. While in Bada, Mr Alemian met with the Government Administrator for Bada, village and council elders, and MOA officials. Mr. Alemian had the opportunity to tour the diversion site and inspected farmers' fields.

The MOA continued its efforts to recruit staff for the project. Several pieces of equipment and tools were transferred to the project site by the MOA. Mechanics, support staff and operators were also at the site this month. The Department of National Services sent a large number of volunteers to Bada to collect stones for the construction. Thus far these volunteers have been able to collect a large quantity of stones. Sand suitable for the project has also been located about 16Km from the site. The procurement section of the MOA is in the process of accepting tenders for additional gabions and other equipment which are needed for the project.

The BADA Project steering committee continued to meet on a weekly basis. The committee has been effective in enabling the project to move forward. The MOA was provided with two resume's for the position of Structural Engineer for their review.

The USAID sponsored visit of the USDA engineers visiting Eritrea, as guests of the MOA, also made a visit to the Bada project site for an environmental assessment. Several problems were pointed out by the engineers after their trip from Bada. Africare assisted the MOA in preparing a response to their questions.

The off loading of vegetable oil was completed March 2, 1996. Contents in 11 of the cartons leaked out, 17 cartons were short landed, 356 cartons were stained with oil which had leaked and 14 cartons had dented tins – it is expected that these tins will be depreciated.

Dr. Tesfay, the consultant conducting the Bada Irrigated Agriculture Project baseline survey, completed translating the questionnaire and training manual into Afar. He also trained the enumerators in Bada in preparation for the start up of the survey.

Africare expatriate staff salaries and benefits were expended against the Title II 202(e) grant. Other charges against this grant include project equipment, per diem, and communication cost.

Please see attached A269 for period 1/1/96 - 3/31/96.

(Short Form)
(Follow instructions on the back)

Federal Agency and Organizational Element to Which Report is Submitted OFFICE OF FINANCIAL MANAGEMENT A/FM/CMP/LC	2. Federal Grant or Other Identifying Number Assigned By Federal Agency 661-0802-G-00-5007-00	OMB Approval No. 0348-0039	Page 1	of 1	pages
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Recipient Organization (Name and complete address, including ZIP code)
**FRICARE, INC.
40 R STREET, N.W.
ASHINGTON, D . C. 20001**

Employer Identification Number 1-7116952	5. Recipient Account Number or Identifying Number 24 13 4201 Title II MYOP	6. Final Report <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	7. Basis <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual
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Funding/Grant Period (See Instructions) From: (Month, Day, Year) 10/1/94	To: (Month, Day, Year) 9/30/96	8. Period Covered by this Report From: (Month, Day, Year) 1/1/96	To: (Month, Day, Year) 3/31/96
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Transactions	I Previously Reported	II This Period	III Cumulative
Total outlays	105,050	126,854	231,904
Recipient share of outlays	-0-	-0-	-0-
Federal share of outlays	105,050	126,854	231,904
Total unliquidated obligations			-0-
Recipient share of unliquidated obligations			-0-
Federal share of unliquidated obligations			-0-
Total Federal share (Sum of lines e and f)			231,904
Total Federal funds authorized for this funding period			384,414
Unobligated balance of Federal funds (Line h minus line g)			152,510

Direct Expense	a. Type of Rate (Place "X" in appropriate box) <input checked="" type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed			
	b. Rate 2	c. Base	d. Total Amount	e. Federal Share

Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.

certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.

Name or Printed Name and Title C. PAYNE LUCAS PRESIDENT	Telephone (Area code, number and extension) (202) 462-3614
Name of Authorized Certifying Official <i>C. Payne Lucas</i>	Date Report Submitted May 10, 1996

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