

PD-ABN-305
5

**CAPE VERDE
FY 1997 ACTION PLAN**

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USAID/Cape Verde
FY 1997 Operating Expense & Workforce
Annual Budget Submission

Narrative

General

USAID/Cape Verde is scheduled for close out on September 30, 1996, and therefore, is submitting its FY 1997 Operating Expense and Workforce levels presenting the minimum OE requirements to carry out the closeout operation as efficiently, smoothly and timely as possible.

FY 1995 overview

OE Budget

The Mission Annual OE budget level has been approved at USD 654,400. However, the total OE requirements are USD 682,243. This increase is due to exchange rate difference and under calculation of the consultant costs for C&R and EXO closeout services. It also included USD 5,352 budgeted for upgrading our computer system to be in compliance with new ISP requirements. A request for the additional USD 27,843 will be made to AFR/DP concurrent with the submission of the ABS. It should be noted that USD 204,461 from the FY 1995 requirement is for FSN severance payment accrued and underfunded over the past few years. OE requirements for FY 1995 reflect "bare bones" minimum requirements cover program operations and begin operational closeout.

Workforce Level

To comply with the guidance on "on-board levels at the end of each fiscal year", the Mission reports 0 FN/DH in FY 1995 and nine OE FN/PSCs. The Mission's only FN/DH, who serves as the driver, will retire in August of 1995 and two out of ten OE FN/PSCs will be departing the last quarter of the fiscal year. However, this will occur before September 30, 1995 so they are not reported on the table VIII(b). A FN/PSC to replace the driver will continue to fill this position until Mission closeout. Therefore, nine FN/PSC are in Table VIII(b). The Acting AID Rep for the last quarter of FY 1995 will be a USDH from USAID/W and therefore will incur USAID/W TDY travel and per diem under U514.

FY 1996 overview

OE Budget

Mission requests USD 464,400 for FY 1996. The major part of the operational

closeout will take place during FY 1996 and adequate human resources are required to finalize closeout. The Mission will keep the minimum essential local staff and specialized skills such as EXO and C&R services will be acquired through contracts or purchase orders. The reason that the budget requirement has increased from earlier estimates (as presented in the Operational Closeout Plan) is due to the need for contract services of an EXO, C&R and Acting AID Rep. Therefore, the U500 category is particularly high, that is, 52.5% of the total USD 464,400. Also, if the Mission does not receive the additional USD 27,843 required in FY 1995 above, it will need to be added to the OE request of USD 464,400 for FY 1996. Under advice of REDSO/WCA/WAAC, the Mission will include costs for a FN/PSC Project Accountant to travel to Abidjan the first two months of FY 1997 to finalize all financial closeout activities. This will require a two-month contract extension and travel and per diem.

Workforce

The workforce level submitted reflects the Mission workforce level at the end of the FY 1996. Mission preliminary workforce levels for the FY 1997 ABS, received on May 25, 1995, report two USDH and one FNDH for FY 1995 and FY 1996. As reported above, the sole FNDH is retiring in August 1995 to be replaced by an FN/PSC. Since it is clear not clear whether the Acting AID Rep for FY 1996 will be a USDH, a retired Annuitant or US contractor, for budgeting purposes, the Mission is including a higher amount, USD 100,169, which would be required for a US contractor to serve as the Acting AID Rep under Function Code U522.

Others

As requested in the guidance, the USAID building will go on the market and in early 1996, and depending upon the date of sale during the year, USAID will negotiate a leasing agreement from the remainder of the year from the buyer. For this exercise, the Mission estimates that the proceeds from the sale will be about USD 150,000.

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TABLE VIII (a1) - Operating Expense Request

BPC:

Mission: USAID/Cape Verde

EXPENSE CATEGORY	FC	FY 1995 Estimate				FY 1996 Request				FY 1997 Request				FY 1998 Estimate			FY 1999 Estimate			FY 2000 Estimate		
		OE	TF	TOTAL	Units	OE	TF	TOTAL	Units	OE	TF	TOTAL	Units	OE	TF	TOTAL	OE	TF	TOTAL	OE	TF	TOTAL
U.S. DIRECT HIRE:																						
Other Salary	U105			0.0			0.0					0.0										
Education Allowances	U106	38,500.0		38,500.0	4.0			0.0				0.0										
Cost of Living Allow.	U108			0.0			0.0					0.0										
Other Benefits	U110			0.0		3,400.0		3,400.0	1.0			0.0										
Post Assign Travel	U111	10,500.0		10,500.0	1.0	7,500.0		7,500.0	1.0			0.0										
Post Assign Freight	U112	9,100.0		9,100.0	1.0	21,100.0		21,100.0				0.0										
Home Leave Travel	U113			0.0				0.0				0.0										
Home Leave Freight	U114			0.0				0.0				0.0										
Education Travel	U115			0.0				0.0				0.0										
R & R Travel	U116	5,500.0		5,500.0	5.0			0.0				0.0										
Other Travel	U117	10,200.0		10,200.0	3.0	5,000.0		5,000.0	2.0			0.0										
Subtotal	U100	73,800.0	0.0	73,800.0		37,000.0	0.0	37,000.0		0.0	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
F.N. DIRECT HIRE:																						
F.N. Basic Pay	U201	9,818.0		9,818.0	0.9			0.0				0.0										
Overtime/Holiday Pay	U202	1,473.0		1,473.0				0.0				0.0										
Other Code 11 - FN	U203	4,632.0		4,632.0				0.0				0.0										
Other Code 12 - FN	U204	912.0		912.0				0.0				0.0										
Benefits - Former FN	U205			0.0				0.0				0.0										
Accrued Separation Liability	U206	53,334.0		53,334.0				0.0				0.0										
Subtotal	U200	70,169.0	0.0	70,169.0		0.0	0.0	0.0		0.0	0.0	0.0		0.0		0.0		0.0		0.0	0.0	
CONTRACT PERSONNEL:																						
U.S. PSC - S&B	U302	40,100.0		40,100.0	1.0	30,075.0		30,075.0	1.0			0.0										
Other U.S. PSC Costs	U303			0.0				0.0				0.0										
FN PSC - S&B	U304	119,959.0		119,959.0	8.8	112,751.0		112,751.0	7.6			0.0										
Other FN PSC Costs	U305			0.0				0.0				0.0										
Manpower Contracts	U306			0.0				0.0				0.0										
Accrued Separation Liability	U307	151,127.0		151,127.0		24,937.0		24,937.0				0.0										
Subtotal	U300	311,186.0	0.0	311,186.0		167,763.0	0.0	167,763.0		0.0	0.0	0.0		0.0		0.0		0.0		0.0	0.0	
HOUSING:																						
Residential Rent	U401	19,593.0		19,593.0	2.5			0.0				0.0										
Residential Utilities	U402	12,500.0		12,500.0		12,500.0		12,500.0				0.0										
Maint/Repairs	U403	3,000.0		3,000.0		3,000.0		3,000.0				0.0										
Living Quarters Allow	U404			0.0				0.0				0.0										
Security Guards	U407	4,267.0		4,267.0	1.0			0.0				0.0										
Official Res. Exp.	U408			0.0				0.0				0.0										
Representation Allow.	U409	320.0		320.0		300.0		300.0				0.0										
Subtotal	U400	39,680.0	0.0	39,680.0		15,800.0	0.0	15,800.0		0.0	0.0	0.0		0.0		0.0		0.0		0.0	0.0	

TABLE VIII (a1) - Operating Expense Request

BPC:
Mission: USAID/Cape Verde

EXPENSE CATEGORY	FC	FY 1995 Estimate				FY 1996 Request				FY 1997 Request				FY 1998 Estimate			FY 1999 Estimate			FY 2000 Estimate		
		OE	TF	TOTAL	Units	OE	TF	TOTAL	Units	OE	TF	TOTAL	Units	OE	TF	TOTAL	OE	TF	TOTAL	OE	TF	TOTAL
OFFICE OPERATIONS:																						
Office Rent	U501	15,197.0		15,197.0	1.1			0.0														
Office Utilities	U502	6,700.0		6,700.0		6,700.0		6,700.0														
Building Maint/Repair	U503	1,200.0		1,200.0		1,200.0		1,200.0														
Equip. Maint/Repair	U508	4,000.0		4,000.0		4,000.0		4,000.0														
Communications	U509	19,200.0		19,200.0		19,200.0		19,200.0														
Security Guards	U510			0.0				0.0														
Printing	U511			0.0				0.0														
Site Visits - Mission	U513	2,000.0		2,000.0	6.0	1,000.0		1,000.0	3.0													
Site Visits - AID/W	U514	10,533.0		10,533.0	1.0	16,010.0		16,010.0	2.0													
Information Meetings	U515	9,725.0		9,725.0	2.0			0.0														
Training Travel	U516	14,336.0		14,336.0	5.0			0.0														
Conference Travel	U517	2,867.0		2,867.0	2.0	2,000.0		2,000.0	1.0													
Other Operational Tvl	U518	5,498.0		5,498.0	6.0	13,853.0		13,853.0	5.0													
Supplies	U519	15,200.0		15,200.0		15,200.0		15,200.0														
FAAS	U520			0.0				0.0														
Consultant Contracts	U521	21,100.0		21,100.0	1.0	5,275.0		5,275.0	0.3													
Mgmt/Prof Svcs Cont	U522	34,092.0		34,092.0	0.3	141,504.0		141,504.0	1.0													
Spec. Studies/Analyses	U523			0.0				0.0														
ADP HW Lease/Maint	U525			0.0				0.0														
ADP SW Lease/Maint	U526			0.0				0.0														
Trans/Freight - U500	U598	2,500.0		2,500.0		2,500.0		2,500.0														
Other Contract Svcs	U599	17,908.0		17,908.0		15,395.0		15,395.0														
Subtotal	U500	182,056.0	0.0	182,056.0		243,837.0	0.0	243,837.0		0.0	0.0	0.0			0.0			0.0			0.0	
NXP PROCUREMENT:																						
Vehicles	U601			0.0				0.0														
Residential Furniture	U602			0.0				0.0														
Residential Equipment	U603			0.0				0.0														
Office Furniture	U604			0.0				0.0														
Office Equipment	U605			0.0				0.0														
Other Equipment	U606			0.0				0.0														
ADP HW Purchases	U607	4,000.0		4,000.0				0.0														
ADP SW Purchases	U608	1,040.0		1,040.0				0.0														
Trans/Freight - U600	U698	312.0		312.0				0.0														
Subtotal	U600	5,352.0	0.0	5,352.0		0.0	0.0	0.0		0.0	0.0	0.0			0.0			0.0			0.0	
Real Property Purchase/Const.	U900			0.0				0.0														
TOTAL OE COSTS		682,243.0	0.0	682,243.0		464,400.0	0.0	464,400.0		0.0	0.0	0.0			0.0			0.0			0.0	
Less Dollar Funded FAAS		0.0		0.0		0.0		0.0		0.0		0.0										
Less Real Property Savings																						
TOTAL OE REQUEST	U000	682,243.0	0.0	682,243.0		464,400.0	0.0	464,400.0		0.0	0.0	0.0			0.0			0.0			0.0	
Alternative Budget																						
If Bur. Program Cut 25%	U000						0.0				0.0				0.0			0.0			0.0	
SPECIAL INFORMATION:																						
Local Currency Usage - %				564,199.0				269,221.0														
Exchange Rate used in Calculations				76.0				76.0														
Trust Fund End-of-Year Balance				n/a				n/a														
USDH FTE				2.0				2.0														

**USAID/Cape Verde
Action Plan Financial Management Plan
(All Funding US\$000)**

Project Name	PACD current	PACD prop.	LOP planned	Obs. to Date	1995 actual	1996 planned	Issues ¹
BILATERAL PROJECTS:							
1. PD&S (655-0015)	9/95	9/95	998	998	100	0	NGO conference planned 4/96
2. Watershed & Applied Research Development (WARD 655-0017)	9/96	6/96 ²	3,300	3,300	0	0	
3. Export Development Services (EDS/PROMEX 655-0014)	6/96	6/96 ³	6,100	6,100	700	0	
REGIONAL PROJECTS:							
1. African Training for Leadership and Advanced Skills (ATLAS 698-0475)	9/06	9/06 ⁴	1,850	1,850	0	0	
2. Human Resources Development Assistance (HRDA 698-0463.55)	6/96	6/96 ⁵	4,734	4,734	991	0	
3. Population and Reproductive Health (OYB transfer to IPPF project 936-3071)			2,901	901	500 ⁶	1,500 ⁶	please also see attached narrative
COUNTRY PROGRAM SUBTOTAL:					1,791	0	
PL480 FOOD AID PROGRAM:							
1. 100% Monetization Program (ACDI)			75,000 MT	56,000 MT	3,536	2,547	change to Title I program in 1997
COUNTRY PROGRAM TOTAL:					5,327	4,047	

1. For a more detailed discussion of issues please consult 3/95 SAPIRs located w/CDO.
2. RCO here during week of June 26 to work on final amendments to grant and cooperative agreements.
3. FSN Project Mgt. Specialist stays on until September 30, 1996 to closeout project.
4. No extensions will be granted beyond participants' present training completion dates.
5. FSN Project Assistant stays on until September 30, 1996 to closeout project.
6. Pending AFR Bureau approval.

(PMO: 6/14/95)

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Operating Expenses Planned for FY 1997

As noted in the Kennedy/Breslar memo (Annex A), USAID/Cape Verde has no planned FY 97 OE costs. However, approximately \$10,000 has been included in the FY 96 OE Budget Request to pick up the costs of a Mission FN PSC Accountant for 60 days to travel to Abidjan to finalize financial closeout. This was included at REDSO/WCA/WAAC's request.

"The Forward Look" (Post-Closeout Activities for FY 97 and Beyond)

In addition to the Action Plan Financial Management Plan provided above, the Mission proposes to continue population /HIV/AIDS activities as described in the following narrative.

Continuation of Assistance to Population, Reproductive Health and HIV/AIDS Prevention

According to the approved Cape Verde Policy Closeout Plan, a mechanism for continuing assistance to Cape Verde in population, reproductive health and HIV/AIDS prevention until close out in FY 96 and beyond has not yet finally been determined.

USAID/Cape Verde's approved program closeout plan provides a mechanism for continuing assistance to Cape Verde in population, reproductive health and HIV/AIDS prevention after Mission closeout in September 1996. Specifically, the approved closeout plan action memorandum (signed by AA/M Byrne on June 21, 1994) states:

The [Africa] Bureau approved the recommendation that the Mission should initiate discussions with the Global Bureau to have Cape Verde's needs addressed within existing agreements with IPPF or other appropriate PVO, for a program that can be absorbed into the proposed WAFHA project [now named Family Health and AIDS-West and Central Africa--FHA-WCA]. However, these funds, which will probably be provided through an OYB transfer, would be for only FY 1994, as the WAFHA project is expected to begin by FY 1995.

In FY 1994, a grant of \$901,750 was made to the Global Bureau's regional IPPF Project No. 936-0071, in order to: (1) enable IPPF to strengthen its family planning and reproductive health program in Cape Verde; (2) help establish and strengthen the institutional capabilities of the Cape Verde Family Planning Association, an indigenous PVO; and (3) provide bridge

funding for these activities, pending approval of a regional project mechanism to continue population assistance to Cape Verde.

In Attachment II of the USAID/Cape Verde Policy Closeout Plan, a five-year \$4.5 activity to begin in FY 1994 was included. It was agreed that first year funding be provided through IPPF, which would be transferred to the proposed WAFHA (now FHA-WCA) Project in FY 1995. The total LOP funding requirements have now been decreased to \$2.9 million. Therefore, an additional \$2.0 million is needed for FY 95 through the end of the activity. At a minimum, \$500,000 is required to fund FY 95, to enable implementation of the current workplan. The remainder can be approved in FY 95 or FY 96.

Results of the recent USAID/W review of FHA-WCA indicate that this new project will not continue activities already in place in closeout countries, but will initiate a new coordinated approach across the region, which may include closeout countries, in pursuit of cost effective interventions. Additionally, USAID/Cape Verde's estimated \$2.0 million for continued assistance cannot be accommodated, given that the project's initial proposal for a \$150 million 10-year project was reduced to \$40 million, including contraceptives. Therefore, funding for each participating country will be very limited and the decision to invest will have to be made on the basis of the potential impact from a regional perspective. Finally, Agency approval of the project and delegations of authority to authorize is still pending which may prevent an initial obligation of funds in FY 95.

Therefore, USAID/Cape Verde has requested AFR/Washington assistance in securing an alternative funding mechanism in order to continue these important activities and honor a commitment to Cape Verde of supporting the continuation of population and HIV/AIDS for the next four years. The Mission has requested the continuation of the current mechanism of an OYB transfer to the Global Bureau's IPPF Regional Project. The advantages to this include:

- The extension of this existing program meets the criteria for exceptions as noted in the approved Action Memorandum on Mission Close Out - Continuing Activities (signed by the Administrator on June 15, 1994):
 - o relevance to the Agency's development objectives for population, health and AIDS;
 - o impact on a national level with a measure of transnational impact;
 - o a demonstrated capacity by the implementing organization;
 - o cost-effectiveness and accountability; and
 - o foreign policy considerations

- The Global Bureau Office of Population indicates that their regional IPPF project will be able to accept an OYB transfer for \$500,000 in FY 1995 and an additional \$1.5

million in FY 1995 or FY 1996.

- Activities would continue with an already established entity, and so problems of logistics would be minimal or non-existent;
- Support to the newly created IPPF family planning association would continue with no break in momentum;
- Sustainability would be assured after USAID's commitment ends because IPPF's policy is to commit itself to supporting the family planning affiliates that it establishes; and

Other options for assistance were considered during the design stage of FHA-WCA; it was hoped that USAID/Cape Verde's activities could be accommodated, either as an integral part of the project or through a Cape Verde-specific grant to IPPF. Based on the FHA-WCA review, however, these options are not viable. The funding limitations described above preclude support at the desired levels, and the project's planned mechanism of cooperative agreements with private voluntary organizations is dependent upon what the interested organizations wish to propose. Hence, it will be difficult to build upon the foundation now being laid by IPPF's current activity.

USAID/Cape Verde therefore is awaiting guidance from the Africa Bureau on which mechanism will be used to continue with assistance to Population, Reproductive Health and HIV/AIDS Prevention.

TABLE VIII (b) - Workforce Request

**BPC:
MISSION/BUREAU/OFFICE: USAID/Cape Verde**

<u>Category</u>	FY 1995 ESTIMATE				FY 1996 REQUEST				FY 1997 REQUEST			
	<u>OE</u>	<u>TF</u>	<u>PG</u>	<u>TOTAL</u>	<u>OE</u>	<u>TF</u>	<u>PG</u>	<u>TOTAL</u>	<u>OE</u>	<u>TF</u>	<u>PG</u>	<u>TOTAL</u>
U.S. Direct Hire (USDH)	2.0			2.0	2.0			2.0				0.0
F.N. Direct Hire (FNDH)	0.0			0.0				0.0				0.0
U.S. PSC	1.0			1.0	1.0			1.0				0.0
F.N. PSC	9.0		2.0	11.0	8.0		2.0	10.0				0.0
Total FTE	12.0	0.0	2.0	14.0	11.0	0.0	2.0	13.0	0.0	0.0	0.0	0.0

NOTE: Report USDH in FTEs.
Report PSCs as end-of-year on-board.

<u>Category</u>	FY 1998 ESTIMATE				FY 1999 ESTIMATE				FY 2000 ESTIMATE			
	<u>OE</u>	<u>TF</u>	<u>PG</u>	<u>TOTAL</u>	<u>OE</u>	<u>TF</u>	<u>PG</u>	<u>TOTAL</u>	<u>OE</u>	<u>TF</u>	<u>PG</u>	<u>TOTAL</u>
U.S. Direct Hire (USDH)				0.0				0.0				0.0
F.N. Direct Hire (FNDH)				0.0				0.0				0.0
U.S. PSC				0.0				0.0				0.0
F.N. PSC				0.0				0.0				0.0
Total FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

NOTE: Report USDH in FTEs.
Report PSCs as end-of-year on-board.

NAMING CONVENTION: WF655.WK4

TABLE VIII (c) - Consulting Services

BPC:

MISSION/BUREAU/OFFICE: USAID/Cape Verde

EXPENSE CATEGORY	FY 1995 ESTIMATE				FY 1996 REQUEST				FY 1997 REQUEST			
	OE	TF	PG	TOTAL	OE	TF	PG	TOTAL	OE	TF	PG	TOTAL
Management and Professional Support Services	35.9			35.9	41.3			41.3				0.0
Studies, Analysis and Evaluations			31.0	31.0	1.0		40.0	41.0				0.0
Engineering & Technical Services				0.0				0.0				0.0
Total Consulting Services	35.9	0.0	31.0	66.9	42.3	0.0	40.0	82.3	0.0	0.0	0.0	0.0

NAMING CONVENTION: CS655.WK3

TABLE VIII (d) - FN Voluntary Separation

**BPC:
MISSION: USAID/Cape Verde**

<u>Category</u>	FY 1995 ESTIMATE			FY 1996 REQUEST			FY 1997 REQUEST		
	<u>OE</u>	<u>PG</u>	<u>TOTAL</u>	<u>OE</u>	<u>PG</u>	<u>TOTAL</u>	<u>OE</u>	<u>PG</u>	<u>TOTAL</u>
F.N. Direct Hire (FNDH)	56,334.0		56,334.0			0.0			0.0
F.N. PSC	151,127.0		151,127.0	24,937.0		24,937.0			0.0
Total Obligations	207,461.0	0.0	207,461.0	24,937.0	0.0	24,937.0	0.0	0.0	0.0
Estimated Withdrawals			140,538.0	205,625.0	9,885.0	215,510.0			0.0

NAMING CONVENTION: FSN2655.WK4

**BUDGET AT BUREAU
PROGRAM CUT OF 25%**

<u>Category</u>	FY 1995 ESTIMATE				FY 1996 REQUEST				FY 1997 REQUEST			
	<u>OE</u>	<u>TF</u>	<u>PG</u>	<u>TOTAL</u>	<u>OE</u>	<u>TF</u>	<u>PG</u>	<u>TOTAL</u>	<u>OE</u>	<u>TF</u>	<u>PG</u>	<u>TOTAL</u>
.S. Direct Hire (USDH)				0.0				0.0				0.0
.N. Direct Hire (FNDH)				0.0				0.0				0.0
.S. PSC				0.0				0.0				0.0
.N. PSC				0.0				0.0				0.0
Total FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

OTE: Report USDH in FTEs.
Report PSCs as end-of-year on-board.

<u>Category</u>	FY 1998 ESTIMATE				FY 1999 ESTIMATE				FY 2000 ESTIMATE			
	<u>OE</u>	<u>TF</u>	<u>PG</u>	<u>TOTAL</u>	<u>OE</u>	<u>TF</u>	<u>PG</u>	<u>TOTAL</u>	<u>OE</u>	<u>TF</u>	<u>PG</u>	<u>TOTAL</u>
.S. Direct Hire (USDH)				0.0				0.0				0.0
N. Direct Hire (FNDH)				0.0				0.0				0.0
.S. PSC				0.0				0.0				0.0
N. PSC				0.0				0.0				0.0
Total FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CTE: Report USDH in FTEs.
Report PSCs as end-of-year on-board.

NAMING CONVENTION: WFXXXX.WK4

Memorandum

To: Jon H. Breslar, AFR/DP
From: Barbara C. Kennedy, Cape Verde AIDREP
Date: June 14, 1995
Subject: Cape Verde Close Out Action Plan

The following corresponds to the your June 8, 1995 guidance on how to prepare the Cape Verde Close Out Action Plan:

1. a) **FY 95 and FY 96 planned OE:** attached as Lotus spreadsheet OE2655. WK1

b) **FY 95 actuals on program:** FY 95 USAID/Cape Verde program is 100% obligated. (refer to Praia 01207 dated 6/6/95 for latest actuals). Also, please refer to *Action Plan Financial Management Plan* table in attachment project.tbl. Please note: Table IV being updated and will be sent via separate e-mail by cob 6/16/95.

c) **Listing of activities for FYs 95 and 96:** Please refer to *Action Plan Financial Management Plan* table.
2. **Planned FY 97 planned OE costs:** None, however approximately USD 10,000 was included in the FY 96 OE Budget Request to pick up the costs of a Mission FN/PSC Accountant for 60 days to travel to Abidjan to finalize financial closeout. This was included at REDSO/WCA/WAAC 's request.
3. **"The Forward Look":** Please refer to *Action Plan Financial Management Plan* table for details on activity, levels and time period. Attachment IPPF95.mmo includes a supporting narrative on the continuation of population/HIV/AIDs activities for FY 96 and beyond, as approved in the USAID/Cape Verde Policy Close Out Plan in June 1994.

/tel2/. /95/06/09/00639m

***** PRAIA 1207 - XXSECTION 01 OF 02 *****

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ACTION OFFICE(S): !AFDP

INFO OFFICE(S): AAG AFFE AFFW AFWA GAFS POP SDB

PAGE 01 PRAIA 01207 01 OF 02 081544Z
ACTION AID-00

INFO LOG-00 AF-01 CIAE-00 DODE-00 SRPP-00 EB-01
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UNCLAS SECTION 01 OF 02 PRAIA 01207

AIDAC

AID/W FOR AFR/DP, JIM GOVAN AND AFR/DP/PAB GLENN CAUVIN,
DICK ENEY, MARX STERNE, BARBARA SADLER, AND AFR/WA, TERESA
VANDERGRIF

ABIDJAN INFO FOR PDE AND WAAC TEAM 2

E.O. 12356: N/A

SUBJECT: USAID CAPE VERDE: STATUS REPORT OF FY 95 OYB FOR
PERIOD 07 MAY THROUGH 06 JUNE 1995.

REF: (A) PRAIA 01134, (B) STATE 133448

I. SUMMARY OF ADJUSTMENTS TO OYB CABLE: ALL FINAL
OBLIGATIONS ACCOMPLISHED ACCORDING TO POD SCHEDULE.
PLANNED OBLIGATION RATE NOW AT 100 PER CENT. TOTAL FY
1995 OYB (NOA): USD 1,790,507 (REFLECTS PARKING FINES
ADJUSTMENT).

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II. PROJECT LISTING BY NUMBER AND TITLE:

(1) (A) 698-0463.55 HUMAN RESOURCES DEVELOPMENT
ASSISTANCE

(1) (B)
ACCT FY95 OYB CUM FY95 ALLOW CUM FY 95 OBL N/O/A
DFA 991 991 991 0

(1) (C)
ACCT AMT NPA/PA CSH DISB CIP POD CN/TN AOD
DFA 991 PA - - 4/95 3/95 5/95

(1) (D) CHANGES FROM PREVIOUS REPORT: LSGA AMENDMENT NO.
10 OBLIGATING USD 990,507 SIGNED ON MAY 17, 1995.
UNCLASSIFIED

(2) (A) 655-0014 EXPORT DEVELOPMENT SERVICES

(2) (B)
ACCT FY95 OYB CUM FY95 ALLOW CUM FY95 OBL N/O/A
DFA 700 700 700 A

(2) (C)
ACCT AMT NPA/PA CSH DISB CIP POD CN/TN AOD
DFA 700 PA - - 1/95 12/94 1/95

(2) (D) CHANGES FROM PREVIOUS REPORT: NONE
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(3) (A) 655-0015 PROGRAM DEVELOPMENT AND SUPPORT

(3) (B)
ACCT FY95 OYB CUM FY95 ALLOW CUM FY95 OBL N/O/A
DFA 100 100 100 N

(3) (C)
ACCT AMT NPA/PA CSH DISB CIP POD CN/TN AOD
DFA 100 PA - - 4/95 12/94 5/95

(3) (D) CHANGES FROM PREVIOUS REPORT: PD&S PROJECT GRANT
AGREEMENT SIGNED WITH GOCV ON MAY 17, 1995.

III. CONTRACTING ACTIONS FOR USAID/W: NONE.

IV. GRAY AMENDMENT REPORT: PER 5/31 AFR/DP E-MAIL ON
SUBJECT, CAPE VERDE REPORTS NO CHANGES IN POD OR FISCAL
YEAR OF PLANNED FUNDING.

COUNTRY: CAPE VERDE
PROJECT NAME: FY '94 PROGRAM DEVELOPMENT AND
SUPPORT
PROJECT NUMBER: 655-0015
NAME OF ENTERPRISE: AMEX INT'L/CREATIVE ASSOCIATES
TYPE OF ENTERPRISE: F
PLANNED OBLIGATION: 31,000
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AMOUNT OBLIGATED: -0-
PLANNED OB. DATE: 7/95
ACTUAL OB. DATE: N/A

UNCLASSIFIED

V. OTHER CONCERNS:

1) MISSION NOTES THAT PLANNED DEOBLIGATIONS REPORTED IN
PREVIOUS MONTH'S REPORTING CABLE HAVE BEEN ACTED UPON BY
REDSO/WAAC.

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***** PRAIA 1207 - XXSECTION 02 OF 02 *****

SUBJECT: USAID CAPE VERDE: STATUS REPORT OF FY 95 OYB FOR

2) PER REFCABLES, MISSION AWAITING RESPONSE TO REFCABLE
(A) THAT REQUESTED AFRICA BUREAU CONSIDER OYB TRANSFER
FUNDING FOR PRIORITY POPULATION PROJECT NEEDS IN CAPE
VERDE. MINIMUM FY 95 REQUIREMENTS FOR THIS ACTIVITY
REMAINS AT USD 500,000. THIS AMOUNT WILL BE TOTALLY
UTILIZED BY MISSION CLOSEOUT. PLEASE ADVISE.

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3) SPECIAL THANKS TO AFR/WA, AFR/DP, AND REDSO/WCA
(ESPECIALLY PDE AND WAAC TEAM 2) FOR ASSISTANCE IN

HELPING US MEET 100 PERCENT OF OYB TARGETS THIS FY.
SEGARS

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U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

JUN 10 1994

ACTION MEMORANDUM FOR THE COORDINATOR FOR MISSION CLOSEOUTS

Assistant
Administrator
for Africa

FROM: AA/AFR, John F. Hicks *C. Peasley Jr*
SUBJECT: Approval of USAID/Cape Verde's Closeout Policy Plan

ISSUES FOR DECISION

You are requested to approve the USAID/Cape Verde Closeout Policy Plan as outlined herein. The significant aspects of the Plan which require your attention are the requirement of TDY assistance to ensure timely Mission closeout and approval of the eligibility of Cape Verde to receive funds, after the closeout, through the proposed West Africa Family Health and AIDS (WAFHA) project, or another appropriate funding source. Based on the Africa Bureau review, we will conclude all other activities by September 30, 1996 as described below.

BACKGROUND

On November 19, 1993, it was announced that the USAID Mission in Cape Verde would be one of the 21 USAID field missions to be closed, with the phaseout completed by the end of FY 1996. Although the countries were not listed by category, Cape Verde is definitely in the second category (i.e., small countries) since Cape Verde, both in terms of economic performance and democracy/governance is an excellent development partner, and because it is not yet ready to "graduate" to a point beyond the concessional grant stage of the development process. The Closeout Policy Plan for Cape Verde has been designed to take these factors into consideration. We plan to use the longer phaseout period to leave in an orderly manner, which will permit valorization and institutionalization of our projects in Cape Verde. The Closeout Plan is a companion piece to a Strategic Framework that will be finalized shortly and has as its basis one of the options of the framework which the Mission determined was most appropriate in view of Cape Verde's needs and the current budgetary and management limitations.

Preparation of the Plan and the Review Process

The Cape Verde Closeout Plan was prepared and submitted on March 16, 1994. The Plan was reviewed on March 25, 1994, at an Africa Bureau meeting chaired by Acting DAA/AFR Jerome Wolgin. Representatives from State, PPC, Management Bureau and Global Bureau attended the meeting. USAID/Cape Verde was represented by Barbara Kennedy, USAID Representative.

The Africa Bureau approved, fully or in part, most of the proposals contained in the Mission's Plan. This memorandum represents the decisions of the Africa Bureau review of the Plan. The purpose of this memorandum is to obtain your approval for the Closeout Plan as revised by the Bureau. Attached for your information is the Closeout Plan submitted by the Mission (Attachment I).

DISCUSSION

The main elements of the revised USAID/Cape Verde Closeout Plan are highlighted below for your review. Attachment II outlines the revised budget in light of each recommendation.

Reproductive Health and HIV/AIDS Grant

The U.S. is currently providing assistance to Cape Verde in family planning and AIDS prevention through the Family Health Initiatives II project which will end in July 1994. The Mission has recommended that these family planning and AIDS prevention activities be continued through a two-year grant to a U.S. or international PVO (probably International Planned Parenthood Foundation--IPPF), which would later be folded into the proposed West Africa Family Health and AIDS (WAFHA) project. Initiation of this activity is particularly timely because of the high Cape Verde birth and unemployment rate (exacerbated by a tightening of emigration outlets) and the new, strong interest of the Government of Cape Verde (GOCV) in population and reproductive health.

The Bureau approved the recommendation that the Mission should initiate discussions with the Global Bureau to have Cape Verde's needs addressed within existing agreements with IPPF or other appropriate PVOs, for a program that can be absorbed into the proposed WAFHA project. However, these funds, which will probably be provided through an OYB transfer, would be for only FY 1994, as the WAFHA project is expected to begin by FY 1995. Attachment III is a detailed budget for first year funding.

PL 480 Food Aid Program

Food aid to Cape Verde is currently being provided under PL 480 Title II and implemented by the PVO Agriculture Cooperative Development International (ACDI), which ends in FY 1996. This food aid is essential to Cape Verde, which is unable to produce more than 20 percent of its food grain needs in the best of years and still lacks sufficient foreign exchange to buy more food commercially. The local currency generated by this program funds off-season employment for a substantial number of rural workers and may also be utilized for micro-enterprise development and nutrition programs in targeted areas. The Mission has recommended that food aid be continued for three years beyond 1996. This should provide sufficient time for the new export-oriented industries to provide foreign exchange for food purchases and for new employment opportunities to be developed through the GOCV's privatization program and the development of microenterprises.

After the current program terminates in FY 1996, the Embassy and USDA should explore continuing food assistance through a PL 480 Title I program, administered through the U.S. Department of Agriculture. This is appropriate in light of the fact that Cape Verde is moving toward possessing the resources and capability to handle a Title I program. The foreign exchange expected to eventually be generated by the export-oriented industries will provide Cape Verde with the resources to repay the Title I loans as they come due. If Title I does not prove feasible, we will reexamine the option of a Title II program, taking into account Cape Verde's needs and food budget availabilities.

Other activities, which can be concluded by September 30, 1996, were discussed as follows:

Participant Training

Scholarships for training in the U.S. are of special importance to Cape Verde, which has no university, has lost many of its scholarships from other countries and whose new export-oriented development program has a need for highly technical people. The Mission recommended that the long-term participants already approved and in process under the ATLAS and HRDA project be permitted to begin their programs and that, in view of Cape Verde's special needs, the ATLAS program be continued after the closeout, at a level of 6-8 new trainees a year.

The Bureau recommends that, in accordance with Agency policy, no participants should begin long-term training unless their training will be concluded and they will return to country by September 30, 1996. A small committee representing the

Mission, AFR/SWA, AFR/ONI/TPPI, G/OIT, and GC/AFR reviewed the status of participants in the pipeline and determined that with a compressed timeframe and close monitoring at important benchmarks, all training plans can be implemented and concluded no later than September 30, 1996.

Additionally, two public sector participants under the HRDA project have already met the criteria for academic training new starts described in State 53617 dated 03 March 1994; the Bureau has authorized the start of their academic program. Their training programs will be completed by September 30, 1996.

Attachment IV is a list of the benchmarks developed by the committee.

Export Development Services Project

The Export Development Services Project (EDS) has provided vital support to Cape Verde's efforts to develop an export-oriented economy, and is beginning to show important successes. The Mission has proposed that the PACD of this project be extended until September 30, 1996 and the authorized LOP funding be increased by \$1,400,000. This support is crucial to further improving the effectiveness and institutionalizing the new Center for Investment and Export Promotion (PROMEX), enabling it to become self-sustaining and/or receive alternative donor support.

The Bureau recommends the extension and increased funding for this project. It requests the USAID Representative to make a Determination for the Files that the project is in conformity with the USAID PD-20 guidelines regarding possible losses of U.S. jobs.

Watershed and Applied Research Development

The Watershed and Applied Research Development (WARD) Project is a consolidation and culmination of almost 20 years of USAID activities involving food crops research, land development and conservation and rural employment, and will emphasize their institutionalization and self-sustainability. This activity was recently revised. The Mission proposes that the revised project continue with a shortened PACD and reduced funding.

The Africa Bureau agrees with the Mission's recommendation, based on further justification provided by the Mission in Attachment V.

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JLB

Global and Regionally Funded Projects Managed by the Mission

There are currently no globally or regionally-funded projects in Cape Verde which require Mission management. There are Democracy and Human Rights Fund, Special Self-Help and Special Project Assistance funds managed by the Embassy. These activities, as categorical exclusions, will continue after bilateral closeout.

Administration and Management

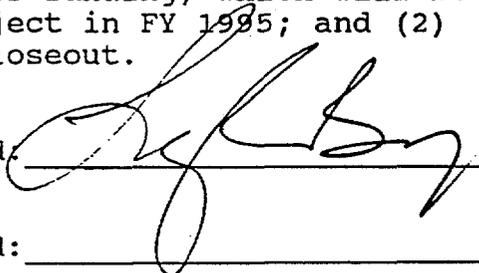
The Mission will submit a detailed Operational Plan by September 30, 1994, contingent upon Executive Officer assistance of four to five weeks, as stated in the Closeout Policy Plan.

The Mission is scheduled for complete closeout by September 30, 1996. Most of the staff will remain on board until that date, with the exception of the USAID Representative, who will leave between August 1995 and January 1996, depending upon her onward assignment. The Embassy is interested in purchasing the USAID building. Funds will need to be secured for severance pay and other closeout costs.

The Africa Bureau recommended approval of the Mission's Closeout Plan. The Management Bureau agrees to furnish the requested TDY assistance.

RECOMMENDATION

It is recommended that you approve the USAID/Cape Verde Closeout Policy Plan as presented herein. This approval includes: (1) approval to initiate negotiations for an OYB transfer to the Global Bureau's International Planned Parenthood Federation's current grant for population and HIV/AIDS funding, which will be transferred into the proposed WAFHA project in FY 1995; and (2) periodic TDY assistance to manage the closeout.

Approved:  _____

Disapproved: _____

Date: 6-21-94

Attachments:

- I. Closeout Policy Plan Submitted by USAID/Cape Verde
- II. Revised Budget for Closeout
- III. Budget for Reproductive Health and HIV/AIDS; OYB Transfer to Global Bureau
- IV. Academic Training New Starts
- V. Further Justification for the WARD Project

cc: OD/PPC, T. Brown

Clearances:

AFR/SWA:Jgilmore (draft)
DAA/AFR:Jwolgin (draft)
AFR/DP:Jgovan (draft)
USAID/Cape Verde:Bkennedy (draft)
State/AF/W:Hthomas (draft)
A-DAA/G:DGillespie (draft)

PPC/Pe: ~~Michael Rugh~~ _____ date

Terrence J. Brown

TJB

6/8/94

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USAID/Cape Verde

Academic Training New Starts

On March 30, 1994, a small committee representing USAID/Cape Verde, AFR/SWA, AFR/ONI/TPPI, G/OIT, and GC/AFR reviewed the status of ATLAS and HRDA participants in the pipeline.

The committee developed the following benchmarks that require a "go-or-no-go" decision at critical points in the training process:

- a. No later than June 30, 1994 each participant will arrive in the U.S., leaving sufficient time for completion of the degree program.
- b. No later than December 31, 1994 the participant will have achieved English language proficiency sufficient to begin an academic program at the selected university.
- c. During any two consecutive semesters, if the participant's grade point average is less than 2.5, he/she will automatically be dropped from the program.

The committee determined that with a compressed timeframe, close monitoring at the benchmarks noted above, and approval by AFR Bureau leadership of the benchmarks, all training plans can be implemented and concluded no later than September 30, 1996.

Additionally, the committee believes it would be appropriate for "the AID/W bureau" (which the committee understands to be AFR Bureau leadership) noted in State 53617 to authorize two HRDA participants for training. Both these participants are public servants currently on study leave from their ministries. This has been done (State 91818 dated 07 Apr 94).--