

PDB/1007

OFFICIAL PROJECT DOCUMENT

AFR/PD/SWAP Official

AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT PAPER FACESHEET</b>		1. TRANSACTION CODE <b>A</b> 1 = ADD 2 = CHANGE 3 = DELETE	PP 2. DOCUMENT CODE <b>3</b>
3. COUNTRY/ENTITY <b>Equatorial Guinea</b>		4. DOCUMENT REVISION NUMBER <b>-</b>	
5. PROJECT NUMBER (7 digits) <b>[ 653-0001 ]</b>	6. BUREAU/OFFICE A. SYMBOL <b>AFR</b> B. CODE <b>[ 06 ]</b>	7. PROJECT TITLE (Maximum 40 characters) <b>[ Agricultural Development ]</b>	
8. ESTIMATED FY OF PROJECT COMPLETION fy <b>[ 8 ] [ 3 ]</b>		9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY <b>[ 8 ] [ 1 ]</b> B. QUARTER <b>[ 1 ]</b> C. FINAL FY <b>[ 8 ] [ 1 ]</b> (Enter 1, 2, 3, or 4)	

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 - **140**)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL						
(GRANT)	<b>795</b>	<b>55</b>	<b>850</b>	<b>945</b>	<b>55</b>	<b>1000</b>
(LOAN)						
OTHER U.S.						
1.						
2.						
HOST COUNTRY	<b>45</b>	<b>460</b>	<b>505</b>	<b>45</b>	<b>490</b>	<b>535</b>
OTHER DONOR(S)	<b>80</b>		<b>80</b>		<b>320</b>	<b>320</b>
TOTALS	<b>920</b>	<b>515</b>	<b>1435</b>	<b>990</b>	<b>865</b>	<b>1855</b>

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <b>81</b>	H. 2ND FY	K. 3RD FY	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN
(1) <b>FN</b>				<b>1000</b>			
(2)							
(3)							
(4)							
TOTALS				<b>1000</b>			

A. APPROPRIATION	N. 4TH FY		O. 5TH FY		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED  MM YY <b>[ 0 ] [ 5 ] [ 8 ] [ 2 ]</b>
	P. GRANT	Q. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1)					<b>1000</b>		
(2)							
(3)							
(4)							
TOTALS							

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

**NA** 1. NO  
2. YES

14. ORIGINATING OFFICE CLEARANCE		15. DATE DOCUMENT RECEIVED IN AID/W OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION	
SIGNATURE <i>Ronald D. Levin</i>	TITLE <b>Ronald D. Levin Director, USAID/Yaounde</b>	DATE SIGNED <b>MM DD YY 12 30 82</b>	<b>MM DD YY</b>

**EQUATORIAL GUINEA AGRICULTURAL DEVELOPMENT (653-0001)**

NOVEMBER 1980

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## 1. SUMMARY AND RECOMMENDATIONS

### 1.1. Grantee and Executing Agency:

The Grantee will be the Government of Equatorial Guinea (GREG) represented by the Ministry of Agriculture, Livestock and Forestry (MINALF). The MINALF will be the executing agency.

### 1.2. Recommendations:

1.2.1. A grant in the amount of \$1,000,000 over the two and a half year period commencing in December 1980 should be authorized to the GREG for implementation of the poultry production and cooperative development aspects of the agricultural development project described in Part 2 of this project paper. The GREG contribution to the project will amount to the equivalent of some \$535,000. The Government of Spain (GOS) will fund two long-term cooperative development advisors at a cost of \$320,000. (See Summary Cost Estimate and Financial Plan in Financial Plan, Section 4).

1.2.2. The Agency policy that negotiated contracts be awarded on a competitive basis whenever possible should be waived to allow non-competitive negotiation with Heifer Project International (HPI) for the technical services to be provided for the Poultry Production Center (PPC) component of the project. This procurement waiver forms part of Annex F.

1.2.3. The Agency policy that motor vehicles be purchased from Geographic Code 000 should be waived to allow for Geographic Code 935 procurement of the motor vehicles for use by the Poultry Production Center (PPC) component of this project. This procurement waiver forms part of Annex F.

### 1.3. The Project:

The project's two components will increase small farmer productivity and incomes by:

- a) Providing approximately 32 already established small farmer cocoa, coffee and horticulture cooperatives with 14 trucks and 9 pick-ups critically needed to transport their members' produce from their farms to the cooperatives and from the cooperatives to the market, and
- b) Developing a Poultry Production Center (PPC) to provide an immediate and significant supply of eggs and poultry meat to the population as well as a training center for small farmer poultry producers. The project will provide the PPC with 24 person-months of long-term technical assistance, two person-months of short-term training and commodities needed to carry out the production and training activities.

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1.4. Summary Findings:

The Project Committee has reviewed the detailed technical, economic, social, financial, administrative and environmental analyses carried out for the proposed project, (see Part 3). In each case, the project was found to be feasible and beneficial. Further, this project will have an immediate impact by providing the critically needed means for small farmers to market their produce, as well as providing the general population with a much needed locally produced supply of poultry meat and eggs.

1.5. Legal Criteria:

The project meets all applicable statutory criteria, (see Annex B).

1.6. Project Issues:

1.6.1. Will the PPC have the administrative and financial autonomy envisioned in the project?

The PPC is currently under the direct administration of the MINALF. Day-to-day operational decisions are made by the Director of Livestock and Fisheries, who has done an outstanding job of getting PPC operations underway. Revenues currently generated by PPC, in excess of the cost of casual laborers, are returned to the national treasury. The MINALF has recognized that the Director of Livestock and Fisheries will not be able to continue devoting significant amounts of his time to PPC operational matters. In this regard they propose to name a qualified Equatorial Guinean to the position of PPC General Manager. The MINALF has agreed that the PPC should have the administrative and financial autonomy envisioned in this project to help facilitate the necessary rapid decision-making by its management. The MINALF has agreed to set up a Board of Directors, as described in this proposal, to oversee the management and financial affairs of PPC.

It was not possible to complete the establishment of the Board of Directors prior to the completion of the design team's visit to Equatorial Guinea. Therefore the grant agreement will contain a condition precedent to initial disbursement of funds for the PPC component requiring evidence from the MINALF of the establishment of the PPC Board of Directors and that the PPC has financial autonomy.

1.6.2. Will the PPC be able to purchase the poultry feed needed for its successful operation?

Currently poultry feed is not produced in Equatorial Guinea. All feed required for this project's successful implementation will have to be imported. If the flow of imported feed is interrupted, the PPC operation will collapse. It is therefore imperative that the long-term flow of poultry feed be arranged. The MINALF is in full accord with the need for a long-term arrangement with a poultry feed supplier and is currently negotiating such an agreement. The grant agreement will contain a

condition precedent to initial disbursement of funds for the PPC component requiring evidence from the GREG of an arrangement to assure the continuous flow of poultry feed to PPC throughout the project.

1.7. Development of the Project:

On November 23, 1979 an initial project identification/programming mission was sent to Equatorial Guinea. This mission was represented by USAID/Yaounde and AID/Washington. Once approval for a project was given by Washington, a project identification and design team composed of an agricultural economist and agronomist (AID direct-hire) spent two weeks in Malabo working with the MINALF. Given the parameters of the project (that it would not be funded with more than one million dollars and that it would be a one time effort with no thought of a follow-on project or additional funding) the project was quickly identified.

The project identified is to (a) provide assistance to the Basile poultry farm for its expansion into a poultry supply/support unit and (b) the provision of trucks and pick-ups to the cocoa, coffee and horticulture cooperatives. The MINALF requested that HPI be involved in the implementation of the poultry component of the project, and, therefore, USAID procured its assistance in preparing the final project design. The USAID/HPI/GREG team worked in Malabo from November 5 to November 12.

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## 2. PROJECT DESCRIPTION

### 2.1. Background:

In 1968, when Equatorial Guinea gained its independence, it maintained over 3,500 cattle, 22,000 sheep and more than 100,000 chickens. Exports of cocoa were 40,000 metric tons and coffee exports were 8,000 metric tons in 1968. On August 3, 1979, after more than ten years of chaotic rule, the government of President Macias Nguema was overthrown by a military coup. At that time there was little food available. Annual export of cocoa and coffee had dropped to 5,000 metric tons and 500 metric tons respectively. Less than 100 cattle, 5,000 sheep and 50,000 chickens remained. All small boats had been destroyed and there was no artisanal fishing. The only government agency still functioning was the army. The country was in a state of disaster.

In assessing the country's severe problems and considering possible solutions, the GREG has determined that its highest priority program is the rehabilitation of the cocoa, coffee, and horticulture production, with the greater emphasis going to cocoa, particularly in the immediate future. A number of criteria were used in reaching this decision. First, the country urgently needs to re-establish exports in order to earn foreign exchange. Secondly, it needs to put people back to work. Forestry exports can be re-established with little effort by the GREG simply by making agreements with foreign concessionaires. The cocoa industry is easier to rehabilitate than coffee since coffee trees generally cease to produce under conditions of abandonment. Coffee and cocoa are traditionally the backbone of Equatorial Guinean agriculture. Finally, the staple food sector of cocoyams, plantains and cassava has suffered least during the former regime and remains relatively intact.

Shortly after coming to power in 1979, the GREG decided to return most cocoa and coffee plantations to their original Spanish owners. It was believed that this would be the quickest means of rehabilitating the plantations, restoring production and thus increasing export earnings. Return of the plantations is contingent on certain conditions being met, such as capital investments and general improvement and modernization.

While recognizing that the large growers produced 80% of the 1968 cocoa crop, the GREG has decided to concentrate its initial development efforts on the small producers. The larger producers are largely self-sufficient and will regain former production levels without assistance. The small producers, however, lack credit to purchase the inputs necessary to regain former production levels.

The GREG recognizes that for social and economic reasons it is necessary to increase small farmer productivity and production. It also realizes that organized groups with farmer representation are an efficient method of servicing small farmer needs. By increasing coffee and cocoa production, the government can earn much needed foreign exchange as well as provide the small farmer with an immediate source of income. Therefore, in January 1980, the GREG, in a major policy decision, issued a Presidential Decree which gives legal sanction to the organization and function of cooperative groups for small cocoa, coffee and horticulture producers. The Decree stated that the Ministry of Agriculture would be responsible for organizing the cooperatives and for providing advisory services and technical support to them. A summary in English of the above-mentioned decree and the complete Spanish text of the decree is on file in USAID/Yaounde.

The program of small grower cooperatives has become a major effort to increase cocoa and coffee (and to a limited extent horticultural) production by Guinean growers. The technical assistance to the cooperatives is provided by MINALF personnel and two Spanish cooperative advisors.

MINALF officials stated that the program is proceeding satisfactorily, particularly given the relatively short time span since its inception. Twenty-nine cocoa and one horticulture cooperatives have been organized in Bioko (formerly Fernando Poo). Fourteen cooperatives (eight coffee and six cocoa) have been organized in Rio Muni. The total production of cocoa by cooperatives for the 1980/81 crop year is estimated to be 1,200 tons. The goal, which appears realistic, is to increase production to 4,800 tons by the 1982/83 crop year. This increase is to be brought about through the rehabilitation program which consists of removing the weeds and bushes from plantations and spraying the cocoa trees with pesticides and fungicides.

For processing, drying and cleaning the cocoa beans, assistance is being provided through the Equatorial Guinean credit bank for materials and supplies for improving and rehabilitating facilities. The major problem is the lack of transportation for hauling bean pods and undried beans from the farms to the processing facilities and then on to market at the ports. This is the problem which commodity support provided under this project is intended to solve. The Spanish as well as the Guineans confirm that increased production will be valueless unless there are adequate transportation facilities. During the 1980/81 harvest, some of the remaining military trucks in running condition have been made available to haul cocoa. Even with this help, it is likely that some cocoa will rot. By the next harvest, starting in September 1981, cocoa production is expected to increase from 1,200 tons to 2,400 tons making the transportation problem even more acute.

Over a decade ago, a Spanish entrepreneur opened a poultry farm at Basile, approximately ten kilometers from Malabo. At its peak production, the farm supported in excess of ten thousand birds and supplied most of the poultry and egg needs of the island. Management techniques were modern and intensive, with feed imported from Spain.

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Small farmers and some cooperative groups were also engaged in poultry production. Between the Basile farm and small farm production, the poultry meat and eggs markets in Equatorial Guinea were well supplied. Then, prior to independence in 1968 the proprietor became ill and had to abandon the Basile farm. Later, during the rule of President Macias Nguema, small farmer poultry production was wiped out by government taking of chickens.

The current government, in keeping with its desires to increase the productivity and income of small farmers, wishes to develop the facility at Basile into a poultry production center. Its main task, however, will be to train small farmers and small farmer cooperative groups in poultry production and provide them with a place to purchase needed inputs, so that most of the country's poultry meat and eggs can be supplied by many small producers rather than by one large producer. This center will produce poultry and eggs to help defray its cost of operation.

## 2.2. Detailed Project Description:

### 2.2.1. Project Goal and Purpose:

The project's goal is to improve the income of small farmers. The project's purpose is to improve the productivity of small farmers by:

- (a) Removing the chief marketing constraint currently faced by small farmer producers of cocoa, coffee and horticulture crops through the provision of 23 trucks and pick-ups to the cooperatives that serve them.
- (b) Increasing on-farm production of poultry meat and eggs through the development of the Basile Poultry Production Center (PPC) which will provide small farmer poultry producers with needed training and services.

### 2.2.2. Project Outputs:

2.2.2.1. Thirty-two established cooperatives providing transportation services to their members:

Currently cooperative members, because of a lack of transportation services, cannot move their produce from the fields to the cooperative processing facilities, nor from the cooperative processing facilities to market. Using the vehicles provided by this component of the project, the thirty-two cooperatives listed below will provide their members with the transportation services needed to transport their produce from their fields to the cooperative processing facilities and from there on to market. They will also be able to provide the transportation services needed to transport agricultural inputs from Malabo to the cooperatives and from the cooperatives to the members' fields.

The cooperatives to receive vehicles are as follows:

Bioko

<u>Cooperatives:</u>	<u>Truck</u>	<u>Pick-up</u>
Basakato Del Oste, Batoicop ... ..	1	1
Baloeri, Sacriba, Basupu . ... ..	1	1
Basakato Del Este .. ... ..	1	
Butete ... ..	1	
Baney ... ..		1
Basile ... ..		1
Rebola, Fiston . ... ..	1	
Bososo ... ..	1	
Moka . ... ..	1	
Bombe, Musola, Riaba ... ..	1	
Felebu Balacha, Bokoucho, Baruo Las Palmas .. ... ..	1	1
Balacha De Riaba, Maule, Baho Grande	<u>1</u>	<u>—</u>
	(10)	(5)

Rio Muni

<u>Cooperatives:</u>	<u>Truck</u>	<u>Pick-up</u>
Nsie, Oveng	1	1
Nkomo, Nsok-Nsomo	1	1
Mongromo, Nsoizk, Ayene, Nkimii	1	1
Mongo, Montebuta, Mbinni	<u>1</u>	<u>1</u>
	(4)	(4)
TOTAL	<u>14</u>	<u>9</u>

All the above vehicles will be supplied with spare parts, tools and Spanish language service manuals. Vehicle maintenance will be the responsibility of the individual cooperative. As all the cooperatives have previously owned and maintained their own vehicles, no vehicle maintenance problems are anticipated.

Trucks and pick-ups will be sold to the cooperatives by the MINALF at cost, e.g. CIF Malabo. The cooperatives will be extended full credit for the vehicle purchase at 10% interest. The loan will be repaid over a four-year period with a grace period of one year. Monies received by the MINALF in payment for the vehicles will be deposited in a revolving fund to be used for financing cooperative investments whose purpose is to increase member productivity. The fund will also be used to finance spare parts for vehicles. Requests for financing will be reviewed and approved by the Finance Committee of the revolving fund. This Committee will be comprised

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of six representatives of the cooperatives and one representative of the MINALF. Assistance to this Committee will be provided by the two Spanish cooperative advisors.

2.2.2.2. A functioning Poultry Production Center at Basilé producing eggs and poultry meat and providing training, extension and marketing services to small farmers.

During the first year of the project, the facilities will be repaired, equipment ordered and installed and personnel trained.<sup>1</sup> Twelve extension agents will receive training and one of them will be assigned to the Center.

During the second year of the project there will be 408,000 eggs produced and sold and 8,357 chickens sold. The small farmer training program will begin and twelve courses will begin in which a total of 96 small farmers will be trained. The small farmers will work with model small farmer chicken production facilities to be built on the PPC land at Basile. These model facilities will be built of the same materials and technology that the trainees will eventually use on their farms. The farmer's whole family will attend the course, which will give special attention to the roles of men, women and children in poultry production. Small farmers will, upon successful completion of the training program, be eligible for credits to help them get their own poultry operation started. These small farmers will be given information on the training program by the extension agent during his visits to cooperative groups and communities. In addition to informing potential participants about the training course, the extension agent will make regular follow-up visits to small farmer graduates of the training program. He will provide them with general assistance and recommend granting of credits for purchase of inputs. The need for production credit has not been clearly demonstrated. This will be studied during the project's implementation. If it is determined that production credit is necessary, the PPC will, in consultation with the MINALF, develop a credit program for graduates of the PPC training course.

The training program will be developed as follows:

Cooperative management shall be made aware of the Poultry Production Center through orientation visits to Basile in conjunction with their periodic visits to the MINALF. The Poultry Production Center extension agent will follow-up these orientation visits, visiting each cooperative to determine if they, or their members, have interest in pursuing poultry production. The extension agent will also visit communities where there are no cooperatives to determine if there are individuals interested in poultry production.

Cooperatives or individuals will complete applications for the Poultry Production Center training program.

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<sup>1</sup> See Annex G for additional details on facility repair, equipment and training activities.

The Poultry Production Center will select candidates for the training program. The candidates will take a one-week intensive training course at the Center. This course will be offered once a month.

If credit is necessary for those small farmers who have enrolled in the training course, it will probably be provided as follows:

Upon successful completion of the training course, the participant is eligible to apply for credit.

The small farmer will undertake the construction of his poultry house using locally available materials.

The Poultry Production Center extension agent will inspect the farmer's poultry house and determine if the farmer is ready to receive the credit he applied for.

Upon approval of his poultry house, the small farmer will take delivery of the supplies he requested under the credit program. All credit will be in-kind.

The extension agent will make regular visits to small farmer poultry facilities. Feed will be made available, on credit, at two-week intervals.

The small farmer will repay his credit in cash or kind (poultry meat and eggs) in accordance with a schedule agreed upon when the credit was received.

No additional credit will be given until the prior credit is liquidated.

### 2.2.3. Project Inputs

#### 2.2.3.1. USAID

##### 2.2.3.1.1. Technical Services:

In order to assist the Poultry Production Center meet the project's output targets, 24 person-months of long-term technical services will be needed. The technical advisor's position description is in Annex G. The technical advisor will advise the General Manager of the Poultry Production Center. The project will require up to 3 person-months of short-term technical advisory services to assist the Poultry Production Center in specialized areas such as broiler production and hatchery operations as well as with the project's evaluation. The cost of these advisory services is \$163,000.

##### 2.2.3.1.2. Training:

The project will provide 2 person-months of U.S. or third country short-term training in the practical aspects of poultry production management for the General Manager of the Poultry Production Center. The cost of this training is \$5,000.

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2.2.3.1.3. Commodities:

The project will finance the following commodities:

Cooperatives:

14 Trucks, Spare Parts and Tools ... ..	\$485,000
9 Pick-ups, Spare Parts and Tools . ...	\$155,000

Poultry Production Center:

Vehicles .. ... ..	\$ 25,000
Poultry Equipment and Supplies . ...	\$118,000

Total Commodities ... .. (\$783,000)

As the vehicles will be purchased within a very short time of the Project Paper's preparation contingency and inflation have been calculated only on the PPC component costs, which are \$190,000 in FY 81, \$81,000 in FY 82 and \$40,000 for FY 83. The total amount budgeted for contingency is \$33,000 and for inflation \$16,000.

The total cost of the AID contribution to the project is \$1,000,000.

2.2.3.2. GREG:

2.2.3.2.1. Personnel \$40,000.

2.2.3.2.2. Land, Buildings and Equipment \$450,000.

2.2.3.2.3. Poultry Feed \$45,000.

The total GREG contribution to the project is \$535,000.

2.2.3.3. GOS:

2.2.3.3.1. Cooperative Advisors \$320,000.

The GOS will provide two cooperative advisors for 24 months each.

The total cost of all inputs to the project is \$1,855,000.

2.3. Other Related Activity:

The MINALF is currently developing a project with the UNDP to introduce maize production to small farmers in Rio Muni and Bioko in order to have a locally grown animal feed supply. This is an important complementary activity to the Poultry Production Center as it will transform the demand this project creates for animal feed (currently all imported) into employment opportunities for Equatorial Guinean small farmers.

2.4. Beneficiaries and the Roles of Women:

This project will benefit approximately 2,500 small farmer cooperative members and their families by removing the chief constraint, transportation, to increasing their production. The project will also benefit approximately 150 small farmer families who receive visits from the Poultry Production Center extension agent or participate in the Center's training program during the two years of project implementation.

The production of cocoa, coffee and vegetables by the small farmer cooperative members being assisted by this project is an activity in which the whole family participates. The provision of vehicles to the cooperatives will allow women, as well as men, to work in preparing their crops for the market.

Regarding the Poultry Production Center activity, it is planned that small farmers participating in the Center's training program will bring their families with them. The husband and wife will be trained in the techniques of poultry raising, thus offering the women equal opportunity to undertake this important activity which provides the family with valuable food and a source of addition income. There will be special subject matter in the PPC training program for women only to assure their active participation in the training program's activities.

### 3. PROJECT ANALYSIS

#### 3.1. Technical Feasibility:

##### Poultry:

Poultry production is currently being practiced throughout the world in almost every conceivable climatic and economic zone. In West and Central Africa one finds a spectrum of management techniques ranging from "benign neglect" to intensive, scientifically controlled environment production systems for poultry meat and eggs.

Small farm enterprise poultry production using modern semi-intensive management has been demonstrated as being technically feasible under circumstances similar to those found in Rio Muni and on Bioko. Constraints to production will arise from either lack of markets, logistic problems and lack of input supply. The reproduction of day-old chicks and their brooding/raising and slaughter can easily be accomplished with the support and technical assistance being provided in this project. A guaranteed supply of feed is being assured by GREG.

The production and/or local mixing of poultry feed can have interesting linkages to the rural sector. Many locally available materials can be utilized in the fabrication of feed, for example: bone meal made from bones available at the local slaughter house, palm cake, egg shells, corn, cassava and fish meal. Once a feed mill establishes a market for these products, supply inevitably increases. However, at the beginning of the project, imported feeds will be used.

##### Cooperative Component:

The purpose of the GREG cooperative program is the rehabilitation of small cocoa, coffee and horticulture farms and transporting their produce to market. There are no plans to actually establish new farms. The rehabilitation of cocoa farms appears to present no major problem. As discussed in the description of the project, it is primarily a program of cleaning up the farms and controlling diseases and insects. It is the team's judgment that this program is proceeding satisfactorily through the use of inputs provided through the E.G. credit bank. Restoration of the coffee farms is more difficult since a certain amount of replanting will be necessary. The Spanish are assisting in the establishment of nurseries to provide coffee seedlings, however, it is recognized that this process will move slowly. It is therefore anticipated that, while cocoa production should reach normal levels within five years, full rehabilitation of coffee farms will take longer. In any case, this program is receiving the highest priority from the GREG as well as support from the Spanish.

The trucks and pick-ups provided under the cooperative component of this project are required to move produce from the farms to the cooperative drying facilities and then from the cooperative drying facilities to the port. The operation and upkeep of the vehicles is the responsibility of the cooperatives.

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An adequate supply of spare parts and tools will accompany the vehicles. The cooperatives, which have existed for decades, previously owned and operated their own vehicles. There is no reason to believe that, given the new economic and political climate, they cannot resume operations which they once performed well. We therefore believe that the problem of cocoa, coffee and horticulture transportation will be solved with the vehicles provided.

### 3.2. Administrative Feasibility:

Under the agreement signed with the Government of Spain in October 1979, the GOS agreed to provide 175 technicians to assist all phases of government operations. Seven of these technicians have been assigned to the MINALF. The upgrading of GREG administration is intended to be accomplished by in-country training utilizing foreign technicians and long-term training in Spain or elsewhere is contemplated for the future.

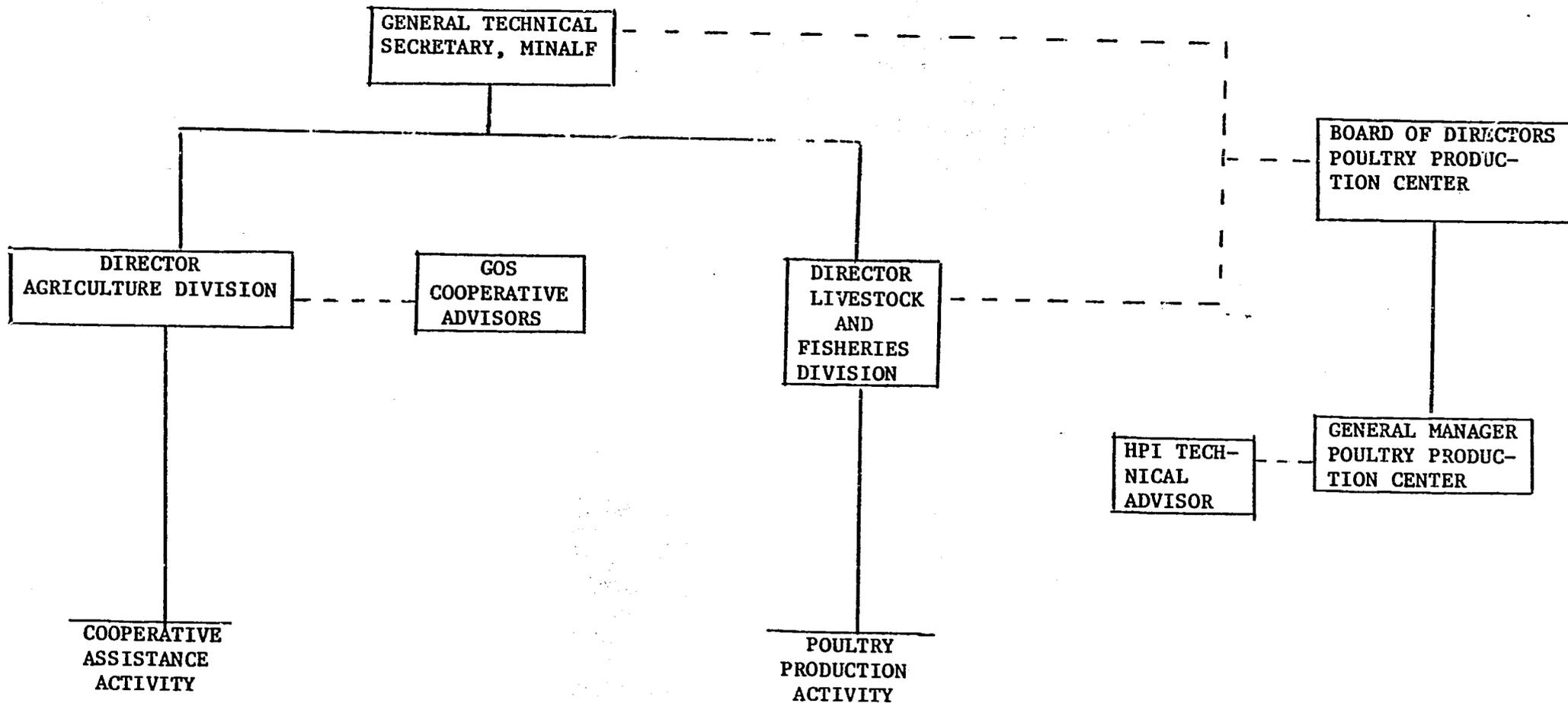
#### 3.2.1. Ministry of Agriculture, Livestock and Forestry:

The Government of the Republic of Equatorial Guinea reopened the MINALF in late 1979 with the formation of its new government. The MINALF has progressed from non-existence to a group of twelve well-intentioned and highly motivated professionals. Of this group, five are trained to the Ingeniero Superior level with five years of university training and seven are at the level of Ingeniero Technico with three years of university training. Most of the members of this group had been living in exile during the former regime. Most of these technicians received training in Spain, East Germany, Egypt and the Soviet Union. There is little previous government experience among members of this group.

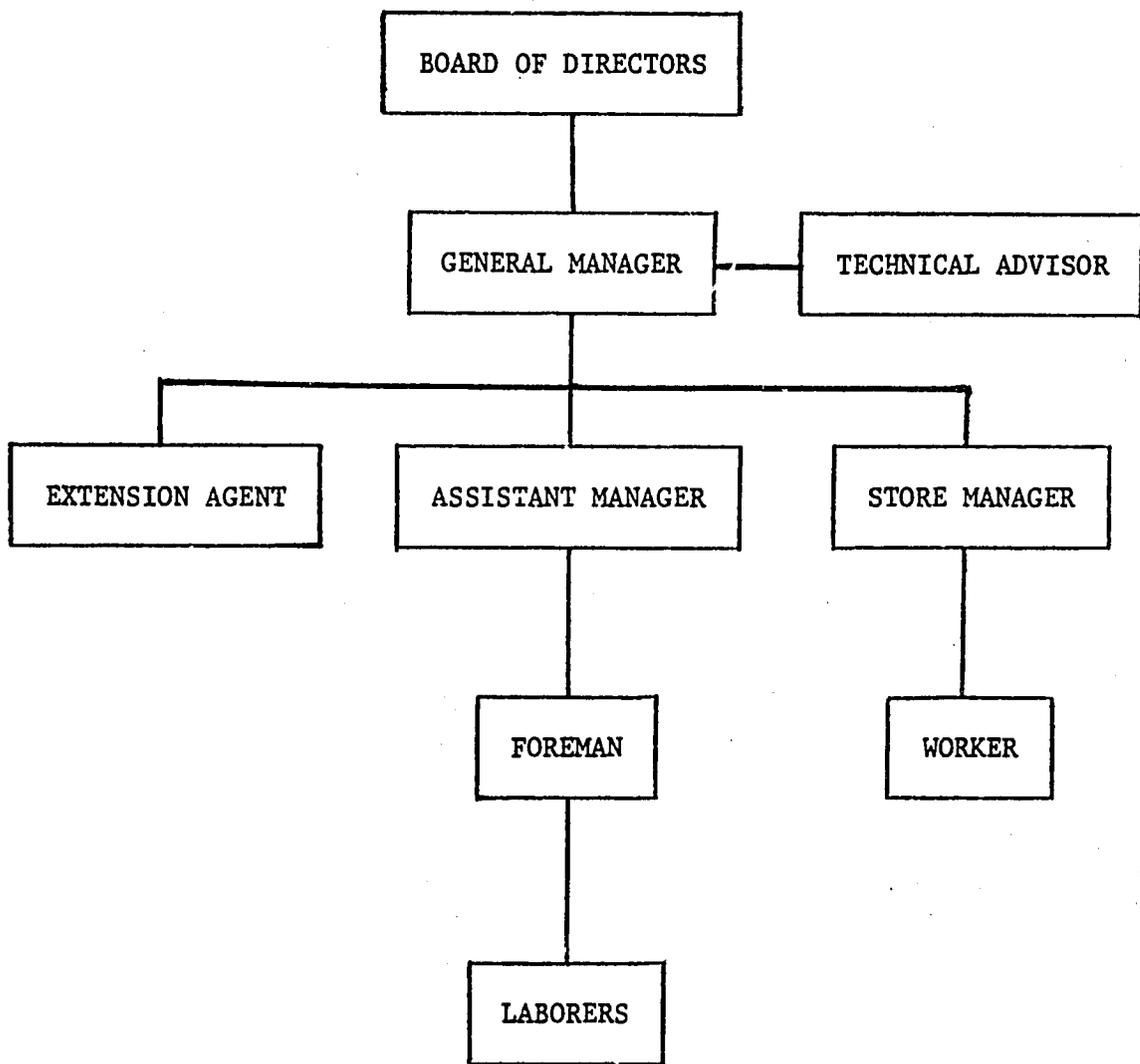
The Minister of Agriculture and his assistant are military personnel with no agricultural training. Next is a Technical Secretary General who is considered the Deputy Minister and has full authority for management of the technical operations of the Ministry. At the next level are the three technical divisions. These are forestry, livestock and agriculture. These three divisions make up the entire ministry. The forestry and livestock divisions are comprised of three professionals each, while agriculture has five. There is no research program, no extension service, no provincial offices, no planning nor statistics.

The MINALF, however, has taken one important step toward strengthening its staff. Twelve Guineans who had received post primary school vocational agriculture training in a two-year program during the early years of independence have been sent to Spain to attend a special two-month training course for extension workers. Upon their return to E.G., the government plans to hire these people as extension agents thereby creating the nucleus of an agriculture extension service. (AID may finance the further education (AMDP) of several of the twelve returnees after they have proven themselves on the job). Additionally, it is presumed that in the future other returning exiles may be hired in order to increase the technical staff of the

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The Poultry Production Center at Basilé will be a semi-autonomous entity organized as follows:



The Board of Directors will meet at least four times a year and be comprised of the following persons:

- Technical Secretary, Ministry of Agriculture
- Director of Livestock, Ministry of Agriculture
- Coop/Community Representative (4)
- Technical Advisor (ex-officio)

MINALF. In the meanwhile, the MINALF must operate extremely short-handed with division chiefs working as both managers and technicians.

After carefully examining the manpower situation, the design team concluded that the MINALF, with the technical assistance being provided under this project by USAID and the GOS, can successfully implement the proposed project activities.

### 3.3. Social Scundness:

The size of Equatorial Guinea's population can only be approximated because no accurate census has been conducted since 1967. At that time the population was approximately 300,000. Because of the widespread migration during the Macias period, the current population is estimated to be about 200,000.

The population consists of two main ethnic groups, the Fangs, who live on the mainland in Rio Muni, make up approximately 75% of the population and the Bubis who live on the island of Bioko. Fernandinos, emigrants from Rio Muni, Cameroonians and some Europeans who have returned after the coup also live on Bioko. The remainder are coastal tribes - Benges, Coimbes, Bujebas and Balengues. The Nigerian contract workers, who were once very numerous, left as a group in 1976 and have not returned. However, the GREG is now attempting to negotiate a labor contract with the Nigerian Government to induce their return.

The sociological impact of the project involves the acceptance of small-scale poultry production by small farm families, who are accustomed to raising chickens and other small animals, using extensive production practices. During the visits to the island by the project design team, GREG officials, GOS technical advisors and the Heifer representative affirmed that there would be no difficulty in inducing the target group to accept improved practices, nor to attend a five-day training course. Although the Guineans themselves have had limited experience with semi-intensive poultry production, it has been successful in other coastal countries of West Africa with a similar cultural and agricultural background.

With reference to rehabilitating existing small cocoa, coffee and horticulture farms on Bilko and Rio Muni, no difficulties are envisioned. Farmers have been producing and marketing these products for decades.

The approach, therefore, is not to introduce unfamiliar practices but to repair existing infrastructure and provide credit to enable small farmers to put their farms back to production.

### 3.4. Economic Feasibility:

The economic feasibility of this project rests on its employment/income generating ability, its contribution to increased equity, its contribution to diversification of the farm enterprise, its contribution to decreasing poultry imports and its eventual ability to create demand for locally-

produced feeds (corn, cassava) and its ability use agro-industrial by-products (palm cake, fish meal).

The first step in our analysis is the determination of financial viability (see below). Having determined financial viability of both PPC and poultry operations on the small farm, we can now consider the macro implications. Poultry is a preferred food in Equatorial Guinea, eggs are much in demand and very nutritious. The GREG does not place high taxes on inputs required to increase Equatorial Guineans' productivity. Rather it promotes the development of local industry and has assured the design team that the imported inputs required by the small farmers benefiting from this project will continue to flow into the country free of excessive taxes or governmental regulations. There are then two basic options for poultry production on Bioko. Either production is handled by one or two large private or parastatal operators or a small-farmer-based poultry production industry is started. The government has opted for the small farmer-based option. That option will, despite the minor comparative inefficiencies that may arise and the requirement for supply/extension support, make a contribution to Equatorial Guinea's development. Instead of one producer keeping five thousand layers and several thousand broilers, the small farmer option might have ten to twenty broiler producers and up to four hundred farmers with layer operations. Therefore, the project's small farm focus will contribute to the equitable participation of all members of the Equatorial Guinean society in the country's development by providing assistance to small farmers so that they can increase their productivity and incomes.

Another option is not to produce poultry at all and instead import all poultry products. This is a more expensive option and it limits the availability of eggs and generates little or no additional employment - all the value added being taken at the country of origin.

As most Bioko farmers rely on cocoa bean sales for their cash income, poultry production will diversify the farm enterprise. Its profitability will improve the farm families' standard of living.

The future demand pull on cassava and corn producers is problematical though GREG officials are enthusiastic and planning to support local feed production. The design team estimated that local mixing of imported ingredients alone could decrease the cost of feed up to 40%.

On the negative side of the feasibility discussion is the issue of dependency, e.g., poultry industry without an assured supply of locally produced feed. If one considers this a serious problem, the options are to delay the initiation of poultry production until there is locally produced feed, to try to develop both institutions simultaneously, or to postpone indefinitely non-extensive poultry production. For an island economy where a decision has been made that it will be an open economy - the design team thought it best to proceed with a small holder based poultry industry using imported feeds (having received assurances that good quality feeds are available) and then encourage the production of local feeds.

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The primary consideration of this project, given its limited magnitude, is financial viability. A subjective economic appraisal, while raising several issues, does not detract from the conclusions of the MINALF or from the design team; their conclusion is that under the prevailing circumstances, the project is economically feasible.

3.5. Environmental Concerns:

Neither of the components forming this project will have a negative impact upon the environment. The GREG program to rehabilitate the existing cocoa and coffee farms does not include clearing new land, but only clearing bush from previously planted farms. The AID contribution to this multi-donor project will consist of twenty-three trucks which will be used under normal driving conditions, thus they will cause no environmental impact.

The other project component, the development of the Basile Poultry Center, for training as well as producing and distributing livestock to small farmers will use an existing three hectare facility with no need for clearing land. An initial environmental examination concluding that this project will not have an impact upon the environment is included as Annex E.

#### 4. FINANCIAL PLAN

##### 4.1. Financial Analysis:

The project will intervene in two areas, assist cocoa, coffee and horticulture cooperatives through the provision of trucks, and poultry production. The cooperatives have ready markets available for their produce and the financial feasibility of this component is very sound. Regarding the poultry production component, the feasibility of small, commercial poultry operations is presented in the farm budgets below. Both the broiler and layer operations appear to be quite profitable, especially considering the lack of alternative investment opportunities and the additive nature of the enterprise to general farm work. The individual budgets were prepared using cost estimates slightly in excess of current costs and using reasonable sales prices (in the West African context). Markets are currently in a state of disorder in Malabo and will remain in a state of flux for the foreseeable future. Project implementation will require constant monitoring of the market situation and early warning of changes which are projected to have an effect (adverse or positive) on the small farm enterprise and on the PPC operations (see Tables 4.1 and 4.2).

The recommencement of operations on the Basile farm are also financially feasible. The farm is projected to be self-sufficient and will require little current budgetary support from GREG (see Tables 4.3 and 4.4). If the operation were not self-sufficient, delays in appropriations for feed, breeding stock, chicks, labor and/or supplies could seriously jeopardize the farm's operation. For this reason the PPC will have administrative and financial autonomy.

The surplus receipts from the Basile operation will support the poultry extension operations and provide a fund for replacement of capital assets.

##### 4.2. USAID Funds:

###### 4.2.1. Technical Assistance \$163,000:

The HPI will provide 24 person-months of long-term technical assistance at an average cost of \$4,654/person-month. They will also provide 3 person-months of short-term technical services at an average cost of \$10,000/person-month.

###### 4.2.2. Training \$5,000:

AID will finance 2 person-months of U.S. or third country short-term training for the General Manager of the PPC at a cost of \$2,500/person-month.

TABLE 4.1

## ILLUSTRATIVE BUDGET

SMALL FARMER LAYER OPERATION  
(100 BIRD FARM, U.S. \$ PER FLOCK)

COSTS:

Day old chicks 100 at \$1.00 <sup>+</sup>		115
Feed		5,100
Housing (Depreciation)		155
Equipment (Depreciation)		93
Fuel (Brooder)		10
Transport		200
Miscellaneous		100
		<u>5,773</u>

REVENUES:

Egg sales		
250 at \$.25 x 100	6,250	
Bird sales		
85 at \$5.00	<u>425</u>	<u>6,675</u>

PROFIT:

Simplified Return on Investment = 15% (Cost/ profit)		<u>902</u>
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ASSUMPTIONS:

22 weeks before laying begins, then hens will lay for twelve months  
Laying rate 250/year or 68%  
Layer consumption: 126 gm/day from 7 weeks.  
Layer consumption: 5.5 kg for first seven weeks  
Housing cost \$500 (Amortized over 60 months)  
Equipment cost \$300 (Amortized over 60 months)  
74 week operation

+Mortality non-start with 115 chicks.

TABLE 4.2

## ILLUSTRATIVE BUDGET

## SMALL FARMER BROILER OPERATION

(200 BIRD FARM, U.S. \$ PER FLOCK)

COSTS:

Day old chicks 200 at \$1.00	\$200.00
Feed 5.5 kg at \$.50 x 200	550.00
Housing (Depreciation)	10.50
Equipment (Depreciation)	6.00
Fuel (Brooder)	5.00
Transportation	30.00
Miscellaneous	25.00
	<u>826.50</u>

RETURNS:

Sale price (live weight)	
\$3.50/kg x 180 x 1.5 kg	<u>945.00</u>

PROFIT:

Simplified Return on Investment = 14% (cost/ profit)	
(at \$4.00/kg sales price, ROI = 30%)	<u>118.50</u>

ASSUMPTIONS:

70 days from chick receipt to market  
 Feed consumption 5.5 kgs  
 Feed cost \$.50/kg  
 Equipment cost \$150 (Depreciated in 60 months)  
 Building cost \$250 (Depreciated in 60 months)  
 Brooding period two weeks, cold brooder might also be used  
 Transport cost (One trip to Basile, one trip to Malabo)  
 Sale weight 1.5 kg  
 Labor supplied by farm family  
 Mortality 10%

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TABLE 4.3

ILLUSTRATIVE CASH FLOW  
PPC - LAYER & BROILER PROJECT  
 1981 (U.S. Dollars)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<u>Income</u>													
Egg Sales	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	142,800
Layer Sales						10,000					10,000		20,000
Broiler Sales					3,500	3,500		7,000		3,500	3,500	3,500	24,500
Total	11,900	11,900	11,900	11,900	15,400	25,400	11,900	18,900	11,900	15,400	25,400	15,400	187,300
<u>Expenses</u>													
<u>Feed</u>													
Broiler					2,080		2,080		2,080		2,080		8,320
Layer	20,113		20,113		20,113		20,113		20,113		20,113		120,678
Layer Chicks	2,780				2,780				2,780				11,120
Broiler Chicks				1,250		625	625	625	625		1,250		5,000
Medicine & Sanitation	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	13,620
Recurrent Costs	1,243	1,244	1,243	1,244	1,243	1,244	1,243	1,244	1,243	1,243	1,243	1,243	1,243
Sinking Funds Pymt.	615	615	615	615	615	615	615	615	615	615	615	615	7,380
Total	25,886	2,994	23,106	4,244	27,966	3,619	25,811	3,619	28,591	2,993	26,436	5,773	181,038
Net	- 13986	+ 8906	- 11206	+ 7656	- 12566	+ 21781	- 13911	+ 15281	- 16691	+ 12407	+ 1036	+ 9627	
Cumulative Total	- 13986	- 5080	- 16286	- 8630	- 21196	+ 585	- 13326	+ 1955	- 14736	- 2329	- 3365	+ 6262	\$ 6,262

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TABLE 4.4

ILLUSTRATIVE CASH FLOW  
PPC LAYERS AND BROILERS  
<sup>(1)</sup>  
1982 (U.S. Dollars)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
<u>Income</u>													
Egg Sales	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	142,800
Layer Sales			10,000					10,000					20,000
Broiler Sales	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>		<u>7,000</u>		<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>		<u>7,000</u>	<u>50,500</u>
Total	15,400	15,400	25,400	11,900	18,900	11,900	15,400	25,400	15,400	15,400	11,900	18,900	201,300
<u>Expenses</u>													
<u>Feed</u>													
Broiler	2,080		2,080		2,080		2,080		2,080		2,080		12,480
Layer	20,113		20,113		20,113		20,113		20,113		20,113		120,678
Layer Chicks			2,780					2,780					5,560
Broiler Chicks	1,250		625	625	625	625		1,250		625	625		6,250
Medicine & Sanitation	1,058	1,057	1,058	1,057	1,058	1,057	1,058	1,057	1,058	1,057	1,058	1,057	12,690
Recurrent Costs	1,243	1,244	1,243	1,244	1,243	1,244	1,243	1,244	1,243	1,243	1,243	1,243	14,920
Sinking Funds Pymt.	<u>615</u>	<u>615</u>	<u>615</u>	<u>615</u>	<u>615</u>	<u>615</u>	<u>615</u>	<u>615</u>	<u>615</u>	<u>615</u>	<u>615</u>	<u>615</u>	<u>7,380</u>
Total	26,359	2,916	27,514	3,541	25,734	3,541	25,109	6,946	25,109	3,540	25,734	2,915	179,958
Net	- 10959	+ 12484	- 3114	+ 8359	- 6834	+ 8359	- 9709	+ 18454	- 9709	+ 11860	- 13834	+ 15985	Net 21,342
Cumulative Total	- 10959	+ 1525	- 1589	+ 6770	- 64	+ 8295	- 1414	+ 17040	7331	+ 19191	+ 5357	+ 21342	

(1) Assumes Constant Prices.

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TABLE 4.5

USAID EXPENDITURES BY FISCAL YEAR

	FY '81	FY '82	FY '83	TOTAL
<u>Technical Assistance</u>				
Long-term	26,300	55,850	29,550	112,000
Short-term	10,000	15,000	5,000	30,000
Overhead	5,445	10,627	5,183	21,000
				<u>(163,000)</u>
 <u>Training</u>				
	5,000			5,000
 <u>Commodities</u>				
Poultry Equipment and Supplies	118,000			118,000
Vehicles	665,000			665,000
				<u>(783,000)</u>
 Sub-total <sup>1</sup> / <sub>1</sub>	830,000	81,000	40,000	
Contingency (10.5%) <sup>2</sup> / <sub>2</sub>	20,000	9,000	4,000	33,000
Inflation (10%)		8,000	8,000	16,000
 Grand Total <sup>1</sup> / <sub>1</sub>	850,000	98,000	52,000	1,000,000

<sup>1</sup>/<sub>1</sub> Totals may not add precisely due to rounding

<sup>2</sup>/<sub>2</sub> Contingency is only calculated on the Poultry Production Center costs which totals \$190,000 in FY '81

27x

TABLE 4.6

GREG AND OTHER DONOR EXPENDITURES BY FISCAL YEAR

	<u>FY '81</u>	<u>FY '82</u>	<u>FY '83</u>	<u>TOTAL</u>
<u>GREG</u>				
Personnel	10,000	20,000	10,000	40,000
Land, Building and Equipment	450,000*			450,000
Poultry Feed	45,000			45,000
Total Expenditures	<u>535,000</u>	<u>20,000</u>	<u>10,000</u>	<u>535,000</u>
<u>GOS</u>				
<u>Technical Assistance</u>				
Long-term	80,000	160,000	80,000	320,000
TOTAL EXPENDITURES	615,000	180,000	90,000	855,000

\*Includes \$50,000 for repair of the Basile farm.

TABLE 4.7

SUMMARY COST ESTIMATE AND FINANCIAL PLAN  
(\$000)

	<u>USAID</u>		<u>GREG</u>		<u>GOS</u>		<u>TOTAL</u>	
	<u>FX</u>	<u>LC</u>	<u>FX</u>	<u>LC</u>	<u>FX</u>	<u>LC</u>	<u>FX</u>	<u>LC</u>
Technical Assistance	163	-	-	-	320	-	483	-
Personnel	-	-	-	40	-	-	-	40
Training	5	-	-	-	-	-	5	-
Commodities	733	50	45	-	-	-	778	50
Land, Building and Equipment	-	-	-	450	-	-	-	450
SUB-TOTAL	901	50	45	440	320	-	1,266	490
Contingency	28	5	-	-	-	-	28	5
Inflation	16	-	-	-	-	-	16	-
<b>TOTAL PROJECT COSTS</b>	<u>945</u>	<u>55</u>	<u>45</u>	<u>490</u>	<u>320</u>	<u>-</u>	<u>1,310</u>	<u>545</u>

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TABLE 4.8

COSTING OF PROJECT OUTPUTS/INPUTS  
(\$000)

	<u>OUTPUTS</u>	
	<u>Cooperatives Providing Transportation Services</u>	<u>Functioning Poultry Production Center</u>
<u>USAID INPUTS</u>		
Technical Assistance		163
Training		5
Commodities	640	143
Contingency		33
Inflation		16
TOTAL	640	360
<u>GREG INPUTS</u>		
Personnel	10	30
Land, Building and Equipment		450
Poultry Feed		45
TOTAL	10	525
<u>GOS INPUTS</u>		
Technical Assistance	320	-
TOTAL	320	-
TOTAL PROJECT COSTS	970	885

4.2.3. Commodities \$783,000:

The vehicles, spare parts, service manuals and tools to be purchased for the cooperative component will cost \$640,000. The vehicles for the PPC will cost \$25,000 and the poultry equipment and supplies will cost \$118,000.

4.2.4. Contingency and Inflation \$49,000:

Vehicles, spare parts, service manuals and tools for the cooperative activity will be purchased within a very short time of signing the project agreement. Hence it was not necessary to calculate inflation nor contingency for this component. The contingency and inflation cost associated with the PPC totals \$49,000.

4.3. GREG Funds:

4.3.1. Personnel \$40,000:

The MINALF will provide personnel to fill the positions of the General Manager, foreman, and extension agent at the Poultry Production Center. Additional staff time will be devoted to the two components of this project by the General Technical Secretary, the Director of Agriculture and the Director of Livestock. The cost for this service is approximately \$40,000.

4.3.2. Land, Buildings, Equipment and Repairs \$450,000:

The value of the land, buildings and equipment of the PPC and the store in Malabo, the GREG has contributed to the project an amount which has been conservatively estimated at \$400,000. Cost of repairs to these facilities is estimated at \$50,000.

4.3.3. Poultry Feed \$45,000:

The value of the GREG contribution to purchase a three month supply of poultry feed is \$45,000.

4.4. Other Donor Funds \$320,000:

The Government of Spain will provide two full-time cooperative advisors to the project at a cost of \$320,000.

## 5. IMPLEMENTATION ARRANGEMENTS

### 5.1. Administrative Arrangements:

The General Technical Secretary of the MINALF will, as Project Director, assume overall administrative responsibility for this project. The General Technical Secretary will delegate responsibility for the execution of the cooperative activities to the Director of the Agricultural Division and responsibility for the activities associated with PPC to the Director of Livestock and Fisheries Division (see Chart 5.1).

A member of the USAID/Yaounde Office of Agriculture and Rural Development will be the USAID Project Manager. The Technical Advisor's counterpart will be the General Manager of the PPC.

The General Technical Secretary and the Director of the Livestock and Fisheries Division will serve on the Board of Directors of the PPC. The General Technical Secretary will recruit and fill the position of General Manager of the PPC within thirty days of signing of the project agreement.

### 5.2. Procurement Plan:

Project procurement and contracting will be handled in several ways, depending on the supplies or services to be procured. Technical assistance will be contracted for by GREG in accordance with AID host country contract procedures. USAID/Yaounde will assist with contract preparation and make direct payments to the Contractor. USAID will also issue a direct Letter of Commitment to the Contractor.

Vehicles for the cocoa, coffee and horticulture cooperatives will be purchased using a USG purchase order. Arrangements have been made with SER/COM for the identification of vendors capable of supplying vehicles to our specifications prior to the next cocoa harvest. Emergency procurement will be specified and justified, then competitive offers will be requested by SER/COM from companies already contracted. SER/COM will evaluate offers and select the best on behalf of USAID/Yaounde. Early delivery in addition to meeting specifications will be a major criterion.

Vehicles for the PPC will be purchased in Douala and/or in Equatorial Guinea. A waiver of Geographic Source/Origin Code 000 is part of this PP. USAID/Yaounde will undertake this procurement.

Poultry supplies, equipment and miscellaneous station materials of U.S. manufacture will be purchased by USAID/Yaounde. A detailed listing of the needed materials, together with all specifications, prices, suggested vendors and the like is being prepared by HPI.

Project training for the General Manager of the PPC will take place in the U.S.A. and/or a Spanish-speaking country and will be arranged by USAID.

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Services, supplies and commodities available in Equatorial Guinea (e.g., construction, furniture, sundry needs) will be procured on an as-needed basis by the Guinean counterpart to the AID-financed project technician. A five thousand dollar advance will be established and project management will place funds in a checking account in Malabo. Normal advance procedures will be used, SF 1034 request for advance, monthly 1034 statement of disbursements and periodic replenishment of funds.

5.3. Implementation Sequences:

5.3.1. Chronological Narrative:

5.3.1.1. Year One:

The most critical event after the signing of the project agreement will be the prompt ordering of the twenty-five vehicles for the cooperative assistance component in order for them to arrive in time for use in the 1981/82 harvest. As soon as the conditions precedent to disbursement for poultry production have been met (see Section 7), the first priority activities will be to contract for the technical assistance, continue the repair of facilities at Basile, begin the procurement of the vehicles as well as equipment and supplies for the Poultry Production Center. It is anticipated that the repair of the Technical Advisor's living quarters will be completed within three months of the signing of the project agreement. The Technical Advisor should arrive in Malabo within five months of the project agreement signing, the first vehicles for the cooperative assistance component will arrive in Malabo. The trucks and pick-ups should arrive within three months of the signing of the project agreement.

The remainder of year one the Technical Advisor will devote to training the PPC personnel and extension agents as well as overseeing the installation of new equipment. After the extension agents have completed their training, one will be selected to work with the PPC.

5.3.1.2. Year Two:

The first group of small farmer families will arrive at Basile for a week's training. This week-long training program will be repeated every month for a new group of small farmer families. The extension agent will make regular visits to graduate farmers. During the project's second year a joint GREG/AID evaluation will be conducted.

5.3.2. Schedule of Critical Events:

<u>1980</u>	December	Project Authorized. Project Obligated. Feed Supply Lines Established. Conditions/Covenants Met.
<u>1981</u>	January	PIO/T and PIO/C Written. Trucks Ordered (Coops and PPC) Commodities Ordered. PPC Staff Begins Rehabilitation. Motorcycle Ordered (Malabo). Furniture and Appliances Ordered.

February	Rehabilitation Continues.	
March	Rehabilitation Continues.	
April	Rehabilitation Continues.	
May	Poultry Commodities/Equipment Arrives. Reorder Layers. Five-ton Trucks Delivered. Pick-ups Delivered (One Ton).	
June	Technician Arrives.	
July	Staff Training Begins. Broilers Ordered. New Commodity Order. Breeding Stock Ordered.	
September	Breeding Stock Arrives.	
November	Three Model Small Farmer Units Built (Brooding, Starting, Laying/Broiler) at Basile.	
<u>1982</u>	January	Farmer Training Begins.
	June	Mid-Project Evaluation.
<u>1983</u>	May	Final Evaluation.

6. EVALUATION ARRANGEMENTS

A joint GREG/AID evaluation of the project's performance will be conducted during the third quarter of FY 1982. The evaluation team will be comprised of representatives from the MINALF, USAID/Yaounde and HPI.

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## 7. CONDITIONS, COVENANTS AND NEGOTIATING STATUS

Planning of this project has proceeded to the point that the main issues concerning the project have been addressed and substantively resolved to the satisfaction of the GREG and USAID/Yaounde. The project has been discussed in detail with MINALF officials during the formulation of its functional components as described in this PP. Thus, the substance of the project, including the following conditions and covenants, has been negotiated and no difficulties are expected in concluding the negotiations of the project grant agreement.

### 7.1. Conditions Precedent:

7.1.1. Prior to disbursement of funds for the Poultry Production Center component, the Government of Equatorial Guinea shall furnish to AID, in a form and substance satisfactory to AID, evidence that it has assured the PPC a continuous and adequate supply of poultry feed to meet the PPC's requirements.

7.1.2. Prior to disbursement of funds for the poultry component, the Government of Equatorial Guinea shall furnish to AID, in a form and substance satisfactory to AID, evidence that the Board of Directors of the PPC has been formally established and that the PPC has been granted administrative and financial autonomy.

### 7.2. Covenants:

7.2.1. The Government of Equatorial Guinea agrees to assign, as required throughout the project, all Government of Equatorial Guinea administrative and technical staff required to carry out the project.

ANNEX A

LOGICAL FRAMEWORK

ANNEX A  
LOGICAL FRAMEWORK

Project: Equatorial Guinea Agricultural Development Project (653-0001)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><u>Program or Sector Goal:</u> Increase the income of small farmers.</p>	<p><u>Measures of Goal Achievement:</u> The incomes of small farmer cooperative members and small farmer poultry producers will increase significantly by 1988.</p>	<p>Interviews with cooperative personnel and participating small farmers.</p>	<p><u>Assumptions for achieving goal targets:</u> Production and marketing factors remain stable.</p>
<p><u>Project Purpose:</u> Increase productivity of small farmers.</p>	<p><u>Conditions that will indicate purpose has been achieved: End of project status:</u></p> <p>a. The amount of cocoa, and horticulture produce marketed by the small farmer cooperative members will increase 100% percent by the end of the 1982/1983 crop year. The amount of coffee marketed by small farmer cooperative members will increase 100% by the end of the 1982/1983 crop year.</p> <p>b. By the end of 1983 approximately 100 small farmers will be making a net profit of 15% on their investment in poultry production.</p>	<p>Visits to cooperatives, small farmers and Poultry Production Center.</p>	<p><u>Assumptions for achieving purpose:</u> Prices for chickens and eggs continue to be freely determined in the market. Economic recovery continues to provide Equatorial Guineans with increased purchase power.</p>
<p><u>Outputs:</u></p> <p>a. Thirty-two cooperatives providing transportation services to their members.</p> <p>b. Functioning Poultry Production Center at Basilé producing eggs and poultry meat and providing training, extension and marketing services to small farmers.</p>	<p><u>Magnitude of Outputs:</u></p> <p>a. Twenty-three vehicles will be servicing thirty-two cooperatives.</p> <p>b. <u>First Year</u></p> <ul style="list-style-type: none"> <li>- 408,000 eggs and 6,357 chickens sold.</li> <li>- 15 extension agents training.</li> <li>- Poultry Production Center staff trained.</li> <li>- Short-term training for Poultry Production Center General Manager.</li> <li>- Facilities repaired.</li> </ul> <p>c. <u>Second Year</u></p> <ul style="list-style-type: none"> <li>- 408,000 eggs and 8,357 chickens sold.</li> <li>- 96 small farmers trained.</li> <li>- 150 small farmers receiving regular visits by extension agent.</li> </ul>	<p>a. Cooperative reports.</p> <p>b. Poultry Production Center reports.</p> <p>c. Visits with small farmers.</p>	<p>a. Vehicles arrive promptly.</p> <p>b. Project technician arrives promptly.</p>
<p><u>Inputs</u></p> <p>a. <u>USAID</u></p> <ul style="list-style-type: none"> <li>i. Trucks, Spare parts and tools. 640</li> <li>ii. Technical Advisor 129</li> <li>    Consultant 34</li> <li>    Training 5</li> <li>    Equipment and Supplies 118</li> <li>    Vehicles 25</li> <li>    Contingencies 33</li> <li>    Inflation 16</li> <li>    Total USAID 1,000</li> </ul> <p><u>GREG</u></p> <ul style="list-style-type: none"> <li>i. Personnel 40</li> <li>Land, building, equipment. 450</li> <li>Poultry feed. 47</li> <li>Total GREG 535</li> </ul> <p><u>GOS</u></p> <ul style="list-style-type: none"> <li>Technical advisors 380</li> <li>TOTAL INPUTS 1,865</li> </ul>	<p>(\$580)</p>	<p>a. USAID, MOA records.</p> <p>b. USAID, MOA, and Poultry Production Center records.</p>	

ANNEX B

A.I.D. COUNTRY AND PROJECT STATUTORY CHECKLIST

## 5C(1) - COUNTRY CHECKLIST

Listed below are, first, statutory criteria applicable generally to FAA funds, and then criteria applicable to individual fund sources: Development Assistance and Economic Support Fund.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

- |  |  |
|--|--|
| <p>1. <u>FAA Sec. 116.</u> Can it be demonstrated that contemplated assistance will directly benefit the needy? If not, has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights?</p>  | <p>Yes. The project's beneficiaries are Equatorial Guinean small farmers whose productive capacity was almost completely wiped out during the Macias regime.</p> |
| <p>2. <u>FAA Sec. 481.</u> Has it been determined that the government of recipient country has failed to take adequate steps to prevent narcotics drugs and other controlled substances (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to U.S. Government personnel or their dependents, or from entering the United States unlawfully?</p> | <p>No.</p>   |
| <p>3. <u>FAA Sec. 620(b).</u> If assistance is to a government, has the Secretary of State determined that it is not controlled by the international Communist movement?</p>   | <p>Yes.</p>  |
| <p>4. <u>FAA Sec. 620(c).</u> If assistance is to government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) debt is not denied or contested by such government?</p>   | <p>No.</p>   |
| <p>5. <u>FAA Sec. 620(e)(1).</u> If assistance is to a government, has it (including government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?</p>   | <p>No.</p>   |

A.

6. FAA Sec. 620(a), 620(f); FY 79 App. Act, Sec. 108, 114 and 606. Is recipient country a Communist country? Will assistance be provided to the Socialist Republic of Vietnam, Cambodia, Laos, Cuba, Uganda, Mozambique, or Angola? No.
7. FAA Sec. 620(i). Is recipient country in any way involved in (a) subversion of, or military aggression against, the United States or any country receiving U.S. assistance, or (b) the planning of such subversion or aggression? No.
8. FAA Sec. 620 (j). Has the country permitted, or failed to take adequate measures to prevent, the damage or destruction, by mob action, of U.S. property? No.
9. FAA Sec. 620(l). If the country has failed to institute the investment guaranty program for the specific risks of expropriation, convertibility or confiscation, has the AID Administrator within the past year considered denying assistance to such government for this reason? N/A
10. FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5. If country has seized, or imposed any penalty or sanction against, any U.S. fishing activities in international waters: N/A
- a. has any deduction required by the Fishermen's Protective Act been made?
- b. has complete denial of assistance been considered by AID Administrator?
11. FAA Sec. 620; FY 79 App. Act, Sec. 603. (a) Is the government of the recipient country in default for more than 6 months on interest or principal of any AID loan to the country? (b) Is country in default exceeding one year on interest or principal on U.S. loan under program for which App. Act appropriates funds? No.
12. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget which is for military expenditures, the amount of foreign exchange spent on military equipment and the N/A

## A.12.

amount spent for the purchase of sophisticated weapons systems? (An affirmative answer may refer to the record of the annual "Taking Into Consideration" memo: "Yes, as reported in annual report on implementation of Sec. 620(s)." This report is prepared at time of approval by the Administrator of the Operational Year Budget and can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

13. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have they been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? No.
14. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the AID Administrator in determining the current AID Operational Year Budget? Because of the GREG's devastated economic condition the UN is in the process of refinancing its obligation.
15. FAA Sec. 620A, FY 79 App. Act, Sec. 607. Has the country granted sanctuary from prosecution to any individual or group which has committed an act of international terrorism? No.
16. FAA Sec. 666. Does the country object, on basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. there to carry out economic development program under FAA? No.
17. FAA Sec. 669, 670. Has the country, after August 3, 1977, delivered or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards? Has it detonated a nuclear device after August 3, 1977, although not a "nuclear-weapon State" under the nonproliferation treaty? No.

B. FUNDING CRITERIA FOR COUNTRY ELIGIBILITY1. Development Assistance Country Criteria

- a. FAA Sec. 102(b)(4). Have criteria been established and taken into account to assess commitment progress of country in effectively involving the poor in development, on such indexes as: (1) increase in agricultural productivity through small-farm labor intensive agriculture, (2) reduced infant mortality, (3) control of population growth, (4) equality of income distribution, (5) reduction of unemployment, and (6) increased literacy? Yes.

B.1.

b. FAA Sec. 104(d)(1). If appropriate, is this development (including Sahel) activity designed to build motivation for smaller families through modification of economic and social conditions supportive of the desire for large families in programs such as education in and out of school, nutrition, disease control, maternal and child health services, agricultural production, rural development, and assistance to urban poor? Yes.

2. Economic Support Fund Country Criteria

a. FAA Sec. 502B. Has the country engaged in a consistent pattern of gross violations of internationally recognized human rights? No.

b. FAA Sec. 533(b). Will assistance under the Southern Africa program be provided to Mozambique, Angola, Tanzania, or Zambia? If so, has President determined (and reported to the Congress) that such assistance will further U.S. foreign policy interests? No.

c. 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? Yes.

d. FY 79 App. Act, Sec. 113. Will assistance be provided for the purpose of aiding directly 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? No.

e. FAA Sec. 620B. Will security supporting assistance be furnished to Argentina after September 30, 1978? No.

ANNEX

PROJECT CHECKLIST AND STANDARD ITEMS CHECKLIST

A. GENERAL CRITERIA FOR PROJECT

1. App. Unnumbered; FAA Sec. 653(b);  
Sec. 671

(a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project;

A special notice was forwarded to the Congress during November 1980.

(b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure).

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000 will there be:

(a) engineering, financial, and other plans necessary to carry out the assistance; and

Yes

(b) a reasonably firm estimate of the cost to the U.S. of the assistance?

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

N/A

4. FAA Sec. 611(b); App. Sec. 101. If for water or water-related land resource construction, has project met the standards and

N/A

criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? N/A
6. FAA Sec. 209. Is Project susceptible of execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. The project is a multilateral project with assistance being provided by the Government of Spain.
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to:
- (a) increase the flow in 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) The project will assist Equatorial Guinea's efforts to increase the volume of its major exports which in turn will lead to increased foreign exchange earnings. The increased foreign exchange will allow Equatorial Guinea to purchase needed materials on the world market.
  - (b) The project will foster the development of private poultry production schemes among a large number of small farmers.
  - (c) The project will directly support the development of cooperatives.
  - (d) The GREG's decision to use the Basile facility as a training center for small farmers interested in poultry production has blocked the possibility of the Basile Center becoming a monopolistic supplier of poultry.
  - (e) Project's purpose is to increase agriculture and livestock production.
  - (f) N/A

8. FAA Sec. 601(b). Information and conclusion 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).
- The project will use Heifer Project International, an American private voluntary organization. The project will reintroduce U.S. commodities and vehicles into Equatorial Guinea.
9. FAA Sec. 612(b); Sec. 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 owned by the U.S. are utilized to meet the cost of contractual and other services.
- The GREG is contributing to the project the maximum amount it is capable of. No excess Equatorial Guinean currency is owned by the U.S.
10. 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.
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?
- Yes.
12. FY 79 App. Act Sec. 608. If assistance is for the production of any 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?
- No.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b); 111; 113; 281a.

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, 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;

(b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise 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?

b. FAA Sec. 103, 103A, 104, 105, 106 107. Is assistance being made available: (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.)

(a) The project's purpose is to increase the productivity of small farmers by enabling their cooperatives to better service them and through the training of small farmer families in modern poultry production techniques.

b. All funds for this project are aimed at increasing productivity and income of small farmers.

(1) (103) for agriculture, rural development or nutrition; if so, extent to which activity is specifically designed to increase productivity and income of rural poor; (103A) if for agricultural research, is full account taken of needs of small farmers;

(2) (104) for population planning under sec. 104(b) or health under sec. 104(c); if so, 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 research.

(3) (105) for education, public administration, or human resources development; if so, extent to which activity strengthens non-formal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development;

(4) (106) for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:

(i) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development organizations;

(ii) to help alleviate energy problems;

(iii) research into, and evaluation of, economic development processes and techniques;

(iv) reconstruction after natural or manmade disaster;

(v) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

c. (107) is appropriate effort placed on use of appropriate technology?

c. Yes.

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?

d. Yes.

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to the Congress been made, and efforts for other financing, or is the recipient country "relatively least developed?"

e. N/A

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's

f. The project will work through small farmer cooperatives and with small communities to meet the needs they expressed to the project design team for improvement of transportation capability and training in modern poultry production techniques.

intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental and political processes essential to self-government.

g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase or productive capacities and self-sustaining economic growth?

g. Yes.

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, including reasonableness of repayment prospects.

N/A

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan.

3. Project Criteria Solely for Economic Support Fund

a. FAA Sec. 531(a). Will this assistance support promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102?

a. Yes

b. FAA Sec. 533. Will assistance under this chapter be used for military, or paramilitary activities?

b. No.

STANDARD ITEM CHECKLIST

Has the Standard Item Checklist been reviewed for this Project?

Yes   X   No

**ANNEX C**

**REQUEST FOR ASSISTANCE**

Republic of Equatorial Guinea  
Supreme Military Council  
Ministry of Agriculture, Livestock and Forestry

Malabo; 1 October 1980

Mr. Ronald Levin  
Director  
Agency for International Development  
Yaounde, Cameroon

My Dear Sir:

As a consequence of the official mission carried out in our country by Mr. Richard H. Goldman, Agricultural Economist, and taking into account the meetings which were held with the Directors and Technicians of this Ministry subsequently, I have the honor of informing you that the Ministry of Agriculture has initiated important programs for improving agricultural production and improving the livestock sector. These programs were discussed during the meetings mentioned above with members of the agency that you direct. On the basis of these discussions, I wish to request the cooperation of the USAID in helping us with trucks for the transport of cocoa and coffee of the agriculture cooperatives and with the establishment of an animal project (Heifer) for two centers, one on the island of Bioko and the other on the continent in Rio Muni for the raising of chickens, rabbits, swine and sheep.

I take this occasion, Mr. Levin, in order to send you assurances of my highest consideration.

Emiliano Buale Borico  
Secretary General

Translator: N. Billig

ARD:NBillig:sb:10/2/80

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ANNEX D

AID/W CABLE PROVIDING USAID/YAOUNDE  
AUTHORIZATION TO APPROVE PROJECT

ANNEX D

AID/WASHINGTON APPROVAL

State 239815, dated 9 September 1980

Subject: Assistance to Equatorial Guinea

1. The purpose of this telegram is to apprise addresses of the preparations being made for the establishment of an AID funded activity in Equatorial Guinea. As you may be aware IDCA has approved funding for a discrete project activity in the amount of dols 1 million to be fully funded from FY 81 appropriations. IDCA has approved also a level of dols 100,000 per year for training for five years; however, no additional project funding has been approved beyond FY 81. It is our understanding that IDCA is prepared to consider additional out year funding although IDCA has specifically disapproved the funding proposed FY 82.

2. Several months have elapsed since AID first indicated to Spain and Equatorial Guinea its intention to assist rehabilitate the fractured economy of Equatorial Guinea. To assure no further delays in the design and implementation of an assistance activity which responds to the needs and concerns of the Government of Equatorial Guinea on the one hand and to fulfill our commitment to the Government of Spain (GOS) on the other, I have requested the following be undertaken as soon as practicable:

(A) Send a team to Madrid, Yaounde and Equatorial Guinea to discuss project ideas with the respective governments and to initiate the design of an assistance activity for Equatorial Guinea. The activity which would be selected after discussions with the Governments of Spain and Equatorial Guinea should be a discrete activity without essential AID funded follow on requirements. However, it should be an activity which could be expanded upon by AID in the event out year funding becomes available or by other donors.

(B) Bypass the standard PID preparation and approval process. The draft project documentation to be prepared by the design team will serve in lieu of a PID. However, the project selected should not be objectionable to the GOS. (FYI) It would be an advantage if the project ideas of GOS, GREG and AID matched. End FYI.

(C) Review and authorize the project paper in Yaounde. If significant Spanish technical or financial inputs are required and USAID so chooses the review and authorization process could be accomplished in AID/W. Target date for authorization is 30 November 1980.

3. To accomplish the foregoing events:

(A) Owen Lustig and Neil Billig will proceed to Madrid to discuss the AID program with GOS officials in the Ministry of Agriculture, and others as deemed appropriate by the Amembassy Madrid.

(B) Marion Ford USAID/Rabat should proceed immediately to Malabo to join Goldman USAID/Yaounde Agriculture Office to initiate discussions with the GREG agriculture officials.

(C) Neil Billig will proceed from Madrid to Malabo to join Ford and Goldman on or about September 17.

(D) USAID/Cameroon Mission Director or his designee will proceed to Malabo also on September 17 or 18 to discuss with team the ideas presented by the GOS and the GREG and select one of them in conjunction with the GREG for immediate design.

(E) Upon his return from Malabo the USAID Director should advise the AA/AFR on the project selected and some tentative judgment on major issues if any which may face the design team.

(F) Immediately thereafter team should proceed with preparation of project design. Upon conclusion of teams work in Equatorial Guinea, team should debrief appropriate officials of GREG, and proceed to Yaounde where project document will be typed and processed.

(G) If feasible design officer Billig should return to AID/W with a draft copy of project document.

4. For Madrid: Lustig and Billig ETA 14 September via TWA 904Y, Billig ETD September 20, Lustig ETD September 20, please reserve 2 SWB and arrange appointments with Recarte, Miranda, Eguia et al.

5. For Rabat: AID/W appreciates use of Marion Ford for this activity.

6. For Yaounde: Please cable funding citations to Rabat and AID/W for travel of Marion Ford and Neil Billig. An allotment increasing your OE to cover these costs is in process. Also please arrange accommodations in Equatorial Guinea for Neil Billig and Marion Ford.

ANNEX E

INITIAL ENVIRONMENTAL EXAMINATION

Threshold Decision Based on  
Initial Environmental Examination

Project Location: Equatorial Guinea  
Project Title: Equatorial Guinea Agriculture Development  
Project Number: 653-0001  
Funding: \$1,000,000 (ARD/N)  
Life of Project: FY 1981-1984  
IEE Prepared by: Marion H. Ford Date: 29 September 1980  
IEE Reviewed by: Eric N. Witt, Mission Environmental Officer  
Environmental Action  
Recommended: Negative Determination

Bureau for Africa Decision:

Ronald D. Levin, Director  
USAID/Yaounde

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

*Ronald D. Levin*

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

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

*Dec. 30 1980*

## PROJECT PURPOSE AND DESCRIPTION

Equatorial Guinean agriculture has seriously deteriorated during the past twelve years. During that period coffee production has decreased from 8,000 MT per year to under 500 MT. Cocoa has decreased from 40,000 MT per year to 4,000 MT. Poultry raising has nearly decreased at least 50%.

The new government, since taking power in August 1979, has given top priority to rebuilding the agriculture sector. In January 1980, the GREG issued a decree giving legal status to cooperatives and encouraged the organization and functioning of cooperative groups for small farmer cocoa, coffee and horticulture producers. Additionally, the Ministry of Agriculture is initiating steps for the development of a small farmer poultry industry.

The objective of this two component project is to (1) provide the means necessary for transporting small farmer cooperative members' cocoa, coffee and horticulture products from farm to market and (2) assist in developing small farmer chicken production in Equatorial Guinea.

The project will provide about 23 American-built vehicles (14 trucks and 9 pick-ups) for use by the small farmer cocoa, coffee and horticulture cooperatives. About 15 of the vehicles will be used on the island of Bioko (formerly Fernando Poo) and the remaining 8 will be used on the mainland province of Rio Muni. The provision of farm to market transportation is an integral part of the GREG program to increase exports of cocoa and coffee produced by the members of 32 small farmer cooperatives. The GREG's program is to rehabilitate the existing cocoa and coffee farms; not to start new ones. Therefore, no new land clearing is anticipated.

The poultry component of this project is designed to assist the Ministry of Agriculture build and support a small farmer poultry production program. From one central station chickens will be produced for distribution to local farmers. Farmer sales will assist the country in meeting its needs for eggs and meat.

The project will provide poultry production extension services to approximately 150 small farmers and a week-long training program for 96 small farmer families.

### End of Project Conditions:

By the end of the project the small farmer cooperative producers of cocoa and horticulture crops will increase the amount they market by 300%. The small farmer cooperative members growing coffee will increase the amount they market by 100%. Additionally approximately 100 small farmers will be making a net profit of 15% on their investment in poultry production.

Environmental Impact:

As stated above, trucks supplied under this project will provide transportation of cocoa, coffee and horticulture produce from farm to market. Since these trucks will be used under normal driving conditions, they will cause to quantifiable environmental impact. The operation of a central station for producing and distributing poultry to small farmers will occupy an area of about three hectares. This is to be located on an existing station so there will be no construction or clearing of land. Consequently, this livestock component will cause no negative environmental impact. Animal manures will be recycled and used as fertilizer for farms and gardens thus increasing yields and farmer income.

The project is expected to have a positive effect on farm family income and the availability of affordable protein. Project production techniques and ideas are culturally acceptable. Therefore, the project is not expected to produce other than positive effects on the environment and it is recommended that no further environmental analysis be done. A "Negative Determination" is recommended.

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact  
Identification  
and  
Evaluation 1/

Impact Areas and Sub-areas

A. LAND USE

1. Changing the character of the land through:

- |                                      |   |
|--------------------------------------|---|
| a. Increasing the population -----   | N |
| b. Extracting natural resources----- | N |
| c. Land clearing -----               | N |
| d. Changing soil character -----     | L |

- |  |   |
|--|---|
| 2. Altering natural defenses -----     | N |
| 3. Foreclosing important uses -----    | N |
| 4. Jeopardizing man or his works ----- | N |

B. WATER QUALITY

- |   |   |
|---|---|
| 1. Physical state of water -----        | N |
| 2. Chemical and biological states ----- | N |
| 3. Ecological balance -----             | N |

C. ATMOSPHERIC

- |                          |   |
|--------------------------|---|
| 1. Air additives -----   | N |
| 2. Air pollution -----   | N |
| 3. Noise pollution ----- | N |

D. NATURAL RESOURCES

- |  |   |
|--|---|
| 1. Diversion, altered use of water -----       | N |
| 2. Irreversible, inefficient commitments ----- | N |

E. CULTURAL

- |  |   |
|--|---|
| 1. Altering physical symbols -----       | N |
| 2. Dilution of cultural traditions ----- | L |

F. SOCIO-ECONOMIC

- |  |   |
|--|---|
| 1. Changes in economic/employment patterns ----- | N |
| 2. Changes in population -----                   | N |
| 3. Changes in cultural patterns -----            | N |

G. HEALTH

- |   |   |
|---|---|
| 1. Changing a natural environment -----                     | N |
| 2. Eliminating an ecosystem element -----                   | N |
| 3. Other factors:<br><u>Spread of Disease Vectors</u> ----- | N |

H. GENERAL

- |                                |   |
|--------------------------------|---|
| 1. International impacts ----- | N |
| 2. Controversial impacts ----- | N |

1/ N - No environmental impact  
L - Little environmental impact  
M - Moderate environmental impact

H - High environmental impact  
U - Unknown environmental impact

60.

**ANNEX F**

**WAIVER REQUESTS**

ACTION MEMORANDUM FOR THE DIRECTOR

FROM : Richard H. Goldman, ARD

SUBJECT : Request for Approval of a Procurement Source Waiver  
from Geographic Code 000 (U.S. only) to Geographic  
Code 935 (Selected Free World)

Problem: Your approval is required for the authorization of a source/  
origin waiver to Code 935 for the procurement of motor vehicles required  
for the effective implementation of this grant. Your authority to approve  
this waiver is provided by Africa Delegation of Authority No. 140.

- a. Cooperating Country : Equatorial Guinea
- b. Nature of funding : Grant
- c. Name of Project : Agricultural Development, 653-0001
- d. Description of goods : 1 - 4WD Pick-up (Diesel)  
1 - Small Sedan  
1 - Motorbike (50cc)
- e. Approximate value : \$25,000
- f. Probable Source : Western Europe.

Discussion: The purpose of this project is to improve the productivity  
of small farmers. This project will increase small farmer productivity  
by:

- a) Removing the chief marketing constraint currently faced by small  
farmer producers of cocoa, coffee and horticulture crops  
through the provision of trucks to the cooperatives that serve  
them.
- b) Increasing on-farm production of poultry and eggs through the  
development of the Basile Poultry Center which will provide  
small farmer poultry producers with needed training services,  
supplies, and technical assistance.

The requested vehicles are needed to support the Basile Poultry Center and  
are needed immediately. Equatorial Guinea has experienced ten years of  
ruinous mismanagement and is now beginning a crash reconstruction program.  
The rehabilitation of the Basile Farm and the development of a small  
farmer poultry extension program is an integral part of the Equatorial  
Guinean reconstruction effort.

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The poultry production component will be implemented over 30 months. The time delay occasioned by Geographic Code 000 procurement would seriously hinder the successful implementation of the poultry component of this project.

A breakdown of the procurement subject to this waiver follows:

a. 4WD Pick-up ... ..	\$18,000
b. Small Sedan ... ..	6,000
c. Motorbike ... ..	<u>1,000</u>
	<u>\$25,000</u>

The project design team finds:

- a. Exclusion of procurement from free world countries other than the cooperating country and countries included in Code 941 would seriously impede attainment of U.S. foreign policy objectives and objectives of the foreign assistance program.
- b. The interests of the U.S. are best served by permitting the procurement of services from free world countries other than the cooperating country and countries included in Code 941.
- c. Special circumstances exist to waive the requirements of section 636 (i) of the act.

The effective date of this waiver will be the signature date shown below, and will continue in force for the life of this project.

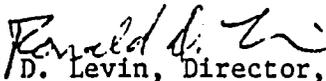
Recommendation: Based upon the justification set forth above and the determination that procurement from the sources requested is necessary to the attainment of U.S. foreign policy objectives or objectives of the foreign assistance program, it is recommended that you approve the procurement source waiver from Code 000 to Code 935 for an amount not to exceed \$25,000 as shown above.

Approved: 

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

Date: Dec. 30, 1980

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

FROM:   
Ronald D. Levin, Director, USAID/Yaounde

SUBJECT: Equatorial Guinea Agriculture Production Project 653-0001  
Negotiation of a Technical Services Contract with a  
Single Source

PROBLEM: Your approval is required to execute a host country contract  
with Heifer Project International based on their predominant capability.

DISCUSSION:

1. It is Agency policy that negotiated contracts will be awarded on a competitive basis whenever possible. There are, however, limited circumstances when non-competitive negotiation is permissible. Non-competitive negotiation is allowed when the contractor has a predominant capability to perform the work within the time required. Handbook 11, Chapter 1, Section 2.4.2 provides authority to you to approve non-competitive negotiation based on predominant capability for a host country contract not in excess of \$500,000.

2. One objective of the project is to establish small farmer poultry production through the provision of 24 person-months of long-term technical assistance and three person-months of short-term technical assistance to the Poultry Production Center at Basile. After considering other possible contractors and drawing upon experience elsewhere in Africa and Latin America, the project team decided that only one contractor could provide the back-up facilities and an experienced, qualified, Spanish-speaking technician within the timeframe demanded by the project. That contractor is Heifer Project International.

3. Heifer Project International is a non-profit organization registered with A.I.D. (UFA-075). Founded in 1944, it has worked on similar projects in more than 100 countries. Heifer's prior experience in establishing successful poultry projects in Colombia, Honduras, Nicaragua and Peru provides them with a unique competence to establish a poultry production center in Spanish-speaking Equatorial Guinea. The Government of Equatorial Guinea is particularly impressed with the assistance Heifer has provided throughout Latin America and Africa and has specifically requested that Heifer Project International be selected to administer the Basile Poultry Production Center.

4. The special facilities Heifer possesses which are vital to this effort are their contacts with livestock and equipment suppliers, their access to Spanish-speaking technicians, their familiarity with West Africa and the support which can be provided from their Cameroon base. Heifer's special arrangements with chicken breeders, air cargo companies and supporting U.S. institutions would be very costly and time-consuming for any other source entering the field to duplicate.

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5. Because of the political considerations of initiating a viable development assistance project in Equatorial Guinea as soon as possible, the contractor must be in-country by June 1981. Heifer can meet that schedule and provide the qualified personnel this project must have to achieve success.

RECOMMENDATION:

That you approve the negotiation of a host country contract of approximately \$163,000 with Heifer Project International based on the predominant capability.

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Date \_\_\_\_\_

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ANNEX G

POULTRY PRODUCTION CENTER - TECHNICAL PAPERS

## ANNEX G

### EQUATORIAL GUINEA POULTRY DEVELOPMENT PROJECT

#### BASILE POULTRY PRODUCTION CENTER

#### TECHNICAL PAPERS

### 1. Facilities

The poultry facilities are located in the town of Basile, 10 km from Malabo. The climate is slightly milder than in Malabo due to higher elevation (500 meters). The facilities are within a walled area covering approximately one and one-half to two acres. No blue-print plans or general layout of the facilities were available. The sketch presented in Figure 1 is an approximation of the current location of buildings. The primary purpose of Figure 1 is to identify individual buildings in the refurbishing process discussed below.

#### 1.1 Reburbishing Process

Currently, the facilities are in disrepair but structurally sound. Much has been done in the past few months to clean up the effects of more than ten years of abandonment. The proposed refurbishing includes primarily repairs of floors, roofs and chicken wire sides. Most of the refurbishing process can be completed within six months after project initiation. With the exception of chicken wire mesh, roofing material (corrugated galvanized sheets), and cement, local materials and labor are readily available.

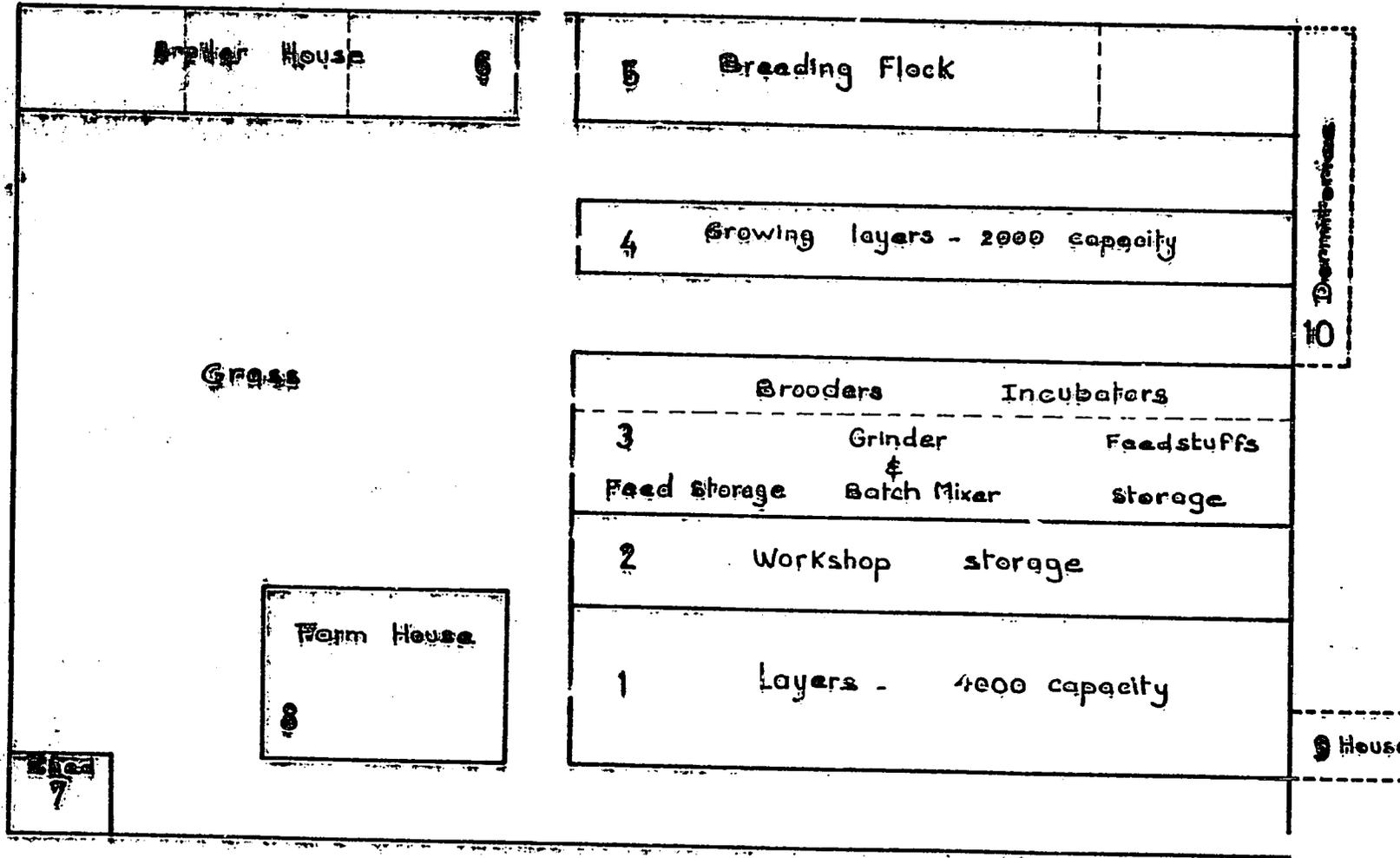
#### 1.2 Buildings' Description, Intended Use and State of Repair

There are six separate poultry production buildings in the compound. No details were available as to the specific use of each building, carrying capacity or system of production before the farm was abandoned prior to the Macias regime. The following building description, state of repair and proposed uses are given below as an initial planning tool for the project administrator.

##### 1.2.1 Building No. 1

This building is approximately 150 X 36 feet and is currently used to house caged layers. It has a concrete floor and large, partially open sides. Ventilation is good. This building is well suited for caged layers, but is in need of roof repairs. The building has a potential capacity of 4500 layers depending on cage arrangements. Presently,

Figure 1



POULTRY PRODUCTION CENTER - BASILE

ACTUAL BUILDINGS - PROPOSED USE

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there are 1600 caged layers arranged in two rows which extend to two-thirds the length of the building. The reported reason for not having more birds in this building is the lack of cages.

The three most obvious problems with the current system are the cages, the watering system and the manure disposal. Most of the cages are for growing birds and not for layers. This has caused egg breakage problems. The water system is in need of spare parts. The manure is dumped in gutters which flush out; however, this is not working and it is likely that until the system is repaired, manual removal of manure (emptying trays into wheelbarrows) is necessary.

It is proposed that this building be assigned exclusively for caged layers and that it receive priority in the refurbishing efforts. Immediate needs are fixing the roofs, replacing the chicken wire mesh on open sides, rewiring the electrical system and replacing the water pipe system. Labor and materials such as lumber are available locally. Chicken wire mesh, galvanized steel roofing and electrical wiring will need to be imported. Equipment requirements consist primarily of cages. The project will provide funds for complete batteries of layer cages with a capacity of 4,250 layers. This building will handle the total number of layers expected to be in production by early 1981 (4,000 to 4,500).

#### 1.2.2 Building No. 2

This 150 X 21 foot building is currently used to store unusable cages. The floor is mostly large gravel and pieces of concrete. It is humid and has poor drainage, ventilation and lighting. It is recommended that this building be converted into a general workshop and equipment storage area soon after project initiation. Workshop and storage facilities are badly needed in view of the large number of broken cages and pieces of cages dispersed throughout the facilities. A concrete floor, chain-link fence-type partition and end walls and doors are the primary repairs needed.

#### 1.2.3 Building No. 3

This building is not in use except for a corner where feed has been stored. Parts of the concrete floor are badly cracked and uneven. The building exceeds 5,000 square feet in area. Some two-thirds of the floor space (width-wise) is over three feet higher than the remaining one-third.

It is recommended that this building continue to be used as feed storage once it is cleaned, repaired and rats exterminated. A small-size grinder and batch mixer (one-half ton/batch) are proposed so that local or imported foodstuffs can be processed and mixed at the poultry production center.

The lower one-third portion of the building can be temporarily used for incubating eggs and brooding chicks. The incubator and brooders and the grinder and mixer need to be imported and are budgeted under the AID grant.

#### 1.2.4 Building No. 4

This building is currently used as a layer house. It is approximately 150 X 15 feet with open sides. A tier of cages runs lengthwise on each side of the building with total capacity of about 600 hens (300 on each side). Lengthwise, in the center of the building, there is a three tier battery of cages with a capacity of 560 hens per tier. Only one tier is in operation because of lack of bottom trays and other parts. Currently, the house has a total of 1,200 layers. If the center row of cages is repaired, the total capacity is close to 2,300 birds.

Except for electrical wiring and a number of minor repairs, this building is in good condition. It is proposed that this building be converted to a grow-out house for layers. The grow-out cage batteries currently located in building number 1 can be transferred to this building. Thus, the one-time total capacity for growing hens is estimated at over 2,000 which is more than adequate for the proposed 4,000 layer flock.

#### 1.2.5 Building No. 5

This building is approximately 150 X 24 feet with a partition dividing the building into a 90 foot and 60 foot long rooms. The larger room has a dirt floor and is currently utilized for housing molting birds. The smaller room has a concrete floor in very poor state of repair and is not being utilized.

The project proposes that the larger rooms be used for the breeding flock. Incubation and hatching of eggs from the center's breeding flock will become an important activity as the demand for chicks by the small farmer increases. Eventually, the entire building is expected to be utilized by the breeding flock.

It is important that this building be cleaned, disinfected and the rats eliminated. Minor repairs are needed as well as electrical rewiring.

#### 1.2.6 Building No. 6

This building is currently used as a layer-grower house. The enclosed area which exceeds 2,500 square feet is divided into three rooms (each room is lower than the preceding room). The building is in fair condition but needs electrical rewiring and other repairs. Also, the building needs to be thoroughly cleaned, disinfected and the rats exterminated.

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It is proposed that this building be utilized for the production of broilers. It will easily handle the initial projected production of 4,000 broilers per year.

#### 1.2.7 Building No. 7

This shed, open on two sides, houses a generator and serves as storage for cages, wood shavings (for bedding) and miscellaneous equipment. A new generator is available for installation.

#### 1.2.8 Building No. 8

The farm house is a two-story building used for housing of personnel, office, egg storage and other purposes. Rehabilitation of the house includes plumbing repairs, painting, replacing windows and mosquito screens and possibly some electrical rewiring.

It is proposed that this house be assigned to the expatriate advisor as living quarters and central office. The second floor, consisting of four bedrooms, two baths, kitchen and dining/living room, can serve as living quarters. The first floor has sufficient space for two offices, a classroom and a meeting room. The first and second floors have independent entrances so privacy for the living quarters is assured. All house and office furniture must be provided by the project grant.

#### 1.2.9 Building No. 9

This two bedroom house will be assigned to the Guinean farm manager. Painting and some repairs are required.

#### 1.2.10 Building No. 10

This facility consists of eleven small rooms and a cooking area. The project has assigned these rooms to trainee living quarters. Repairs needed include painting and repairing concrete walkways. An unfinished two room structure can be converted to toilets and shower room.

#### 1.2.11 Building No. 11

The water tank provides gravity fed water for the entire farm. The original source of water is a spring located about .6 km uphill. The water appears to be a good quality and is plentiful during eight to ten months of the year. During the latter part of the dry season, there is some reduction in output.

The current problem affecting the water supply is the intake pipe from the well to the tank. This pipe is bent in many places and is "pinched" in several locations. This situation does not allow sufficient water to enter the tank. It is proposed that the entire length of the pipe be replaced with a larger diameter pipe. The GREG has begun to replace a section of the pipe and will complete the replacement during the project.

### 1.3 Priorities for Facility Rehabilitation

As mentioned earlier, the production facilities can be rehabilitated within six months after the equipment is ordered. Certain priorities are suggested in this section to assist the center's administration prior to the arrival of the expatriate advisor.

1.3.1 The first priority is to continue the clean up of the entire compound and to inventory equipment, cages (and parts of cages), supplies and birds. The feed storage area in building number 3 should be cleaned, rats exterminated and partitions made for storage of feed. Concurrently, and with the assistance of a local contractor, the ministry must determine the labor and materials required to rehabilitate the facilities following the guidelines presented in the "facility description" section.

1.3.2 Work should start as soon as possible in the repairs of building number 1, the layer house, in order to accommodate the existing flock of growing birds now located in building number 6 and in the farm house. Once this is accomplished, contract and farm labor can begin cleaning and disinfesting building number 6 in preparation for the necessary repairs and the subsequent start of the broiler unit. Cages for building number 1 should be ordered as soon as the agreement is signed. Allowing two months for shipment and transport and one month for installation, building number 1 should be in operation three months after obligation of funds. Clean up and repairs of building number 6 will take approximately one month. Thus, the broiler operation can be started four months after project obligation is effected.

The water line leading to the water storage tank should be replaced immediately after delivery of the pipe (about two months into the project). Sufficient water supply is critical, particularly towards the end of the dry season.

1.3.3 The farm house (building number 8) should be painted and repaired so that it will be ready for the expatriate advisor. Priority should be given to repairing the second floor of the house. It is recommended that these repairs be contracted locally by the Ministry of Agriculture. Farm labor should not be used for painting or plumbing repairs.

10x

1.3.4 Work on cleaning, disinfecting and repairing building number 5 (breeding house) should start no later than two months after project initiation. Assuming three to four weeks for this task, the breeding house should be ready to receive the breeding flock of growing birds by month three of the project.

1.3.5 The incubating and brooding in building number 3 must be ready to receive the equipment two to three months after obligation. In case this area is unsuitable for this purpose, the area under the farm house can be used. Clean up, disinfection and white-washing are the only requirements.

1.3.6 The workshop and storage areas are not a critical component during the first few months of the project. A temporary workshop area can be located in building number 3 (where the grinder and batch mixer will be located). Broken cages can be temporarily stored also in building number 3. However, work on this building should start no later than six months into the project and be completed by month nine.

1.3.7 Rehabilitation of the dormitories should receive the least priority since the training activity for small farmers does not begin until the beginning of year two. Assuming three months are required to complete the repairs, work must start by month nine, provided all the production facilities have been completed.

Table G.1

## FEED REQUIREMENTS AND COST (4,000 Layer Unit)

The following guidelines were used in estimating the feed required by the layer unit and the cost of the feed.

Assumptions

1. Imported feed for layers at \$500/ton.
2. Imported feed for growing layers at \$550/ton.
3. Total capacity - 4,000 layers.
4. Death loss 0-5 months - 20% (growing period).
5. Death loss 5-15 months - 10% (laying period).
6. Feed consumption:
  - growers - 58.3 g/day average for 150 days;<sup>1/</sup>
  - layers - 120 g/day average for 300 days.<sup>2/</sup>
7. Layers are sold at first molt.

Feed Requirements

Growing birds:

$$58.3 \text{ g/day} \times 2500 \text{ birds} \times 300 \text{ days} \times 2 \text{ batches} = 43.75 \text{ tons.}$$

Layers:

$$120 \text{ g/day} \times 4,250 \text{ birds} \times 300 \text{ days} = 153 \text{ tons.}$$

Cost of Feed

$$\text{Growing birds} = 43.75 \text{ tons} \times \$550 \text{ ton} = \$24,063$$

$$\text{Layers} = 153 \text{ tons} \times \$500/\text{ton} = \underline{76,500}$$

$$\text{TOTAL } \$100,563$$

<sup>1/</sup> Includes 10% wastage.

<sup>2/</sup> Includes 8% wastage.

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Production System

Initially the laying hens will be sold at the first molt. Therefore, five months prior to the molt the replacement chicks must be available for beginning of growing period. As the project progresses, the advisor can determine the course of action to be taken.

The above cycle requires 300 days or five-sixths of a year. Thus, within the same year, one-sixth of the next cycle can be started. In computing the cash flow this should be taken into account.

Table G.2

**FEED REQUIREMENTS AND COST (4,000 Broiler Unit)**

The following guidelines were used in calculating the feed required by the poultry unit and the cost of the feed.

Assumptions

1. Total production of 4,000 broilers per year in 8 batches of 500 birds each.
2. Death loss 0-8 weeks - 20%.
3. Feeding period - 8 weeks.
4. Average daily feed consumption per bird - 90 grams.
5. Cost of imported feed - 550/ton.
6. Birds sold at approximately 1.50 to 1.75 kg for 7.00.

Feed Requirements

90 g/day/bird x 4,500 average number of birds fed x 56 days = 22.68 tons.

Feed Cost

22.68 tons x \$550/ton/year = \$12,474 or \$1,040 month.

Equipment Requirements

The following list represents the equipment required to refurbish and repair the facilities at the poultry production center at Basile. The unit costs are estimated at retail level in the U.S.A.

Battery of cages for 4,000 layers	35,000
Two incubators with capacity up to 500 eggs (electric/kerosene powered)	3,000
Brooder cages for up to 1,000 birds	1,000
3 km of PVC pipe assorted sizes and fittings	2,500
5 km of electric wiring with assorted sockets, switches, etc.	5,000
1 km of mild steel wire	500
100 gallons of assorted paints	1,000

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1 oxy-acetylene torch and tanks	500
10 wheelbarrows	750
1 egg scale	35
1 bird scale	50
1 refrigerator	800
1 two-way radio (citizens band - 2 base stations and two mobile stations)	1,500
4 step ladders	200
2 extension ladders - 24 foot	150
20 plastic buckets - various sizes	100
10 push brooms	50
1 set mechanic tools	750
1 set plumbing tools	250
2 debeakers	50
10 water hoses	200
16 egg baskets	250
2,000 egg trays - plastic	<u>500</u>
Subtotal	57,730
Furniture for expatriate advisor's house (bedrooms, living/dining room, refrigerator, stove, etc.)	10,000
Office furniture and equipment	1,500
Classroom furniture and equipment	500
Trainee dormitory furniture	1,500
Dormitory toilet and shower equipment	150
Grinder and batch mixer	7,000
Miscellaneous equipment and supplies	<u>5,000</u>
Total Equipment	83,980
+ 40% of total for shipping	33,552
TOTAL	117,572
ROUNDED	118,000

Table G.3

SMALL FARMER POULTRY COURSE  
(Suggested Outline)

## INTRODUCTION

1. Overview of Importance of Poultry to Family Nutrition and Income
2. Introduction of Four Basic Rules
  - a. Watch carefully.
  - b. Feed daily.
  - c. Water always.
  - d. Keep clean and dry.
3. Broilers: Getting Started
  - a. Caring for day-old chicks.
  - b. Building the poultry house.
  - c. Making a brooder.
  - d. How much feed to give.
  - e. Providing water.
  - f. How to tell if a chick is sick - types of diseases.
  - g. How to measure and administer medicines.
  - h. Storing feed.
  - i. Keeping rats away.
  - j. Keeping records.
4. Broilers: Growing
  - a. Removing and storing your brooder.
  - b. How much feed to give - supplementing with local feeds.
  - c. How to care for your water supply.
  - d. How to tell if a chick is sick - types of diseases.

- e. Measuring and administering medicines.
  - f. Special care of sick birds.
  - g. Proper disposal of dead birds.
  - h. Keeping records.
5. Broilers: Keeping Them Alive and Marketing
- a. Broiler house sanitation.
  - b. Identifying sick birds - types of diseases.
  - c. When to sell your broilers.
  - d. How to select a rooster to keep for your flock.
  - e. After selling - cleaning and disinfecting house and equipment.
  - f. Preparation for the next group of broilers.
  - g. Recordkeeping.
6. Egg Production
- a. Fixing a place for layers.
  - b. Feeding layers - how much feed to give.
  - c. How to identify a sick hen - types of diseases - how to administer medicine.
  - d. How to estimate how many eggs you will get.
  - e. How to care for hens that are molting.
7. Hatching and Brooding Chicks at Home
- a. Where to put your brooding hens.
  - b. Keeping them safe from rats.
  - c. How much feed to give.
  - d. When the chicks hatch.
  - e. When to separate the chicks from the hen.

**COURSE CONCLUSION**

1. Review of Skills and Information
2. Participant Evaluation of Course and Suggestions for Improvement

Table G.4

ONE-WEEK SMALL FARMER POULTRY COURSE  
(Suggested Schedule)

- Day 1    Arrival - Room assignments.
- Evening - Introductions, orientation address by Director of Livestock, review of four basic rules of poultry management.
- Day 2    Broilers: Getting Started
- A.M.      Observation, questions and answers, presentation and demonstration.
- P.M.      Basic skills practice: including recordkeeping.
- Evening - Review of day.
- Day 3    Broilers: Growing
- A.M.      Observation, questions and answers, presentation and demonstration.
- P.M.      Basic skills practice including recordkeeping.
- Evening - Review - special presentation.
- Day 4    Broilers: Keeping Them Alive and Marketing
- A.M.      Observation, questions and answers, presentation and demonstration.
- P.M.      Basic skills practice including recordkeeping.
- Day 5    Egg Production
- A.M.      Observation, questions and answers, presentation and demonstration.
- P.M.      Basic skills practice including recordkeeping.
- Evening - Review - special presentation.
- Day 6    Hatching and Brooding Chicks at Home
- A.M.      Observation, questions and answers, presentation and demonstration.
- P.M.      Basic skills practice including recordkeeping.
- Evening - Review of day, review of course, issuing of certificates.

Table G.5

EXTENSION WORKER TRAINING COURSE  
(Suggested Schedule)

This suggested course outline follows the same sequence as the small farmer poultry course in the area of production. A second and equally important component deals with improved skills in extension work.

INTRODUCTION

1. The importance of poultry production in family nutrition and the national welfare.
2. The challenge of being an extension worker.
3. Getting Started
  - a. Basic principles and skills in starting broilers.
  - b. Helping farmers identify problems and needs and to plan a project.
4. Growing
  - a. Basic principles and skills.
  - b. Teaching basic skills to farmers (practicum).
5. Disease Prevention, Control and Marketing
  - a. Basic principles and skills.
  - b. Teaching basic skills to farmers (practicum).
6. Egg Production
  - a. Basic principles and skills.
  - b. How to use records to help make decisions (practicum).
7. Hatching and Raising Chicks at Home
  - a. Basic principles and skills.
  - b. How to help people evaluate their projects and plan for the future.

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### TRAINING FOR THE GENERAL MANAGER

The General Manager of the poultry production center will require, in addition to on-the-job training, specialized short-term training in poultry production and management. In order to provide the most relevant course of training, the technical advisor and Director of Livestock will consult with the General Manager to determine his specific training needs and goals. In consultation with USAID, the contractor and other parties, the technical advisor and the Director of Livestock will determine the type of training and the best location for such training. It is anticipated that the course will have a duration of two months.

### IN-SERVICE TRAINING FOR ASSISTANT MANAGER, FOREMAN AND LABORERS

In keeping with the principle that the poultry production center is a learning facility, all staff and laborers will participate in weekly training sessions. These sessions will commence one month following the technical advisor's arrival. Training needs, goals and interests will be identified by the center personnel and the technical advisor. The focus of the training will be upon identifying immediate problems and acquiring the skills to solve them quickly and prevent their recurrence. The General Manager along with the poultry extension agent will participate in these sessions. Depending on the course and its timing, they will participate either as students or instructors.

Table G.6

## SEQUENCE

A suggested time line for this component follows showing the target date, activity to be completed and person(s) responsible for its completion. This time line follows four general stages of this component: preparation, in-service training of extensionists, training of individual producers.

<u>1981</u>	<u>Activity</u>	<u>Responsible Party(s)</u>
May	Meeting/classroom prepared.	General Manager
June	Technical advisor arrives.	Contractor
July	Weekly in-service sessions for staff instituted.	Technical Advisor
August	General Manager begins two-month short-term training.	Director of Livestock Technical Advisor
September		
October	Further training materials prepared.	Technical Advisor
November	Training methodology tested and taught to center staff.	Farm Manager Director of Livestock
December	Dormitory facilities repaired. Model small farm poultry facility built.	Technical Advisor General manager
<u>1982</u>		
January	One-week course for seven extension agents.	Technical Advisor Farm Manager Ministry of Agriculture
February	One-week course for eight extension agents.	
March	Selection of one poultry extension agent to be attached to project.	Technical Advisor
April		
May	First course - eight farmers.	Technical Advisor Poultry Extension Agent Farm Manager Extension Agents

S4/x

<u>1982</u>	<u>Activity</u>	<u>Responsible Party(s)</u>
June	Second course - eight farmers.	Technical Advisor Poultry Extension Agent Farm Manager Extension Agents
July	Third course - eight farmers.	"
August	Fourth course - eight farmers.	"
September	Fifth course - eight farmers	"
October	Sixth Course - eight farmers.	"
November	Seventh Course - eight farmers.	"
December	Eighth Course - eight farmers.	"
<u>1983</u>		
January	Ninth Course - eight farmers.	"
February	Tenth Course - eight farmers.	"
March	Eleventh Course - eight farmers.	"
April	Twelfth Course - eight farmers.	"
May	Meeting with training course graduates to discuss how to improve the course's effectiveness.	General Manager Poultry Extension Agent



# UNITED STATES OF AMERICA

AGENCY FOR INTERNATIONAL DEVELOPMENT

Yaounde

UNITED STATES ADDRESS :  
YADUNDE (AID)  
DEPARTMENT OF STATE  
WASHINGTON D C. 20520

INTERNATIONAL ADDRESS :  
USAID  
B. P. 817  
YAOUNDE, CAMEROUN

## ANNEX H

### PROJECT AUTHORIZATION

Name of Country: Equatorial Guinea  
Name of Project: Agricultural Development  
Number of Project: 653-0001

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Agricultural Development grant for Equatorial Guinea involving planned obligations of not to exceed \$1,000,000 in grant funds over a three-year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB allotment process, to help in financing foreign exchange and local currency costs for the project.

2. The project's two components consists of assisting the Ministry of Agriculture, Livestock and Forestry in: a) providing vehicles to already established small farmer cocoa, coffee and horticulture cooperatives which they critically need to transport their members' produce from their farms to the cooperatives and from the cooperatives to the market; and b) providing technical assistance, training and commodities to the Poultry Production Center at Basile so it can provide an immediate and significant supply of eggs and poultry meat to the population as well as a training program for small farmer poultry producers.

3. The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

#### A. Source and Origin of Goods and Services

Goods and services, except for ocean shipping, financed by A.I.D. under the grant shall have their source and origin in the United States or in Equatorial Guinea, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the grant shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

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B. Waivers

Notwithstanding paragraph A above and based on the justification in Annex F of the Project Paper, I hereby approve a procurement waiver from Geographic Code 000 (U.S.) to Geographic Code 935 (Free World) for the purchase of one four-wheel drive pickup, one sedan and one motorcycle valued at approximately \$25,000 and certify that exclusion of procurement from Free World countries other than the cooperating country and countries included in Code 941 would seriously impede the attainment of U.S. foreign policy objectives and the objectives of the foreign assistance program.

C. Conditions Precedent

Prior to any disbursement of funds for the Poultry Production Center component or to the issuance by A.I.D. of commitment documents with respect thereto, the Government of Equatorial Guinea shall furnish to A.I.D. in form and substance satisfactory to A.I.D.:

i) evidence of an arrangement to assure the continuous flow of poultry feed to the Poultry Production Center throughout the project; and

ii) evidence of the establishment of the Poultry Production Center Board of Directors and that the Poultry Production Center has financial and administrative autonomy.

D. Covenants

The cooperating country covenants that it will assign, as required throughout the project, all Government of Equatorial Guinea administrative and technical staff required to carry out the project.



---

Ronald D. Levin  
Mission Director

Date: Dec. 30, 1980

Drafted: PDE: ~~R. R. R.~~ Rifenburg: sb: 12/24/80

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

**FROM:** AFR/DR, Norman Cohen

**SUBJECT:** Equatorial Guinea Agricultural Development/ (653-0001); Delegation of Authority to Amend Project

**Problem:** Your approval is requested to delegate ad hoc authority to the Director of USAID/Cameroon to authorize a \$1.0 million amendment to the subject project.

**Discussion:** The project was authorized by the USAID/Cameroon Mission Director on December 30, 1980 in the amount of \$1,000,000 and has a Project Assistance Completion Date (PACD) of June 30, 1983. The purpose of the project is to increase the income of small holder cocoa and coffee cooperative members by providing trucks and spare parts to transport produce to market areas and to provide the consumer market with critically needed protein through the development of a poultry raising station. Development of the FY 1982 assistance package for Equatorial Guinea was held in abeyance until implementation problems associated with one component of the FY 1981 funded activity were resolved. During recently concluded discussions with representatives of the Government of the Republic of Equatorial Guinea (GREG), it was mutually agreed that AID's FY 1982 assistance could best be provided in the form of an amendment to the existing project that could be quickly disbursed and have immediate impact.

The proposed project amendment will provide an additional \$1,000,000 in FY 1982 funding with a new PACD of December 31, 1985. The first phase of the project has achieved a degree of success in providing assistance to cooperatives in the transport areas and by providing supplies, equipment and technical assistance to the poultry station. The purpose of this amendment is to build on the success of the assistance provided to date through the provision of additional support which is critically needed by the Equatorial Guinean cooperatives and the poultry production center at Basile. It does not alter the statement of goal and purpose in the original project paper. The amendment will provide the following.

**A. Cooperatives:**

Due to lack of foreign exchange Equatorial Guinea has not been able to import critically needed commodities and equipment needed by cooperative groups. Last year cocoa producers were hampered in their efforts by a shortage of hand tools and fungicides essential to the growing and harvesting of their crop. Coffee producers, who also suffered from the shortage of hand tools, were unable to market most of their crop because machinery needed to hull and clean their crop was not available. While the trucks previously supplied by A.I.D. have successfully achieved their original purpose by removing the constraint of access to markets, the lack of a supply of spare parts threatens their long-term usefulness. The project amendment will provide additional support for the cooperatives through the purchase of fungicides, hand tools, coffee hullers and vehicle spare parts.

The special account mechanism, which will be used for the deposit of funds generated from the sale of the previously provided vehicles, will also be used for the additional revenues to be generated from the sale of commodities and equipment to be provided under this amendment. The special account will be managed in accordance with the requirements of Section 609 of the Foreign Assistance Act and expenditures will be for the purpose of furthering cooperative development. In order to assure the proper functioning of the special account, two person-months of a financial advisor's services will be provided. There also will be two-person-months of a machinery advisor's services

provided to insure the proper installation and initial use of the coffee processing equipment. Additionally, one person-month of a vehicle maintenance advisor's services will also be provided.

**B. Poultry Production Center:**

The poultry production component encountered significant delays in start-up. The procurement of technical services took longer than anticipated, as did the procurement of commodities and equipment. The GREG, facing a critical shortage of foreign exchange, was only recently able to provide a letter of commitment for the purchase of chicken feed. The project amendment will provide for an extension of the poultry advisor's services, so that he will be present at the poultry farm during chicken raising activities for the same period of time called for in the project paper. The project amendment will also finance short-term training in livestock production in the U.S. for two participants, the purchase of poultry feed for the breeding flock, the repair of the poultry farm's water and electrical systems, and miscellaneous building repairs.

Given the critical need of the additional agricultural inputs, the relatively small amount of funding to be provided by the amendment, and the short time available for developing the FY 1982 funded activity, amending the project is the most viable option. The newly revised Delegation of Authority No. 140, gives Mission Directors the authority to authorize project amendments not to exceed 10 percent or \$2,000,000, whichever is less. The amendment proposed herein exceeds that authority. Therefore, USAID/Cameroon requests an ad hoc delegation of authority for the Mission Director to approve the proposed amendment.

Recommendation: That you sign below, thereby delegating authority to the Director of USAID/Cameroon to authorize the amendment to the subject project.

Attachment: a/s

Approved: ABP  
Disapproved: \_\_\_\_\_  
Date: Jul 30, 1982

Drafted: AFR/DR/CCWAP: SChambers:bfc:7/23/82

AFR/DR/CCWAP: RAnderson A  
AFR/CA: V.Faulkner(draft) \_\_\_\_\_  
AFR/DR/ARD: CFields(draft) \_\_\_\_\_  
AFR/DP: GCauvin(draft) \_\_\_\_\_  
DAA/AFR: FCorrel fc  
DAA/AFR: RLove \_\_\_\_\_  
GC/AFR: ANewton ABW

Subject to  
Satisfaction of combs  
Concerns. - see  
dept staff.  
m

# memorandum

DATE: December 17, 1982

REPLY TO  
ATTN OF: *JS*  
Samuel Scott, Project Development Officer, USAID/Cameroon

SUBJECT: Procurement Plan - Equatorial Guinea Agricultural Development  
Project, 653-0001

TO: See Distribution

Attached is the Procurement Plan for Amendment Number One to subject project. Please include this Procurement Plan as Annex E to the amendment authorized by the USAID Mission Director on September 20, 1982.

Attachment, a/s.

Distribution:

ARD:	3 copies
PRM	2 "
CONT	2 "
SMD	2 "
AmEmbassy (Equatorial Guinea)	4 "
AFR/PD (Sid Chambers, for appropriate AID/W distribution)	4 "

Clearances: ARD: LDominessy *LD*  
A/D/DIR: HMiller *H*



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

## PROCUREMENT PLAN

### EQUATORIAL GUINEA AGRICULTURAL DEVELOPMENT

#### PROJECT 653-0001

##### I. Responsibilities

Project procurement and contracting will be accomplished in several ways, depending upon the commodities or services to be procured.

USAID/Yaounde will act on behalf of the GREG for contracting technical assistance. This will be done through an amendment to the Cooperative Agreement with International Human Assistance Programs, Inc., extending the services of the poultry specialist. Also, USAID/Yaounde will act on behalf of the GREG for contracting short term technical assistance for a financial advisor, mechanic, and coffee processing machinery installation advisor.

Renovations and repairs to the Poultry Production Center, to include rehabilitation work, water system repair, electrical system installation, toilet and shower construction, feed mill installation, and other facility repair work, will be accomplished by a host country contract between the GREG and the organization providing the services. USAID/Yaounde will provide payment directly for these contracts upon presentation of invoices and evidence of completion of work by the GREG.

USAID/Yaounde will act on behalf of the GREG for procurement of all other commodities financed under the project, to include fungicides, hand tools, vehicle spare parts, communication equipment, coffee processing machinery, and reserve feed for the breeder flock. The coffee processing machinery, feed supply, and some hand tools will be purchased from suppliers in Douala. All other commodities will be purchased from the United States; either through a Procurement Service Agent (PSA) or by purchase orders issued by USAID/Yaounde.

##### II. Source/Origin

Goods and Services financed by AID under the grant, will have their source and origin in the United States and the Cooperating Country, except as AID may otherwise agree in writing. Ocean shipping financed by AID under the grant shall, except as AID may otherwise agree in writing, be financed only on flag vessels of the United States or when shipment is under a through bill of lading issued by a U.S. flag carrier.

##### III. Commodity Eligibility

For purposes of this project, items procured in the host country and Cameroon having their verifiable origin in the United States will be considered of U.S. source and eligible for financing. Such procurement will be done in accordance with good commercial practices and AID regulations.

All commodities listed are eligible for AID financing.

#### IV. Shelf Items

Imported shelf items having their origin in the United States Geographic Code 000 can be purchased without restrictions, except for the limitation on the total amount available for local procurement. Shelf items having their origin in Geographic Code 941 countries are eligible for local cost financing in unlimited quantities, save for the limit on local procurement funding. Shelf items having their origin in any country included in Code 899 but not in Code 941 are eligible if the price of one unit does not exceed \$5,000. For goods sold by units of quantity, e.g., tons, barrels, etc., the unit to which the local currency equivalent of \$5,000 is applied is that which is customarily used in quoting prices. The total amount of imported shelf items purchased from countries included in Code 899 but not in Code 941 may not exceed \$25,000 or 10% of the total local costs financed by AID for the project, whichever is higher; however, in no case will the total amount of such purchases exceed \$250,000 without first obtaining a specific geographic source waiver. Procurements in excess of the limits will be authorized only as source waivers in accordance with the provisions and limitations of Africa Delegation of Authority No. 140, Revised, and any redelegation thereunder.

Imported shelf items originating in Code 899 countries, imported into Code 941 countries in sub-Saharan Africa are eligible for AID financing as long as they meet the criteria for eligible shelf-items mentioned above.

Imported shelf items produced in or imported from countries not included in Geographic Code 899 are ineligible for AID financing.

Procurement of imported shelf items shall conform to good commercial practices, shall be at reasonable prices, and shall not be in a manner which conflicts with local laws and practices.

Shelf item procurement procedures must be spelled out carefully in the Implementation Letter(s) so there will be no confusion on the part of the GREG as to what type of items are authorized to be procured.

#### V. Delivery and In-Country Transport

All commodities imported specifically for the project will be shipped CIF Malabo. In-country transport and insurance will be the responsibility of and paid for by the GREG. Suppliers will provide all risk marine insurance in the amount of 120% of the CIF cost of the commodities. AID's marking requirements for overseas shipments will be enforced.

#### VI. Title of Commodities

Commodities imported under the project will be titled to the Ministry of Agriculture, Livestock and Fisheries (MINALF).

VIII. Custom Clearance

It is the responsibility of the MINALF to initiate documentation required for customs exoneration prior to the arrival of goods in Malabo and to assure that such documentation is made available to the freight forwarder in sufficient time to permit goods to be moved from port of entry promptly upon arrival.

USAID does not pay transportation costs beyond port of entry in Equatorial Guinea. The MINALF is responsible for issuing an Order of Transit to its predetermined freight forwarder promptly upon commodity arrival to move such commodities out of the port of entry to its warehouse facilities and on to the appropriate project site.

IX. Condition of Goods upon Arrival

It is the responsibility of the MINALF to inspect goods upon arrival and report to the IHAP technician and USAID/Yaounde, immediately thereafter, any shortages or damages so that appropriate insurance claim(s) can be initiated. In the event significant shortages or damages are encountered the MINALF will employ the services of an independent surveyor to prepare and submit a written report.

X. Commodity Summary

The following is a summary of commodities to be procured for project.

All prices are CIF Malabo:

Communication Equipment	\$ 9,000
Poultry Feed	50,000
Hand tools	100,000
Vehicle Spare Parts	80,000
Coffee Processing Machinery	100,000
Fungicide Components:	
Copper Sulfate	298,000
Lime	53,000
Copper Oxide	50,000
Total	\$740,000

XI. Local Currency Procurement

The following repairs and services will be paid for with local currency.

PPC Rehabilitation:

Water System Repair	\$ 24,000
Electrical System Installation	5,000
Toilet/Shower Construction	4,000

Feed Mill installation and repair work to other facilities	<u>17,000</u>
Total	\$50,000

XII. Procurement Schedule

This Procurement Schedule is based from the date of Project Agreement execution.

<u>Target Dates</u>	<u>Action(s) to be taken</u>
Day 1	Special Account established and specimen signatures are on file (GREG)
+ 10 days	PIO/Ts for technicians are prepared (USAID/ARD)
+ 30 days	Designate and appoint Authorized Agent(s) to do the procurement of U.S. and non-U.S. manufactured commodities (USAID/ARD and SMD)
+ 45 days	PIO/Cs prepared (USAID/SMD)
+ 60 days	Advertising for U.S. source equipment (Authorized Agent) Procurement of non-U.S. source equipment initiated (Authorized Agent)
+ 105 days	Bids for U.S. source commodities received and evaluated (Authorized Agent)
+ 110-125 days	Awards made and Purchase Orders issued. (Authorized Agent)
+ 200-230 days	Arrival of coffee hullers. Arrival of technician for installing them.
+ 300-360 day	Arrival of all U.S. source commodities in Malabo.

XIII. WAIVERS: (See attached Action Memoranda)

Source/Origin waivers were requested for:

1. Coffee hulling machines	\$120,000
2. Construction equipment and supplies	<u>25,000</u>
Total waiver requests	\$145,000

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Clearances: ARD:LDominessy SDP  
ARD:WLitwiler WH  
PDE:SScott SC  
CONT:RGarner RG  
PRM:HNMiller HM  
D/DIR:BDWilder BM FS  
DIR:RDLevin RL

ACTION MEMORANDUM FOR THE DIRECTOR

FROM : Ms. R.J. Thompson, PDE

SUBJECT : Equatorial Guinea Agriculture Development Project 653-0001:  
Request for Source/Origin Waiver for the procurement of five  
coffee hulling machines

Problem: Implementation of subject project requires the procurement of coffee hulling machines from non U.S. manufacturers. In order to allow such procurement you are requested to grant a source/origin waiver from Geographic Code 000 (U.S. only) to Geographic Code 935 (Special Free World).

Facts:

(A)	Cooperating Country	: Equatorial Guinea
(B)	Authorization Document	: Project Authorization Amendment
(C)	Project	: Agricultural Development Project 653-0001
(D)	Nature of Funding	: Grant
(E)	Description of Goods	: Five Coffee Hulling Machines
(F)	Approximate Value	: \$120,000
(G)	Probable Source	: Western Europe
(H)	Probable Origin	: Italy

Discussion: In accordance with AID Handbook 1, Supplement B, procurement of commodities from countries included in AID Geographic Code 935 under a grant-financed project requires a waiver. Under Handbook 1, Supplement B, Section 5B4a (2) a waiver of the authorized Geographic Code for purchase of commodities can be based on the criteria that the commodities are not available from countries included in the authorized Geographic Code.

The authority to make such a determination and grant a waiver has been delegated to you by AID Delegation of Authority No. 140 Revised.

The goal of this project is to increase the incomes of small farmers by providing them means to increase their productivity. The project consists of providing commodities and technical assistance to 31 coffee and cocoa cooperatives in Bioko and Rio Muni, Equatorial Guinea to facilitate increasing cocoa and coffee production and hence small farmer incomes. The coffee cooperatives, whose members are small farmers, are unable to market much of their produce and hence pay their loans because they cannot hull their coffee beans. The coffee beans are unacceptable for marketing unless they are hulled.

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Last year's harvest of coffee by the cooperatives is being stored because no machinery is available to hull it. The machines are needed urgently to hull the accumulated produce and this year's harvest. The hulling machines will enable the cooperatives to pay off their bank loans and enable cooperative members to realize an income from their coffee production.

Providing coffee hulling machines is an integral component in attaining the project goal and purpose. There are no coffee hulling machines manufactured in the United States or in Code 941 countries. Coffee hulling machines of Italian manufacture are operating in Equatorial Guinea and may be readily serviced there. In order to standardize available maintenance services and spare parts it is recommended to procure the same type of hulling machinery.

Conclusion: The waiver request authorizing the procurement of coffee hulling machinery from Code 935 is justified on the basis that the commodities are not available from U.S. or Code 941 manufacturers and the importance of standardizing the procured equipment with existing equipment, spare parts and maintenance services available in Equatorial Guinea.

Recommendations: For the above reasons it is recommended that you:

- (1) approve a source/origin waiver from AID Geographic Code 000 to Code 935; and
- (2) certify that exclusion of procurement from Free World Countries other than the cooperating country and countries included in Code 941 would seriously impede attainment of U.S. foreign policy objectives and objectives of the foreign assistance program.

Approved: *V. Connelly*

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

Date: 9/20/82

Clearances: SMD: TZBaranyi (draft)  
ARD: WLitwiller (draft)  
CONF: RGarner (draft)  
PRM: HWaitaitis (draft)  
PRM: JMiller *MM*  
D/DIR: BWilder *BW*

*MM*  
Drafters: ARD/IDI: CEPhelps/RLA: BBarrington: ate: 09/01/82

Date: November 26, 1982

*Thomas Z. Baranyi*  
 FROM : Thomas Z. Baranyi, USAID/Supply Management Officer

SUBJECT: Equatorial Guinea Agriculture Development Project 653-0001  
 Request for Source/Origin Waiver from Geographic Code 000  
 (U.S. only) to Geographic Code 899 (Free World for the  
 procurement of construction and repair materials.

Problem: Implementation of subject project requires the repair and renovation on the Poultry Production Center in Malabo, Equatorial Guinea.

- A) Cooperating Country : Equatorial Guinea
- B) Authorization Document : Project Authorization Amendment No. 1 signed on September 24, 1982
- C) Project : Agricultural Development Project 653-0001
- D) Nature of Funding : Grant
- E) Description of Goods : Construction and repair materials, i.e. cement, rebars, galvanized pipe, plastic pipes, electrical wire etc.
- F) Approximate Value : \$25,000
- G) Probable Source : Spain, Cameroon
- H) Probable Origin : Spain, Western Europe

Discussion and Justification: In accordance with AID Handbook 1, Supplement B, Chapter 5B4b (1) and (7) permits a change in the authorized geographic codes for purchases of commodities when circumstances are (1) determined to be critical to the success of project objectives; and (2) when there is an emergency requirement for which non-AID funds are not available and the requirement can only be met in time from suppliers in a country not included in the authorized geographic code.

Repairs to be done on the Poultry Production Center are of an emergency nature. The Center has begun to produce large numbers of chickens. Currently there is an inadequate supply of water in the Center's reservoir to supply the needs of the poultry during the current season. The piping supplying water to the reservoir from the source is in poor repair and is incapable of filling the reservoir.

In a few weeks the source will go dry. Without an adequate water supply the poultry will die of heat exhaustion.

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None of the commodities listed above have their source or origin in Equatorial Guinea. Procurement of commodities from Code 941 countries other than the U.S. is also limited. The construction and repair commodities may be available in Cameroon, however, Spain is the only country with reliable ocean transport to Equatorial Guinea. Consequently, it is expected that the contractor doing the repair and renovation of the Poultry Production Center will procure the necessary commodities from Spain.

Recommendation: For reasons state above and pursuant to Africa Delegation of Authority No. 140, Revised, it is requested that you certify that exclusion of procurement from Free World countries other than the cooperating country and countries included in Code 941 would seriously impede attainment of U.S. foreign policy objectives and objectives of the foreign assistance program and that you approve this request for waiver.

Approved B W Miller

Disapproved \_\_\_\_\_

Date 11/29/82

Clearances:ARD:LDominessy [Signature]  
ARD:WLitwiller [Signature]  
PDE:SScott [Signature]  
CONT:RGarner [Signature]  
PRM :HNMiller [Signature]

Drafter:SMD:TZBaranyi:cee 11/26/82