

To: Arthur S. Lezin, Acting Director  
From: John Babylon, Program Officer *John Babylon*  
Subj: Project Authorization -- Smallholder Agricultural  
Development II (679-0002)

Problem:

Your approval is required to execute a grant of \$3,000,000 from the Agriculture, Rural Development and Nutrition appropriation to the Cooperative for American Relief Everywhere, Inc. (CARE) for the Congo Smallholder Agricultural Development II (679-0002) Project. On the basis of your approval a cooperative agreement will be executed between USAID and CARE.

The purpose of the Cooperative Agreement, awarded pursuant to the Foreign Assistance Act of 1961, as amended, and the Federal Grant and Cooperative Agreement Act of 1977, is to provide partial support to CARE for its participation in a program of assistance to the Government of the People's Republic of the Congo (GPRC).

We intend to obligate \$1,000,000 in FY 1983 for this activity subject to the availability of funds in accordance with the USAID OYB/allotment process.

Discussion:

The project's goal is to improve the quality of rural life in the Congo. The project's purpose is to increase the productivity of smallholders in the Lekoumou region of the Congo. This project builds upon the lessons learned and experience gained from the Congo Smallholder Agricultural Project (679-0001), which was evaluated in May, 1983. The new project addresses the following major constraints to increased smallholder agricultural production in the Lekoumou region: The inefficient crop purchasing system; inadequate or non-existent post-harvest/pre-marketing crop storage system; and the unavailability of new seed of improved varieties. The project will institute a revolving fund for the purchase of smallholder crops; construct 20 warehouses for the crops purchased through the fund; and expand the capacity of the existing nearby Mossendjo seed farm to meet the demand for improved seed. A regional center will be constructed or an existing building refurbished to provide training facilities for village warehouse managers, farmers and Department of Agriculture employees.

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Financial Summary:

The total USAID contribution to the four year, life of project cost is \$3,000,000. The GPRC will contribute the equivalent of approximately \$1,000,000 in local currency for personnel, facilities and operating costs. CARE will contribute approximately \$223,000. Total USAID/GPRC/CARE life of project cost is approximately \$4,223,000.

Socio-economic, Technical and Environmental Description:

1. The Project Review Committee found the Project to be socio-economically and technically sound.
2. The Initial Environmental Examination recommended a negative determination which has been approved.
3. The Project meets the requirements of FAA Section 611(a).

Covenants:

The following is a Condition Precedent to Disbursement: Prior to the disbursement of any AID funds, or the issuance of documentation pursuant to which such disbursement shall be made, the recipient (CARE) shall furnish to AID in form and substance satisfactory to AID an executed program agreement between the recipient and the GPRC setting forth the responsibilities and understandings of the GPRC and recipient for program implementation.

Implementation:

The project will be administered by CARE through a Cooperative Agreement with USAID. The GPRC implementing agency is the Ministry of Agriculture.

Committee Action and Congressional Notification:

The Project was reviewed by the Project Committee. As there were no unresolved issues, the Project Committee concluded that the Project should be forwarded to you for authorization. A Congressional Notification was sent to Congress on July 8, 1983, and expired on July 23, 1983.

Recommendation:

That you sign the attached project - authorization and thereby - authorize the proposed project.

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Clearances:

CONT: TNickle	<u>DM</u>	Date:	<u>8/11/83</u>
DFO: HLBraddock	<u>D</u>	Date:	<u>8/11/83</u>
GDO: DSinger	<u>all</u>	Date:	<u>8/11/83</u>

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PROJECT AUTHORIZATION

Name of Entity: Cooperative for American Relief Everywhere, Inc. (CARE)

Name of Project: Congo Smallholder Agricultural Development II

No. of Project: 679-0002

1. Pursuant to the Foreign Assistance Act of 1961, as amended, I hereby authorize a grant to the Cooperative for American Relief Everywhere, Inc. (CARE) for the Congo Smallholder Agricultural Development II Project which has planned obligations of not to exceed \$3,000,000 in grant funds over the planned life of project of three years. On the basis of this authorization a Cooperative Agreement will be executed between USAID and CARE.

2. The purpose of the Cooperative Agreement, awarded pursuant to the Foreign Assistance Act of 1961, as amended, and the Federal Grant and Cooperative Agreement Act of 1977, is to provide partial support to CARE for its participation in a program of assistance to the Government of the People's Republic of the Congo (GPRC).

3. The project's goal is to improve the quality of rural life in the Congo. The project's purpose is to increase the productivity of smallholders in the Lekoumou region of the Congo. This project builds upon the lessons learned and experience gained from the Congo Smallholder Agricultural Project (679-0001), which was evaluated in May, 1983. The new project addresses the following major constraints to increased smallholder agricultural production in the Lekoumou region: The inefficient crop purchasing system; inadequate or non-existent post-harvest/pre-marketing crop storage system; and the unavailability of new seed of improved varieties. The project will institute a revolving fund for the purchase of smallholder crops; construct 20 warehouses for the crops purchased through the fund; and expand the capacity of the existing and nearby Mossendjo seed farm to meet the demand for improved seed. A regional center will be constructed or an existing building refurbished to provide training facilities for village warehouse managers, farmers and Department of Agriculture employees.

4. The Agreement(s) which may be negotiated and executed by the officer(s) 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.

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a. Source and Origin of Goods and Services

Goods and services, except for ocean shipping, financed by A.I.D. under this project shall, except as A.I.D. may otherwise agree in writing, have their source and origin in the People's Republic of the Congo or in countries included in A.I.D. Geographic Code 941.

b. Prior to the disbursement of any A.I.D. funds, or the issuance of documentation pursuant to which such disbursement shall be made, the recipient (CARE) shall furnish to A.I.D. in form and substance satisfactory to A.I.D. an executed program agreement between the recipient and the GPRC setting forth the responsibilities and understandings of the GPRC and recipient for program implementation.

Clearances:

CONT: TNickle 2912 Date: 8/11/83  
DEO: HBraddock B Date: 8/11/83  
GDO: DSinger MS Date: 8/11/83

*Arthur S. Lezin*

Arthur S. Lezin  
Acting Director  
USAID/Kinshasa

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