

PD-BAT 278

657-0010

ACTION MEMORANDUM FOR THE COUNTRY DEVELOPMENT OFFICER

Thru: Louis F. Macary, Program Officer

OFFICIAL PRO-----
DOCUMENT

From: Cheryl A. McCarthy, Assistant Agricultural Development Officer

I. Problem: Your approval is requested for a grant of \$5,500,000 from the FAA Section 103, Agriculture, Rural Development and Nutrition, appropriation to Guinea-Bissau for South Coast Agricultural Development Project, 657-0010. It is planned that \$2,000,000 will be obligated in FY 1983.

II. Discussion:

A. Purpose: To strengthen an institutional capability in the Department of Agricultural Hydraulics and Soils (DHAS) to promote and facilitate the extension of South Coast rice production areas through improved water control structures and water management practice.

B. Project Description: The project will help the DHAS of the Ministry of Rural Development to develop a regional center at Catio in southern Guinea-Bissau. The purpose of the center will be to promote the extension of coastal swamp rice production areas and development of improved salt water intrusion dams and structures and improved water management techniques, building on long standing traditional land reclamation and cultivation practices. The project will assist DHAS to develop its institutional facilities and capabilities at its regional center in Catio. Project inputs include construction, technical assistance, training and commodities.

C. Relationships of Project to A.I.D. Country Strategy: The project forms the centerpiece of A.I.D.'s program which focuses on cereal production and those activities which directly support cereal self-sufficiency. This is in full agreement with the Government of Guinea-Bissau's identification of food self-sufficiency as its highest priority. A.I.D. and the Government of Guinea-Bissau have determined that the South Coast region of the country is the only area which has the potential for producing surpluses to feed the rest of the country.

D. Beneficiaries: Direct primary beneficiaries of this project will be the staff of DHAS who will receive training and operational support to achieve an essential level of expertise to perform their assigned functions. Secondary beneficiaries will be numbers of South Coast farmers who will be provided access to fertile reclaimed land. Tertiary beneficiaries will be the rest of the population of Guinea-Bissau after newly reclaimed areas are effectively meeting their staple food needs and surplus production is available for consumer markets.

E. Financial Summary: Life of Project funding is \$5,500,000 with an initial FY 83 allotment of \$2,000,000.

	<u>First Year</u>	<u>LOP</u>
Technical Assistance		2,227,000
Commodities	670,000	1,032,000
Construction	1,330,000	1,330,000
Training		58,000
Other		853,000
Total	2,000,000	5,500,000
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Host Country	<u>708,000</u>	<u>3,640,000</u>
Grand Total	2,708,000	9,140,000

F. The project has been reviewed for socio-economic and technical soundness. It has been determined that the project is acceptable and feasible from sociological, economical and technical points of view.

G. The IEE resulted in a Positive Determination. An Environmental Assessment (E.A.) was undertaken during the development of the Project Paper. Phase I of the EA was completed and accepted by the Bureau Environmental Officer. The Africa Bureau Environmental Officer has determined that the project can be authorized prior to the Phase II which will do additional studies and monitoring during the life of project. The Phase II of the E.A. will be funded by the Environmental RSSA managed by AFR/TR/SDP (State 129654, attached). A fisheries biologist, to be funded by AFR/TR/SDP through a central bureau project, will:

- 1) identify the relationship of mangrove swamps to various fish species;
- 2) identify the nutrient and salinity requirements of estuarine crustaceans and mullosks;
- 3) determine the merits of a fisheries monitoring program in the project area;
- 4) summarize the effects the project may have on estuary and off-shore production;
- 5) identify the fresh-water animal species which are adapted to trackish water with occasionally high acidity and their potential yields;
- 6) investigate the potential nutritional and economic effects an altered local environment might have on near-by villages.

H. One impediment to project implementation in Guinea-Bissau is the very limited availability of trained human resources. Although the project proposes to address this problem through extensive training, it is felt that, to be effective, a core group of Guinean technicians must be identified and available at the time the technical assistance team arrives. As a corollary to this, the Guinean technicians must be in place in Catio. This requires that the Ministry provide, in one form or another, on-site housing for the counterparts. In addition, to ensure timely implementation a Project Manager is required within 30 days of signing of the Project Grant Agreement.

To make the maximum use of project resources, the Project Grant Agreement will also ask the Government of Guinea-Bissau to covenant to 1) assign priority use of the DHAS landing craft to the project when it is required (movement of machines, vehicles and personnel) and 2) assure that all participants trained under the project will work in the department for a determined period of time after their training.

I. The Project Committee has carefully reviewed the Implementation Plan as contained in the attached PP and believes that the Plan is realistic in the context of Guinea-Bissau and provides a reasonable timeframe for carrying out the project.

J. As written the Project involves five implementing agencies: the Ministry of Rural Development (DHAS, more specifically); CDO/Bissau, REDSO/WCA, AID/W and several private contractors.

K. Based upon information contained in the PP, with concurrence of the REDSO/WCA technical staff, the Project Committee finds that the requirements of FAA Section 611(a) have been met.

L. The Engineer responsible for the technical analysis of the project, with REDSO/WCA concurrence, has determined that the project meets the standards and criteria as required by FAA Section 611(b).

M. Responsible Project Officers are Glenn Slocum in AFR/PD/SWAP, AID/W (Backstopping) and Cheryl McCarthy, AADO, CDO/Bissau (field implementation).

III. Certain source/origin/nationality, non-competitive procurement, and source waivers are requested. They are described and justified in Appendix 1 of Annex X of the attached Project Paper. Additional source/origin and proprietary procurement waivers are required, but approval must be provided by AID/W. Value of field approved waivers is \$128,500. Value of AID/W approved waivers is \$1,470,000.

IV. The project was included in the FY 1984 Congressional Presentation and a Congressional Notification was sent on July 18, 1983. The waiting period for a Congressional response expired with no response or further action required.

V. Field Authorization of the project under DOA-140, with revised REDSO/WCA concurrence was approved by AID/W in State 06858 (Annex I of PP).

VI. Recommendation: That you sign the attached Project Authorization, thereby authorizing the project and the requested waivers.

Clearances: JOsborn, PDO
TWStervinou, PADS
DBarnett, PADS
DJenkins, EO
DMcClellan, EO
BBarrington, RLA
RWebber, RCO
ABilecky, SMO
MBillings, PADS
AGMacArthur, ODD

Concurrence: Laurance W. Bond
Director, REDSO/WCA

Date: 5 July 1983

Drafted by: ERAuch; CMCCarthy

PROJECT AUTHORIZATION

Guinea-Bissau

South Coast Agricultural
Development Project
(657-0010)

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the South Coast Agricultural Development Project for The Republic of Guinea-Bissau ("Grantee"), involving planned obligations not to exceed \$5,500,000 in grant funds over a six 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 will help the Department of Hydraulics and Soils (DHAS) of the Ministry of Rural Development to develop a regional center at Catio in southern Guinea-Bissau. The purpose of the center will be to promote the extension of coastal swamp rice production areas through research and development of improved salt water intrusion dams and structures and improved water management techniques, building on long standing traditional land reclamation and cultivation practices. U.S. project purpose is to assist in developing the institutional facilities and capabilities at the DHAS/Catio regional center. Inputs include construction, technical assistance, training and commodities.
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.
4. The Bureau Environmental Officer has found that the Phase I Environmental Assessment is adequate for PP approval and authorization. Complementary study activities will be funded by AID/W.

5.A. Source and Origin of Goods and Services

Goods and services, except for ocean shipping, financed by A.I.D. under the project shall have their source and origin in the United States, the Cooperating Country or in countries included in A.I.D. Geographic Code 941 except for certain commodities from Geographic Code 935 for which a waiver is approved. Ocean shipping financed by A.I.D. under the project shall, except as AID may otherwise agree in writing, be financed only on flag vessels of the United States or the Cooperating Country.

B. Conditions Precedent

- (1) Prior to the first disbursement under the Grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance, the name of the individual who will serve as the project manager.

- (2) Prior to the disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for the procurement of expatriate technical assistance, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:
 - (a) assurance that on-site housing for counterparts will be provided; and
 - (b) the names of the individuals who will serve as principal counterparts for each member of the technical assistance team.
- (3) Prior to any disbursement of funds under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for architectural and engineering services, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., evidence that all necessary legal and other measures have been taken to make available to the project the land required for construction of the Regional Center.
- (4) Prior to the first disbursement of funds under the Grant, or to the issuance by AID of documentation pursuant to which disbursement will be made, for each construction activity, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. the following:
 - (a) Detailed plans, specifications and construction schedules with respect to such activity;
 - (b) A description of the arrangements made for providing construction services for such activity, including an executed contract for construction services with a firm acceptable to A.I.D., unless such services are being provided by force account; and
 - (c) A description of the arrangements made for providing engineering supervisory services for such construction activity, including an executed contract with a firm satisfactory to A.I.D., unless such services are being provided by agencies of the Cooperating Country.

C. The Grantee shall covenant to:

- (1) Assign priority to the use of the DHAS landing craft for project purposes, whenever it is needed by the project.

- (2) Require that all participants trained outside Guinea-Bissau under the project to return to work in their respective departments for a period of 3 years or such other time as the Parties agree to in writing.

D. Based on justifications contained in the Project Paper, the following waivers to A.I.D. Regulations are hereby approved:

- (1) A waiver to permit the procurement of approximately \$125,000 of Code 935 spare parts for project vehicles and equipment on hand.
- (2) A waiver to permit the non-competitive single source procurement of one 63KVA Caterpillar generator from a Code 935 source of supply (approximately \$20,000); and
- (3) A waiver to permit the procurement of approximately \$3,500 worth of reference materials of Code 395 source/origin;

and I hereby certify that exclusion of procurement from Free World countries other than the cooperating country and countries in Code 941 would seriously impede attainment of U.S. foreign policy objectives and objectives of the foreign assistance program.

Date : 5 July 1983
Concurrence: [Signature]
Title : Director of REDSO/WCA

Date : 29 July 1983
Approval: [Signature]
Disapproval: _____
Title : Country
Development Officer