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4/20/85

ACTION MEMORANDUM FOR THE AID REPRESENTATIVE

Final

Official File Copy

FROM: Project Development Officer, Rose Marie Depp

SUBJECT: Cooperative Training (696-0122)

I. Problem: Your approval is requested for a life-of-project funding for a three year grant of \$1,500,000 from the ARDN appropriation to the Cooperative League of the USA (CLUSA) for the Rwanda Cooperative Training project. It is planned that the total \$1,500,000 will be obligated in FY 1985.

II. Discussion:

A. Purpose, Relation to Strategy and Beneficiaries

The purpose of this project is to provide in a multi-donor context the support necessary to strengthen the management and commercial activities of the member cooperatives of existing cooperative unions through the Rwanda Cooperative Training and Research Center (CTRC). This project builds on the experience of the CTRC whose development was partially funded through a previous operational program grant to CLUSA and the Swiss Government. The project was favorably evaluated in November, 1984 and a decision was reached that continued funding was needed to build upon the successful training activities of the Center. However, it was also determined that greater field efforts were needed to follow-up on the training received at the Center, to provide member education programs, to establish a technical and financial service to support cooperatives, to increase the collaboration between cooperatives and the Banques Populaires, and to support the development of a national federation of cooperative unions.

The primary constraint to successful institutionalization of cooperatives is the lack of personnel with technical and managerial skills needed to successfully manage cooperatives and expand their marketing and trading activities. Hence this project will continue assistance to the CTRC with the specific objectives of (1) reinforcing training at the Center with a program of field training and follow-up; (2) improving member education offered by the Center by strengthening the audio-visual section; and (3) establishing a Unite d'Appui et Conseil (UAC) (translated as an Advisory and Support Unit); and (4) creating a scholarship fund at the Center.

AID's objective in Rwanda is to raise agricultural productivity and the profitability of farming. To this end AID has provided assistance to develop an effective crop storage and marketing system. Cooperatives are an important element of this effort. This project will help cooperatives and their members increase their participation in the market economy and thus raise the profitability of their agricultural activities.

B. Financial Summary

Total project costs are estimated at \$2.6 million. Of this amount AID will contribute \$1.5 million or 57%, the Swiss will contribute \$600,000 or 26%, and the Center will contribute \$500,000 or 17%. The AID contribution will be used as follows (000's):

Technical Assistance	\$595
Long-term	(520)
Short-term	(75)
Training	40
Commodities	95
Other	20
Overhead	260
Sub-grants (including scholarships, local costs and innovative fund)	490

Total	\$1,500

C. Analyses

The project analyses shows that cooperatives and similar associations have grown over the past 20 years in Rwanda to the point where there are now estimated to be at least 2,100 such groups with a capitalization greater than one and a quarter million dollars. (It should be noted that the DPG Proposal, "Background and Executive Summary," which discusses these facts is somewhat misleading. This section of the proposal discusses cooperatives in Rwanda from an historical perspective. The current situation has changed. Part B, "The Rwandan Cooperative Movement," presents a clearer picture of the development of the movement.) Cooperatives are thus a socially acceptable institution and have been formed in almost every sector of the economy. Unfortunately a number of institutional problems prevent the cooperatives from providing the most effective possible services. This is due to poor management, low member participation, poor recordkeeping and inadequate credit. CLUSA proposes to address these problems through assistance to the CTCR. The Center has a proven record in providing appropriate training and in the utilization of educational technologies for member education and provision of technical and financial advisory services which have been effectively utilized in other countries. One issue raised during the review of the Concepts Paper was with respect to the possibility of increasing the self-sufficiency of the Center. CLUSA has suggested in its proposal that the most effective means of working toward this objective is to continue support of a core group of activities, e.g., the Center based training, rental of the Center's facilities to other groups, and to establish a minimum user fee for the new UAC. Over time, as cooperatives are able to assume a greater portion of the cost of services provided by the UAC, fees will be increased commensurate with the ability of the cooperatives to pay.

The environmental analysis contained in the concepts paper recommended a negative determination. This was approved by the Bureau Environmental Officer and the General Counsel on March 20, 1985. A copy is attached.

D. Covenants

It is recommended that a covenant be included in the operational program grant agreement which calls for CLUSA to complete a financial planning and management study not later than the end of the first year of activities. The purpose of this study will be to define the Center's self-financing potential with greater precision, to study opportunities for cost reduction, and to sharpen the budgeting and analysis procedures, and to recommend a scale of user fees for the UAC.

In addition, while the concept of an innovative fund is supported, inadequate information and analysis were included in the OPG proposal. However, given the small amount of the funds, \$20,000, a covenant has been proposed which will satisfy the need to provide greater specificity regarding the uses of the fund. This covenant will require that CLUSA submit in form and substance satisfactory to A.I.D. a plan which would describe the objectives and uses of the fund, set forth lending criteria, procedures and policies, and specify the uses of the funds repaid to the Center.

E. Planning

The project review committee is satisfied that the requirements of Section 611(a) of the FAA have been satisfactorily met.

F. Human Rights

There are no human rights issues with respect to the U.S. foreign assistance program in Rwanda.

G. Responsible Officers

The responsible AID field officer for this project will be the Project Development Officer, Rose Marie Depp. The AID/Washington officer is Howard Helman of AFR/PD/CCWAP.

III. Waivers

A source-origin waiver in the amount of \$44,000 for purchase of four motorcycles and three sedan and/or general utility vehicles is attached.

IV. Justification to the Congress

DAR/Rwanda submitted a draft congressional notification to AID/W by cable on May 22, 1985 (Kigali 2191).

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V. Clearances Obtained

The OPG was reviewed by OAR/Kigali on May 21, 1985 and REDSO on June 10, 1985. The mission project committee recommended approval of the grant subject to reducing the budget to \$1.5 million and inclusion of the covenants described above. The REDSO review committee also concurred in the recommendation for approval.

VI. Recommendation

That you sign the attached Project Authorization, and thereby approve funding of \$1,500,000 for the Cooperative Training Project and a source origin waiver in the amount of \$44,000.

Attachments:

1. Project Authorization
2. Waiver Justification
3. Draft Congressional Notification
4. Approved IEE
5. Operational Program Grant Proposal

ama
Drafted: OAR/Kigali/PDO:RMDepp:6/12/85

Concurrence: *JW Keating* JUN 13 1985

~~REDSO/Director~~

Subject to Expiration of Congressional Notification

Clearances:

PRM:NOlsen (draft)
ADO:MFuchs-Carsch (draft)
REDSO/PROJ:JGraham (draft)
REDSO/RCMO:LDunn (draft)
REDSO/RLA:LDeSoto *LS*
REDSO/D/Director:AFell *AF*
RFMC:RHenrich (draft)

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PROJECT AUTHORIZATION

Name of Country: Rwanda
Name of Project: Cooperative Training
Number of Project: 696-0122

1. Pursuant to Part I, Chapter 1, Sections 103, of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Cooperative Training Project (696-0122), involving planned obligations of not to exceed One Million Five Hundred Thousand United States Dollars (\$1,500,000) in grant funds ("Grant") over a three year period from the date of this authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing of foreign exchange and local currency costs for the project. The planned life of the project is three years from the initial date of obligation.
2. The project, which will be implemented through an Operational Program Grant (OPG) to The Cooperative League of the USA (CLUSA), is designed to provide support to strengthen the management and commercial activities of cooperatives through the Rwanda Cooperative Training and Research Center (CTRC). The principal objectives of this Grant will be to (1) reinforce field training and follow-up activities of the Center; (2) conduct cooperative member education programs; and (3) provide technical support to cooperatives through the services of an Advisory and Support Unit.
3. The OPG, 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 Commodities, Nationality of Services:

Goods and services financed by A.I.D. under the OPG shall have their source and origin in the United States (Geographic Code 000). Rwanda is specifically authorized as an eligible source for procurement of goods and services under the Grant.

b. Covenants:

1. CLUSA covenants with the Office of the A.I.D. Representative/Rwanda (OAR/R) to complete a financial planning and management study not later than the end of the first year of activities. The purpose of this study is to define the Center's self-financing potential; to study and recommend opportunities for cost savings and improved procedures for budgeting and analysis; and to recommend a scale of user fees for the Advisory and Support Unit.

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2. CLUSA covenants that prior to disbursement of funds for the "innovative fund" it will provide in form and substance satisfactory to OAR/R a plan for the management of said fund. Such plan will include (i) a description of the objectives of the fund; (ii) a description of the kinds of loans to be provided; (iii) the lending criteria, policies and procedures, including the interest rate to be charged and required borrower input; and (iv) the proposed uses of rollover funds received from loan repayments.

d. Waivers:

- (1) Based on the justification contained in Attachment 2, the requirement that all project vehicles be of U.S. source and origin is waived to permit procurement of three utility vehicles or sodans and four 125-175 motorcycles valued at approximately \$44,000 from countries included in A.I.D. Geographic Code 935.
- (2) I hereby certify, with respect to the waiver above, that exclusion of procurement from Free World countries other than the cooperating country and countries included in A.I.D. Geographic Code 941 would seriously impede attainment of the U.S. foreign policy objectives and the objectives of the foreign assistance program.

Eugene Chiavaroli

Eugene R. Chiavaroli
A.I.D. Representative
Kigali

June 19, 1985

Date

JUSTIFICATION FOR PROCUREMENT SOURCE/ORIGIN WAIVER

PROBLEM: Your approval is required for a source and origin waiver from AID Geographic Code 000 (U.S. only) to Geographic Code 935 (Special Free World) and a waiver for the requirement of Section 636(i) of the Foreign Assistance Act of 1961, as amended, which prohibits the purchase of non-U.S. manufactured motor vehicles and motorcycles.

(A) Cooperating Country	:	Rwanda
(B) Authorizing Document	:	Project Authorization
(C) Project	:	Cooperative Training II
(D) Project Number	:	696-0122
(E) Nature of Funding	:	Operational Program Grant
(F) Description of Commodities	:	3 utility vehicles and/or sedans and 4 125-175 cc motorcycles
(G) Approximate Value	:	\$44,000
(H) Probable Origin	:	Japan, France or Germany
(I) Probable Source	:	Rwanda

DISCUSSION: Under Africa Bureau Delegation of Authority 140, as revised, authority to waive source and origin requirements has been delegated to the AID Representative subject to REDSO Director concurrence and consultation with the Regional Legal Advisor (RLA) and the regional Commodity Management Officer (RCMO).

SOURCE AND ORIGIN WAIVER: Under Handbook 1B, Chapter 5B4a(2), a waiver may be granted if the required commodity is not available from countries or areas included in the authorized Geographic Code.

Experience with U.S. manufactured vehicles in Rwanda (a few of which are owned by the U.S. Embassy) indicates that frequent breakdowns can prevent operation of a U.S. manufactured vehicle for weeks and even months while spare parts are ordered from the United States. Even if the full range of spare parts required to maintain the vehicles were available, competent repair facilities outside the U.S. Embassy are non-existent. The situation is exacerbated as vehicles age and are subject to poor maintenance. On the other hand, certain European and Japanese vehicle and motorcycle dealerships, and many rural garages have limited stocks of spare parts and maintain acceptable repair facilities for European and Japanese manufactured models. They do not maintain stocks of replacement parts for U.S. or other 941-manufactured vehicles. In addition, some garages have mechanics who have been trained in the factories of the respective manufacturers. In the case of motorcycles, the U.S. or other 941 countries do not manufacture motorcycles of 125-175 cc capacity which are supported by local stocks of spare parts and service facilities. Only Japanese brand motorcycles are sold in Rwanda and thus spare parts and repair facilities are available only for these models.

This project will have substantial field work thus requiring that the vehicles spend a large portion of their time in the field. The motorcycles will be used exclusively in rural areas. This increases the need for adequate spare parts and repair facilities. Vehicles must be functional to allow the field training and follow-up activities which are integral to the success of this project.

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A waiver of the requirements of Section 636(i) of the Foreign Assistance Act of 1961, as amended, is also requested. This legislation prohibits A.I.D. from purchasing motor vehicles unless such vehicles are manufactured in the United States. It does provide, however, that "...where special circumstances exist, the President is authorized to waive the provisions of this act in order to carry out the purpose of this act." Under Chapter 4C2d(1)(b) of Handbook 1B special circumstances which may merit waiving the requirement include "a present or projected lack of adequate service facilities and supply of spare parts for U.S.-manufactured vehicles."

PRIMARY JUSTIFICATION: The vehicles and motorcycles covered by this waiver request, which can be serviced and repaired locally, are essential to the effective implementation of the project. Spare parts and servicing are not available for U.S. or other 941-manufactured vehicles and the U.S. or other 941 countries do not make an appropriate size motorcycle which can be serviced or maintained in Rwanda. Therefore the required commodities are not available from the authorized Geographic Code.

RECOMMENDATION: Based on the foregoing it is recommended that you (1) conclude that special circumstances exist to waive the requirements set forth in AID Handbook 1, Supplement B to allow procurement of four passenger vehicles and four lightweight motorcycles of non-U.S. manufacture; (2) approve a waiver from AID Geographic Code 090 to AID Geographic Code 935 to permit procurement of those vehicles from the probable source-origin indicated above; and (3) 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 the objectives of the foreign assistance program.

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UNCLAS SECTION 01 OF * KIGALI 02191

CLASS: UNCLASSIFIED
CHRG: AID 05/21/85
APPRV: AR:ERCHIAVANOLI
DRFTD: AID:RMDEPP:EM
CLEAR: 1.AID:NOISEN
2.MFCARSCH
DISTR: AID 3 AMB DCM CHR
RF

AIDAC

AID/W FOR AFR/CA

NAIROBI FOR REDSO

E.O. 12356: N/A
SUBJECT:DRAFT CONGRESSIONAL NOTIFICATION COOPERATIVE
TRAINING (696-0122)

1. FOLLOWING IS DRAFT CONGRESSIONAL NOTIFICATION FOR
SUBJECT PROJECT. THIS CN REQUIRED AS LIFE OF PROJECT FUND-
ING HAS BEEN REDUCED AND PROJECT DESCRIPTION HAS BEEN
CHANGED.

TITLE: COOPERATIVE TRAINING II
FUNDING SOURCE: ARDN DOLS 1,500
FY 1985: DOLS 1,500
LIFE OF PROJECT FUNDING: DOLS 1,500
NUMBER: 696-0122 (GRANT)
NEW

INITIAL OBLIGATION FY 1986
ESTIMATED COMPLETION DATE OF PROJECT : FY 1988

PROJECT PURPOSE: TO STRENGTHEN THE MANAGEMENT AND COMMERCIAL
ACTIVITIES OF THE MEMBER COOPERATIVES OF EXISTING
UNIONS. THIS WILL CONTRIBUTE TO THE LONG-TERM GOAL OF
FORMING A NATIONAL FEDERATION OF COOPERATIVES UNIONS.

PROJECT DESCRIPTION: THE PROJECT BUILDS ON THE EXPERIENCE
OF THE COOPERATIVE TRAINING AND RESEARCH CENTER (CTRC)
(696-0119) WHOSE DEVELOPMENT WAS PARTIALLY FUNDED THROUGH AN
OPERATIONAL PROGRAM GRANT TO THE COOPERATIVE LEAGUE OF THE
USA. THIS PROJECT WAS FAVORABLY EVALUATED IN NOVEMBER,
1984 AND A DECISION WAS REACHED THAT CONTINUED FUNDING IS
NEEDED TO BUILD UPON THE PAST SUCCESSFUL TRAINING ACTIVITIES
OF THE CENTER.

IT WAS DETERMINED THAT GREATER FIELD EFFORTS WERE
NEEDED (1) IN MEMBER EDUCATION PROGRAMS, (2) TO ESTABLISH
A TECHNICAL AND FINANCIAL SERVICE TO SUPPORT COOPERATIVES,
(3) TO INCREASE COLLABORATION BETWEEN COOPERATIVES AND THE
MAJOUES POPULAIRES AND (4) TO SUPPORT THE DEVELOPMENT OF
A NATIONAL FEDERATION OF COOPERATIVES.

A PRIMARY CONSTRAINT TO SUCCESSFUL INSTITUTIONALIZATION OF
COOPERATIVES IS THE LACK OF PERSONNEL WITH TECHNICAL AND

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MANAGERIAL SKILLS NEEDED TO SUCCESSFULLY MANAGE COOPERATIVES AND EXPAND THEIR MARKETING AND TRADING ACTIVITIES. HENCE, THIS PROJECT WILL CONTINUE ASSISTANCE TO THE CTCR WITH THE SPECIFIC OBJECTIVES OF (1) REINFORCING TRAINING AT THE CENTER WITH A PROGRAM OF FIELD TRAINING AND FOLLOW-UP; (2) IMPROVING MEMBER EDUCATION OFFERED BY THE CENTER BY STRENGTHENING THE AUDIO-VISUAL SECTION; (3) ESTABLISHING A UNITE APPUI ET CONSEIL (UAC) (TRANSLATED AS AN ADVISORY AND SUPPORT UNIT) WHICH WILL SUPPORT COOPERATIVE IN RESOLUTION OF MANAGEMENT PROBLEMS; PLANNING COMMERCIAL ACTIVITIES, IMPROVING OPERATIONS AND ACCOUNTING; AND (4) CREATING A SCHOLARSHIP FUND AT THE CENTER. CONTINUED INSTITUTIONAL SUPPORT AND TRAINING AT THE CENTER IS EXPECTED TO PROMOTE THE COOPERATIVE MOVEMENT IN RWANDA. IMPORTANT INDICATORS OF ACHIEVING PROJECT OBJECTIVES INCLUDE: (1) THE CENTER BECOMING THE FOCUS OF COOPERATIVE ACTIVITY IN RWANDA; (2) A CENTER WHICH IS ADEQUATELY STAFFED BY RWANDANS; (3) AT LEAST THIRTY COOPERATIVES USING THE SERVICES OF THE UAC AND DEMONSTRATING MEASURABLE IMPROVEMENTS IN THE QUALITY OF THEIR MANAGEMENT, THE LEVEL OF MEMBER PARTICIPATION AND THE PROFITABILITY OF THEIR COMMERCIAL ACTIVITIES; AND (4) VIABLE ECONOMIC ACTIVITIES OF AT LEAST THREE COOPERATIVE UNIONS.

RELATIONSHIP OF PROJECT TO A.I.D. COUNTRY STRATEGY: AN OBJECTIVE OF THE AID PROGRAM IN RWANDA IS TO RAISE AGRICULTURAL PRODUCTIVITY AND THE PROFITABILITY OF FARMING. TO THIS END, A.I.D. HAS PROVIDED ASSISTANCE TO DEVELOP AN EFFECTIVE CROP STORAGE AND MARKETING SYSTEM. COOPERATIVES ARE AN IMPORTANT ELEMENT OF THIS EFFORT. THIS PROJECT WILL HELP COOPERATIVES AND THEIR MEMBERS INCREASE THEIR PARTICIPATION IN THE MARKET ECONOMY AND THUS RAISE THE PROFITABILITY OF THEIR AGRICULTURAL ACTIVITIES.

HOST COUNTRY AND OTHER DONORS: THE GOR SHARES A.I.D.'S OBJECTIVES OF DEVELOPING COOPERATIVES TO ENCOURAGE FARMERS' PARTICIPATION IN THE MARKET ECONOMY. THE SWISS ARE ALSO ACTIVE CONTRIBUTORS TO THIS EFFORTS. THE CENTER WAS CONSTRUCTED WITH SWISS ASSISTANCE AND THEY CONTINUE TO PROVIDE TECHNICAL AND BUDGET SUPPORT TO THE CENTER. THEIR ASSISTANCE IS EXPECTED TO CONTINUE FOR AT LEAST THE NEXT FIVE YEARS. IN ADDITION, THE SWISS ARE ALSO SUPPORTING

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THE BANQUES POPULAIRES, THE PRINCIPLE SOURCE OF CREDIT FOR THE COOPERATIVE MOVEMENT.

BENEFICIARIES: THE PRIME TARGET GROUP OF THE PROJECT IS THE VERY LARGE NUMBER OF PEASANTS, ARTISANS, WOMEN AND OTHERS WHO ARE ATTEMPTING TO IMPROVE THE ECONOMIC AND SOCIAL QUALITY OF THEIR LIVES THROUGH THEIR MEMBERSHIP IN RWANDAN COOPERATIVES, PRE-COOPERATIVES AND INFORMAL ASSOCIATIONS. IT IS ESTIMATED THAT APPROXIMATELY 80,000 FAMILIES BELONG TO THE 228 OFFICIALLY RECOGNIZED COOPERATIVES. THERE ARE AN ADDITIONAL 2,000 WITH APPROXIMATELY ONE MILLION MEMBERS. THIS PROJECT WILL WORK DIRECTLY WITH 30 COOPERATIVES THROUGH THE NEWLY ESTABLISHED UAC. A FAR GREATER NUMBER OF COOPERATIVES WILL BE AFFECTED THROUGH MEMBER EDUCATION PROGRAMS AND TRAINING OF COOPERATIVE LEADERS AT THE CENTER.

INPUTS: (WE ARE NOT CERTAIN WHETHER THIS SECTION IS REQUIRED; IT IS PROVIDED FOR YOUR INFORMATION AND MAY BE DELETED IF NECESSARY.)

ALL FIGURES IN \$ 000'S.

TECHNICAL ASSISTANCE: LONG-TERM (4.5 PY)	600
- - - SHORT-TERM	60
- - - LOCAL	150
PARTICIPANT TRAINING AND SCHOLARSHIP FUND	100
COMMODITIES (VEHICLES, A/V EQUIPMENT, PER DIEM,	
- - POL FOR VEHICLES)	305
OTHER (COMMUNICATIONS AND RESEARCH MATERIALS)	25
OVERHEAD	260
- - - - - TOTAL	1,500

2. IF THERE ARE ANY QUESTIONS PLEASE CABLE ASAP. ALSO PLEASE ADVISE DATE CN FORWARDED TO CONGRESS AND WHEN WAITING PERIOD WILL EXPIRE. REQUEST ALLOTMENT OF FUNDS.

3. FYI. EXPECT TO REVIEW OPG PROPOSAL WITH REDSO/ESA EARLY JUNE. MISSION IS PREPARED TO OBLIGATE FUNDS HOPEFULLY BY MID-JULY, SUBJECT TO AVAILABILITY OF REDSO/ESA CONTRACT OFFICER. END FYI. BLANE

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INITIAL ENVIRONMENTAL EXAMINATION

OR

CATEGORICAL EXCLUSION

PROJECT COUNTRY: Rwanda

PROJECT TITLE AND NUMBER: Cooperative Training (696-0122)

FUNDING: \$1,500,000
FY85-88

IEE PREPARED BY: Office of the AID Representative/Rwanda

ENVIRONMENTAL ACTION RECOMMENDED: Categorical Exclusion
Positive Determination
Negative Determination

This activity meets the criteria for a Categorical Exclusion in accordance with Section 216.2(c)(2)(i) and (xiv) of regulation 16 and is excluded from further review because this is an institutional development project with training as its primary objective.

ACTION REQUESTED BY: Eugene R. Phares Feb 22 85
AID Representative Date

CONCURRENCE: Bessie L. Boyd 3/20/85
Bureau Environmental Officer Date

CLEARANCES: GC/AFR [Signature] [Signature]
Date

INITIAL ENVIRONMENTAL EXAMINATION

PROJECT NO. AID 696-0122

I. Description of the Project - The purpose of the Cooperative Training Center project is to increase its capability to provide training support and advisory services to cooperatives and unions thereby improving their effectiveness and efficiency in providing services to their members. The prime target group will be cooperative extension agents and trainers and local cooperative leaders and administrators. The center will provide advice, facilities, educational programs and aids for upgrading the skills of managers, accountants, auditors and board members of local cooperatives, training for cooperative members, extension workers and training officers of the ministry responsible for cooperative development. Project activities will include training at the Center, field visitation and training, and provision of technical advice.

II. Project inputs - The project will be jointly funded by the Swiss Government, by AID and CLUSA.

A. Swiss Contribution - Construction of the Center has been financed by the Swiss Government. It is expected that the Swiss will continue to support the annual operating costs of the Center and provide some level of technical assistance.

B. AID Contribution - Funding made available to CLUSA by the OPG will finance short and long term technical services, education equipment and transport, a scholarship and staff training fund and a contribution to the Center's operating budget for a period of three years.

III. Evaluation of Impacts -

Impact Identification and Evaluation

A. Impact Areas and Sub-areas

Land Use

- | | |
|---------------------------------------|---|
| 1. changing character of land through | |
| (a) increasing population | N |
| (b) extracting natural resources | N |
| (c) changing soils character | N |
| 2. altering natural defenses | N |
| 3. foreclosing important issues | N |

- 2. Water Quality
 - (1) physical state of water N
 - (2) chemical and biological states K
 - (3) ecological balance N
- 3) Atmospheric
 - (1) air additives N
 - (2) air pollution N
 - (3) noise pollution
- 4) Natural Resources
 - (1) diversion, altered use of water
 - (2) irreversible, inefficient commitments N
- 5) Cultural
 - (1) altering physical symbols
 - (2) dilution of cultural traditions N
- 6) Socio-economic: changes in economic/
employment patterns N
- 7) Health
 - (1) changing a natural environment N
 - (2) eliminating an element in an ecosystem N
 - (3) other factors
- 8) General
 - (1) international impacts N
 - (2) controversial impacts N
 - (3) larger program impacts N

B. Narrative Evaluation of Impacts -

1. Land Use - Within the terms of this institution building project, no change will be made in current land use patterns.

2. Water Quality - The project will have no effect on water quality.

3. Atmospheric - There will be no atmospheric impacts caused by the project.

4. Natural resources - The project will not affect the use of natural resources.

5. Cultural - The project provides services to groups and local organizations. It will encourage such cooperation and may result in greater use of cooperative rather than individual effort.

6. Socio-economic - The project will not cause direct changes in patterns of economic or cultural life. However the training given is expected to enable the rural population of Rwanda to improve their standard of living.

7. Health - There will be no health effects.

8. General - There are no general impacts caused by this project, nor any larger program impacts.

IV. Recommendation for Threshold Decision - On the basis of information contained above, it is determined that the project will not have an adverse effect on the environment. Therefore a Categorical Exclusion in accordance with AID Regulation 16 is recommended.