

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET		1. TRANSACTION CODE <input type="checkbox"/> A Add <input type="checkbox"/> C Change <input type="checkbox"/> D Delete A	Amendment Number 2	DOCUMENT CODE 3
2. COUNTRY/ENTITY BURUNDI		3. PROJECT NUMBER 695-0101		
4. BUREAU/OFFICE AFRICA		5. PROJECT TITLE (maximum 40 characters) BASIC FOOD CROPS		

6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 09 30 88	7. ESTIMATED DATE OF OBLIGATION (Under "B." below, enter 1, 2, 3, or 4) A. Initial FY 80 B. Quarter <input checked="" type="checkbox"/> C. Final FY 85
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A. FUNDING SOURCE	FIRST FY 80			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	1,366	644	2,000	4,549	2,141	6,690
(Grant)	(1,366)	(644)	(2,000)	(4,549)	(2,141)	(6,690)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country		400	400		3,530	3,530
Other Donor(s)						
TOTALS	1,366	1,044	2,400	4,549	5,671	10,220

A. APPRO. PRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) FN	110	010		5,915		-		5,915	
(2) FN	110	010		-		775		775	
(3)									
(4)									
TOTALS				5,915		775		6,690	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 150 020 070 010 030	11. SECONDARY PURPOSE CODE
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12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each) A. Code BR BS B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

Make available to small farmers in the high altitude food production program area improved varieties of seeds/plant materials for Basic Food Crops as well improved cultivation techniques.

14. SCHEDULED EVALUATIONS Interim MM YY 01 5 87 Final MM YY 07 88	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input checked="" type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input checked="" type="checkbox"/> Other (Specify) 935
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP XAG-228660) Supplement

This amendment provides for increased project funding of \$775,000 to pay for additional technical assistance and to fund research on blight resistant potatoes adaptable to Burundi.

17. APPROVED BY Signature: George T. Bliss Title: AID Affairs Officer/Burundi	18. DATE DOCUMENT RECEIVED IN AID/AV, OR FOR AID/AV DOCUMENTS, DATE OF DISTRIBUTION MM DD YY
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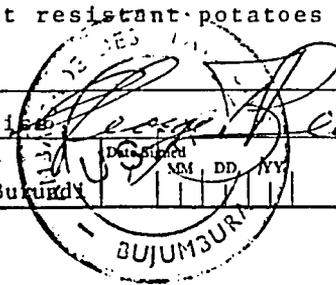


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1. Background

The Basic Food Crops Project (695-0101) was originally approved at a level of \$5,458,000. The project Grant Agreement was signed on April 3, 1980. Due to startup delays and contracting changes, additional funding was made available in August, 1983, to a new total of \$5,915,000, and the PACD was extended one year to September 30, 1986. The level of GRB contribution was increased from \$2,389,000 to \$3,431,000.

The Basic Food Crops (BFC) Project was A.I.D.'s first major development initiative of its new bilateral program in Burundi. Its purpose is to assist the GRB to make available to small farmers improved varieties of seed and planting materials as well as improved farming techniques for food crop production. The BFC Project is part of a long term GRB effort, Programme des Cultures Villageoises en Haute Altitudes (CVHA), or High Altitude Food Crop Production, which aims at raising the productivity and nutritional levels of small farmers in the highland Mugamba zone of Burundi, through research, production, extension, dissemination and marketing of high quality seeds. Through the Project, A.I.D. is supporting the development and strengthening of activities undertaken at the 400 hectare seed multiplication Kajondi Farm, located about 140 km southeast of Bujumbura. It is the country's only mechanized facility for seed multiplication.

Project outputs include physical facilities for the farm; operation of the seed farm by trained GRB personnel; the development of appropriate production techniques; and the production of sufficient quantities of quality seed and plant materials for extension through the GRB program. In order to achieve these outputs, the project was to fund long term advisors (a Project Manager/Agronomist, a Farm Equipment Operator/Mechanic, and an Administrative/Logistics Officer); consultant (short-term technical assistance) services; participant training, including substantial third country short-term training; commodities; and construction.

Implementation delays adversely affected the project from its outset and severely limited performance at the farm. The first two years were largely devoted to start-up operations, including contracting for technical services, construction of staff housing and farm buildings, and equipment purchase. Not until early 1983 was construction far enough along to permit professional staff to take up residence at the farm. Problems with recruitment and performance of technical and managerial staff, both U.S. contractor and Burundian, were another major factor in performance problems through 1983. As a result, production and sales of seed were less than anticipated.

Despite repeated delays, the Project has established a key role for A.I.D. in the support of Burundi's small farmers. A special formal evaluation of the Project was held in April, 1984, with REDSO/ESA participation. The evaluation noted that improved seed is one of the few ways in which farmers in the project area can realize increases in productivity through a technology they can afford. The overall high altitude food production program depends on the Kajondi project as a major source of improved seed, and validated research results for extension dissemination.

The original technical assistance contract was terminated and replaced by a USDA PASA beginning in July of 1984. By late 1984, substantial progress had been made toward project targets for remaining construction, technical assistance and training, and seed production. This was noted in a February, 1985, review of project progress.

However, both the 1984 evaluation and the 1985 review stressed that certain key activities remain to be undertaken if the Project is to terminate with any assurance that the GRB will be able to operate Kajondi farm with a minimum level of subsidization. These include attention to seed quality, expanded production, cost recovery and completion of training, all of which will contribute to improved operations at Kajondi Farm. Also important is continued on-farm and on-station testing, dissemination of research results and validation of technical packages for wheat, maize and potatoes. Potatoes are a particularly important crop, as economic analyses have shown that an efficient seed potato production program holds the greatest potential for income generation at Kajondi Farm.

This amendment includes funding for continuation of technical assistance, and for increased potato research, as recommended in previous reviews. The new PACD will allow time to complete expected project outputs. The purpose and objectives of the Project remain as stated in the Project Paper.

2. Project Performance to Date

The 1984 BFC Project evaluation report expressed concern about farm management, record keeping, and on-the-job training, and cited staff problems as paramount in hindering farm progress. Use of the PASA mode for technical assistance to replace the then current contractor was recommended. Major evaluation recommendations concerned additional funding for selected project inputs through at least FY1986: first, extension of technical assistance, particularly the continuation of the mechanic advisor position through the remainder of the project; and, second, increased research on disease resistant potato varieties. The evaluators noted that the potato holds great potential for the high altitude CVHA area, and that the most efficient way to expand potato research would be to build upon initial efforts at potato improvement underway at Kajondi in collaboration with CIP (the International Potato Center).

Problems of management of farm operations are being addressed and a much improved staff, both U.S. and Burundian, is in place. The REDSO/ESA review of the project, conducted in February 1985, examined improvements in management since the April 1984 evaluation. Detailed criteria developed by the evaluation team were used as guidelines for this examination. The REDSO team was impressed, both in terms of actual accomplishments and in terms of the technical abilities possessed by the PASA employees assigned to the program. Progress and problems were noted, with reference to specific areas for improvement cited in the 1984 evaluation:

- The management information system for Kajondi Farm, as installed by the technical assistance advisors, is comprehensive and workable, and Burundian staff have been trained in the input, summarization and reporting functions of the system. By late 1985, local personnel should be fully trained in all aspects of the system.
- Work remains to be done so that important information is fully integrated into the system as it becomes operational. This includes financial reporting, farm budgets and plans, labor management, results of on-farm trials, yield sample data, and equipment records and schedules.
- The PASA staff has made much progress in overcoming past delays in on-farm and on-the-job training, and in off-farm training.
- Technical issues noted in the evaluation as needing attention have begun to be addressed, including seed quality control, but more work remains to be done. This is an important area of concern for the agronomist contractor and the recently trained Burundi counterpart. Host country staff will need assistance in placing in operation the seed treatment and processing facilities yet to be constructed and equipped.
- Real production cost figures remain to be developed. The management information system is designed to produce cost figures and they should soon be available. Such data will be critical to continue, rational policy discussions on seed pricing, an important technical and political area yet to be fully treated by AID and the GRB. Before the final PACD, exact detail on prices, GRB subsidy levels, expected income and long term CVHA seed requirements must be developed.
- A recommendation to strengthen potato research by building upon the linkage to the CIP research network was again made. The earlier recommendation that technical assistance be extended was reiterated, with the addition, as well, of a full-time agronomist.

At present, good progress has been made toward all of the general targets outlined in the Project Paper. Initial construction problems have been resolved and all but one of the physical facilities called for in the original PP have been constructed and are in operation. These include eight three-bedroom houses; four dormitory units of four bedrooms each; a farm operations area which includes offices and a machinery workshop; and, a warehouse for fertilizer and processed seed. Electrical and water supply systems have also been constructed. The remaining physical structure, a seed processing building, is now under construction. Also under construction is an implement storage building which is financed through local costs. A USAID construction supervisor is in place at OAR to ensure design and contract compliance and quality control. Farm machinery, equipment and vehicles have been purchased as planned and are in use, including harvesting and shelling equipment and some seed processing equipment.

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Technical assistance has been provided since 1981. Long term technical assistance included a senior Farm Advisor until December, 1983, and an Equipment/Farm Operations Advisor through April, 1984. At present, long term technical assistance is provided by a combined Senior Farm Equipment and Operations Advisor, through the PASA with USDA, which replaced the contract with Ronco for technical assistance. An agronomist is scheduled to arrive in October, 1985, and will work to improve production techniques and yields. Short term advisors have provided skills in aluminum toxicity, seed processing, seed multiplication, soil erosion and civil engineering. Through the PASA, a short term Accounts Management Specialist has been employed to install a management information system at the farm. This system will generate sufficient information by the end of 1985 to allow USAID and GRB to make critical cost analyses and, thus, increase efficiency. The management information system is in place, and the accounts specialist returns periodically to ensure that it is functioning and fully understood by Burundi staff.

The Burundian candidate in long term training in the U.S. will finish his B.S. in seed processing at Mississippi State in 1985. The Director of CVHA has made two visits to the U.S. to study seed processing and agricultural technology transfer, and has visited CIMMYT in Mexico. Two Burundi staff have participated in storage and management courses in the U.S., and one, no longer with the Project, attended a roots and tubers course at ITTA at Ibadan. Two more Burundi staff are slated for overseas training, one to study farm machinery mechanics in Belgium, and the other to study marketing in the U.S. The senior farm advisor has also prepared a training plan for in-country, on-the-job training, which is being implemented. Trained GRB personnel will soon be ready to assume 3 out of 5 key management roles.

To date, 140 hectares are cleared, plowed, and being utilized. Six hectares were opened this season and six more hectares are scheduled to be opened. All equipment is functioning, and the wheat and potatoes for this season are being planted on schedule. There have been dramatic increases in production since the inception of the Project, and the farm's seed output is meeting CVHA's current needs in wheat and corn. The completion of the Kajondi seed treatment and processing facilities in 1985 will assure the CVHA program of a quality product to meet farmer expectations of clean, high germinating, generically superior planting materials.

There has been recent progress with seed pricing policy, which will be a major factor in whether or not the farm indeed becomes self-supporting. The GRB has approved a 5 franc a kilo increase in the price of seed, which moves Kajondi seed closer to the market price. USAID continues to work with the GRB for price increases.

GRB contributions have been met, including the farm site, daily labor, the professional farm staff, construction plans, in-country commodity transportation costs and participants for training. The GRB has been paying half the cost of POL as of April 1985, and will assume all POL costs as of April 1986.

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3. Rationale for the Project Amendment

The objectives of the BFC Project remain valid today. As noted above, there is general consensus that with the fielding of a capable technical assistance team and improved farm management, the Project will be able to meet its objectives. Continued assistance is critical to complete the development program at Kajondi Farm, to fully train local staff, and to disseminate validated technological packages.

Certain areas will need attention over the next several years if the BFC project is to terminate with the assurance that the GRB will be able to operate Kajondi Farm with a minimum level of outside support and subsidization. Continued on-the-job training must be undertaken by the technical assistance team. After present yields on existing farms have been examined, additional land must be brought into production in order to supply the expected demand for quality seed as well as provide extra fields for rotation of crops. The completion, hopefully in 1985, of the seed processing and treatment facilities will allow Kajondi a chance to market a quality product for the first time. Additional attention is required to develop improved technological packages.

Past efforts to market seed from the farm have been hampered by the lack of seed processing and treatment facilities. This has led to a lack of confidence, if indeed the product produced at Kajondi has any genetic superiority, higher germination rates, or a greater purity than seed from other traditional sources. The 1984 evaluation brought to light that much of the seed from the project sold at less than the market price for eating maize and wheat. For the farm to return a profit it must sell its seed for a considerable amount above the market price for basic grains. Rules of thumb suggest that wheat and maize should sell for 5 to 7 times market price and potatoes for about 2 times market price. Quality seed will have to be produced before farmers will pay such prices.

AID and the GRB must come to grips with the question of pricing. It could well be that the GRB may choose to subsidize the production of seed for some time to come. By the end of FY 86 the project should have enough data and experience on hand to help with these delicate decisions. The PASA staff and AID will need the additional time to confirm costs, check field production data of the planting materials being multiplied, assess market forces and follow a reasonable pricing strategy.

In addition to technical assistance, the additional area requiring support is potato research. The potato holds great potential for the CVHA high altitude area and the farm. Current production of potatoes in Burundi is 35,000 tons, but this could be easily quadrupled, since the yields of 3-7 tons/ha as currently obtained with unimproved varieties can potentially be increased to as high as 45 tons per hectare. The priority problem for the country is bacterial wilt, which occurs at the mid-elevations and affects almost the entire potato-producing area of the country. Losses from this disease and from late blight are accentuated by the use of susceptible varieties. Less acreage is now planted than formerly. On the 600 hectares now planted to potatoes, production could potentially increase from the current 35,000 tons

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to as high as 270,000 tons. The economic analysis carried out in the 1984 evaluation spelled out very clearly the need for an active potato seed program at Kajondi. This is one of the most important potential income earners that the Farm will have.

Potato research in conjunction with CIP dates to 1982 in Burundi, but work has been carried out on a small scale. Potato varietal trials have been conducted at Kajondi, and during the past two cropping seasons the better lines have been multiplied for sales to CVHA areas farmers. CIP has been interested in expanding work in Burundi, which would tie into its regional potato investigation and training program (PRAPAC) for Burundi, Rwanda and Zaire. Participation in the program would permit activities in Burundi to benefit from expanded CIP technical assistance, training, and planting materials. CIP has asked AID regional support to assist with its core technical assistance and training program. The bilateral support channeled to potato research through the BFC project will permit Kajondi Farm to benefit from these regional support activities.

Project support is scheduled to terminate in 1986. Reluctance on the part of the 1984 evaluators to recommend an extension of the PACD data was based on the lack, at that time, of a competent contractor for sufficient improvement in farm management and financial record keeping. These conditions have now been met through the PASA arrangement, and the extension of 2 years is required to complete expected outputs, including the transfer of management and technical skills to the Burundian staff, farm operations, expanded research, and development of technological packages. The extension is particularly important for policy dialogue, as only this year will AID/Burundi and its contractors begin to obtain sufficient data on seed production costs to permit frank discussions on pricing policies with decision makers in agricultural sector.

4. Description of Supplementary Activities

A. Technical Assistance

This Project Supplement provides for an additional 24 person-months of long-term technical assistance and 5 person-months of short-term technical assistance through September 1986. Technical assistance to support the Kajondi Seed Farm will be continued for an additional year for both the farm manager and agronomist. This will allow more on-site training, which is already in progress, and help ensure the smooth functioning of the farm. Full application of the newly installed management information system, which has begun to be followed by farm staff, will be a high priority. Periodic visits will continue to be made by short term technical assistance to help in the operation of this system. Likewise, short-term technical assistance will assist in the areas of seed processing and soils erosion.

During the extended LOP additional lands will be brought into production and the seed processing and treatment facilities will become operational. In the past it has not been possible to undertake the seed processing and treatment portion of the program, but this will change with completion of the seed processing facility. The return of trainees from the U.S. to help supervise

and operate this part of the project should assure that the CVHA will have available planting materials that meet minimum standards and grades.

The project has been tasked with the development and validation of technology packages dealing with basic food commodities. Evaluations in the past have called attention to this output and suggested that the project could profit from collaborating with the IARC's working in this region. During the past cropping season excellent results have been obtained by working with CIP. Over the remaining life-of-project, farmer packages must be developed, new genetic materials screened and validated, in-service training conducted in their use, and formal agreements drawn up with other donors and IARC's to help continue the seed improvement program at Kajondi. The PACD extension will permit such tasks to be completed. Arrangements with sources of expertise in maize and wheat will be made in a similar fashion as that with CIP. The addition of an agronomist to the PASA staff to head up this much needed set of activities will assure their completion during the LOP.

The farm advisor/mechanic will continue to train Burundian staff in the operation and repair of all farm and seed processing equipment and oversee the operations and maintenance of that equipment. He will continue to provide assistance in developing the physical facilities of the farm. Of particular importance will be application of the information system to equipment records and scheduling. Past problems with spare parts acquisition and daily maintenance tasks will also be addressed.

The agronomist will provide the necessary guidance and technical expertise in agronomic practices and techniques and for the continued development and implementation of training sessions. She will concentrate on producing accurate production cost data and its integration into the management information system, and will coordinate yield samples, soil profiles, and, especially, the establishment of quality control procedures. She will ensure the necessary coordination with GRB agencies on applied research, seed amounts, seed distribution and extension, and with CIP for potato improvement. With the GRB and AID she will work toward the farms's financial viability, addressing the related issues of accurate production cost figures (to be available beginning this season), efficiency of farm operations (using data from the information system), capacity to produce high quality seed (with operation of the new seed processing facility) and seed pricing policy.

B. Expanded Potato Research

The Basic Food Crops Project, through the activities financed by this Supplement, will contribute financing for an expanded potato research program in Burundi. Specifically, the BFC Project will support two areas of potato research: bacterial wilt research and storage research. The analysis of potato problems in Burundi shows the highest priority for research is to identify suitably adapted and farmer-accepted germplasm resistant to bacterial wilt. The on-going CIP research program in Burundi is making progress in this area, and the BFC Project will assist by financing the construction and equipping of a new greenhouse for undertaking tests, purchasing laboratory and field supplies, personnel costs and supporting the travel of research staff. The second priority problems is to identify tested methodologies for

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post-harvest storage of seed potatoes and storage recommendations for consumption potatoes. The dry season lasts for 7-8 months, thus seed potatoes are stored in late July for planting the following March. Shorter term storage of 4-5 months is needed for the table potato. During the LOP, farmer technology packages will be developed, on-farm storage methodologies for both seed and eating potatoes will be validated, and improved varieties screened and identified. The BFD potato research activities include: the construction of potato storage facilities which will be used to test storage methodologies, the procurement and maintenance of a vehicle which can be used by the research staff to undertake storage experiments in the different potato growing areas, research equipment and field supplies, personnel costs and funds for staff travel.

The proposed potato research activities are directly linked to the work on the Kajondi Farm. Presently, the Farm is being used as a site for the agronomic trials for potatoes. Likewise, the Farm is increasing its potato hectare to fifty hectares (representing one third of all planted land) which will provide all of the country's seed potatoes. Finally, research activities associated with potato storage will be undertaken at the Farm.

Equally important, the potato research financing provided through the BFC Project, will complement (and benefit from) the five year, USAID-supported Regional PRAPAC Project which includes Burundi, Rwanda and Zaire. The PRAPAC Project will provide support to the Burundi potato research program through the services of an overall potato research coordinator who will be working with all three of the participating countries and the CIP representative who is already resident in Burundi. In addition, the PRAPAC Project will provide short-term technical assistance, training, and technical information to Burundi's potato research program. ISABU is the Government of Burundi's agricultural research agency which provides the coordination between the BFC potato research activities and the PRAPAC program. The financing provided by the BFC for potato research activities represents the AID bilateral contribution to the regional PRAPAC Project.

5. Financial Plan

The Project Amendment requires an additional outlay of \$775,000 which changes the total LOP funding from \$5,915,000 to \$6,690,000 and represents a 13% increase. The present Project budget and financial status is provided in Table I. A budget reflecting the general categories of expenditure under this Project Supplement are provided in Table II. Table III shows the GRB contribution to the Project.

6. Implementation Plan

The implementation arrangements for the extended phase of the Burundi Food Crops Project are largely the same as those utilized to date. The implementing agency for the Government of Burundi is the Directorate of Agronomy of the Ministry of Agriculture. Specific research activities are supervised by ISABU, the Agricultural Research Institute.

TABLE I

AID CONTRIBUTION FOR THE EXTENSION OF THE BURUNDI BASIC FOOD CROPS PROJECT

(\$000's)

Element Description	Original PP Budget (4/80)	Current Budget (8/83)	Committed (6/30/85)	Uncommitted (6/30/85)	New Money	Uncommitted plus New Money	Revised Total LOP including
Technical Assistance ^{1/}	1,515	1,479	1,413	66	398	464	1,877
Participant Training	107	126	370	(-244)	-0-	-0-	370
Commodities	1,059	1,746	1,604	142	-0-	142	1,746
Construction	654	1,600	1,388	212	-0-	212	1,600
Other Costs ^{2/}	856	777	268	509	377	642	910
Contingencies/Inflation	1,267	187	-0-	187	-0-	187	187
TOTAL	5,458	5,915	5,043	872	775	1,647	6,690

^{1/}Expenditures assume 4PY LT/TA in FY 86/87 and remainder ST/TA

^{2/}Expenditures are phased to reflect CIP Grant

TABLE II
Budget for Basic Food Crops PP Amendment

Description	fy 1985	fy 1986	fy 1987	fy 1988	total
1. Technical Assistance					
Long Term					
Farm Manager	0	160000	0	0	160000
Agronomist	0	160000	0	0	160000
Short Term					
Seed Processing	0	18000	0	0	18000
Information Management	0	12000	0	0	12000
Soils Engineer	0	24000	0	0	24000
Sub total	0	374000	0	0	374000
2. Potato Storage Research					
CAPITAL					
Shapie stores	10000	0	0	0	10000
Equipment	18000	0	5000	0	23000
Vehicle	15000	0	0	0	15000
MAINTENANCE					
Personnel	15000	15000	15000	15000	60000
Vehicle	5000	5000	6000	6000	22000
Buildings	0	1000	1000	2000	4000
Supplies	4000	4000	4000	4000	16000
Travel	2000	2000	3000	3000	10000
Sub total	69000	27000	34000	30000	160000
3. Bacterial Wilt Research					
CAPITAL					
Greenhouse	12000	0	0	0	12000
Equipment	5000	3000	3000	2000	13000
MAINTENANCE					
Personnel	15000	15000	15000	15000	60000
Lab Supplies	4000	5000	2000	2000	13000
Field Supplies	5000	2000	2000	2000	11000
Travel	3000	3000	3000	3000	12000
Sub total	44000	28000	25000	24000	121000
Project Sub Total	113000	429000	59000	54000	655000
Physical Contingency(10%)	11000	43000	6000	5000	65000
Price Contingency 7%	0	33000	9000	13000	55000
TOTAL	124000	505000	74000	72000	775000

*Contingencies rounded

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TABLE III
 GRB CONTRIBUTION
 (4000'S)

1. PREVIOUS CONTRIBUTION			TOTAL
Total FY 1980-85	-	-	3431
2. NEW CONTRIBUTION			
	Storage Research	Bacterial Wilt	
Personnel	20	15	35
Supplies	7	7	14
Land	5	10	15
Existing Capital	20	15	35
Sub-total	52	47	99
3. REVISED OVERALL GRB CONTRIBUTION			
Total GRB Costs	-	-	3530
GRB Costs as a Percentage of Total Project Costs			34.5%

A. Procurement of Technical Assistance:

Two person years of long-term technical assistance will be supported by the supplementary finance provided by the Project extension. This includes one year each for the Farm Manager and Agronomist at Kajondi Seed Farm. The existing PASA contractual agreements will be extended to provided personnel for both these posts. In addition, five person months of short-term technical assistance will be provided through this same contract.

B. Potato Research:

The potato research activities supported by the Basic Food Crops Project will be part of Burundi's Potato Program de Pomme de Terre (BPPDT). Project financing for potato research will be administered by the Government of Burundi through the CVHA (Program des Cultures Villageoise en Haute Altitude, Program; the same agency which administers the Kajondi Farm Activity. The CVHA will request funds needed to support the storage and bacterial wilt research activities of the BPPDT and advance funds to them through a separate bank account. The CVHA will account to the OAR/B on the expenditure of Project funds for potato research in its financial reports.

C. Implementation Schedule:

The proposed implementation schedule for the remaining period of the Project is as follows:

PROJECT MONTH	ACTIVITY
1. AUGUST 85	Seed processing, building completed.
2. SEPTEMBER 85	Seed processing short-term advisor arrives.
3. OCTOBER 85	PASA long-term agronomist arrives; PASA short term TA for management info system.
4. NOVEMBER 85	Open new farm lands.
5. DECEMBER 85	Review 1986 work plans.
6. JANUARY 86	4th atr. and annual report due.
7. FEBRUARY 86	Open new farm lands.
8. MARCH 86	Station and on-farm trial designs for LOP due.
9. APRIL 86	1st qtr. report. Full field review of BFC Project with OAR/B, GRB, USDA, and REDSO/ESA.
10. MAY 86	Final plans for third country training; candidates selected.

11. JUNE 86 PASA short-term TA in management systems and seed processing and soils engineering.
12. JULY 86 2nd qtr. report
13. AUGUST 86
14. SEPTEMBER 86 Initial PACD.
15. OCTOBER 86 3rd qtr. report.
16. NOVEMBER 86 Open new farm lands.
17. DECEMBER 86 Review work plans for 1987.
18. JANUARY 87 4th qtr. and annual report.
19. FEBRUARY 87 Open new farm lands.
20. MARCH 87
21. APRIL 87 1st qtr. report. Formal project evaluation to include cost recovery and policy for seed pricing and GRB subsidization.
22. MAY 87 PASA short term TA as needed.
23. JUNE 87
24. JULY 87 2nd qtr. report.
25. AUGUST 87
26. SEPTEMBER 87
27. OCTOBER 87 3rd qtr. report.
28. NOVEMBER 87 Open new farm lands if needed.
29. DECEMBER 87 Review work plans for 1988.
30. JANUARY 88 4th qtr. and annual reports; draft plan for pricing strategy and future farm budgetary operations; first draft validated technological packages.
31. FEBRUARY 88
32. MARCH 88 Final PASA short-term TA.
33. APRIL 88 1st qtr. report.
34. MAY 88
35. JUNE 88 Final on-farm training.
36. JULY 88 2nd qtr. report; final Project evaluation.
37. AUGUST 88 Final evaluation draft to OAR/B.
38. SEPTEMBER 88 PACD. Final report. PASA technicians depart.

7. Evaluations

During the remaining 38 months of the project a series of reviews and evaluations will be held. Formal quarterly and annual reports will be required from all BFC project components as well as a yearly Kajondi Work Plan review by all CVHA participants, AID, the GRB, USDA and REDSO/ESA. These requirements differ from the first phase of the BFP project development but are felt to be beneficial in providing a continuity of information and a basis for project management and decisions.

One full Field Review will be held in April of 1986 to measure project accomplishments and to assist AID/B and the GRB with identification of program constraints, management problems, governmental procedures, personnel development and other BFC task related matters that may be constraints to completion of project outputs. A BFC field review is considered as an in-house exercise where all participants and collaborators of the CVHA will be given an opportunity to input ideas and suggestions and where AID/B and the GRB can negotiate needed changes or improvements in a more informal manner. A team from REDSO/ESA will be provided to assist the process if needed.

A formal project evaluation will be conducted in April or May of 1987. This outside review will measure project accomplishments, to this point in the project, and provide guidelines for the remainder of the LOP. Specific criteria will include: 1) Farm Management and cover such areas as: annual farm plans, farm budgets, management information systems, training, labor management, on farm trials, equipment maintenance, repair records, and GRB levels. 2) Technical Criteria will focus upon elements of: yield records from on station and on farm plots, soil profiles and land development at Kajondi, seed quality controls and national standards development, and liaison efforts with international centers. 3) Financial Elements will be reviewed to measure achievements in: monthly reporting showing expenses, revenue, resource use, and production activities. annual reports reflecting the entire year and showing operation losses or profits sustained, costs control targets, accurate partial budgets, depreciation schedules and the ability of project staff to analyze these and make proper management decisions. 4) Economic Factors that would include: evaluation of national benefits, return to investment in Kajondi, and development of a pricing policy. 5) Consultation and Coordination activities of both the AID staff and the Kajondi technicians will be reviewed to measure: technical meetings held between AID/GRB the CVHA and ISABU staff, program accomplishments through AID/B collaboration with the FED - TCB - SSS - and SOMEBU, policy development as measured by the establishment of a National Seed Service and written pricing policies.

A final evaluation will be called for in July of 1988. Original outputs as well as those developed during the LOP will be analyzed and hopefully contribute to policy dialogue to be carried on by AID/B for future sector activities and project development. This last review, as with the former, will also measure contractor performance.

All PASA and CIP staff, both long term as well as short term, will be required to submit (before their final compensation) an end of tour report.

**BURUNDI BASIC FOOD CROPS
PROJECT PAPER AMENDMENT**

ANNEXES

ANNEX 8.1

STATUTORY CHECKLIST

5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only: B.1. applies to all projects funded with Development Assistance loans, and B.3. applies to projects funded from ESP.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 1985 Continuing Resolution Sec. 525; FAA Sec. 634A; Sec. 653(b).

(a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

CN expired on 3/12/85

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes

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); FY 1985 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973, or the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.) N/A

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 to 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. N/A

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the

- country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and 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.
8. FAA Sec. 601(b). Information and conclusions 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). N/A
9. FAA Sec. 612(b), 636(h); FY 1985 Continuing Resolution Sec. 507. 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 in lieu of dollars. The GRB is contributing 34.5% of total project costs.
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 1985 Continuing Resolution Sec. 522. 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?

13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does the project or program take into consideration the problem of the destruction of tropical forests?
14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?
15. FY 1985 Continuing Resolution. Sec. 536. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b), 111, 113, 281(a). Extent to which activity will (i)

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; (ii) 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; (iii) support the self-help efforts of developing countries; (iv) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (v) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

Yes

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

Yes

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the

Yes

The project is generating improved seed and other validated food crop technologies aimed at increasing the production and income of small farmers. The project does not involve cooperatives or single out women for participation in its activities.

program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character."

No

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

Yes

g. 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 intellectual resources to encourage institutional development; and supports

The project has provided training for local staff over the LOP and this amendment will continue that training.

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civil education and training in skills required for effective participation in government processes essential to self-government.

2. Development Assistance Project Criteria (Loans only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.

N/A

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, 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?

N/A

3. Economic Support Fund Project Criteria

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

Yes

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

No

c. FAA Sec. 534. Will ESF funds be used to finance the construction of the operation or maintenance of,

N/A

or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to non-proliferation objectives?

d. 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?

N/A

5C(c) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? N/A

2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? Yes

3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? N/A

4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such N/A

procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas? Do these countries permit United States firms to compete for construction or engineering services financed from assistance programs of these countries?

N/A

6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates?

N/A

7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on

a contract basis to the fullest extent practicable? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

The existing PASA arrangement has been determined to be the most suitable source for providing technical assistance.

8. International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U. S. carriers be used to the extent such service is available?

Yes

9. FY 1985 Continuing Resolution Sec. 504. If the U.S. Government is a party to a contract for procurement, will the contract contain a provision authorizing termination of such contract for the convenience of the United States?

N/A

P. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services to be used?

N/A

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

N/A

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)?

N/A

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?

N/A

2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights?

N/A

3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the communist-bloc countries?

Yes

4. Will arrangements preclude use of financing:

a. FAA Sec. 104(f); FY 1985 Continuing Resolution Sec. 527: (1) To pay for performance of abortions as a method of family planning or to motivate

Yes

or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?

b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property?

Yes

c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs?

Yes

d. FAA Sec. 662. For CIA activities?

Yes

e. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained?

Yes

f. FY 1985 Continuing Resolution, Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service

Yes

compensation for
military personnel?

g. FY 1985 Continuing
Resolution, Sec. 505. To pay U.N. assessments,
arrearages for dues? Yes

h. FY 1985 Continuing
Resolution, Sec. 506. To carry out provisions of FAA
section 209(d) (Transfer of FAA funds to
multilateral organizations for
lending)? Yes

i. FY 1985 Continuing
Resolution, Sec. 510. To finance the export of
nuclear equipment, fuel,
or technology or to train
foreign nationals in
nuclear fields? Yes

j. FY 1985 Continuing
Resolution, Sec. 511. Will assistance be
provided for the purpose
of aiding 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

k. FY 1985 Continuing
Resolution, Sec. 516. To be used for publicity or
propaganda purposes
within U.S. not
authorized by Congress? Yes

ANNEX 8.2
IEE REVIEW