PDBBP500

NOTICE OF RECORD

DATE: 4/10/89

CORRECT PROJECT NUMBER IS: 696

CORRECT PROJECT TITLE IS: Support to Reg. Orgns

VERIFIED BY: Bruce Lewis
AFR/PD/IPS

DATE: 4/10/89

CLEARED BY: G. Campbell
CHIEF, AFR/PD/IPS

DATE: 4-17-89

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT PAPER FACESHEET

1. TRANSACTION CODE: A (A = ADD, C = CHANGE, D = DELETE)

PP

2. DOCUMENT CODE: 3

3. COUNTRY/ENTITY: Africa Regional

4. DOCUMENT REVISION NUMBER:

5. PROJECT NUMBER (7 digits): 698-041[redacted]

6. BUREAU/OFFICE: A. SYMBOL: AFR; B. CODE:

7. PROJECT TITLE (Maximum 40 characters): Econ. Community of Great Lakes Countries

8. ESTIMATED FY OF PROJECT COMPLETION: FY 83

9. ESTIMATED DATE OF OBLIGATION: A. INITIAL FY 79; B. QUARTER 3 (Enter 1, 2, 3, or 4); C. FINAL FY 83

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

A. FUNDING SOURCE	FIRST FY 79 B. FX	C. L/C	D. TOTAL	LIFE OF PROJECT E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL						
(GRANT)	(370)	(30)	(400)	(1,270)	(110)	(1,380)
(LOAN)	(-)	(-)	(-)	(-)	(-)	(-)
OTHER U.S. 1.						
OTHER U.S. 2.						
HOST COUNTRY						
OTHER DONOR(S)						
TOTALS						

11. PROPOSED BUDGET APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	D. LOAN	E. 1ST FY 79 F. GRANT	G. LOAN	H. 2ND FY 80 I. GRANT	J. LOAN	K. 3RD FY 81 L. GRANT	M. LOAN
(1) ST	771 B	930	-	400	-	50	-	460	-
(2)									
(3)									
(4)									
			TOTALS	400	-	50	-	460	-

A. APPROPRIATION	N. 4TH FY 82 O. GRANT	P. LOAN	Q. 5TH FY 83 R. GRANT	S. LOAN	LIFE OF PROJECT T. GRANT	U. LOAN
(1) ST	430	-	40	-	1,380	-
(2)						
(3)						
(4)						
TOTALS	430	-	40	-	1,380	-

12. IN-DEPTH EVALUATION SCHEDULED: MM 07 YY 80

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

1 (1 = NO, 2 = YES)

14. ORIGINATING OFFICE CLEARANCE

SIGNATURE: E. Dennis Conroy

TITLE: E. Dennis Conroy
Director, Office of Regional Affairs

DATE SIGNED: MM 06 DD 06 YY 79

15. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM 06 DD 06 YY 79

AID 1330-4 (3-76)

PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS

PART II

Country: Africa Regional

Project: Support to Regional Organizations

Sub-Activity: Economic Community of the Countries of the Great Lakes (CEPGL)

Project No.: 698-0413
Sub-Activity No.: 698-0413.2

Pursuant to Part I, Chapter 1, Section 106 of the Foreign Assistance Act of 1961, as amended, (the Act) I hereby authorize a Grant to the Economic Community of the Countries of the Great Lakes ("Grantee") of not to exceed four hundred thousand United States Dollars ($400,000) the ("Authorized Amount") to help in financing certain foreign exchange and local currency costs for the Project as described in the following paragraph.

The Project (this sub-activity) will assist the Grantee to obtain knowledge of the key enconomic and demographic indicators in the region comprised of Rwanda, Burundi and Kivu Province of Zaire and to formulate regional action programs to bring about greater economic development. The Project will assist the Grantee to design and implement specific policies and programs and to enable the Grantee to become capable of making a meaningful contribution to development of viable regional activities which will contribute to the economic and social development of the region serviced by the Grantee. To carry out the objectives of this Project, A.I.D. will provide financing for technical assistance, participant training, commodities and other services.

I approve a total level of A.I.D. appropriated funding planned for this Project of not to exceed One Million Three Hundred and Eighty Thousand United States Dollars ($1,380,000), including the funding authorized above, during the period Fiscal Year 1979 through Fiscal Year 1983, subject to the availability of funds in accordance with A.I.D. allotment procedures.

I hereby authorize the initiation of negotiations and execution of the Project Agreement either by the officer to whom such authority has been delegated in accordance with A.I.D. regulations and Delegations of Authority or by the Director, Office of Regional Affairs, Bureau for Africa, 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, Origin and Nationality of Goods and Services

Goods and services financed under the Project shall have their source, origin or nationality in Rwanda, Burundi, Zaire, or in countries included in A.I.D. Geographic Code 941, except as A.I.D. may otherwise agree in writing, and except as provided for in paragraph c. below.

b. Covenants

The Project Agreement will contain, in substance, the following covenant:

(1) The Grantee will make its best efforts to obtain supplemental assistance from other countries and United Nations agencies and to establish an informal procedure to assure coordination of donor support.

c. Waiver

The following waiver to A.I.D. regulations is hereby approved:

(1) The requirement under Handbook 1, Supplement B, Chaper 5, that commodities procured with grant funds have their source and origin in the United States, or in countries included in A.I.D. Geographic Code 941, is waived to permit the procurement of two project vehicles, together with spare parts, at an approximate cost of $22,000, which have as their source and origin, countries included in A.I.D. Geographic Code 935. Exclusion of procurement of these project vehicles and spare parts from countries included in Code 935 would seriously impede attainment of U.S. foreign policy objectives and the objectives of the U.S. foreign assistance program. Special circumstances exist which justify waiver of the requirements of Section 636(i) of the Act.

Date: JUN 22 1979

/s/ COLER T. BUTCHER

Coler T. Butcher
Assistant Administrator for Africa

AA/AFR

Africa Regional

Support to Regional Organizations
698-0413

Sub-Activity Title:

Economic Community of the Countries of the Great Lakes (CEPGL)

I. Summary Description

This activity will assist CEPGL to obtain knowledge of the key economic and demographic indicators in the region comprised of Rwanda, Burundi and Kivu Province of Zaire and to formulate regional action programs to bring about greater economic development. Assistance of a U.S. development planner and a demography expert will be provided together with short term experts to work on specific studies and demographic analysis. Funds will be provided in future years for feasibility studies primarily in the area of agro-industrial development.

Assistance will also be provided by Belgium, France, the United Nations Development Program and possibly other donors.

Fiscal Year 1979 obligations are $400,000 with life of project assistance estimated at $1,380,000 from FY 79 to FY 83. The estimated host institution contribution is $75,000. Other donor assistance is estimated at over $1,000,000.

II. Project Background

Rwanda, Burundi, and the Kivu Province in Zaire are contiguous geographic entities comprising some 12-15 million people. At the present rate of growth the population is projected to double by the end of the century. The region is isolated and landlocked and close historical, economic and ethnic ties exist among the people of the three geographic areas.

The Economic Community of the Countries of the Great Lakes (Communaute Economique Des Pays Des Grands Lacs) (CEPGL) was established September 20, 1976 by a convention signed by the Presidents of Burundi, Rwanda and Zaire.

The Community has as its objectives:

A. To ensure the security of the States and their populations, so that nothing disturbs the peace and order at their respective borders;

B. to plan, define, and encourage the creation and development of activities of mutual interest;

C. to promote and increase trade and movement of persons and goods;

D. to cooperate closely in social, economic, commercial, scientific, cultural, military, financial, technical and touristic areas, and

particularly in legal affairs, customs, health, energy, transportation, and telecommunications.

A Conference of the Heads of State meets annually, a Council of Ministers meets twice a year and a Permanent Executive Secretariat has been established at Gisenyi, Rwanda. In 1977 an initial endowment of 3 million SDR was allocated to the Permanent Executive Secretariat for its operating budget. An organization chart of the Executive Secretariat is at Annex A. Five technical commissions represented by the respective Ministers have been established:

(1) agriculture, natural resources, and industry;
(2) commerce, finance, immigration, and tourisum;
(3) public works, transport and energy;
(4) social and cultural affairs; and
(5) political and judicial affairs.

A Development Bank has been established.

CEPGL has approached various donors for assistance to develop its operational framework more precisely in order that it can function in a more efficient manner. Studies completed to date under CEPGL aegis include a Social Security Study by ILO, and a Tourism Study by a French firm with French assistance. CEPGL has prepared the scopes of work, managed the studies, and distributed the reports to its member countries. A Transit Transport Study by UNCTAD (financed by UNDP) began in April 1979 and will take one and a half years. The future study program approved by the Council of Ministers includes development of the Ruzizi River Valley; methane gas; fisheries; bottle factory; comparative transport study for air, roads and water; and telecommunications.

A request for U.S. assistance along the lines of this activity was sent to the American Ambassador to Rwanda by letter in September 1977.

III. Project Description

A. Project Goal

1. The goal is to encourage the three governments of Zaire, Rwanda, and Burundi to adopt policies which will recognize the economic and social unity of the area and to develop programs which will lead to increased development and growth.

2. Measure of Goal Achievement: Indicators include -

(a) trends in GNP and other social and economic factors;

(b) trends in agricultural production and agro-industrial growth; and

(c) favorable arrangements between the three governments.

3. Assumption of Goal Achievement: The main assumptions are that states will adapt their policies to favor regional cooperation, that external forces will not interfere with supply lines for this landlocked area, and that a major drought will not bring a food crises condition to this area.

B. Project Purpose:

1. The purpose is to assist CEPGL to design and implement specific policies and programs and to enable it to become capable of making a meaningful contribution to development of viable regional activities which will contribute to the economic and social development of the area.

Priority areas which will be assisted are:

(a) Development planning to assist in formulating an economic development policy, with emphasis on agro-industry programs, and a five year plan for its implementation;

(b) demographic data collection and measures to facilitate free movement and utilization of persons in the area;

(c) development of information and plans on population growth in relation to future food supply.

CEPGL will periodically submit for A.I.D. consideration specific proposals for technical assistance and studies within these broadly described areas. A.I.D. will review the proposals and will agree to provide support to those which are within the parameters of A.I.D. assistance guidelines and are soundly conceptualized, subject to availability of funds.

The project will be implemented over five years (July 1979 to June 1984) using U.S. Fiscal Year 1979-1983 funds. The project may be considered for extension depending upon successful utilization by CEPGL of the specific activities during the first five years. The estimated life of project cost is $1,380,000 which is illustrative given the nature of the project. It is anticipated that France, Belgium and the United Nations Development Program will take a major role in providing assistance to CEPGL and that U.S. assistance will be less than half of total external assistance.

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2. End of Project Status: Achievement of the following conditions will indicate attainment of the project purpose --

(a) A medium term development plan with realizable goals for the area over a period of five years;

(b) extensive demographic data on the area and the promulgation of policies for free movement of persons;

(c) cooperation among the member countries and organizations directed toward increasing and distributing food production and reducing population pressures;

(d) an efficient organization capable of:

(1) responding to member states' requests for assistance, and

(2) designing and implementing regional development projects, both in a timely manner.

3. Assumptions About Achievement of Purposes: The major assumptions are that the Councils of Ministers of the member states will be able to reach agreement on a regional development plan, that African personnel will be available for training and that the member states continue to make a contribution for the operating budget of CEPGL.

C. Project Outputs:

1. Feasibility studies covering agro-industrial development and intra-regional trade, transport and communication to encourage agricultural production by African farmers.

2. Trained CEPGL staff to carry on activities in development planning, demographic analysis, cost/benefit analysis, agro-industrial development, internal transport analysis and management/administration.

3. Plans to minimize impact of increased population growth in relation to stable or declining food production.

4. Established mechanisms for integrating CEPGL plans within national plans.

5. Reliable data on population of region by age, nationality, sex, profession, levels of education, etc.

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6. Production of studies on migratory movements, rural exodus, impact of the area's isolation on circulation of people and goods and other population dynamics.

7. Procedures to enable persons to take advantage of job opportunities throughout the area.

D. Project Inputs:

1. A.I.D.

U.S. assistance will be provided directly to CEPGL under a grant between the Bureau for Africa of A.I.D. and the Executive Secretariat of CEPGL, acting on behalf of the Head of State serving as Chairman of CEPGL. A.I.D. inputs will be limited to U.S. short and long term technical assistance, feasibility studies performed by U.S. and African firms, costs of training Africans, limited support for technicians including commodities and vehicles, administrative support and other costs (such as costs of conferences), and costs for periodic evaluation by short-term U.S. Consultants. See Section VI. for implementation arrangements.

(a) Technician Costs:

A.I.D. will assist CEPGL in identifying and recruiting qualified candidates for short and long term experts. In no case will technicians' services be provided to fill CEPGL vacancies which would normally be filled by staff members of CEPGL.

(b) Participant Training Costs:

A.I.D. will assist in arranging short and long term training for selected CEPGL personnel and other African personnel involved in a CEPGL program or activity which has been approved for A.I.D. support. If training is in the U.S., A.I.D. will provide placement and monitoring services.

(c) Commodities:

This assistance will consist of two vehicles (which will be procured by US AID/Kigali under a source origin waiver included in this paper), typewriters and other non-expendable commodities.

(d) Other Costs:

Consists of feasibility studies, conferences and seminars, including travel and transportation, and expendable supplies. Provision of an African administrative assistant/secretary to be hired by CEPGL to provide administrative and secretarial assistance to U.S. experts (and other expatriates as time permits) would be included.

2. CEPGL

CEPGL would provide African counterparts to U.S. experts, salaries and other support in training counterparts, and logistic support for short term and long term experts including arrangements for travel, office space and other logistic support. It is also anticipated that CEPGL will make rent-free housing available although funds will be included under A.I.D. contribution in case of need. Provision of counterparts and logistic support will be included as a covenant in the Grant Agreement.

3. Other Donors

France has agreed to provide a Statistical Expert; consideration of an Industrial Expert requested by CEPGL is being held in abeyance. Belgium has agreed to provide a General Economist in the fall of 1979; Transport and Industrial Experts requested by CEPGL are under consideration. Belgium is also providing funds for an administrative building and for construction or renovation of several staff houses. The UNDP has approved a Transit Transport Study ($250,000) and has sent a multi-disciplinary Mission in April 1979 to begin this comprehensive two year analysis of each of the transit routes.

4. Member States

The three member states contributed SDR 3 million to the operating costs in 1977.

IV. Socio-economic Analysis

The geographic area covered by CEPGL faces critical overpopulation problems and, in the event of a drought or other natural disaster, a critical food problem. Selected indicators for Rwanda and Burundi compared to low income LDCs and Kenya are attached (Annex A). The economic and social problems of the area can to some extent be ameliorated through region-wide policies and programs. The CDSS reviews for Burundi and Rwanda in 1979 underscored the importance of learning more about

this region and beginning to understand the economic and population problems faced if food production is overtaken by population growth.

Zaire has an historical and political interest maintaining a cooperative relationship with Rwanda and Burundi. Positive benefits for Zaire from participating in CEPGL studies might include: increased exposure of Zairians to project development and planning; opening the eastern portion of the country to greater export trade; tourism spin-off; improved communications and transport routes; and agro-industrial development.

BURUNDI

The economic outlook of the Burundi/Rwanda/Kivu Province area of the next decade is serious. Exponentially increasing population growth will half the meager per capita income which exists today. By the year 2,000, Burundi will have 7-8,000,000 persons compared to 4,000,000 persons today. Burundi is one of the world's poorest countries with an estimated per capita income of $90 per year. The population, on the average gets 88% of the accepted minimum intake of 1,890 calories but the diet is frequently unbalanced with a deficiency in animal protein, calcium and certain vitamins. The high death rate among children is attributed to post-weaning malnutrition; at least 95% of the population are subsistence farmers with a single cash crop, coffee. Total population continues to rise at an estimated growth rate of 2.1 to 2.8%. Since 1% of the people emigrate, net growth is estimated at 1.2 - 1.8%. The claim is made, however, that many emigrants return so the growth rate may be greater.

Farm technology has changed little in recent decades. Adaptations have not kept up with ecological change. If technology changes slowly and population growth continues, the soil base will be reduced as erosion follows the rapid removal of tree cover and animals continue to overgraze.

The subsistence sector is the major employer. Although no landless class exists, many thousands annually seek off-farm employment. Uganda, Tanzania and Zaire have Burundi immigrants of long standing.

Modern technology is available to farmers in commercial production of coffee, rice and tea. Extension and research do not exist for food crops. Populations in highland areas are becoming gradually poorer in real terms, as a consequence of surface erosion reducing quantity and quality of arable land. The average peasant farm has 0.86 hectares of which 0.66 are planted to food crops, including bananas which will be used for beer. This land surface supports 4.2 persons. Given population growth it is estimated that by 1982 only 0.33 hectares will be available for the support of every 4.1 individuals. It's felt that one-third of rural children under 12 are at risk of death from malnutrition. Hill farms are isolated without access to farm-to-market roads.

The average human density is 200/km^2 and growing at over 2% per year.

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RWANDA

Rwanda is another predominately rural country in which poverty is pervasive and widely distributed. Less than 4% of the country's 4.82 million lives in settlements larger than 2,000 people. Rwanda is the most densely populated country in Africa with 183 persons per square kilometer. About 95% are small-holding, mainly subsistence level farmers with per capita income of about $65 (compared to $120 per capita in urban areas). There are about 880,000 small farmer holdings which average one hectare. Staple crops are bananas, sweet potatoes, cassava, potatoes, beans and peas; about half the farm population grows coffee, tea or pyrethrum as a cash crop. Cattle, traditionally prized, are diminishing slowly as pasture lands are increasingly converted to farm holdings.

The birth rate is estimated at 3.2%. The nutritional status of rural Rwandans declined by an estimated 15% between 1959 and 1973-75; currently, the average Rwandan consumes approximately 80-85% of the minimum caloric daily intake. Some sections of the country suffer from disease caused by malnutrition.

The agricultural sector is largely subsistence oriented; in 1978 of the total estimated agricultural production of 3.86 million metric tons, exports totaled only 32,800 tons--three-fourths in coffee. Like Burundi, agricultural technology is relatively advanced for cash crops but the small farm is deficient in seed varieties, spacing of plants, organic manure usage and improved methodology. Livestock suffers from in-breeding, disease and inadequate pasture. Energy is becoming a serious problem. The forest reserves are limited and rapidly diminishing and the growing firewood demands leading to erosion. Peat and thermal energy are possible sources but natural methane gas in Lake Kivu could be tapped through a regional project and used for transport and cooking.

Agriculture is the most critical growth area. The industrial sector is small with growth limited by dependence on the limited local market. Artisan and small scale industry offer considerable potential, especially in a larger market area. Construction, tourism and artisan activities also provide growth potential--depending on demand which would be increased within the framework of an economic community. Although there has been limited achievement to date, the potential for coordination and management of regional development programs and the exploitation of common resources is great.

Kivu Province - ZAIRE

Separate macro-economic data for the eastern region of Zaire are not available separately. Geographically isolated from Kinshasa, it

is largely ignored by the central government. Trade routes to the outside world are largely the same as Rwanda and Burundi. There is a lack of investment and social services which has resulted in stagnation of Kivu Province economically. It is assumed the population growth rates, declining agricultural production in relation to population expansion, and malnutrition are as important factors for Kivu Province as they are for Rwanda and Burundi.

The assignment of U.S. and other experts would begin the process whereby valuable information on the region will be accummulated and regional proposals developed which would be available to the U.S., France, Belgium and UNDP.

V. Financial Analysis

A. Project Budget - Initial A.I.D. Contribution

1. Personnel

(a) Short-term Experts (initial three months assignments	$ 80,000
(b) Long-term Experts (initial 12 mos. financing)	200,000
(c) Short-term Consultants (4 pm)	20,000
2. Participant Training	30,000
3. Commodities - two Peugeot vehicles, spare parts, and miscellaneous commodities	40,000[a/]
4. Other Costs - administrative support and operation costs	30,000
	$400,000

B. CEPGL Contribution

Office space, housing, logistic support to be provided in kind.

Life of Project Obligations ($000)

	FY79	FY80	FY81	FY82	FY83	Total
Personnel	300	-	200	60	-	560
Participants	30	20	20	20	20	160
Commodities	40	10	-	10	-	60
Other Costs	30	20	240	340	20	650
Total	400	50	460	430	40	1,380

a/ Waiver attached to this document for approval by AA/AFR.

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V. Financial Analysis - continued

Life of Project Expenditures ($000) - (Illustrative)

	FY79	FY80	FY81	FY82	FY83
Personnel	30	200	200	130	-
Participants	-	30	20	20	40
Commodities	20	20	10	-	10
Other Costs	20	30	20	230	350
Total	70	280	250	280	400

VI. Implementation Arrangements

The basic implementation concept of this assistance is that CEPGL will have responsibility for the implementation and support arrangements for the U.S. personnel. While the initial three month contract for the two experts will have AID/W as action office and the vehicles will be procured by AID/Kigali, all other logistic arrangements will be provided by CEPGL. It is anticipated that the long term experts will be hired under a host institution contract negotiated and signed by CEPGL with some A.I.D. assistance in advertising for a firm to provide the personnel.

CEPGL is located in Gisenyi which is 5 to 6 hours drive from Kigali. For this reason it is difficult to provide Embassy or A.I.D. support and CEPGL has agreed to provide space and housing at no cost, to maintain the houses for the families, to handle all travel and administrative/logistic arrangements for travel within the region to carry out their responsibilities. (Short term personnel will live in a hotel and be paid per diem). No commissary or support services will be provided by the American Embassy/AAO except for those afforded a private American in the country. A covenant will be included in the Grant Agreement.

Funds will be granted to CEPGL to hire an administrative assistant/secretary for the U.S. experts use. Their availability will assure a reasonable amount of logistic and administrative help depending on the calibre of the individuals hired.

Two Peugeot station wagons, a typewriter and other miscellaneous supplies will be provided for the two experts, titled with A.I.D. initially but to be turned over to CEPGL at a future date.

Implementatio timetable is estimated as follows:

1979

June/July	Grant and PIO/T signatures
July	--Advertise for 3 months experts --Order automobiles and typewriter
September/October	3 months experts at Gisenyi
November	Agree on Scope of Work for two year experts (provide second year funding and funds for feasibility studies)

1980

February	Arrival of two year experts
April/June	Short term consultants for special studies
July	Evaluation of project assistance
September	Commence agro-industry feasibility studies for investment in three locations
November	Provide additional two year funding of experts and feasibility studies

Environmental Analysis

This assistance consists of provision of short and long term experts and feasibility studies. There is no environmental impact to this specific activity (See Initial Environmental Examination attached as Annex B). Any activities resulting from this assistance will be examined in terms of environmental impact on an individual basis.

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Initial Environmental Examination

Project Location: Rwanda, Burundi, Kivu Province of Zaire

Funding: Two years July 2979 to June 2981. Cost $400,000 for A.I.D.; CEPGL contribution

IEE prepared by: Dennis Conroy, Director, AFR/RA

Date: June 7, 1979

Recommendation: A negative determination should be made, with the provision that USAID/Rwanda will review requests for feasibility studies and assure that environmental considerations are included in the scopes of work of these studies.

Concurrence: _____
John Patterson, AID Affairs Officer, Kigali

Assistant Administrator's Decision: APPROVED /s/ COLER T. BUTCHER

DISAPPROVED _____

DATE JUN 22 1979

Project Description

The project will provide a development planner and a demographic planner to assist CEPGL to design and implement specific policies and programs and to enable it to become capable of developing viable regional activities.

Feasibility studies will be undertaken in areas such as agro-industry, fisheries, road development relating to markets and distribution of agricultural produce, population movements.

Training of staff in Africa and the U.S. will be provided.

Environmental Analysis

The project activities of technical consultations, training, and logistic support do not raise environmental issues.

The only component of the project which could affect the environment, and that potentially, is the individual feasibility studies. The exact nature of the studies which will be undertaken is not known at this time. Some of the activities which will be studied will have the potential for environmental impact. It is important that the scopes of work for these feasibility studies include a requirement that the study report include an examination of the environmental impact of the activity studied and alternative design possibilities. Since all requests for feasibility studies must be approved by AID/Rwanda (in cooperation with the two AID offices in Burundi and Zaire and REDSO), the AID office can assure that this environmental analysis is included in the scope of work.

LIMITED SCOPE GRANT PROJECT AGREEMENT

Between the United States of America, acting through the Agency for International Development (AID)

AND

ECONOMIC COMMUNITY OF THE COUNTRIES OF THE GREAT LAKES
(Grantee)

1. Project Title Support to Regional Organizations	2. AID Project Number 698-0413.2

The above-named parties hereby mutually agree to carry out the Project described in this Agreement in accordance with (1) the terms of this Agreement, including any annexes attached hereto, and (2) any general agreement between the two governments regarding economic or technical cooperation.

3. Amount of AID Grant	4. Grantee contribution to the Project	5. Project Assistance Completion Date
$ 400,000	$ 75,000 (estimated)	June 30, 1982

6. This Agreement consists of: this title page and
Annex A - Project Description
Annex B - Project Budget
Proag Standard Provisions Annex

7. For the Grantee:	8. For the Agency for International Development
Typed Name Bonaventure Kidwingira	Typed Name E. Dennis Conroy
Signature	Signature
Title Executive Secretary, Economic Community of the Countries of the Great Lakes	Title Director, Office of Regional Affairs Bureau for Africa, A.I.D.
Date	Date

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PROJECT AGREEMENT

Annex A

PROJECT DESCRIPTION

1. Project Title	2. AID Project Number
Support to Regional Organizations	698-0413.2

3. This Project consists of:

The overall goal of this activity is to assist the Economic Community of the Countries of the Great Lakes (hereinafter called CEPGL) to obtain knowledge of the key economic and demographic indicators in the area covered by Rwanda, Burundi and the Kivu Province of Zaire and to formulate regional action programs to bring about greater economic and social development.

Purpose and Outputs of Agreement

The specific purpose of this agreement is to assist CEPGL to design and implement specific policies and programs and to enable it to become capable of making a meaningful contribution to development of viable regional activities that will contribute to the economic and social development of the area.

Priority areas to be assisted are:

(a) Development planning to assist in formulating an economic development policy, with emphasis on agro-industry programs, and a five year plan for its implementation;

- continued on page 2 -

4. Special Provisions

1. The amount of this Grant provides initial financing for the Project. Subsequent increments will be subject to the availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed. The Project will be considered for extension for up to five years depending upon a joint annual evaluation on utilization of the assistance.

2. CEPGL will make its best effort to obtain supplemental assistance from other countries and United Nations agencies and to establish an informal mechanism to assure coordination of donor support.

3. CEPGL will attempt to assign African staff to travel and work closely with U.S. experts in carrying out the work of this Agreement. CEPGL will submit a training plan within 90 days for external and on-job training of African staff.

4. (a) Goods and services financed under this Agreement shall have their source, origin or nationality in Rwanda, Burundi, Zaire or in countries included in Code 941, of the A.I.D. Geographic Code Book (as in effect at the time orders are placed or contracts entered into for such goods or services) except as A.I.D. may otherwise agree in writing, and except as otherwise provided for in paragraph (b) below.

- continued on page 4 -

BEST AVAILABLE DOCUMENT

(b) demographic data collection and measures to facilitate free movement and utilization of persons in the area;

(c) development of information and plans on population growth in relation to future food supply.

CEPGL will periodically submit for A.I.D. consideration specific proposals for technical assistance and studies within these broadly described areas. A.I.D. will review the proposals and will consider providing support for those that are within the parameters of A.I.D. assistance guidelines and are soundly conceptualized. Assistance with studies will not imply, however, a commitment for future capital assistance to finance projects. It is agreed the outputs to be jointly pursued as a result of this assistance will be:

1. Reliable data on population of the CEPGL region by age, nationality, sex, profession, levels of education, etc.

2. Trained CEPGL staff to carry on activities in development planning, demographic analysis, cost/benefit analysis, agro-industrial development, internal transport analysis and management/administration.

3. Production of studies on migratory movements, rural exodus, impact of the area's isolation on circulation of people and goods and other population dynamics.

4. Plans to minimize impact of increased population growth in relation to stable or declining food production.

5. Established mechanisms for integrating CEPGL plans within national plans.

6. Feasibility studies covering agro-industrial development and intra-regional trade, transport and communication to encourage agricultural production by African farmers.

7. Procedures to enable persons to take advantage of job opportunities throughout the area.

Contribution of A.I.D.

In order to carry out this assistance, A.I.D. agrees to make the contributions set forth in Annex B.

CEPGL Contribution

CEPGL will provide African counterparts for U.S. experts, including their salaries and other support costs, and logistic support for

short term and long term experts including arrangements for travel, office space and other logistic support. CEPGL also will make its best effort to provide appropriate housing for long term U.S. experts stationed in Gisenyi at no cost to A.I.D.

Reporting and Consultation

CEPGL will submit a substantive report in two copies to A.I.D. every six months (as of end of June and December) covering progress in achieving the outputs and purposes contained in this Agreement. Additionally, CEPGL will submit to A.I.D. copies of all studies and plans produced as a result of this Agreement. It is understood that CEPGL will be solely responsible for releasing studies to the three Governments involved.

CEPGL and A.I.D. agree to consult periodically on the operations of this Agreement.

Project Evaluation

CEPGL and A.I.D. agree to conduct an evaluation of this activity each year between July and September to examine progress, problem areas, and overall impact of the activity.

Disbursements

A.I.D. will disburse funds directly for all services and commodities covered under Project Implementation Orders issued from time to time jointly signed by A.I.D. and CEPGL.

CEPGL will voucher expenditures of local and other costs disbursed by CEPGL, estimated at $60,000 of the amount of this Grant, by submitting voucher SF-1034 to the A.I.D. office, Kigali, for forwarding to the Controller, East Africa Accounting Center (EAAC) for payment.

Representatives

For all purposes relevant to this Agreement, A.I.D. will be represented by the individual holding or acting in the Office of the A.I.D. Affairs Officer, Rwanda. The A.I.D. Affairs Officer, Rwanda, will be supported by the A.I.D. Regional Economic Development Services Office, East Africa, situate at Nairobi, Kenya.

The Grantee, for all purposes relevant to this Agreement, will be represented by the individual holding or acting in the Office of the Executive Secretary, Economic Community of the Countries of the Great Lakes, situate in Gisenyi, Rwanda.

Section 4 - continued

4. (b) Transportation by air, financed under this Agreement, of property or persons, will be on carriers holding United States certification to the extent service by such carriers is available. Details on this requirement will be described in a Project Implementation Letter.

BEST AVAILABLE DOCUMENT

PROJECT AGREEMENT

PROAG STANDARD PROVISIONS ANNEX

A. Reference to 'this Agreement' means the original Project Agreement as modified by any revisions which have entered into effect. Reference to 'cooperating country' means the country or territory of the Grantee.

B. (1) AID will make available the amount specified in Block 3 of this Agreement, as necessary for the Project, as may be further described in Annex A.

(2) The Grantee will make available the amount specified in Block 4 of this Agreement, as necessary for the Project, as may further be described in Annex A. The Grantee will also make, or arrange to have made, additional contributions of property, services, facilities and funds required for carrying out the Project as specified in Annex A.

C. AID and the Grantee may obtain the assistance of other public and private agencies in carrying out their respective obligations under this Agreement. The two parties may agree to accept contributions of property, services, facilities and funds for purposes of this Agreement from other public and private agencies, and may agree upon the participation of any such third party in carrying out activities under this Agreement.

D. Except as otherwise specified herein or subsequently agreed by the parties, all contributions of the parties pursuant to this Agreement shall be made on or before the Project Assistance Completion Date, or amended date. A contribution of goods or services shall be considered to have been made when the services have been performed and the goods furnished as contemplated in this Agreement. Disbursement of funds may take place after final contributions have been made, but AID shall not be required to disburse funds hereunder after the expiration of nine months following the estimated Project Assistance Completion Date (Block 5 of this Agreement) or any amended Project Assistance Completion Date specified.

E. The procurement of commodities and services to be financed in whole or in part by AID may (where so required by AID procedures) be undertaken only pursuant to Project Implementation Orders (PIOs) issued by AID.

F. Unless otherwise specified in the applicable PIO or Project Implementation Letter (PIL), the procurement of commodities imported specifically for the Project and financed with the AID contribution referred to in Block 3 of this Agreement shall be subject to the provisions of AID Regulation 1.

G. Unless otherwise agreed by the parties or otherwise specified in the applicable PIO, title to all property procured through financing by AID pursuant to Block 3 of this Agreement shall be in the Grantee, or such public or private agency as it may authorize.

H. (1) Any property furnished to either party through financing by the other party pursuant to this Agreement shall, unless otherwise agreed by the party which financed the procurement, be used effectively for the purposes of the Project in accordance with this Agreement, and upon completion of the Project, will be used so as to further the objectives sought in carrying out the Project. Either party shall offer to return to the other, or to reimburse the other for, any property which it obtains through

PROJECT AGREEMENT

Annex B

PROJECT BUDGET

1. Personnel

(a) Two short-term Experts (three months assignments)	$ 80,000
(b) Two long-term Experts (initial 12 mos. financing)	200,000
(c) Short-term Consultants (3-4 person months)	20,000

All experts will be assigned to and be responsible to CEPGL in carrying out their duties. A.I.D. will assist CEPGL in identifying and recruiting qualified candidates for short and long term experts. In no case will technicians fill vacancies which would normally be filled by staff members of CEPGL.

2. Participant Training $ 30,000

A.I.D. will assist in arranging short and long term training for selected CEPGL personnel and other African personnel involved in a CEPGL program or activity which has been approved for A.I.D. support. If training is in the U.S., A.I.D. will provide placement and monitoring services.

3. Commodities - two Peugeot vehicles, spare parts, typewriter, and miscellaneous commodities 40,000

A.I.D. will procure the two vehicles. All other commodities will be procured by CEPGL.

4. Other Costs - administrative support, travel, and operation costs 30,000

Consists of African personnel, feasibility studies, conferences and seminars, travel and transportation of experts and participants in seminars, and expendable supplies. An African administrative/secretary to be hired by CEPGL to provide administrative and secretarial assistance to U.S. experts.

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financing by the other party pursuant to this Agreement which is not used in accordance with the preceding sentence.

(2) Any funds provided to either party pursuant to this Agreement which are not used in accordance with this agreement shall be refunded to the party providing the funds.

(3) Any interest or other earnings on funds provided by AID to the Grantee under this Agreement will be returned to AID by the Grantee.

I. (1) If AID and any public or private organization furnishing commodities through AID financing for operations hereunder in the cooperating country, is, under the laws, regulations or administrative procedures of the cooperating country, liable for customs, duties and import taxes on commodities imported into the cooperating country for purposes of carrying out this Agreement, the Grantee will pay such duties and taxes unless exemption is otherwise provided by any applicable international agreement.

(2) If any personnel (other than citizens and residents of the cooperating country), whether United States Government employees, or employees of public or private organizations under contract with, or individuals under contract with AID, the Grantee or any agency authorized by the Grantee, who are present in the cooperating country to provide services which AID has agreed to furnish or finance under this Agreement, are under the laws, regulations or administrative procedures of the cooperative country, liable for income and social security taxes with respect to income which they are obligated to pay income or social security taxes to the Government of the United States of America, for property taxes on personal property intended for their own use, or for the payment of any tariff or duty upon personal or household goods brought into the cooperating country for the personal use of themselves and members of their families (not including such personal or household goods as may be sold by any such personnel in the cooperating country) or if any firm, not normally resident in the cooperating country, is liable for income, receipts, or other taxes on work financed by AID hereunder, the grantee will pay such taxes, tariff, or duty unless exemption is otherwise provided by any applicable international agreement.

J. If funds provided by AID are introduced into the cooperating country by AID or any public or private agency for purposes of carrying out obligations of AID hereunder, the Grantee will make such arrangements as may be necessary so that such funds shall be convertible into currency of the cooperating country at the highest rate which, at the time the conversion is made, is not unlawful in the cooperating country.

K. AID shall expend funds and carry on operations pursuant to this Agreement only in accordance with the applicable laws and regulations of the United States Government.

L. The two parties shall have the right at any time to observe operations carried out under this Agreement. Either party during the term of the Project and for three years after the completion of the Project shall further have the right (1) to examine any property procured through financing by that party under this Agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this Agreement, wherever such records may be located and maintained. Each party, in arranging for any disposition of any property procured through financing by the other party under this Agreement, shall assure that the rights of examination, inspection and audit described in the preceding sentence are reserved to the party which did the financing.

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M. AID and the Grantee shall each furnish the other with such information as may be needed to determine the nature and scope of operations under this Agreement and to evaluate the effectiveness of such operations.

N. The present Agreement shall enter into force when signed. Either party may terminate this Agreement by giving the other party thirty (30) days written notice of intention to terminate it. Termination of this Agreement shall terminate any obligations of the two parties to make contributions pursuant to Blocks 3 and 4 of this Agreement, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to the termination of the Agreement. It is expressly understood that the obligations under paragraph H relating to the use of property or funds shall remain in force after such termination. In addition, upon such termination AID may, at AID's expense, direct that title to goods financed under the Grant be transferred to AID if the goods are from a source outside the Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of the Grantee's country.

O. To assist in the implementation of the Project, AID from time to time, may issue PILs that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon PILs to confirm and record their mutual understanding on aspects of the implementation of this Agreement.

P. The Grantee agrees, upon request, to execute an assignment to AID of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with AID financed in whole or in part out of funds granted by AID under this Agreement.

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

BUREAU FOR AFRICA

Delegation of Authority

Pursuant to the authority vested in me by A.I.D. Delegation of Authority No. 38, I hereby delegate to the Director, Office of Regional Affairs, Bureau for Africa, the authority to negotiate, execute and implement a Grant Agreement with the Economic Community of the Countries of the Great Lakes (CEPGL) an amount not to exceed Four hundred thousand United States Dollars ($400,000) to help in financing technical assistance in development planning and demographic analysis.

The authority delegated herein shall be exercised in accordance with the approved FAF II and in accordance with A.I.D. Handbooks, policies, Manual Orders, and other directives (published or unpublished).

This delegation of authority shall be effective immediately.

Date: JUN 22 1979

/s/ GOLER T. BUTCHER

Goler T. Butcher
Assistant Administrator
Bureau for Africa

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PROCUREMENT SOURCE/ORIGIN/WAIVER

Problem: Request for Procurement Source/Waiver from Geographic Code 000 (U.S. only) to Geographic Code 935 (Free World).

a.	Cooperating Country:	Africa Regional (Rwanda) - Economic Community of Great Lakes (CEPGL)
b.	Nature of Funding:	Selected Development Activities
c.	Description of Goods:	Two Non-U.S.-Manufactured Vehicles
d.	Approximate Value:	$11,000 each
e.	Procurement Origin:	Geographic Code 935 (Free World)
f.	Probable Source:	Rwanda

Discussion: Section 636(i) of the Foreign Assistance Act of 1961, as amended, prohibits A.I.D. from the purchase or long-term lease of motor vehicles unless such vehicles are manufactured in the United States. Section 636(i) does provide, however, that "...where special circumstances exist the President is authorized to waive the provisions of this section in order to carry out the purposes of this Act." For reasons discussed below we are of the opinion that mobility requirements for the experts assigned to the Economic Community of the Great Lakes in Gisenyi present special circumstances that justify the waiving of the origin requirements of Section 636(i) and the source requirements generally set forth in Chapter 2 of Handbook 15. The cost of procuring these vehicles, along with spare parts, maintenance and repair, will be charged to operating expenses of the project. The source of procurement would be local dealers in Kigali, Rwanda, and the type of vehicle to be purchased would be one most commonly available and most readily maintainable locally.

CEPGL is located in Gisenyi, Rwanda about 5 to 6 hours drive from Kigali. The organization already has Peugeots and wishes to standardize. There are repair facilities available in nearby cities for Peugeots but absolutely no repair facilities or parts for U.S. manufactured vehicles. The Peugeot 504 Station Wagon, which has proven to be an excellent multi-purpose rough terrain (bush) vehicle, or its equivalent, is preferable for the following reasons:

-- Since no U.S.-manufactured vehicles are sold in Rwanda, even minor experience with U.S.-manufactured vehicles (6 Embassy, 1 AID and 2 project vehicles -- now deadlined) indicates that frequent breakdowns are the rule rather than exception. Spare parts are unavailable locally and competent repair service is

non-existent since no reliable local representative of these, or, for that matter, any U.S.-manufactured vehicles is available. Even minor breakdowns have prevented operation of some of these vehicles for long periods of time while parts were ordered from the U.S. or Europe. Furthermore the situation is exacerbated as vehicles age.

-- At least 75 percent of all travel of the experts will be on poorly maintained and unsurfaced secondary roads; main arteries themselves are mostly unpaved and also in bad shape. Accordingly, vehicles receive hard use, necessitating frequent maintenance and repairs.

-- Peugeot, Landrover and Toyota vehicles are prevalent in Rwanda and well suited to local driving conditions. Local dealers for these vehicles not only carry sufficient quantities of spare parts required for repairs and maintenance, but they also have good mechanics and repair facilities.

We have determined that if the U.S. experts are to be effective and travel in the areas expeditiously, the purchase of the type of vehicle previously mentioned should be undertaken. Thus, it is believed because of the conditions cited above special circumstances do exist in Rwanda requiring the purchase of two non-U.S. origin vehicles. Any future procurement of non-U.S. origin vehicles will require another certification.

Recommendation: Based on the foregoing, it is recommended (1) that you determine that special circumstances exist which justify the procurement of a non-U.S. manufactured vehicle for the implementation of assistance to CEPGL and (2) that you certify that exclusion of procurement from sources requested in the waiver would seriously impede attainment of U.S. foreign policy objectives and objectives of the Foreign Assistance Program.

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