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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D.C. 20523

ASSISTANT
ADMINISTRATOR

NOV 23 1984

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, LAC

FROM: LAC/DR, Dwight Johnson 

SUBJECT: Grenada Mental Health Services Sub-Project, Phase I

Action Requested: Your approval is required to authorize \$800,000 in Economic Support Funds for the subject grant to the Government of Grenada (GOG).

Discussion: This two year Project is a component activity of the \$6 million Relief and Reconstruction Project (543-0010), for which a PID was approved and initial obligation made in FY84. The purpose of this subproject is to assist the GOG in restoring its capacity to provide mental health services to the island's chronically ill mental patients by replacing the mental hospital facility that was damaged in the October 1983 U.S. rescue mission, and by providing related support services.

An amount of \$900,000 was initially programmed under the Relief and Reconstruction Project for this subproject. To date approximately \$100,000 of these funds have been tentatively allocated on an interim basis to finance immediate mental health services requirements while this Sub-Project was being finalized. The Sub-Project design is now nearing completion, pending the recommendations of a team currently examining the design and cost estimates for the physical facilities which will be rehabilitated or constructed. In order to avoid unnecessary delays in starting up these urgently needed mental health services, the Sub-Project has been scheduled in two phases. This first phase, for which your approval is now sought, is budgeted at \$800,000 and will finance limited assistance, enabling the project to move forward immediately while the mental hospital design and cost estimates are being finalized. Included in Phase I will be Construction Design (\$265,000); Technical Assistance (\$440,000); Training (\$31,000) and Pharmaceuticals and Vehicles (\$64,000). Phase II, the final phase of the Project, will primarily finance the construction of appropriate physical facilities plus the remainder of the TA, training and commodities to be supplied.

AID/W has received and informally reviewed a draft Project Paper for the Grenada Mental Health Services Sub-Project. The description, analysis and cost estimates for Phase I activities are both adequate and complete for purposes of project approval. The request for your approval of an authorization

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amendment to finance Phase II activities will follow pending AID/W receipt of final construction design and cost estimates necessary to complete the Project Paper.

Source and Origin Waiver: It is essential that the Grenada Mental Health Service staff has adequate mobility to perform their tasks, which will require frequent travel to and from local communities to provide follow-up treatment to patients. Up to \$30,000 over the life of the project has been budgeted for the purchase of two vehicles (a minibus and transport van) to provide this mobility. Limiting the procurement of the vehicles to U.S. source and origin raises three serious problems: (1) traffic in Grenada flows on the left-hand side of the road and, due to the mountainous conditions and narrow roads, left-hand driving vehicles are considered unsafe, but right-hand driving vehicles are not available from the United States; (2) spare parts and proper maintenance service for U.S. vehicles are not readily available and are difficult to obtain in Grenada; and (3) because of poor road construction, particularly in rural areas, the lack of adequate maintenance capability for American-made vehicles could be a major impediment to project implementation.

In addition to the general source/origin limitations on the procurement of commodities cited above, Section 636 (i) of the Foreign Assistance Act prohibits the procurement of vehicles of non-U.S. manufacture. However, the provisions of Section 636 (i) may be waived when special circumstances permit it. Under supplement B to AID Handbook 1, Chapter 4, Section C2 (d), special circumstances are deemed to exist if there is (a) an "inability of U.S. manufacturers to provide a particular type of needed vehicle; e.g., light weight motorcycles, right-hand drive vehicles"; or (b) "present or projected lack of adequate service facilities and supply of spare parts for U.S. manufactured vehicles."

The authority to determine that such circumstances exist and grant a waiver has been delegated to you by A.I.D. Delegation of Authority No. 40.

Handbook 1B, Chapter 5B4a and Handbook 11, Chapter 3, Section 2.6.2.3. permit a waiver of the authorized geographic code (000) where the commodity is not available from the United States. Neither of the vehicles described above are available from the U.S. but both are available from a Code 935 country. Since the value of the proposed procurement does not exceed \$500,000, you may authorize a waiver of Code 000 source and origin to Code 935 procurement.

Since no U.S. vessels are known to serve Grenada, a determination of non-availability of U.S. shipping from any source has been requested to make available shipping by vessels of Code 935 countries.

Notification to Congress: The waiting period on the Advice of Program Change notifying Congress of a \$900,000 Mental Health Services Project expired in May, 1984. This notification will permit obligation of the \$800,000 requested for Phase I, in addition to the \$100,000 previously obligated for the Interim Project. Upon receipt of final construction design and cost estimates, an Advice of Program Change will be submitted to notify Congress of the Phase II Sub-Project.

Recommendation: Based upon the discussions and justifications presented above, it is recommended that you:

- (1) Sign the attached authorization for use of \$800,000 in Economic Support Funds to finance the subject Sub-Project;
- (2) Conclude that special circumstances exist which merit a waiver of the provisions of Section 636(i) of the FAA; and
- (3) Certify that exclusion of procurement from Geographic Code 935 countries would seriously impede the attainment of U.S. foreign policy objectives and the objectives of the foreign assistance program.

Attachment: Project Authorization

Clearances:

LAC/DR:Wstickel (Draft)
LAC/DR:PFeeney *with construction 10/24/84*
LAC/CAR:JChampagne (Draft)
LAC/GC:RMeighan *RM*
LAC/DP:JClary *Jac*
LAC/DR:CPeasley (Draft)
LAC/DR:ILevy

AID/LAC/DR: ^{WJ} MJane:mg:10/23/84:2230B

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PROJECT AUTHORIZATION

Name of Country: Grenada
Name of Project: Relief and Reconstruction/Grenada Mental Health Services, Phase I
Number of Project: 543-0010(A)

1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Relief and Reconstruction/Grenada Mental Health Services Project for Grenada (the "Grantee") involving planned obligations not to exceed eight hundred thousand United States Dollars (US\$800,000) in grant funds ("Grant") over a thirty month period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project.

2. The Project consists of assistance to the Grantee in a program to provide funds for improvement in the effective delivery of mental health services to the Grenadian population. Specifically, the Project is designed to : (a) assist the Ministry of Health (MOH) in the design of an inpatient psychiatric facility to replace the destroyed Richmond Hill Mental Hospital; and (b) upgrade the MOH institutional capacity to best utilize the facility within the existing hospital and community-based mental health services delivery system. Support will include resources for: (1) designing the mental health replacement facilities; (2) improvement of community mental health services; and (3) pharmaceutical procurement and administration. The Project will also fund short and long term technical assistance for staff development.

3. The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

A. Source and Origin of Goods and Services

Except for ocean shipping, and except as set forth in Section D below, goods and services financed by A.I.D. under the Project shall have their source and origin in the United States and Grenada. Ocean shipping financed by A.I.D. under the Project shall be procured in the United States, except as A.I.D. may otherwise agree in writing.

B. Conditions Precedent to Disbursement

(1) First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An opinion of counsel satisfactory to A.I.D. that the Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;

(b) A statement of the name of the person holding or acting in the office of the Grantee specified as a representative, and of any additional representatives, together with a specimen signature of each person specified in such statement.

(c) Evidence of adequate arrangements securing title to the land identified for building of the replacement facilities.

(2) Disbursement In Excess of \$100,000: Prior to any disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, in excess of \$100,000, the Grantee shall appoint a Ministry of Health official, or other appropriate GOG official, as Project Administrator responsible for the execution and coordination of all Project activities.

C. Covenants

Except as A.I.D. may agree otherwise in writing, the GOG shall:

(1) Assign the requisite management and technical staff to adequately carry out the Project objectives at all levels;

(2) Make staff available for training in accordance with the training plan which is part of this Project;

(3) Establish and budget a full-time psychiatrist position in the MOH to serve the needs of the Treatment and Rehabilitation, Acute Psychiatric Care Unit, and community mental health services;

(4) Reduce the number of patients at the Richmond Hill Mental Hospital before site preparation begins and continue to discharge patients to be maintained in the community through the

Financial Plan for Phase I

1. Design and Supervision	
a) A & E	\$265,000
2. Technical Assistance	
a) Long Term	364,350
b) Short Term	70,900
c) Caribbean Resource Pool	<u>5,000</u>
	440,250
3. Training	
a) Hospital Management	20,320
b) Hospital and Field Staff	4,630
c) Audio Visual Aids	1,000
d) Other Training	<u>5,000</u>
	30,950
4. Commodities	
a) Vehicles	10,000 (estimated)
b) Pharmaceuticals	48,000
c) Contingency (10%)	<u>5,800</u>
	63,800

Phase I Total \$800,000

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WASHINGTON, D.C. 20523

JUN 7 1984

ACTION MEMORANDUM FOR THE DEPUTY ASSISTANT ADMINISTRATOR

FROM : LAC/DR, Dwight Johnson

Dwight Johnson

Problem: Radio Grenada - Authorization of a grant of \$800,000 to construct a new transmitter, tower, and studio relay under the Grenada Relief and Reconstruction Project (543-0010).

Background: Radio Grenada is a state-operated broadcast service with responsibility for providing radio coverage to all the Republic of Grenada, including the islands of Carriacou and Petite Martinique as well as the main island of Grenada itself. Until 1980, all broadcasting was from a single transmitter located at Cinnamon Hill, operating on 535kHz with a power of 1kW. During 1980, a second transmitter, of Soviet origin, was installed at Happy Hill, broadcasting on 990kHz with a power of 70kW. Despite its much greater power, this second transmitter provided only marginal service to the east coast of Grenada and almost none to Carriacou. Because of its location and antenna configuration it is assumed that the principal function of this 70kW transmitter was to provide propaganda service throughout the Caribbean. The 70kW transmitter was destroyed by the U.S. during the October, 1983 rescue mission; the 1kW transmitter is salvagable but not of sufficient power to provide full coverage to the entire nation.

Shortly after the shutdown of both stations, the U.S. Army brought in a portable unit with emergency power and put it into operation adjacent to the new airport at Point Salines. Program service was resumed on 990kHz. Present plans call for this unit to be transferred to Honduras in August, 1984; the island would then be without a radio station until such time as a new unit can be installed.

During early May of this year, A.I.D. funded a survey by Teleconsult, Inc. of the costs and site locations involved in reestablishing a permanent transmitter for public broadcast service in Grenada. The consultant investigated not only the sites at Happy and Cinnamon Hills, where the 70kW and 1kW transmitters were located, but found a new site at Quarantine Point, between Pt. Salines and Grand Anse beach. The Quarantine Point site is flat, has an access road, and commercial power comes close to the property. It is owned by the Government and has been made available for the new radio station. More important, the Quarantine Point site does not have the propagation shortcomings of the sites at Happy and Cinnamon Hills. A directional antenna could reduce wasted

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Attachment A

BUDGET

<u>Item</u>	<u>Quarantine Point</u>
Building renovation	\$ 50,000
Tower and grounds system	\$150,000
10/20 kW transmitter	\$150,000
Spares and tubes	\$ 25,000
Audio input equipment	\$ 20,000
Test equipment and tools	\$ 30,000
Power feed and voltage regulator	\$ 30,000
Studio transmitter link	\$ 20,000
Installation costs	\$100,000
Shipping and Insurance (10%)	\$ 62,500
Engineering and Supervision (15%)	\$ 93,750
	<u>\$731,250</u>
COST	\$731,250
CONTINGENCY	<u>\$ 68,750</u>
TOTAL COST	<u>\$800,000</u>

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PROJECT AUTHORIZATION

Name of Country: Grenada
Name of Project: Point Salines Airport
Number of Project: 543-0006/543-0010

1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Point Salines Airport for Grenada involving planned obligations of not to exceed Nineteen Million Dollars (\$19,000,000) for completion of the Point Salines Airport in Grenada, and Two Million One Hundred Thousand Dollars (\$2,100,000) for replacement of equipment provided under the Plessey and Metex Contracts plus cost and damages incurred by virtue of the work interruption under these contracts, in Grant funds over a twenty (20) month period from the date of authorization, subject to be availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

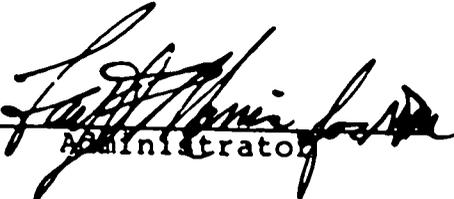
2. The Project Agreement may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority.

3. Source and Origin of Goods and Services

Goods and services, except for ocean shipping, financed by A.I.D. under the Grant shall have their source and origin in the United States or Grenada except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the grant shall be financed only on flag vessels of the United States except as A.I.D. may otherwise agree in writing.

4. Waivers

Contracting Waivers Have Already Been Obtained from the Deputy Administrator as per the attached memorandum.


Administrator

4-27-84
Date

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