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ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR (LAC)

FROM: IAC/DR, Henry ~~Missford~~

Problem: Amendment of Project Authorization for Haiti Appropriate Technology Grant (Project No. 521-0095) and extension of the terminal date for meeting conditions precedent to initial disbursement.

Discussion: The Appropriate Technology Project in Haiti was authorized January 10, 1978. The Project has a two-fold purpose: (1) to test, adapt and introduce prototypical technological devices and methods for use in rural Haiti; and (2) to develop within the Government of Haiti (GOH) an organization capable of continuing adaptive research and development of appropriate technologies. The amendment of the Project Authorization being requested is related to the latter of these two purposes.

The Project as originally conceived called for the establishment of the appropriate technology program within CONADEP, the Haitian National Planning Council. However, during negotiation of the Project Agreement in the Spring of 1978, the GOH requested a change in the institutional arrangements for the Project. Specifically, the GOH recommended that, rather than implementing the Project through CONADEP, a semi-autonomous Appropriate Technology Office (ATO) be established under the "tutelle" (administrative trusteeship) of the Ministry of Education. This recommendation was based on the Government's view of the role of CONADEP as a long-range planning council rather than a cabinet-level Ministry with operational and project management responsibilities. Under the arrangement proposed by the GOH, the ATO would take on all the Project responsibilities and management authority which originally were to be assumed by CONADEP. This recommendation was accepted by A.I.D. and the appropriate modifications were made in the Project Authorization. A Project Agreement was signed on August 31, 1978.

Since the signature of the Project Agreement, discussions on the institutional structure and role of the proposed ATO have continued. On November 3, 1978, the GOH underwent a cabinet-level reorganization, which included the conversion of CONADEP into a full-fledged Ministry of Plan. The Ministry of Plan's responsibilities were substantially expanded beyond those of CONADEP, and it was given a more operational role in planning, coordinating and managing development-related projects in Haiti. Recent discussions between the Ministry of Plan and USAID/H have resulted in a formal request by the GOH to alter the administrative arrangements for the Project, before implementation

activities begin. The GOH has now recommended that instead of establishing the semi-autonomous ATO, the administration of the Project be carried out through an Office of National Technology (BNT), which will be a subdivision of the new Ministry of Plan (See PAP 2210 attached). This proposal is in keeping with the elevation of CONADEP to a full-fledged Ministry with operational functions, and in fact constitutes a return to implementation arrangements similar to those in the original project proposal.

The arrangement now proposed by the GOH has two distinct advantages. First, the establishment of a semi-autonomous agency under a "tutelle" requires a presidential decree and publication in the official government gazette. This process can take several months, and the GOH and USAID/H are both anxious to begin implementation activities (the GOH, in fact, has already appointed its project manager and rented office space). Secondly, because of the basic unfamiliarity of many officials in the GOH with the concept of appropriate technology, the GOH is hesitant to establish a project-oriented office with the institutional permanence that the semi-autonomous "tutelle" arrangement implies. The Minister of Plan has assured USAID/H that such an arrangement will be established by presidential decree if the results of this experimental project are promising. USAID/H has expressed its understanding of the GOH's reluctance on this point, and believes that the project can be successfully implemented under the proposed arrangement, as the BNT will have all legal authorities which were to have been attributed to the semi-autonomous ATO. The Mission also believes that having the Project implemented through the Ministry responsible for central development planning and coordination will be advantageous in the dissemination of the technologies which will be developed.

Because of the delays described above, the Mission believes that the GOH will not be able to meet the conditions precedent to initial disbursement by May 29, 1979, the existing deadline. The Mission has exhausted its limited authority to extend this deadline, and has therefore also requested that the Bureau approve a further 90-day extension, which it believes will be adequate to permit amendment of the Project Agreement and fulfillment of initial conditions precedent. Authority to extend the terminal date for meeting initial conditions precedent under these circumstances is reserved to Bureau Assistant Administrators by A.I.D. Handbook 3, Chapter 3, Appendix 3C (AIDTO Circular A-24 of 1/26/78).

Recommendation: That you approve (1) the proposed modification of the institutional arrangements of the Project by signing the attached amendment to the PAF, and (2) the 90-day extension of the terminal date for meeting initial conditions precedent by signing below.

APPROVED: Conrad Ben O'Leary

DISAPPROVED: \_\_\_\_\_

DATE: June 1, 1971

Attachments: PAP 2210

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

ASSISTANT  
ADMINISTRATOR

PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS  
(AMENDMENT NO. 2)

Name of Country: Haiti  
Name of Project: Appropriate Technology  
Project Number: 521-0095

Pursuant to the authority vested in me as Assistant Administrator, Bureau for Latin America and the Caribbean, by the Foreign Assistance Act of 1961, as amended, and the delegations of authority issued thereunder, I hereby amend the Project Authorization and Request for Allotment of Funds dated January 10, 1978, and amended June 9, 1978 (hereinafter, as so amended, the "PAF"), which authorized a Grant to the Republic of Haiti in an amount not to exceed \$623,000 for an Appropriate Technology project, as follows:

1. Clause (ii) of Section 2 of the PAF is hereby deleted in its entirety, and the following clause is substituted in lieu thereof:

"(ii) Evidence that the Office of National Technology of the Ministry of Plan has been established and has been authorized to enter into agreements with other Ministries and private entities for planning, testing and dissemination of appropriate technologies and to engage in all other activities necessary to carry out the Project."

2. Except as expressly modified hereby, the PAF remains in full force and effect.

Charles W. Brown  
Assistant Administrator  
Bureau for Latin America and  
the Caribbean

June 1, 1979  
Date

Clearances:

GC/LAC, JLKessler JLK date 6/11  
LAC/CAR, E. Nadeau EN date 5/30  
LAC/DR, L. Armstrong LJA/1058 date 5/29  
LAC/DR, M. Brown MB date 6/1