

2980190

OCT 24 1980

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR, NE

THRU: NE/TECH, Lewis Reade /s/ L. P. Reade

FROM: NE/TECH, Robert Morrow

SUBJECT: A.I.D. Project Number 298-0161 (Cooperative Marine Technology); Amendment to Project Authorization

Problem: To authorize local cost financing for A.I.D. Project 298-0161

Discussion: On June 27, 1980, pursuant to the attached action memorandum, you authorized the subject Project which contemplated a Cooperative Agreement with the New Jersey Marine Sciences Consortium (NJMSC). On August 22, 1980 the cooperative agreement was signed. In accordance with the Project Authorization, the Cooperative Grant Agreement provided for all commodities and services procured with grant funds to be of U.S. source and origin.

The NJMSC has now requested A.I.D., consistent with their contemplated procurement procedures set forth in their Project Proposal, to in effect (1) authorize local cost financing for certain elements of the Project and (2) waive two aspects of A.I.D.'s rules for local cost financing as set forth in Chapter 18 of A.I.D. Handbook 1, Supplement B. The waiver would permit procurement of shelf items from local stocks in Israel and Egypt in instances when the price per item exceeded the U.S. dollar equivalent of \$2,500 and would permit local cost financing in excess of 10% of the total costs authorized for the Project. A price per item limitation of \$12,000 would be acceptable. The total amount of Project procurement to be carried out under A.I.D. local cost financing procedures will be the local currency equivalent of \$260,000.

The NJMSC in requesting A.I.D. to permit local cost financing in amounts which will require waivers as described in (1) and (2) above, has stated that the Project, which is made up of various subactivities involving NJMSC support of a number of institutions in Egypt and Israel, will be greatly expedited by the procurement of certain commodities and services from locally available stocks and firms. The attached note represents a reasonable estimate of the items and amounts to be so procured.

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We support the NJMSC request as representing a reasonable means of project financing and procurement which by permitting the continuation of local procurement patterns of participating institutions, will permit the most efficient and expeditious means of purchasing needed items by the participating institutions. In order to implement the local cost financing procedures, as well as other project procurement by NJMSC, a letter of instruction will be issued to NJMSC detailing the procedures and constraints involved in local cost financing.

Pursuant to A.I.D. Handbook 1, Supp. B Ch. 18D, you, the official authorizing the Project, have authority to authorize local cost financing and to waive policies for local cost financing set forth therein.

Recommendation: Your signature below, will authorize (1) local cost financing up to the amount of the local currency equivalent of \$260,000 and (2) procurement of individual items exceeding the local currency equivalent of \$2,500, but not exceeding the local currency equivalent of \$12,000. All other policies set forth in A.I.D. Handbook 1, Supp. B Ch. 18 for local cost financing shall apply to this Project. Also your signature of approval, below, will determine in accordance with Section 612(b) of the Foreign Assistance Act of 1961, as amended, that U.S.-owned local currency in Egypt is fully programmed and thus is not available to this Project. This rationale is consistent with reasons advanced by USAID/Cairo for approvals of local cost financing for FY 80 projects which have been approved by the Administrator.

Section 612(b) Determination

The expenditure of United States dollars for the procurement of goods and services in Egypt is required to fulfill the purposes of the project, the purposes of the project cannot be met effectively through the expenditure of U.S.-owned local currencies for such procurement and the administrative officials approving local cost vouchers may use this determination as the basis for certification required for Section 612(b).

Your approval is recommended.

BRADSHAW LANGMAID, JR.
Bradshaw Langmaid, Jr. (Acting)

OCT 24 1980

Date

Clearances:

NE/TECH/AD:Konerper _____ Date _____
NE/DP:McMoll _____ Date _____
SER/CM/ROD:Sheishman _____ Date _____
GC/NE:JLKessler _____ Date _____

Drafted:GC/NE:TCarter:paj:10/08/80
Retyped 10/23/80

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298 0190

JUN 24 1980

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR, NE

FROM: NE/TECH, Lewis Reade *lpl*

SUBJECT: Cooperative Marine Technology Project for the Middle East (AID Project Number 298-0161)

Problem: Your signature is required to (1) approve this project which will require a grant of \$4,238,000 from the Economic Support Fund and, (2) to approve negotiation of a Cooperative Agreement with the New Jersey Marine Sciences Consortium (the Consortium) to carry out project activities for the Cooperative Marine Technology Project for the Middle East. Initial funding in FY 80 would be \$400,000.

Background: The Near East Advisory Committee reviewed the attached unsolicited proposal for Cooperative Marine Technology for the Middle East on December 13, 1979. Following extensive discussion, the Committee recommended approval of the proposed project. Funding will be provided in at least three increments over the three year life of project, subject to:

- 1) Availability of funds under the FY 80 Continuing Resolution and the FY 81, and FY 82 Appropriation Acts;
- 2) Satisfactory technical progress by the Consortium;
- 3) Progress toward meeting the political objectives of the Regional project.

The Consortium, after several meetings, numerous letters, and phone conversations with cognizant AID offices, submitted the original version of this proposal to AID/W on August 16, 1979. The proposal underwent several revisions, was reviewed numerous times by a project review committee, and, in its present form, is recommended for your approval. In the process, the proposal, which initially contained nine subproject activities, has been revised to include the following seven, listed in order of priority, i.e., in terms of regional cooperation and technical contribution as assigned by the review committee:

1. Coastal Management
2. Biological Productivity
3. Lake Manzalah/Kinneret
4. Controlled (Fish) Reproduction
5. Tilapia (a fish species) Research
6. Intensive Fish Culture
7. Aspects of (Fish) Production

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The Project activities will incorporate a general evaluation plan modeled after the AID Logframe. A more detailed project specific evaluation plan is being developed by the Consortium using guidelines from NE/DP. Evaluation will constitute one of the criteria used to determine funding levels for future increments of the project. (As a result of the evaluation process, an adjustment in scope or discontinuation of specific subactivities may occur. Thus the project contains a built in mechanism which should facilitate progress toward, and achievement of, its objectives.)

The New Jersey Marine Sciences Consortium, administrative entity for the project, was formed in 1968 and has a membership of twenty-three educational institutions from New Jersey and Pennsylvania. The purpose of establishing the Consortium was to conduct research and educational programs leading to the prudent development, use, and conservation of marine resources.

The specifics of each subproject activity are summarized as follows:

1. Coastal Management and Shore Processes: Coastal erosion of the Southeast Mediterranean has become a problem since the Aswan Dam became operational, trapping silt which would normally add to the coastline, or at least allow it to stabilize. The subproject consists of a study which will attempt to determine the forces which shape the coastline in order to develop recommendations for prevention and control of additional erosion.
2. Biological Productivity: The operation of the dam has also caused a significant decrease in commercial fisheries in the eastern Mediterranean. This subproject centers on a study of the hydrography and marine fisheries of the region. The outcome is expected to be a better understanding of the food chain dynamics of the region.
3. Lake Manzalah/Kinneret: A lake management subproject will also be undertaken to ensure high water quality and maximization of fishery resources in these two lakes.
4. Controlled Reproduction of Commercially Important Fish: The objective will be to conduct research aimed at prolonging the breeding season of specific marine fish common to both participating countries.
5. Tilapia Research: The objective of this subproject will be to advance applied research in the specific areas of the culture of Monosex Tilapia and the polyculture of fish using tilapia, carp, mullet and catfish species.

PROJECT AUTHORIZATION

Name of Country: Regional

Name of Project: Cooperative Marine
Technology For The
Middle East

Number of Project: 298-0160

1. Pursuant to Part II, Chapter 4, Section 531, of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Cooperative Marine Technology Project for the Middle East involving planned obligations of not to exceed \$4,238,000 over a three year period from the date of this authorization subject to availability of funds in accordance with the A.I.D. OYB/allotment process to help in financing foreign exchange costs for the project.

2. The Project consists of seven sub-activities in which research will be conducted on the following regional concerns:

- a. Assessment of the impact that the construction and operation of the Aswan High Dam have had on fish production and coastal erosion in the southeastern Mediterranean area,
- b. lake management,
- c. controlled reproduction of certain fish species,
- d. tilapia (a fish species) production,
- e. intensive fish culture, and
- f. various aspects of fish nutrition.

3. The Project shall be implemented by means of a Cooperative Agreement between A.I.D. and the New Jersey Marine Sciences Consortium.

4. Goods and Services except for ocean shipping, financed by A.I.D. under the Project shall have their source and origin in the United States except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on U.S. flag vessels.



Alfred D. White

6-27-62