

B. RECOMMENDATIONS:

GRANT - FY 76	-	\$374,000
IQ	-	156,000
FY 77	-	<u>300,000</u>
Total New AID Obligation		\$830,000

C. DESCRIPTION OF THE PROJECT

The proposed \$1,980 million grant, including \$.830 million of new AID obligations, will permit completion of the technical assistance phase of a combined loan (521-L-005)/grant (521-15-312-072) for development and equipping of the Permanent National Highway Maintenance Service (SEPRRN) as necessary to provide Haiti with a nucleus of a highway maintenance organization capable of maintaining highways being reconstructed under IDB, IBRD, French and National financing. The original grant financed 13.5 man years of technical assistance in the highway maintenance, equipment, accounting, administrative and training fields. The AID Loan of \$3,150 million is financing the costs of rehabilitating existing shops and equipment, construction of new shops and procurement of highway equipment and shop equipment and tools as necessary to meet SEPRRN's immediate requirements. The original grant financed only the first two years of a three year program. Also, for various reasons the implementation of the program has been delayed from the original schedule so the loan financed program must be extended for an additional 9 month period. This revised project will provide funds required to continue the technical assistance phase of the project for the 3rd year and through to the end of the loan implementation period, thus assuring the success of the project.

The original PROP referred to AID-DLC/P 1077 for the Haiti-Highway Maintenance Loan and Loan Agreement 521-L-005 for a detailed description and justification of the grant. Since this is a revision to the original PROP the same relationship applies. A copy of the original PROP facesheet is attached as Annex V.

D. SUMMARY FINDINGS

Revision of the original grant as proposed in this paper is viewed by the Project Committee to meet all applicable statutory criteria since the original project justifications are still valid. A review and evaluation of the loan/grant during the period March-May, 1975 found that project implementation is proceeding in accordance with good practices and generally as envisioned in the original loan paper. Some adjustments to the original

specific goals have been made as determined advisable after two years of implementation and general development of Haiti's overall programs. The most important of these changes is discussed in Project Issues below.

E. PROJECT ISSUES

There has been a revision in the ultimate results of the loan/grant project from its original goal. The original goal was to develop a nucleus SEPRRN organization of four districts placed along the North-South Highway axis with the capability of maintaining the North-South Highways once they are reconstructed under IDB and IBRD financing. Due to the extremely poor condition of the existing road network and under considerable pressures from the GOH, SEPRRN had to initiate maintenance activities in October 1974. This was much sooner than originally envisioned. SEPRRN also had to perform minimum maintenance on sections of the road system outside of the original four districts in order to keep the roads open to traffic. A five year plan and budget for SEPRRN was finalized in August, 1975 which is based on SEPRRN continuing to provide this type of maintenance through the development and equipping of seven districts starting in the GOH fiscal year 1975/76, and extending to a final twelve districts to cover the entire country by fiscal year 1979/80. The 5 year plan was developed in conjunction with the technical assistance team and SEPRRN's governing body and reflects the current actual situation which SEPRRN has to face. Expansion of the SEPRRN organization from the originally planned four districts to seven districts can be accomplished generally using inputs to be made under the original AID loan, and the budgets have been prepared on this basis. Eventual expansion to twelve districts, however, will require additional capital inputs in the form of equipment and facilities and a new AID loan/grant program is under consideration to furnish these inputs.

It is considered opinion of USAID and the other donor community that this new strategy as involves SEPRRN offers a feasible solution to the maintenance requirements on the national road network. Further rationale for this action is provided under Part II, Section B of this paper.

PART II - PROJECT BACKGROUND AND DETAILED DESCRIPTION

A. PROJECT SETTING

Haiti is a country with a per capita GNP estimated at \$120 and is the poorest country in the Western Hemisphere. It is the only one from this hemisphere on the U.N. list of 25 least-developed countries. Haiti's annual population growth rate is about 2%, excluding any net emigration, which is less than the average for Latin America. With 4.5 million people, however, it has one of the highest population densities in the world, only slightly less than that of India.

Haiti has a land area of some 28,000 sq/kms., roughly the size of Maryland, consisting mainly of mountainous peninsulas to the North and South, a Central Plateau, which is difficult to reach and of uncertain agricultural potential, a fertile valley along the Artibonite River, North of Port-au-Prince, and the Cul-de-Sac, just east of the capital. Other fertile plain areas are in the center of the country near Gonaives, to the North in the area surrounding Cap Haitien, and on the south coast of the Southern Peninsula near Les Cayes. Haiti has a rural population of about 3.5 million people who exist on some 1.6 million hectares of agricultural land. Only slightly more than half of the agricultural land is cultivable, however, and much of the cultivable land is on steep slopes which are suitable mainly for tree crops such as coffee, mango and plantain. Only 370,000 hectares are on level ground and suitable for such crops as corn, rice, sugarcane and legumes. Signs of deterioration in the country's physical resources are evident everywhere. Erosion is widespread and proceeding at an alarming pace in many areas. Roads have not been maintained and, as a result, cannot be fully utilized. Four hurricanes have hit the Southern Peninsula since 1960 and other parts of the country have suffered from numerous droughts and floods, all of which have contributed to the deterioration. One consolation is that rural land distribution is fairly equal. Income in the rural areas is also considered to be fairly evenly distributed, but for the poorest three-quarters of the rural population, per capita income may be no more than \$50 each year.

Haiti has somewhat under one million urban inhabitants, of which about 500,000 are located in Port-au-Prince. The second largest city, Cap Haitien, has only about 50,000 people. Because of Haiti's poor transportation system and almost non-existent communications (only 2000 telephone lines and 4400 telephones existed in the entire country in 1969), provincial towns are almost isolated from one another and from Port-au-Prince, and the flow of people and goods is severely restricted.

The cost of motorized transport, which is principally a function of the condition of the roads, is currently the single largest cost element in the agricultural marketing system. Thus the inadequacy of the road system tends to reduce the return to the farmer and limits the total amount of commerce that can take place between rural and urban areas. Improved roads become especially important if the farmer is to employ a higher level of technology since they must be used for shipping inputs to the farm as well as transporting the farmer's output to the market.

Accordingly, at the outset of USAID's revised program of assistance to Haiti, a concerted effort was made to focus on an attempt to resolve the issue of roads. It was understandable that in a country essentially without a single road network linking it from North to South, this would be a natural starting point. Originally, the UNDP, the IDB, the IBRD, and the OAS had concentrated their study resources in this area. Based upon many meetings between these organizations and AID, planning commenced with

TPTC (Ministry of Public Works) and CONADEP (the Government's coordinating agency) to improve the national road network. It was in late 1972 that plans were laid for the IDB to begin the construction of the South Road. At the same period, the World Bank commenced planning for the implementation of a reconstruction loan for the road north. Both principal undertakings, however, were conditional upon commitments by the Government of Haiti and AID to undertake a major effort in upgrading GOH road maintenance capabilities.

B. BACKGROUND

On February 28, 1973, AID loan agreement 521-L-005 was entered into between the Republic of Haiti and USAID to assist in the development of a road maintenance capability in Haiti. This loan agreement provided for (a) technical assistance and training (b) construction of a central shop and auxiliary workshops for equipment maintenance; (c) procurement of hand and machine tools for said shops; (d) preparation of a training area; (e) the ordering of spare parts; and (f) procurement of highway equipment.

In view of the heavy commitments that the Government of Haiti was undertaking with various other donors, as well as AID, and with recognition of the fact that Haiti was considered to be one of the world's LDC's, the terms of the loan agreement were reconsidered and a more concessionary approach implemented. The technical assistance and training element of the AID road maintenance program was thus provided for under a grant. Accordingly, shortly after the loan approval, AID/W agreed to the financing of related technical services under a facesheet PROP approval dated July 19, 1973. Based on that authorization in principle, USAID/H proceeded on August 1, 1973 to obligate a first tranche of funding for technical services in the amount of \$650,000, using FY 74 funds.

Under the terms of the initial loan agreement, a team from the US Consulting firm of Hoskins-Western-Sonderregger was selected and a fixed-price service contract was entered into. That contract provided services of up to six advisors through the period of December, 1976 at a cost of \$1,123,000.00. In the second year of these services, a second grant of \$500,000 from FY 75 funds was made. At this time a need was envisaged for two additional technicians to work in the area of supervisory road maintenance. Accordingly the additional increment of FY 75 funds provided for the continuation of the six original advisors plus the two additional advisors and an upward adjustment in certain ancillary costs related to the contract itself.

The AID loan was based on the commitments of both the World Bank and the IDB to proceed with the construction of the North and South Highways. The AID loan and subsequent grant were also based upon extensive negotiations and resolutions between AID, the donor agencies and the Government of Haiti, as represented by the Ministry of Public Works, Transport and Communications (TPTC). As a result the Government of Haiti created a semi-autonomous entity,

the Permanent Maintenance Service for the National Highway Network (SEPRRN) Its name is synonymous with its mandate.

With the assistance of USAID loan monies and USAID grant advisory services, SEPRRN was to embark immediately on a role to assume maintenance duties in the four districts along the soon-to-be constructed North and South Highways. The second most important task of SEPRRN was to perform routine maintenance on sections of roads in the four districts that are in current use, though not planned for immediate and major upgrading.

For varying reasons which appear in documents and materials compiled after an extensive evaluation in March-May of 1975, it was recommended and agreed by all parties concerned that there was justification and purpose for an extension of the ongoing grant services. A principal reason for this decision was the urgency to have a basic passable road network. Also, SEPRRN, as any new organization, had been plagued by traditional growth problems. A lack of qualified personnel hindered its rate of development and the need to perform emergency maintenance, at both remote and not so remote locations on the National road network dispersed the manpower and machinery of the organization across the country. As a result, training of operators and mechanics in maintenance techniques and development of SEPRRN's organization were tasks that were continually delayed. On the loan side, the HWS team, as well as the GOH, expended considerable energies and much time to the resolution of loan preconditions and organizational restructuring as required per the Government agreements.

The SEPRRN highway maintenance program focused on sixteen tasks. Briefly they involved advisory services, management and mobilization, surveying of equipment, rehabilitation of garages, the ordering of spare parts, property control, personnel training and various auditing responsibilities. These major tasks and their timing are outlined and identified according to the attached schedule, Annex II. The personnel involved in carrying out program schedule are shown on Annex III.

The goals and purposes of this project are rearticulated from the loan agreement and as agreed upon in the March-May evaluation of 1975. While the purpose and design of this project remain generally identical, additional grant funding of \$374,000 of FY 76 funds are required to complete AID's commitment to grant fund the initial contract. Also in view of delays in the program, additional funding of \$456,000 of IQ and FY 77 funding is required to assure completion of organizational and management infrastructure necessary to permit SEPRRN to initiate its key role in maintaining the national road network.

C. DETAILED DESCRIPTION

SEPRRN is legally organized as the Haiti National Road Maintenance Organization.

Its initial scope was to provide the organization and resources necessary to maintain the "backbone" of the national road system, that is the North and South roads built under IBRD and IDB financing. The first four maintenance districts to be established by SEPRRN at Cayes, Port-au-Prince, Gonaives and Cap Haitien - are strategically placed along this artery.

The original objective of the capital and technical assistance provided by AID under Loan 521-L-005 and Grant 521-15-312-072 was to provide SEPRRN with the wherewithal to accomplish this specific physical task (North-South road maintenance) as well as bringing into being a nucleus institutional capability able to be readily expanded to encompass countryside responsibilities. As a practical matter, SEPRRN's involvement in the past year on the road network beyond the basic North-South axis has occurred ad hoc for two principal reasons: (a) the GOH felt that on-the-job experience for SEPRRN on very real maintenance problems around the country would be useful during its organization phase and at the same time would serve keep critical roads open; and (b) maintenance demands on the North and South roads were reduced during the construction phase through 1976.

In view of the anticipated further assistance of international donor agencies for new road construction (the proposed AID feeder road program and possible IBRD and IDB efforts in the central and southern peninsula regions, respectively) and certain irreducible requirements for road betterment and maintenance to complement Haiti's agricultural development efforts over the next five years, an early expansion of SEPRRN's capacity appeared warranted.

A five year plan of operations and budget for SEPRRN was developed during 1974/75 by SEPRRN, the Consultant and the Ministry of Public Works. In accordance with this plan SEPRRN's immediate objectives are now to:

- a- Complete construction, equip and staff three principal district organizations strategically placed at Les Cayes, Port-au-Prince and Cap Haitien. Although all three of these principal districts will eventually operate SEPRRN-periodic-and-emergency-rehabilitation brigades capable altogether of improving up to 240 kms per year, only Port-au-Prince will develop this capability during the period of this project. All three districts will, however, be capable of maintaining their assigned equipment through the fourth echelon servicing level.
- b- Equip and staff four sub-districts in Jeremie, Petit Goave, Gonaives and Port-de-Paix districts. They, as well as the three principal districts, would be capable of performing routine regrading, ditching, and paved road pothole repair. The immediate objective is to make a rapid pass for regrading purposes as required to keep important road links open to traffic. Asphalt Repair crews and bridge repair crews will operate in all districts where required by local conditions and road types. Sub-districts will be capable of servicing their equipment through the third echelon level.

The GOH finance: the operating costs of SEPRRN from two principal sources: a) share of the 5% allocation from general tax revenues for transport sector development program and b) one-half of the revenues from the gasoline tax. Under the original loan/grant program the GOH agreed to provide SEPRRN with an operating budget of \$780,000 per year and did so in their fiscal years 1973/74 and 74/75. As a feature of the 5 year plan the GOH has now agreed to increase SEPRRN's operating budget as follows:

<u>FY 75/76</u>	<u>FY 76/77</u>	<u>FY 77/78</u>	<u>FY 78/79</u>	<u>FY 79/80</u>
\$1,174,000	\$1,750,000	\$2,523,000	\$2,798,000	\$3,412,000

Complementing the increased GOH contribution, AID is proposing to finance a second phase of the SEPRRN's capital investment program over the 1975/80 period. This Phase II project would finance: a) highway maintenance equipment, augmenting that already on hand or due to be delivered under AID Loan 521-L-005 to meet minimal needs of rehabilitation, regrading, and paving repair brigades; b) construction of a central administration facility at Port-au-Prince for SEPRRN headquarters staff and training; c) a fourth principal district garage/office facility at Hinche in the central plateau region; and d) eight additional sub-district facilities beyond those established under Phase I to give countrywide coverage to SEPRRN operations.

Limited continued technical assistance from a U.S. consultant firm is also anticipated under Phase II with 7 man/years of assistance to be provided starting in October, 1977.

A Design Framework covering that program is attached as Annex I. This plan reflects the results of the March-May 1975 program review and evaluation. Timing of the major actions required to meet the goals of the plan are shown in the up-to-date Program Schedule attached as Annex II. The major elements of the framework are:

A.1 Goal Statement

The goal of the project is to improve the standard of living of the rural poor of Haiti and better integrate the rural poor into the mainstream of Haitian economic activity and overall development.

A.2 Indicators of Goal Achievement

The measurement of goal achievement will be evidenced in the following:

- Income increase of small farmers in affected areas
- Decrease unemployment in affected areas
- Infant mortality drops in affected areas by end of project.

A.3 Assumptions for Achieving Goal

Assumptions important to the achievement of the goal are as follows:

- Natural calamities do not occur
- GOH is willing and able to expand its services into rural areas
- GOH prevents alienation of land.
- Tax structure does not mitigate against small farmers
- Prices of small farmer produced agricultural commodities remain stable and favorable to producers.
- Country remains politically stable
- Massive rural to urban migration does not occur.

AA.1 Sub-Goal

The sub-goal will be to assure the functioning of the road transportation network in Haiti, and the flow of goods and services between urban markets and export points and rural areas.

AA.2 Measures of Sub-Goal Achievement

The indicators for the measurement of sub-goal achievement are as follows:

- Increase of 50% in traffic count along the major north-south axis of the national highway network.
- A central network of national roads passable in all seasons
- Increase of 50% in inter-regional trade of goods and services
- Reduction in costs associated with road use such as vehicle maintenance and repairs.
- Increased access of population to public services
- Reduction in transportation costs of goods in the form of lower tariffs.

AA.3 Assumptions for Achieving Goal Targets

The following are assumptions to achieving the sub-sector targets:

- That the increase in inter-regional trade of goods and services will make use of the road system as the preferred means of transportation.
- That the resources of the GOH are sufficient to accomplish the objectives of road construction/rehabilitation and road maintenance.
- That qualified personnel at the managerial and technical levels can be recruited and retained by SEPRRN.
- Adequate bus and truck transport exists at reasonable costs.

B.1 Project Purpose

The purpose of this project is the development of a nucleus highway maintenance organization capable of maintaining the national road system (North and South roads). For purpose of this project regular maintenance activities will consist of routine, repetitive maintenance and road betterment. These activities are defined as follows:

Routine Maintenance is the work necessary to keep a road in the general condition in which it was constructed and includes maintenance of drainage canals and structures, shoulders and road surface, removal of slide material and bridge repainting.

Road Betterment is work required at specific points on the road to improve a local condition such as raising a low spot, improving drainage, removing restrictions such as sharp curves, narrow spots or steep slopes.

Major Improvement or Reconstruction Work will not be accomplished by SEPRRN except when of an emergency nature.

B.2 Purpose Indicators (EOPS)

The following are indicators:

- SEPRRN crews providing required maintenance on those sections of the North and South Highways completed with IBRD and IDB financing, the road to Jacmel financed by France and routine maintenance on all other sections of the National Road Network reconstructed or rehabilitated. (An estimated 700 kms. by 12/31/76).

SEPRRN management performing managerial functions with a minimum of external assistance, including development and implementation of a detailed annual road maintenance programming and budgeting system, execution of the program, and a capacity for planning maintenance activities for the entire National Road Network as it is reconstructed or built (2500 kms).
- Financial management of the program will be the responsibility of the National Bank until such time as SEPRRN has developed sufficient in-house capability to assume those functions. GOH counterparts funds (SEPRRN's operating budget) deposited in a separate account in the BNRH distinct from other TPTC sub-accounts. At end of project SEPRRN would be handling a significant portion of their financial affairs with own staff.
- SEPRRN with limited capacity for emergency road rehabilitation.

- Key SEPRRN staff, presently jointly funded by SEPRRN and TPTC, transferred completely to SEPRRN's payroll, financial and personnel resources permitting.
- District Engineers assigned a nucleus of mechanized equipment on the basis of estimated maintenance requirements within each district. The financial autonomy of District Engineers, will be limited to miscellaneous expenditures, with financial decision-making authority centralized at SEPRRN headquarters.
- AID-financed equipment used only for purposes of routine maintenance, road betterment and emergency road repair work.
- SEPRRN's activities coordinated with TPTC's road construction program and with the World Bank/IDB-financed construction programs.
- Maintenance activities accomplished with maximum use of labor rather than equipment.
- SEPRRN able to attract qualified new professional staff to fill vacancies, retain three-quarters of existing trained staff, and improve the organization's esprit de corps.
- SEPRRN District offices staffed by Maintenance Supervisors reporting to SEPRRN through the District Engineer.

B.3 For Achieving Purpose

The following are assumptions:

- That SEPRRN will not be delegated additional operational responsibilities or that SEPRRN's maintenance equipment will not be extensively used on road rehabilitation projects that are more suitable for TPTC's construction equipment; and that sufficient equipment has been procured to accomplish the delegated tasks.
- That moderately qualified managerial personnel are in positions of responsibility in the planning, budgeting and operational divisions of SEPRRN; that HWS personnel are performing their respective training functions as planned; that key obstacles can be identified and remedial actions taken; that SEPRRN keeps abreast of new construction/rehabilitation programs so that additional maintenance requirements can be programmed for inclusion in the SEPRRN budget; and that SEPRRN receive the operating budget it has programmed for.
- That SEPRRN, TPTC and BNRH agree to the desirability and benefits of

staffing SEPRRN to assume those financial management functions.

- That rehabilitation of the present deteriorated conditions of the national road network not be classed as an emergency.
- That cost reimbursement will not be merely an accounting exercise and that SEPRRN will actually receive the reimbursements. Also assumes that TTPC will be adequately budgeted and staffed for field equipment maintenance so that pressure will not be on SEPRRN to make its facilities available.
- That TPTC shares its planning and programming data with SEPRRN; that the Transport Coordination Committee is carrying out its responsibility.
- That District Engineers will cooperate on reporting requirements.
- That sufficient funds and supervisory personnel are available to SEPRRN to increase hand labor forces enough to handle workload.
- That SEPRRN salaries, working conditions and promotional opportunity are competitive with other GOH agencies; that qualified professionals are available; and, that SEPRRN/HWS training programs accomplish the skill upgrading anticipated.

C.1 Outputs

- Three major districts with shops
- Five asphalt repair brigades (for pothole repairs)
- One intervention brigade (for light periodic and emergency repair)
- Seven regrading brigades (seven districts)
- New shops for SEPRRN in place
- New equipment and supplies procured (under loan)
- SEPRRN repair of equipment underway

C.2 Magnitude of Outputs

- Heads of SEPRRN sections trained by technical advisors in their specialized areas.
- Key SEPRRN administrative personnel (accounting, personnel, etc.) trained in approved techniques in respective fields.

- Existing SEPRRN shop facilities in Port-au-Prince rehabilitated for training activities and interim operational requirements.
- Amount of road maintenance undertaken:
 - a) 60 kms p.a. maintained periodically per intervention brigade.
 - b) 180 kms p.a. regraded periodically per light equipment brigade.
- Existing SEPRRN equipment surveyed, selection of repairable items made and spare parts being regularly ordered.
- SEPRRN mechanics, equipment repair specialists and equipment operators trained in the fundamentals of equipment care, repair and use.
- Heavy equipment repair operations centralized in Port-au-Prince shops, with emphasis on componentry overhaul concept..
- Independent accounting firm undertaking annual audits.
- District engineers and Highway Maintenance Supervisors trained in proper planning, budgeting and technical procedures.
- Crew chiefs and foremen trained in proper work procedures and personnel control.
- Relationship of BNRH to financial management of SEPRRN activities clarified.
- Existing SEPRRN organization and structure evaluated and recommended changes referred to GOH authorities for implementation.

C.3 Assumptions for Achieving Outputs

- That SEPRRN Section Heads are available to work with advisors and respond to training.
- That the necessary positions are included in the SEPRRN organization and filled.
- That facilities assigned for SEPRRN use are not diverted to other use.
- That equipment selected for repair is not stripped for usable parts after spare parts requirements are determined.
- That construction contractors are found and sufficient funds are available for operation.
- That personnel are made available by SEPRRN to receive training.

- That SEPRRN is allowed to follow plans.
- That the SEPRRN operating budget is increased as necessary to operate equipment.
- That personnel can be recruited and trained.

D.1 Inputs

- Technical assistance under grant financing.
- Procurement of goods and services for construction of shops and procurement of highway maintenance and shop tools and equipment with loan financing.
- GOH provides operating funds, land for shops, personnel and technical assistance support.

D.2 Input Indicators (GOH)

- GOH provides \$1,174,000 annual operating budget to SEPRRN, during this FY 75/76 with no less than 10% of amount on deposit in special SEPRRN account at BNRH at any time and \$1,750,000 budget during their FY 76/77.
- Titles for land on which Port-au-Prince and Les Cayes shops are to be constructed transferred to SEPRRN.
- SEPRRN provides counterpart personnel for training by consultants in various fields.
- SEPRRN provides administrative support to consultant, i.e. offices, telephone, legal services, etc.
- GOH takes necessary action to permit duty-free entrance of project goods and services.
- GOH increases annual operating budget of SEPRRN as necessary to meet operating requirements.

D.3 Assumptions for Providing Inputs (US)

- That qualified U.S. personnel can be found and any members of the team that leave are promptly replaced. That SEPRRN counterparts are made available and are capable of being trained.

- For Providing Inputs (GOH)

- Loan CP's met

- That SEPRRN has personnel of sufficient capability to absorb the training and is able to retain them once trained.
- That SEPRRN is given a duty-free franchise

PART III - PROJECT ANALYSIS

The project analysis, technical, financial, social, economic and environmental is contained within Loan Paper AID/DLC/P-1077 dated February 16, 1973, which was the basis of the original project. This information remains pertinent to this project.

PART IV - IMPLEMENTATION ARRANGEMENTS

A. ANALYSIS OF SEPRRN'S AND AID'S ADMINISTRATIVE ARRANGEMENTS

1. Recipient

The direct beneficiary of this revised grant, as in the original grant, will be SEPRRN. Annex IV reflects the present organizational structure of SEPRRN.

As a result of the past two years of project implementation SEPRRN has made good progress in developing their organization and operating procedures. Key spots in the organization are now staffed and personnel are receiving training from the technical advisors. SEPRRN is functioning in most areas of their ultimate responsibility although additional assistance is required to further develop and refine their skills. Preparation of the 5-year SEPRRN Program and Budget was a long and complicated procedure but served as an excellent training exercise for future similar requirements.

2. AID Responsibilities

AID will continue to monitor the loan/grant program through the participation of a USAID Project Manager. With reference to grant funded activities, AID approvals are required for any amendments to the Consultant contract and any changes in personnel of the consultant. Monthly payment vouchers of the consultant are reviewed by the USAID prior to payment being made and the performance of the consultant is evaluated each year jointly by SEPRRN and the USAID.

B. IMPLEMENTATION PLAN

Implementation of the project will generally follow the same plan contained in the original loan/grant project, with changes and adjustments as found

necessary and advisable by the March-May 1975 review and evaluation. An up-to-date Program Schedule is attached as Annex II. This schedule indicates the present best estimates of the timing of major actions. Technical assistance will continue to be provided through September, 1977 to train counterpart section chiefs and other key SEPRRN personnel. Procurement of all new (non-Exprop) project equipment and tools should start in December 1975 and be completed by November, 1976. Assistance in this procurement and in establishing property controls and records remains one of the important tasks throughout the period of assistance.

Construction of the new facilities is scheduled to start about February, 1976 and be completed by May, 1977. Training of garage and district personnel in proper use and maintenance of the new equipment and facilities will be provided through September, 1977. A final report of the project from inception to September, 1977 will be prepared during the last months of the technical assistance contract.

Administrative arrangements in connection with this grant will require AID/W authorization for additional increments of grant funding necessary to continue the service of the HWS advisory team through September 30, 1977. The composition of the advisory team will change during the last 9 months of the project, as shown in Annex III, with the number of advisors dropping from 8 to 4 at the end of December, 1976. Short term assistance in Office Engineering and Training will also be furnished during the final 9 months.

This will require an amendment to the present HWS contract. The amendment will be negotiated between representatives of the consulting firm and SEPRRN, with assistance from the USAID.

C. EVALUATION ARRANGEMENTS FOR THE PROJECT

As mentioned above in this paper an evaluation was conducted in 1975 by AID/W and USAID Personnel. It was upon this evaluation that a decision was taken to pursue this extension. A second evaluation is scheduled for October through November of 1976. As it now appears that further strengthening and expansion of SEPRRN capabilities will be required in the future, plans are already being made for the continuation of similar services under a Phase II of the program. For this reason, future evaluation of the project will be conducted during the period of the new project.

A Financial Audit of the project is presently underway and another is scheduled for early 1977.

D. CONDITIONS, COVENANTS AND NEGOTIATING STATUS

For the purposes of this project and the related loan agreement, all conditions, covenants and negotiations have been met or fulfilled.

ANNEXES

- I - LOGICAL FRAMEWORK MATRIX
- II - SEPRRN HIGHWAY MAINTENANCE PROGRAM SCHEDULE
- III - SCHEDULE OF HWS ADVISORY SERVICES
- IV - SEPRRN ORGANIZATION CHART
- V - ORIGINAL PROP FACESHEET

LOGICAL FRAMEWORK MATRIX - PROP WORKSHEET

Summary	Objectively Verifiable Indicators	Means Of Verification	Important Assumptions																																				
<p>A.1. Goal Improve the standard of living of the rural poor and better integrate them into the activities of national economic activity and overall development.</p> <p>A.1.1 Sub-Goal Functioning road network between urban markets and rural areas.</p>	<p>A.1. Measurement of Goal Achievement Increase in small farmer income. Decrease in under-employment. Decrease in infant mortality.</p> <p>AA.2 National road network passable in all seasons. Increased exchange of goods and services. Increased profitability of investments in transportation industry.</p>	<p>IBRD Economic report and country assessments. Project-funded evaluation by consultant</p> <p>National trade statistics. Increase traffic counts. Report statistics on spare parts Increase budgets for government services.</p>	<p>A.1. (not related to goal) Natural catastrophes or political upheavals do not occur. Tax and other GOH policies issued to favor rural farmers.</p> <p>Roads are the preferred means of transport Availability GOH budget and personnel resources. Adequate bus and truck transport exists at reasonable cost.</p>																																				
<p>A.2. Purpose Development of a nucleus highway organization capable of maintaining the national road network. (North and South Roads).</p>	<p>B.1. End of Project Issues - SEPRM providing required road maintenance. - SEPRM receiving adequate budgetary resources. - SEPRM staffed with required personnel on a permanent basis. - Clear division of responsibilities between TPTC and SEPRM. - Limited capacity for emergency road rehabilitation.</p>	<p>Monthly progress reports (contractor) Monthly inspection reports (contractor) Independent audits. Semi-annual donors' meeting Staffing reports</p>	<p>B.1. (not related to purpose) Inter-agency availability of information. TPTC will be adequately funded for its own but separate mandate. Donor community and GOH continue to see the need for separate organization such as SEPRM. Administrative Council performs an important leadership role for SEPRM. Adequate salary and incentives for qualified personnel</p>																																				
<p>C.1. Objectives - Seven regrading brigades (seven districts) - Five asphalt repair brigades (pot hole repairs) - One intervention brigade (light periodic & emergency repairs) - Equipment & supplies being supplied - Three major districts with shops</p>	<p>C.2. Output Indicators Personnel trained in accounting, personnel, management, supervision, construction, etc. Specific facilities constructed or rehabilitated. Work groups performing and programming maintenance. Property control. Procurement procedures and guidelines. Work groups performing, existences: - 60 km p.a. periodic light maintenance per brigade (intervention) - 180 km p.a. regraded per brigade (light periodic)</p>	<p>Annual audits. Inspections facilities Personal observations. Monitoring.</p>	<p>C.2. (not related to output) Personnel available Local construction contracting Equipment will not be cannibalised for other Agency priorities. SEPRM counterparts are available to work with advisors.</p>																																				
<p>D.1. Inputs Technical Advisory Services/ Contract Services Participant Training Commodities Other Costs (Operating Costs)</p> <p style="text-align: right;">TOTAL</p>	<p>D.2. Budget Schedule</p> <table border="1"> <thead> <tr> <th>GOH</th> <th>FY 1976 AID</th> <th>GOH ID</th> <th>AID</th> <th>GOH FY77</th> <th>AID</th> </tr> </thead> <tbody> <tr> <td></td> <td>353</td> <td></td> <td>150</td> <td></td> <td>280</td> </tr> <tr> <td></td> <td>11</td> <td></td> <td>3</td> <td></td> <td>10</td> </tr> <tr> <td></td> <td>10</td> <td></td> <td>3</td> <td></td> <td>10</td> </tr> <tr> <td></td> <td></td> <td>333</td> <td></td> <td>1730</td> <td></td> </tr> <tr> <td></td> <td>374</td> <td>393</td> <td>156</td> <td>1730</td> <td>300</td> </tr> </tbody> </table>	GOH	FY 1976 AID	GOH ID	AID	GOH FY77	AID		353		150		280		11		3		10		10		3		10			333		1730			374	393	156	1730	300	<p>GOH Annual Budget AID funding availability Execution required documentation.</p>	<p>D.2. (not related to inputs) GOH will permit entry goods and facilitate task of advisors. Contractor will provide timely execution services. SEPRM will be permitted to function as an autonomous organization under TPTC.</p>
GOH	FY 1976 AID	GOH ID	AID	GOH FY77	AID																																		
	353		150		280																																		
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I. PROJECT IDENTIFICATION

1. PROJECT TITLE **Road Maintenance**

APPENDIX ATTACHED
 YES NO

2. PROJECT NO. (M.O. 1095.2)
521-15-312-072

3. RECIPIENT (specify)
 COUNTRY **HAITI**
 REGIONAL INTERREGIONAL

4. LIFE OF PROJECT
 BEGINS FY **74**
 ENDS FY **75**

5. SUBMISSION **7/18/73**
 ORIGINAL REV. NO. _____
 CONTR./PASA NO. _____

II. FUNDING (\$000) AND MAN MONTHS (MM) REQUIREMENTS

A. FUNDING BY FISCAL YEAR	B. TOTAL \$	C. PERSONNEL		D. PARTICIPANTS		E. COMMODITIES \$	F. OTHER COSTS \$	G. PASA/CONTR.		H. LOCAL EXCHANGE CURRENCY RATE: \$ US (U.S. OWNED)		
		(1) \$	(2) MM	(1) \$	(2) MM			(1) \$	(2) MM	(1) U.S. GRANT LOAN	(2) COOP COUNTRY (A) JOINT (B) BUDGET	
1. PRIOR THRU ACTUAL FY	-0-											
2. OPENING FY 74	650	650	126					650	126			
3. BUDGET FY 75	400	400	78					400	78			
4. BUDGET 11 FY												
5. BUDGET 12 FY												
6. BUDGET 13 FY												
7. ALL SUBG FY												
8. GRAND TOTAL	1050	1050	204					1050	204			

9. OTHER DONOR CONTRIBUTIONS

(A) NAME OF DONOR	(B) KIND OF GOODS/SERVICES	(C) AMOUNT

III. ORIGINATING OFFICE CLEARANCE

1. DRAFTER Gerald F. Gower	TITLE Haiti Desk Officer	DATE 7/18/73
2. CLEARANCE OFFICER William B. Wheeler	TITLE Deputy Director, Office of Caribbean Affairs	DATE 7/18/73

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL The engineering consultant contract funded by this project is an integral part of the Highway Maintenance capital project activity described fully in AID-DLC/P-1077 (see especially Section III D.9) and A.I.D. Loan Agreement 521-L-005. Grant funding is being provided in lieu of loan financing in view of Haiti's status as a Least Developed Country in order to reduce the debt burden of this activity on the GOH and to provide A.I.D. with maximum control over the performance of the contract. This activity was approved by the DLSC on February 15, 1973.

DIR. OFF.	SIGNATURE	DATE	BUP. OFF.	SIGNATURE	DATE
LA/DP	<i>[Signature]</i>	7/18/73	SER/FM/FSD	HJohnson (draft)	7/19/73
LA/DR	<i>[Signature]</i>	7/18/73			
SER/ENG	BWatkins (draft)	7/19/73			

3. APPROVAL AAS OR OFFICE DIRECTORS SIGNATURE _____ DATE _____	4. APPROVAL A/AID (See M.O. 1025.1 VIC) SIGNATURE N/A DATE _____
TITLE _____	ADMINISTRATOR AGENCY FOR INTERNATIONAL DEVELOPMENT