

PROJECT AUTHORIZATION

Name of Entities: African
Regional Institutions

Name of Project: Support
to Regional Organizations

Number of Project:
698-0413

1. Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Support to Regional Organizations Project (the "Project") involving planned obligations in an amount not to exceed \$8,000,000 in grant funds over a five year 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 is to facilitate the development of individual African regional organizations which have been organized both to achieve greater socio-economic integration as well as to conduct substantive technical work. To carry out the objectives of the Project, A.I.D. will provide financing for technical assistance; budget support; U.S. consultants or grants for sectoral and pre-investment studies; workshops and seminars; training of African technical and institutional staff; pilot projects in priority areas such as agricultural research or fuel production; and commodities and other services.

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

4. Source and Origin of Goods and Services

The source, origin and nationality of goods and services financed by A.I.D. under this project will be determined and applied to sub-projects approved hereunder in accordance with the source/origin and nationality rules set forth in Handbook 1, Supplement B. These rules will be stated specifically in the authorization document for each sub-project.

5. Conditions

The conditions and covenants that may be required with respect to sub-projects approved hereunder will be stated in the sub-project authorization document and/or project paper for each sub-project.

6. Authorization Procedures and Implementation Authority for Sub-Projects

- A. The Director, AFR/RA, or an officer performing the functions of the Director in an "acting" capacity, is authorized hereby to approve sub-projects which provide for obligation of funds in amounts not in excess of \$150,000 per fiscal year.
- B. Sub-projects, other than those designated in paragraph A above, will be authorized by the Assistant Administrator for Africa. Sub-projects entailing obligations at a rate in excess of \$500,000 per fiscal year will be subject to review and clearance by the Office of Development Resources, Bureau for Africa.
- C. The Director, AFR/RA, is authorized to implement sub-projects in accordance with the implementations authorities set forth in Africa Bureau Delegation of Authority No. 140, Section 3. The Director, AFR/RA, is authorized to assign implementation responsibility for sub-projects to Africa Bureau field posts in accordance with authorities delegated by Africa Bureau Delegation of Authority No. 140.

7. Waivers

Waiver authority with respect to sub-projects will be exercised in accordance with applicable delegations of authority.

Date: 4/30/81



W. Haven North
Acting Assistant Administrator
for Africa

PROJECT DATA SHEET

1. TRANSACTION CODE
 A = Add
 C = Change
 D = Delete

Amendment Number _____

DOCUMENT CODE **3**

2. COUNTRY/ENTITY
 Africa/Regional

4. BUREAU/OFFICE
 AFR [06]

3. PROJECT NUMBER
 698-0413

5. PROJECT TITLE (maximum 40 characters)
 Support to Regional Organizations

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)
 MM DD YY
 09/30/84

7. ESTIMATED DATE OF OBLIGATION
 (Under "B." below, enter 1, 2, 3, or 4)
 A. Initial FY [79] B. Quarter C. Final FY [83]

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY 79			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	860	-	860	-	-	8,000
(Grant)	(860)	(-)	(860)	(-)	(-)	(8,000)
(Loan)	(-)	(-)	(-)	(-)	(-)	(-)
Other U.S. 1.						
Other U.S. 2.						
Host Country						
Other Donor(s)						
TOTALS	860	-	860	-	-	8,000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) SDA	210	440		1,607	-	6,493	-	8,000	-
(2)	771	930							
(3)									
(4)									
TOTALS				1,607	-	6,493	-	8,000	-

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)
 X

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
 A. Code INTR
 B. Amount 8,000

13. PROJECT PURPOSE (maximum 480 characters)

To strengthen the capabilities of selected African regional organizations and to assist them in carrying out a number of economic and social activities of high priority to African development.

14. SCHEDULED EVALUATIONS

Interim	MM	YY	MM	YY	Final	MM	YY
	1	08	1			1	08
						3	

15. SOURCE/ORIGIN OF GOODS AND SERVICES
 000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment)

17. APPROVED BY
 Signature: *E.G. Ruoff*
 Title: E.G. Ruoff, Acting Director
 AFR/RA
 Date Signed: MM DD YY
 1/20/80

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY
 12 01 80

1. Summary and Recommendations

1.1. Face Sheet

The following actions are recommended herein:

1. Authorization, in an amount not to exceed \$960,000 in FY81 funds, for an umbrella project which provides support to African regional organizations.
2. Approval of life-of-project (five years) funding, subject to availability of funds, in amount not to exceed \$8,000,000.

1.3. Description of Project

The goal of the subject project is to facilitate the development of African regional organizations which have been organized both to achieve greater socio-economic integration as well as to conduct substantive technical work. The purpose of the project is to assist selected bonafide African regional organizations which meet the criteria set forth in Section III E, to realize some of their own short-term objectives through providing U.S. consultants or grants for studies, workshops, seminars or other similar activities.

The project will be implemented over five years (FY 1979 - 1983) which may be considered a first phase of A.I.D. assistance. Any additional activities under the project will depend upon outputs achieved during the first phase, as well as evaluations of the individual sub-projects. No limit will be placed upon the number of years that any one regional organization will receive support, but if the assistance is deemed to be satisfactory, consideration will be given to placing the regional organization under a separate project heading. Preference in this will be given to regional organizations which meet the greatest number of the stated criteria, as well as to those which appear more effectively to be achieving their stated objectives through the assistance of A.I.D.

Anticipated outputs of this project are: 1) Sectoral and pre-investment studies; 2) workshops and seminars; 3) training of African technical and institutional staff; and 4) pilot projects in priority areas such as agricultural, research on food or fuel wood production. A.I.D. will not support concrete capital development projects in this activity. Such projects will be justified on a separate basis outside of this project.

Activities already being funded under the Support to Regional Organizations (698-0413) project are based upon the criteria contained in the project PID, approved in June, 1979. For example, a May, 1979 grant agreement was signed with the Economic Community of the Great Lakes (CEPGL) to provide assistance in developing planning and demographic analysis to help solve critical problems of decreasing food production with increasing growth rates in the heavily populated areas of Rwanda, Burundi and the Lake Kivu region of Zaire. In September, 1979, a grant was signed with the International Center of Insect Physiology and Ecology (ICIPE) in Nairobi, to conduct applied research on natural bases for insect resistance in widely consumed crops. In March, 1980, aid to ACOSCA was approved for regional training and expanding credit union activities. A fourth activity has just been approved for assistance to the Organization for the Development of the Kagera River Basin. Assistance to the Economic Community of West African States (ECOWAS) is seriously being considered. Individual organizations which are currently being funded under this umbrella project, or which are expected to be funded in the near future, are described in Annex A.

1.4. Financial Summary

The estimated life-of-project will be \$8,000,000, which should be

TABLE 1. Regional Organizations Supported under SRO Project on Basis of PID approved June, 1979.

	<u>Organization</u>	<u>Amount of Funding as of 9/30/80</u>
(698-0413.1)	1. Association for the Advancement of Science in Africa (AAASA)	\$ 90,000
(698-0413.2)	2. Economic Community of the Great Lakes (CEPGL)	422,200
(698-0413.3)	3. International Center for Insect Physiology and Ecology (ICIPE)	500,000
(698-0413.4)	4. African Cooperative Savings and Credit Association (ACOSCA) and Credit Union National Association (CUNA)	446,000
(698-0413.5)	5. Organization for the Development of the Kagera River Basin	96,704
(698-0413.6)	6. African Adult Education Association (AAEA)	52,000
	TOTAL	<hr/> \$1,606,904

considered illustrative, given the "ad hoc" nature of support in this project. A.I.D. assistance was \$1,000,000 in FY 1979, \$747,000 in FY 1980 and is projected at \$960,000 in FY 1981.

All of the organizations assisted under the project receive support from participating member African governments. In addition, many of the regional organizations have multi-donor support. The amount of outside support would depend upon the individual organization.

1.5. Project Development and Implementation

The project has been designed by AFR/RA in collaboration with other AID/W offices, REDSOs, and A.I.D. geographic offices. A paper entitled "Guidelines for A.I.D.'s Regional Activities in Africa" by Marjorie Belcher for AFR/RA was used as a primary source. The umbrella project paper itself was designed by AFR/RA. Individual sub-project papers will be prepared by A.I.D. geographic offices and will be submitted to AFR/RA for funding. Sub-project activities will be monitored by AFR/RA and/or REDSO or USAIDs in collaboration with the A.I.D. geographic offices.

1.6. Findings

On the basis of the analysis contained herein, the Director of AFR/RA concludes that the project is technically, economically, and financially sound. The analysis reflected herein supports the conclusion that the project meets all applicable A.I.D. Criteria; and will not have an adverse impact on the environment. Specific sub-activities will be approved by the Assistant Administrator of the Bureau for Africa, or designee.

1.7. Issues

A. Criteria

Appropriateness of criteria is a fundamental concern in the subject project, and forms the basis for selection of regional organizations assisted.

The criteria are set forth in Section III E.

B. Maximum level of funding for individual sub-projects - The maximum level of assistance per year for the individual sub-projects has been set at \$750,000. Anything over this amount for a sub-project will be justified as a separate project.

C. Sub-project approval process - All sub-activities with annual obligations of \$150,000 or less will be approved by the Director, AFR/RA. Any sub-project with obligations greater than \$150,000 per year will be approved by AA/AFR. Sub-projects with annual obligations of more than \$500,000 per year will be forwarded to AFR/DR for review, then to AA/AFR for approval.

D. Effectiveness of organization and overlap with other organizations - These considerations are of considerable importance and are included in Section III E Criteria.

II Background

Section 206 of the Foreign Assistance Act of 1961, as amended states that "The President is requested to seek and to take appropriate action, in cooperation and consultation with African and other interested nations and with international development organizations, to further and assist in the advancement of African regional development institutions, including the African Development Bank, with the view towards promoting African economic development." The above mandate underlines the importance of continuing and increasing A.I.U. and other U.S. Government assistance to a wide variety of African regional organizations.

In recent years, significant numbers of African regional organizations have been created, of diverse kinds and often with overlapping memberships. Most of these organizations reflect particular economic, demographic and/or social problems which might be approached more effectively on a regional basis. Regional organizations can often serve as intermediary institutions which, when capable, provide a vehicle for studying or solving regional problems and for helping to encourage and orchestrate solutions.

In Africa, the multitude of African regional and sub-regional organizations can be divided roughly into four groupings, as follows:

1. Regional financial institutions, including the African Development Bank (AFDB); the Bank for West African Development (BOAD); Economic Community of West African States Fund for Compensation, Coordination and Development (ECOWAS Fund); and the Entente Fund.

Of these above-named financial institutions, the AFDB (including the African Development Fund) may be considered the most strongly African activity. It has been quite effective in implementing operational projects. High priority should be given to assisting the AFDB, generally believed to be the ranking financial institution in Africa (supported in separated project)

This assessment certainly does not exclude other regional financial institutions; rather it suggests that funding to them might be limited to well-designed, high priority, genuinely regional projects. A.I.D. assistance to BOAD for specific project development has proved that its implementation record is slow indicating that assistance to BOAD might be minimized. The ECOWAS Fund has not yet reached the point of implementing projects, suggesting that A.I.D. assistance at this time should focus upon specific studies or workshops rather than general support.

The Entente Fund is an African regional financial institution which operates as a guaranteed fund, the paid-in subscriptions to which support the Council's Secretariat and a small program of technical assistance and conferences. The Entente relies heavily upon expatriates for its Secretariat staff, instead of African nationals. Certain of the Entente activities would be closer in line with A.I.D. funding priorities, but activities might be better selected on a case-by-case basis.

2. River Basin Development Organizations, including the Senegal River Basin (OMVS); the Gambia River Basin (OMVB); the Niger River Basin; the Mano River Union (Sierra Leone and Liberia); the Volta River Basin; the Mono River Authority (Togo and Benin); the Lake Chad Basin Commission (LCBC), and the Organization for the Development of the Kagera River Basin (Rwanda, Burundi and Tanzania).

These constitute a special group of regional institutions. Many of them are older than the majority of African regional financial or coordinating institutions. They are united by common problems and opportunities in which geography rather than state boundaries establish limits. Several organization cross language barriers, such as the Mano River Union (Senegal/Gambia) and the Niger River Basin Commission (Niger/Nigeria/Chad/Cameroon). Past criticisms of Basin Development plans merit consideration in assessing whether or not to assist Commission projects. These criticisms include: 1) preference for large projects without sufficient consideration of the relative merits of smaller activities, with dams and irrigation projects predominating; 2) strong tendencies toward "Top-down" programming; 3) too little attention to the cultural/sociological problems associated with irrigation, resettlement and similar plans. The above factors should be considered as proposals are received from the USAIDs for assistance to river or lake basin commissions.

The great potential for increased agricultural production and economic activity from development of river and lake basins suggests that AID should provide consultant-advisor assistance on request to any Basin organization which demonstrates effective planning/administrative capacity and support from member governments, in part to insure that past criticisms cannot be validly applied to future planning and project development. Our

input into the Kagera Basin Action Team (3 U.S. technicians) is an example of this consultant/advisor assistance.

3. Substantive development-related organizations, including the Association for the Advancement of Agricultural Sciences in Africa (AAASA), with its interest in general agriculture and related sciences; the Science Education Program for Africa (SEPA) with its interest in science and environmental education; the African Cooperative Credit and Savings Association (ACOSCA); the West African Rice Development Authority (WARDA); the Association of African Universities (AAU); the Inter-African Committee for Hydraulic Studies (CIEH); the African Training and Research Center in Administration and Development (CAFRAD); the Scientific and Technical Research Committee of the Organization for African Unity (STRC/OAU); the International Center of Insect Physiology and Ecology (ICIPE); and the African Adult Education Association (AAEA).

It would be making unfair comparisons to attempt to treat the many organizations and institutions of this type as a single group. Even within the same broad technical area, such as agriculture, the functions of one organization cannot be ranked against another, e.g., WARDA or SAFGRAD. Decisions to assist regional organizations which are related to substantive development areas must be based upon the specific functions of the particular organization or institution in relation to the problem to be addressed as well as assessment of its capabilities and standing vis a vis the stated criteria. While a weak technical organization might be used as an umbrella for an important feasibility study or workshop, thereby perhaps stimulating participation by other donors, its effectiveness will be limited in the long run if it lacks capable staff or substantive support

from its member governments. Thus, administrative capability of the organization may be as important as its technical competence.

4. Regional coordinating institutions, include the Executive Secretariat of the Economic Community of Great Lake Countries (CEPGL); the Permanent Interstate Committee on Drought Control in the Sahel (CILSS); the West African Economic Community (CEAO); the Liptako-Gourma Authority; the African and Mauritanian Common Organization (OCAM); and the Economic Community of West African States (ECOWAS).

The regional organizations mentioned in the latter group represent some of the most potentially powerful regional organizations in Africa which stand to provide the greatest economic and social benefit to the African population. Many of these coordinating organizations are working in close collaboration with their own regional financial institution, e.g., the ECOWAS Secretariat and the ECOWAS Fund.

Coordinating institutions often are attempting to overcome negative economies of scale through pursuing major economic infrastructural and investment projects at a regional rather than an individual country level. For example, high on the list of ECOWAS priorities is building a major telecommunications network and improving transportation linkages throughout West Africa. ECOWAS also plans to develop an investment program for the region, in order to minimize duplication of investment and to augment intra-ECOWAS trade.

High priority should be given to supporting coordinating institutions which meet the specified criteria under the project, because of the potentially valuable benefits to be derived. Examples such as the failed East African Community (EAC), the faltering Latin American Free Trade

Association (LAFTA) highlight the many, sometimes insurmountable difficulties involved in efforts at regional economic coordination. However, there are examples of relative successes, such as the European Economic Community (EEC) and the Caribbean Free Trade Area (CARIFTA), which should also be considered in offering assistance to regional coordinating institutions.

These, and other regional organizations, have requested external assistance in funding their programs (including studies, seminars, conferences, publication and pilot activities throughout Africa).

A list of some of the regional organizations with country membership, is at Annex A.

III. Project Description

A. Project Goal

1. The goal of the subject project is to strengthen organizations in areas which will contribute to a) the Congressional mandate, b) agro-industrial development essential to achieve long-term growth, and c) improvement in those areas of trade, communications and transportation which are essential for regional cooperation and development.

2. Measure of Goal Achievement:

Indicators include -

a) Perceptible institutional growth of regional organizations supported under this project:

b) upward trends in GNP as well as other social and economic indicators;

c) implementation of concrete capital development projects

by the regional organizations supported, especially in the area of agro-industry;

d) continued and/or improved cooperation among African Governments which are members of the regional organizations.

3. Assumptions of Goal Achievement:

The main assumptions of this project are that member states will adopt policies to favor regional cooperation and that the organizations take recommendations for capital development projects which emerge from AID-funded studies, seminars and workshops.

B. Project Purpose

1. The project purpose is to establish an umbrella project which would assist selected bonafide African regional organizations to realize some of their own short-term objectives through providing U.S. consultants or grants for studies, workshops, seminars or other similar activities in selected functional areas. The main achievement under this project will be the utilization of African intermediary institutions to achieve development objectives which require regional cooperation. At this time it is not possible to specify the exact nature of assistance that would be provided to each organization, but these details will be spelled out in the individual sub-project papers. The specific activities to be financed would be selected based upon their contribution as regional projects and/or their contribution to economic coordination and regional development.

2. End of Project Status:

The end of project status for each of the individual sub-projects will be described in the individual sub-project papers. In general, however, project purpose will have been attained if the following conditions exist:

- a) feasibility studies, seminars and/or workshops are completed with recommendations made to the regional organization;
- b) viable organizations emerge which are capable of 1) responding to member state requests, and 2) designing and implementing regional development projects in a timely manner.

3. Assumptions about Achievement of Purpose:

The major assumptions will be that the Councils of Ministers of the member states reach agreement on regional development plans, that African personnel are available for training, and that member states will continue to make contributions to the operating budgets of the regional organizations supported.

C. Project Outputs

Specific outputs will be set forth in the discrete sub-project papers, which will provide greater detail on specific accomplishments of the individual sub-projects. Some or all of the following outputs, however, are expected to be achieved in all projects:

1. Feasibility studies, covering agro-industrial development and intra-regional trade, transport and communication to encourage agricultural production by African farmers and identified pilot projects in all or some of these areas.
2. Trained staff of the regional organizations supported which will be able to carry on activities in development planning, socio-economic analysis, agro-industrial development and internal transport analysis.
3. Established mechanisms for integrating individual regional development plans with the national plans of member states.
4. Strengthened regional institutions.

D. Project Inputs

In general, A.I.D.'s contribution to the individual regional organization will consist of providing consultants, advisory services, workshops and seminars on financing of studies, and training. In the majority, if not all, of the sub-projects, the individual regional organization will provide AID-sponsored personnel with various support services and access to data. The regional organizations supported by AID will usually have the participation of other international donors as well as the organization's member states, which will also be contributing to various costs involved. Specific inputs of AID, the organization, other donors, and other member states, will be detailed in the individual sub-project papers.

E. Criteria

In determining whether to support a candidate regional organization, the organization is required to meet criteria which have been developed through collaboration with AID/W, as well as geographic AID offices. The following criteria are suggested, although not all criteria have to be met by each organization.

1. The organization will be a bona fide African regional institution directed and supported to a large degree by Africans and African states.
2. Institutional development, particularly training of African staff to meet a plan for Africanization, will be an important element of most assistance - unless it is already being financed from other sources.
3. The degree to which operational projects which are being planned will lead to outputs related to the attainment of a growth-oriented basic human needs strategy.

4. The activities will support economic and social integration. This includes the distribution, marketing, storage, pricing and trading of agricultural products; social factors such as labor migration and manpower development, and regional agro-industrial development; and certain types of transportation, if these are related to achieving agriculture and health objectives.
5. Organizations given preference will be those with broad national membership, whose long-term activities will lead to closer inter-African cooperation.
6. Support will be limited to regional purposes or activities which have a direct regional effect.
7. Assistance to specialized African organization such as ACOSCA, SEPA and AAASA, would depend on their potential for contributing to such activities as research in specific crops, regional technical training, non-formal education, and other priority development activities.
8. The regional organization receiving assistance will manage the activities. African counterparts should be provided for Americans on long-term assignments. In most cases, the organization should handle logistic actions, with minimum AID involvement.
9. Assistance in carrying out workshops, reconnaissance and feasibility studies and the provision of advisors will come from U.S. and African sources, with preference given to African personnel.
10. Host institution procedures should be strengthened and used. AID should assist only as required.
11. This project will provide technical assistance, training and provision of funds for seminars, research workshops or feasibility studies studies, and other supports. Any major project assistance involving project implementation will be justified on a separate basis outside this project.

12. Assistance will be given, also, to support basic research organized by the African institution which will develop data on regional development problems, linkages between countries, and on the development impact of various policy and institutional changes that might be made at the regional level.

13. Consideration will be given to general effectiveness of the organization, and to the question of purposes, objectives and activities which overlap with other organizations.

IV. Project Specific Analyses

A. Social Beneficiary

The primary beneficiaries of this project will be the regional organizations themselves, which will be strengthened as a result of AID institutional support. As was mentioned in Section III, E. "Criteria," these organizations all have been initiated by Africans for the benefit of Africans. Manpower training funded through this umbrella project will contribute to upgrading the educational caliber of Africans in general.

The ultimate beneficiaries of this project, depending upon the nature of the organization, will be recipients of the individual operational projects which eventually are to be sponsored by the regional organization, based upon recommendations of studies funded through the umbrella project. Over the long term, the lives of the rural and urban poor will be enhanced through freer trade, improved opportunities and conditions for employment, and better economic conditions, especially in agriculture and agro-industry. Some of the regional organizations, such as CEPGL and ECOWAS, have focused upon a basic human needs strategy (BHN) as part of their overall program. AID assistance to those organizations will encourage the orientation towards BHN. Further, through placing emphasis on studies and seminars in the area of agro-industry, the needs of the rural poor are being given high priority through the project.

An example of a program which has been proposed by a regional organization which would have significant impact on the indigenous people is the proposed resettlement of people within Rwanda and Burundi to less densely populated areas. CEPGL has been considering resettlement as part of a regional program. AID, in its assistance to CEPGL, should attempt to ensure that careful social analysis is undertaken of the potential of short- and long-term impact of support for resettlement activities, as well as other activities which have direct impact on the native population.

There are other concerns which may be highlighted when discussing the impact of regional projects on the population. First, most of the African regional organizations supported by A.I.D. were created by the better-educated, wealthier members of the population. It will be important to note in the sub-project papers whether the organization is oriented towards fortifying the elite cadre within the region, or whether its objectives clearly relate to dealing with economic and social problems which involve the majority of the population.

Another concern is the potential impact of bringing about the free movement of people throughout Africa, one of the objectives of the ECOWAS program. Difficulties might result because of language barriers, e.g., Francophone vs. Anglophone, although most Africans are multi-lingual and might learn an additional language with little trouble. Another point to be raised vis a vis the free movement of people are legal barriers which currently regulate the travel of foreigners. Identification and removal of these barriers will involve a massive effort which may be resisted by the nations involved because of the expected loss of national sovereignty.

Each of the individual sub-project papers will provide greater detail on social beneficiaries in each individual sub-project. In general,

however, AID is committed to viable efforts by Africans to bring about economic and social integration through the growth of regional organizations.

B. Environmental Analysis

Given that assistance to the individual regional organizations extended under this sub-project largely consists of pre-feasibility studies, training, workshops and seminars, there will be no discernible environmental impact of this umbrella project. However, any separate sub-activities funded through the umbrella project will be examined in terms of environmental impact in the sub-project paper.

C. Technical Analysis

The regional organizations assisted through this umbrella project will be judged through the project approval process, to be existing viable organizations whose objective it is to promote social and economic integration within a regional context. One of the main purposes of the Regional Organizations umbrella project is to build upon the organizational structure which has already been established, and to support institution-building in a manner recommended by the host country.

In attempting to determine the viability of a given organization, AID will take into consideration the criteria which have been set forth in Section II E., as well as the organization's staffing pattern, operating practices, ability to carry out the involved task, ongoing or planned activities, and the extent to which the organization is involved in substantive work. Before assistance to the organization is extended, AID will identify the mechanism within the organization which will be responsible for coordinating the sub-project activities.

In all cases, an assessment will be made to determine to what extent the assistance to the organization falls with AID guidelines. In the case of assistance for feasibility studies, an effort will be made to determine an area for study which is thought to have significant potential impact upon the indigenous rate of employment and upon the poorer segments of the population in general. Preference will be given to studies in agro-industry.

The organizations to be supported will not have 100% Sahelian membership, or have objectives which pertain solely to the Sahelian region, because of AID legislative restrictions on using funding in this area. All of the latter activities must be funded through the Office of the Sahel (AFR/SFWA). However, regional organizations may be assisted which have combined non-Sahelian and Sahelian membership. Guidance from AFR/SFWA will be given on a case-by-case basis.

Additional detailed technical analysis will be contained in the individual sub-project papers. The technical and administrative capabilities of the organization in question will be described and analyzed at that time. In the context herein, describing the umbrella project, it is possible only to consider in general the viability of the organizations to be funded through the project. Descriptions of the regional organizations being assisted, or expected to be assisted, are described in Annex A.

D. Socio-Economic Analysis

One of the greatest limitations to effective long-term economic development of African countries is their relatively small size, which places severe constraints on the developmental process. Many industries, for example, require certain economies of scale, in terms of market size or

plant size, before the most efficient productive capacity can be achieved. An organization like ECOWAS, which attempts to support the growth of regional industry and other regional endeavors, is an example of an organization which is working to overcome negative economies-of-scale. One of the most fundamental reasons for supporting African regional organizations is to help overcome some of these inefficiencies and to promote long-term development through social and economic integration.

Many of these countries have problems that are common to a few or several countries, wherein cooperative solutions represent the most sensible ones, and in which projects may be undertaken which otherwise would not be possible. For instance, in the case of river basin or lake development organizations, joint projects are advisable, given that the bodies of water flow through more than one country. Even in instances where countries have unique problems, such as a land-locked situation or lack of a particular resource, cooperative solutions may be found to the advantage of all countries.

It is expected, then, that general economic benefits will result from encouraging African attempts at regional integration, through promoting more effective economic development. The general standard of living of the population is expected to improve in the long run through regional efforts to achieve a) greater employment opportunities resulting from increased industrialization (ECOWAS and BOAD), b) higher productivity from cultivable land (Organization for the Development of the Kagera River Basin and CEPGL), c) more efficient use of indigenous sources of energy (Kagera and CEPGL), and d) slower rate of population growth (CEPGL).

One criticism which has been leveled at African regional organiza-

tions is that their functions, membership and purposes are overlapping, resulting in even greater inefficiencies than would result from individual country development efforts. Indeed, there is some overlap in African regional institutions. However, the organizations themselves are aware of this situation and are making efforts to coordinate activities. Groups of West African Regional financial institutions such as BOAD, AFDB, CEAO and ECOWAS have been meeting regularly and have ratified a Charter of Co-operation, wherein the signatories have pledged to meet at least once a year to encourage coordination of regional activities. The Secretary General of the CEAO serves as president of the organization. AID certainly should support these cooperative activities, but at the same time priority should be given to providing assistance to individual regional organizations for institution-building, studies and training. There may be some duplication of cost for AID in supporting regional organizations which overlap somewhat, but AID should be supportive of all serious efforts at African regional organization.

V. Financial Analysis

Estimated project cost to AID including dollars and L/C

Estimated life-of-project cost will be \$8,000,000. However, given the "ad hoc" nature of support to the regional organizations funded in this project, it is impossible to project accurately the cost of such assistance other than on a general level of effort basis. Assistance to each organization could be approximated as follows, based on past experience:

a) 2-3 person years advisory services years (short and long-term)	\$300,000
b) Seminars and workshops	100,000
c) Reconnaissance and feasibility studies	<u>350,000</u>
	\$750,000

This level of assistance certainly would not be required for every organization every year. Any activity which reaches a funding level of more than \$750,000 per year should be considered a discrete project and be separated from this project. Given the above estimated annual cost per organization, assistance to six organizations, if approved, would reach an annual cost by fiscal year 1982 of \$3-5 million. For purposes of the FY 81 Congressional Presentation, \$1,300,000 is estimated, with yearly increases of approximately \$500,000 as additional sub-projects are funded. Given recent interest in this umbrella project, increases indeed may be greater than have been estimated. The majority of assistance would be for foreign currency costs with about 20% estimated for African salary support and African travel. A minimum contribution from the host institution is contemplated, in addition to salary and travel of permanent organization staff. Other donor support would be substantial in most cases.

Approval Process

The approval process within AID/W will vary, depending upon the amount of annual obligation. All sub-activities with annual obligations of \$150,000 or less will be approved by the Director, AFR/RA. Any sub-projects with obligations greater than \$150,000 per year will be approved by AA/AFR. Sub-projects with annual obligations of more than \$500,000 per year will be forwarded to AFR/DR, then to AA/AFR for approval.

VI. Implementation Plan

(Administrative feasibility for sub-projects up to \$750,000 per year with implementing span until end-of-project FY 83)

Copies of the approved Support to Regional Organizations umbrella Project Paper will be distributed to all African USAIDs and REDSOs. Based upon the criteria set forth in Section III E., USAIDs or REDSOs are invited to submit sub-project papers to AFR/RA, requesting that assistance be extended to the subject regional organization.

The sub-project paper will contain more detailed information on the individual sub-project than is contained in the umbrella project paper.

The primary policy issues which would be addressed in the sub-activity documents are similar to most AID projects, and will be in accordance with requirements described in AID Handbook 3, Chapter 5. The mini-PP or sub-project paper will contain all the elements of a project paper (except the logical framework) but in a scaled-down form.

Upon receipt of the sub-project paper, AFR/RA will organize a sub-project review committee and will either forward to AA/AFR for approval (or disapproval) or provide comments by cable to the field. The cable will include suggested areas for revision, if necessary. When the sub-project paper is finally approved by AA/AFR, or by the Director of AFR/RA (in the case of projects with an annual obligation under \$150,000) the appropriate USAID or REDSO will prepare a Limited Scope Grant Agreement with the subject regional organization for obligation of funds. The USAID or REDSO will forward five (5) copies of the Agreement to AFR/RA.

AFR/RA will have responsibility for the overall management of the assistance to a sub-project, or will delegate responsibility to REDSO/EA or WA (or a USAID). AFR/RA will retain overall responsibility for coordination and relationships with AID/W. Relationships and roles played by AID versus the regional organization will be worked out on a case-by-case basis. The mode of implementation would partially depend upon the outcome of discussions with officials of the regional organization and perceived capabilities of the regional institution. In the CEPGL project, for example, AID is making available short- and long-term consultants who will be directly responsible to CEPGL. Assistance to BOAD has consisted in providing one individual who provides technical assistance to the Executive Secretary of BOAD, and who ascertains areas where pre-feasibility studies might be done. It is expected that assistance to ECOWAS will consist primarily in providing consultants with AID contract to undertake pre-

investment and pre-feasibility studies in selected areas, such as agro-industry.

Throughout the seven-year FY 79 - FY 83 life of the umbrella project, an as yet undetermined number of regional organizations will be supported. Given that assistance is to be extended on an "ad hoc" basis, the main limitations will be the designated approval level of funding, as well as the ability of the individual regional organizations to meet the criteria set forth in Section III E.

Special consideration will be given to regional organizations whose membership includes Sahelian countries. AFR/SFWA will be invited to attend sub-project review committee meetings which involve regional organizations in West African countries. At that time, it will be determined whether AFR/SFWA will become involved in sub-project funding.

VII. Evaluation Plan

Field posts, either REDSO or geographic offices, will evaluate sub-projects annually at the request of AFR/RA, using standard PES procedures as set forth in Form AID 1330-15 (A and B).

An evaluation of the overall umbrella project will be conducted by an independent evaluator at the end of the third year of implementation to determine whether:

- a) the overall purposes and outputs of the project are being achieved;
- b) modification should be incorporated into project design, and
- c) the project should continue to be implemented.

A detailed scope of work for the overall evaluator will be approved by the Project Committee.

Economic Community of West African States (ECOWAS)

The Economic Community of West African States (ECOWAS) or Communauté Economique des Etats de l'Afrique de l'Ouest (CEDEAO) was created on May 28, 1975. Sixteen West African states currently are signatories to the Treaty of ECOWAS: Benin, Guinea, Ivory Coast, Mali, Mauritania, Niger, Senegal, Togo, Upper Volta, Gambia, Ghana, Liberia, Nigeria, Sierra Leone, Cape Verde and Guinea Bissau.

ECOWAS, in its treaty, has set forth the following major goals: liberalization and regularization of trade, freedom of movement and residence, industrial development, agriculture and natural resource development, monetary and fiscal cooperation, common transport and communication policies, common energy policy, and establishment of a fund for cooperation, compensation and development. Since ECOWAS is a relatively new organization, little has actually been accomplished outside of staffing the ECOWAS Secretariat and the ECOWAS Fund, freezing tariffs at the May 28, 1979 level and commissioning a study on telecommunications. Activities in other priority areas are being planned.

Project Description

Although AID assistance to ECOWAS has not been extended formally, the U.S. supports ECOWAS objectives and is interested in offering funds for institutional support as well as studies, workshops and seminars. Priority areas for assistance are agriculture, agro-industrial development, livestock, fishing, health and human resources development. Transportation and communication may be considered if they are related to achieving human needs objectives.

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The Organization for the Development of the Kagera River Basin

The Organization for the Development of the Kagera River Basin was created in August, 1977, following discussions and implementation of studies throughout the preceding decade. Participants to the Agreement, which was ratified in February, 1978, are Rwanda, Burundi and Tanzania, with the United Nations designated as executing agency for the project.

The fundamental objective of the Organization is to fulfill the social and economic development potential of the river basin through funding pre-investment studies, as well as discrete capital investment projects. The focus of activities will be in the following areas: Agriculture, Transport and Communications, Energy and Training.

The Organization is composed of a Commission for Management and Development of the Kagera River Basin, and the Secretariat. The latter is the executive organ of the Organization and is headed by an Executive Secretary. The headquarters of the Organization are in Kigali, Rwanda, with regional offices at Bujumbura, Burundi and Bukoba, Tanzania. Member states contribute in the following proportions to the funding of the Secretariat - Burundi, 25%; Rwanda, 35 %; and Tanzania, 40%.

Project Description

The overall objective of AID's assistance to the Organization is to contribute to improved economic and social conditions in the Kagera River Basin through identifying and implementing priority areas for feasibility studies, within priority areas of AID concern, such as agro-industry. This objective will

be achieved through the cooperation of the Governments of Rwanda, Burundi and Tanzania.

The purpose of the specific project supported by AID is to develop a Program of Action for the Development of the Kagera River Basin, through providing three members of a fifteen-person Action Team which will be charged with developing and Action program for the river basin. At the First Consultative Conference of Donors in Paris on October 15-17, 1979, the community of donors and specialized agencies pointed out several deficiencies in the Organization's Action Program and suggested that a more detailed program would be required before assistance could be proffered. The Action Team to which AID is contributing will be attempting to respond to concerns expressed by the community of potential donors.

Depending upon the outcome of the Action Team's work, additional assistance will be extended to the Organization.

ANNEX A

Economic Community of the Great Lakes (CEPGL)

The Economic Community of the Great Lakes (CEPGL) was established on September 20, 1976 by the Presidents of Burundi, Rwanda and Zaire. The organization was created to improve economic conditions and to promote economic and social integration within the Lake Kivu region of Central Africa, which includes all three countries. CEPGL has as its specific objectives:

- a) to ensure the security of States and their population
- b) to plan, define, and encourage the creation and development of activities of mutual interest;
- c) to promote and increase trade and movement of person and goods;
- d) to cooperate closely in social, economic and other areas; 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 SNR was allocated to the Permanent Executive Secretariat for its operating expenses. Five technical commissions represented by the respective Ministers have been established:

- a) agriculture, natural resources and industry;
- b) commerce, finance, immigration and tourism;
- c) public works, transport and energy;
- d) social and cultural affairs; and
- e) political and judicial affairs.

Project Description

The objective of this project is to assist CEPGL in bringing

Description of the Project

The proposed project is built upon exploratory work already underway. Most of the research staff will be based at the Mbita Point Field Station. The work requires close collaboration with the Crop Borers Research Program, as well as with a number of international agriculture research centers such as IITA, ICRISAT, IRRI and WARDA. The collaboration will consist of material and information, as well as critical evaluation, on a regular basis, of each institution's research output on the ICIPE crop pest project.

The ICIPE has received AID financial support for the following specific sub-projects of its overall crop-pests program:

Bases of plant resistance to insect attack, as applied to the stem borers of cereals and pod-borers of legumes. Agronomic research on the shores of Lake Victoria, and field surveys and experimental work on farmers' fields in Western Kenya (a major growing area for sorghum, maize, rice and grain-legumes).

Project Objectives:

To the extent possible, in the project's two year time frame, the specific objectives are:

- 1) Determination of promising plant selections.
- 2) The availability of insects for testing and ecological studies relevant to specific insects.
- 3) Sound working relationships between basic support units in Nairobi and the field staff at Mbita Point.
- 4) Formal working relationships with the Government of Kenya to promote coordinated efforts in research and extension of findings to farmers.
- 5) Publication of results.

about the social and economic development of the Lake Kivu region.

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

The first stage of A.I.D. assistance to CEPGL has consisted of a short-term demographer and development planner, based at CEPGL, to be followed by longer term individuals who will conduct additional research, based upon findings of the short-term consultants.

ANNEX A

CREDIT UNION NATIONAL ASSOCIATION (CUNA) -
AFRICAN COOPERATIVE SAVINGS AND CREDIT ASSOCIATION (ACOSCA)

ACOSCA is the Pan-African apex organization for savings and credit cooperatives. Twenty-two national credit union organizations are affiliated with ACOSCA and together represent 1.4 million members of 10,000 credit unions. ACOSCA is a part of the world-wide Credit Union National Association (CUNA), which is co-recipient of the grant under the Support to Regional Organizations project.

ACOSCA was established in 1968 to provide representational and technical support to national credit union organizations in Africa. ACOSCA Headquarters is located in Nairobi, and there currently are three regional offices operating: the Southern Regional headquarters in Maseru, Lesotho; the Eastern Region based in Nairobi; and the Western Bilingual Region in Lome, Togo. In addition, ACOSCA Training centers are located in Upper Volta, Zaire and Cameroon.

AID's interest in providing support to ACOSCA stems from the recognition that the majority of Africa's credit unions require some form of support, particularly in the areas of technical guidance and training of leadership and staff prime components of this sub-project. AID has supported credit union activity since the mid-1960's and has supported ACOSCA since its founding in 1968. A new CUNA/ACOSCA project paper has recently been approved, which has placed ACOSCA under the Support to Regional Organization project.

International Center of Insect Physiology and Ecology (ICIPE)

The International Center of Insect Physiology and Ecology (ICIPE) was created in 1972 and is located in Nairobi, Kenya with a research station at Mbita Point, an island on the shores of Lake Victoria. Since its inception, ICIPE has favored a three-pronged approach to development-oriented research in Africa. The approach is: 1) to carry out research on the control of insects which most severely affect crops, livestock production and human health; 2) to provide advance training in research methodology and application of research results to graduate and post-doctoral research fellows; and 3) to increase Africa's indigenous scientific capacity. AID interest in support this organization is based on the recognition that pests afflicting cereal and grain-legume crops in the rural tropics constitute a pervasive problem in Africa which is technically very difficult to solve and which requires further research. The crux of the problem is to control the stem-borers of cereals and pod-borers of legumes, in an effective, long-term manner and at a price the rural farmer can afford. This objective requires detailed investigation into a number of carefully identified questions relevant to the design of effective integrated control strategies.

International agricultural research organizations have shown considerable interest in ICIPE, but it is not yet receiving financial support from the Consultative Group of International Agricultural Research (CGIAR). A formal application for full ICIPE membership to CGIAR was under consideration but has been rejected.

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