

PD-AAA-690-B1

AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES A.I.D. MISSION TO COSTA RICA

56p



June 1, 1976

U.S.A.I.D.

UNITED STATES EMBASSY
SAN JOSE, COSTA RICA

Mr. John C. Hammock
Executive Director
Accion International Tecnica (AITEC)
10-C Mount Auburn Street
Cambridge, Mass. 02133

Subject: Integral Rural Development
Operational Program Grant
No. 515-15-130-129

Dear Mr. Hammock:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to Accion International Tecnica (hereinafter referred to as "AITEC" or "Grantee") the sum of US\$200,000, \$100,000 of which are hereby obligated as described in Attachment A and an additional \$100,000 which will be obligated subject to the availability of AID appropriated funds in Fiscal Year 1977. The purpose of this Grant is to provide support for the elaboration and implementation of a model program of integral rural development aimed at improving the overall standard of living of the small farmer in the Hojancha/Wandayure region. This program is fully described in the attachment to this Grant entitled "Program Description".

This Grant is effective and obligation of amounts as described in Attachment A is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives for a period of two (2) years.

This Grant is made to AITEC on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A entitled "Program Description", and Attachment B entitled "Standard Provisions", which have been agreed to by your organization and, further, that an agreement, satisfactory to AID, will be established between AITEC and IFAM and/or any other appropriate national institution or agency, confirming joint cooperation and coordination in, and mutual support for, the Grant Program.

It is requested that the original of this letter and three (3) copies be signed and returned to this USAID to acknowledge your acceptance of the conditions under which these funds have been granted.

Sincerely yours,



Joe J. Sconce

AID Affairs Officer
USAID/Costa Rica

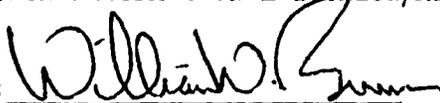
enc.

Attachments:

- A. Program Description
- E. Standard Provisions
- C. Payment Provisions
- D. Definitions
- E. AITEC OPG Proposal

Accepted:

Acción Internacional Técnica/AITEC



William W. Burrus

Title: Regional Coordinator

Date: June 2, 1976

ATTACHMENT A

PROGRAM DESCRIPTION

A. Purpose of Grant

The purpose of this Grant is to create in the Cantons of Nicoya and Hojañcha a model for integrated rural development, as described in AITEC's Operational Program Grant Proposal of May 1975, which is made a part hereof.

B. Project Objectives

1. To increase communication between local communities and government agencies.
2. To promote modification in GOCR development policies in the area by bettering the local capacity for generating and preparing projects and plans and by promoting a development strategy based on employment generation, rational land use, labor intensive technology and ecological considerations.
3. To create a model of integrated rural development which attacks the problems of: lack of credit, lack of technical assistance, lack of planning, lack of infrastructure, poorly developed industrial sector, poor housing, and lack of basic services.
4. To harmonize inter-agency planning for maximum coordination and impact; rationalize GOCR inputs to avoid policies which are duplicative, making them more responsive to the needs of small farmers and compatible with long-term ecological considerations.

C. Implementation Plan

1. Selection of target area.
2. Analysis of existing target area data.
3. Complementary research.
4. Preliminary contact with all relevant agencies at international, national and local level.
5. Initial planning.
6. Design of appropriate strategies.
7. Agency modification/approval of strategies.
8. Articulation of inputs/outputs, hypotheses.

9. Implementation of project components by respective agencies.
10. Development of controls for monitoring inputs and progress by Consejo de Desarrollo.
11. Coordination of public/private inputs.
12. Selection/training of local personnel.
13. Design, modification and implementation of evaluation system.
14. Adaptation of results for widescale use.

For funding purposes there will be two stages of implementation under this project.

1. Phase One: Year 1 - \$100,000 are hereby obligated, \$20,000 of which are available to the Grantee for use within the first 60 days of the effective date of this Grant. Actual use of funds is contingent on evidence of a signed agreement of cooperation between the Grantee and the Institute of Municipal Development and Training (IFAM), and/or any other appropriate national institution or agency.
2. Phase Two: Year 2 - In accordance with the provisions of Attachment C, the \$100,000 programmed for the second year of this Grant will be provided for the use of the Grantee when the funds become available.

D. Reporting

AITEC is to submit to AID and GOCR participating agencies a quarterly progress, physical and financial report, as well as annual and final reports. These reports are to be written in English and Spanish. Quarterly reports will be submitted within 30 days after the close of the quarter. Annual and final reports will be submitted within 45 days after the close of the period under report.

ATTACHMENT B

STANDARD PROVISIONS

a. Allowable Costs and Payment

The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this Grant which are determined by the Grant Officer to be allowable in accordance with the terms of this Grant and Subpart 15.2 of the Federal Procurement Regulations (FPR) (Principles and Procedures for use in Cost Reimbursement Type Supply and Research Contracts with Commercial Organizations) in effect on the date of this Grant. Payment of allowable costs shall be in accordance with Attachment C of this Grant.

b. Accounting, Records, and Audit

The Grantee shall maintain books, records, documents, and other evidence in accordance with the Grantee's usual accounting procedures to sufficiently substantiate charges to the Grant. The Grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives (1) until the expiration of three years from the date of termination of the program and (2) for such longer period, if any, as is required to complete an audit and to resolve all questions concerning expenditures unless written approval has been obtained from the AID Grant Officer to dispose of the records. AID follows generally accepted auditing practices in determining that there is proper accounting and use of Grant funds. The Grantee agrees to include the requirements of this clause in any subordinate agreement hereunder.

c. Refunds

(1) If use of the Grant funds results in accrual of interest to the Grantee or to any other person to whom Grantee makes such funds available in carrying out the purposes of this Grant, Grantee shall refund to AID an amount equivalent to the amount of interest accrued.

(2) Funds obligated hereunder but not disbursed to the Grantee at the time the Grant expires or is terminated, shall revert to AID, except for funds encumbered by the Grantee by a legally binding transaction applicable to this Grant. Any funds disbursed to but not expended by the Grantee at the time of expiration or termination of the Grant shall be refunded to AID.

(3) If, at any time during the life of the Grant, it is determined by AID that funds provided under the Grant have been expended for purposes not in accordance with the terms of the Grant, the Grantee shall refund such amounts to AID.

d. Equal Opportunity Employment

With regard to the employment of persons in the U.S. under this Grant, Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to race, religion, sex, color or national origin of such persons and that, in accordance with Title VI of the Civil Rights Act of 1964, when work funded by this Grant is performed in the U.S. no person shall, on the grounds of race, religion, sex, color or national origin, be excluded from participation, be denied benefits, or be subjected to discrimination. In addition, the Grantee agrees to comply in accordance with its written assurance of compliance, with the provisions of Part 209 of Chapter II, Title 22 of the Code of Federal Regulations, entitled "Non-Discrimination in Federally Assisted Programs of the Agency for International Development - Effectuation of Title VI of the Civil Rights Act of 1964".

e. Termination

This Grant may be terminated at any time, in whole or in part, by the Grant Officer upon written notice to the Grantee, whenever for any reason he shall determine that such termination is in the best interest of the Government. Upon receipt of and in accordance with such notice, the Grantee shall forthwith take immediate action to minimize all expenditures and obligations financed by this Grant, and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination, and the Grantee shall within thirty (30) calendar days after effective date of such termination repay to the Grantor all unexpended portions of funds theretofore paid by the Grantor to the Grantee which are not otherwise obligated by a legally binding transaction applicable to this Grant. Should the funds paid by the Grantor to the Grantee prior to the effective date of this termination of this Grant be insufficient to cover the Grantee's obligations pursuant to the aforementioned legally binding transaction, the Grantee may submit to the Grantor within ninety (90) calendar days after the effective date of such termination a written claim covering such obligations, and, subject to the limitations contained in this Grant, the Grant Officer shall determine the amount or amounts to be paid by the Grantor to the Grantee under such claim.

f. Officials Not to Benefit

No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this Grant or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Grant if made with a corporation for its general benefit.

g. Covenant Against Contingent Fee

The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure this Grant upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial or selling agencies maintained by the Grantee for the purpose of securing business. For breach or violation of this warranty, AID shall have the right to cancel this Grant without liability or, in its discretion, to deduct from the Grant amount, or otherwise recover, the full amount of each commission, percentage, brokerage, or contingent fee.

h. Nonliability

AID does not assume liability with respect to any claims for damages arising out of work supported by its Grants.

i. Amendment

The Grant Agreement may be amended by formal modifications to the basic grant document or by means of an exchange of letters between the AID Grant Officer and an appropriate official of the Grantee.

j. Grant Agreement

The letter to the Grantee signed by the Grant Officer, the Program Description and the Standard Provisions which have been reviewed and agreed to by the Grantee, constitute the Grant Agreement.

k. Notices

Any notice given by any of the parties hereunder, shall be sufficient only if in writing and delivered in person or sent by telegraph, cable, registered or regular mail as follows:

To the cognizant AID Grant Officer

To Grantee - At Grantee's address shown in this Grant, or to such other address as either or such parties shall designate by notice given as herein required. Notices hereunder, shall be effective when delivered in accordance with this clause or on the effective date of the notice, whichever is later.

1. Travel and Transportation

(1) The Grantee agrees to travel by the most direct and expeditious route, and to use less than first class transportation.

Scheduling and routing of official air travel:

Travelers are expected to make a conscientious effort to schedule travel to make use of American-Flag service where flexibility exists in the timing of initiation of travel. Where possible, travelers will use American-Flag airlines from origin to destination or to the furthest practicable interchange point on a direct route, consistent with scheduled connections and authorized stopovers (e.g. TDY, official rest stop). An interchange point shall not be considered practicable if it would involve a delay in excess of 6 hours.

In addition to the above, the following standards for determining acceptable routings will apply:

(a) When official travel originates, terminates, or involves authorized stopovers in the United States, and American-Flag carriers provide service on a direct route, this service must be used, unless travel on such airline(s) could not be performed in time or is otherwise incompatible with the official purpose of the travel.

(b) When the point of origin of travel is outside the United States and American-Flag carriers provide service, this service must be used, unless use of the American-Flag carrier at origin would cause the traveler to be delayed in excess of 6 hours at an interchange point or cause the total travel to be delayed in excess of 12 hours en route, or unless the mission to be performed required use of alternative foreign-flag service. When travel is interrupted for official purposes (TDY, rest stop, etc.) outside the U.S. the above standards will apply, except that the traveler need not delay initiation of travel from the point of interruption by more than 12 hours to use an American-Flag carrier.

(c) When the point of origin overseas is not served by an American-Flag airline or where use of foreign-flag airline is unavoidable en route, the foreign-flag airline may be used, but only to the nearest practicable interchange point to connect with available American-Flag service, unless the total travel would be delayed in excess of 12 hours en route by using the American-Flag carrier or the mission to be performed required greater use of the foreign-flag carrier.

(d) When air travel is performed on an indirect route, or delayed or interrupted for personal convenience (e.g. annual leave, LWOP), employees are advised to schedule their travel on American-Flag airlines, since any reduction in the amount of travel performed on American-Flag airlines as compared with that required on a direct and expeditious route will be for the personal account of the traveler.

ATTACHMENT B

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(e) When a foreign-flag airline is used for any reason, other than in those instances where no American-Flag airlines operate between any two points on a traveler's authorized itinerary, the traveler shall prepare a memorandum, stating the justification for the use of the foreign-flag airline. The justification is to be attached to the employee's travel voucher.

(f) Where no acceptable justification exists for using a foreign-flag airline over all or a part of the authorized route, or where a lesser amount of American-Flag travel occurs because of indirect or interrupted travel for personal convenience, the additional amount of foreign-flag travel is not payable by the Government.

(g) Certificated air carriers (those holding certificates under section 401 of the Federal Aviation Act of 1958, 49 U.S.C. 1371 (1970) must be used for all Government-financed commercial foreign air transportation of persons or property if service provided by those carriers is "available".

(h) Generally, passenger or freight service by a certified air carrier is "available" if the carrier can perform the commercial foreign air transportation needed by the agency and if the service will accomplish the agency's mission. Expenditures for service furnished by a noncertificated air carrier generally will be allowed only when service by a certificated air carrier or carriers was "unavailable".

(i) Passenger or freight service by a certificated air carrier is considered "available" even though:

1. comparable or a different kind of service by a non-certificated air carrier costs less, or
2. service by a noncertificated air carrier can be paid for in excess foreign currency, or
3. service by a noncertificated air carrier is preferred by the agency or traveler needing air transportation, or
4. service by a noncertificated air carrier is more convenient for the agency or traveler needing air transportation.

(j) Passenger service by a certificated air carrier will be considered to be "unavailable":

1. when the traveler, while en route, has to wait 6 hours or more to transfer to a certificated air carrier to proceed to the intended destination, or

2. when any flight by a certificated air carrier is interrupted by a stop anticipated to be 6 hours or more for refueling, reloading, repairs, etc., and no other flight by a certificated air carrier is available during the 6-hour period, or,
3. when by itself or in combination with other certificated or noncertificated air carriers (if certificated air carriers are "unavailable") it takes 12 or more hours longer from the origin airport to the destination airport to accomplish the agency's mission than would service by a noncertificated air carrier or carriers.
4. when the elapsed traveltime on a scheduled flight from origin to destination airports by non-certificated air carrier(s) is 3 hours or less, and service by certificated air carrier(s) would involve twice such scheduled traveltime.

(k) The Comptroller General will disallow any expenditures for commercial foreign air transportation on noncertificated air carriers unless there is attached to the appropriate voucher a certificate or memorandum adequately explaining why service by certificated air carriers is "unavailable".

(2) Travel allowances shall be reimbursed in accordance with the Federal Travel Regulations (FTR).

v. Regulations Governing Employees Outside the United States

(1) The Grantee's employees, when employed in work overseas, shall maintain private status and may not rely on local U.S. Government Offices or facilities for support while so engaged.

(2) The sale of personal property or automobiles by Grantee employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire AID personnel employed by the Mission, except as this may conflict with host government regulations.

(3) Other than work to be performed under this Grant for which an employee or consultant is assigned by the Grantee, no regular or short term employee or consultant of the Grantee shall engage, directly or indirectly, either in his own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which he is assigned.

(4) The Grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.

(5) On the written request of the Grant Officer or of a cognizant Mission Director, the Grantee will terminate the assignment of any individual to any work under the Grant and, as requested, will use its best efforts to cause the return to the United States of the individual from overseas or his departure from a foreign country or a particular foreign locale.

(6) Allowances for employees assigned overseas shall be reimbursed in accordance with the Federal Travel Regulations (FTR).

n. Ineligible Countries

Unless it is approved by the Grant Officer, no Grant funds will be expended in countries ineligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

o. Subordinate Agreements

The placement of subordinate agreements (e.g., leases, options, etc.), grants, or contracts with other organizations, firms or institutions and the provisions of such subordinate agreements are subject to prior written consent of the Grant Officer if they will be funded hereunder. In no event shall any such subordinate agreement, grant, or contract be on a cost-plus-a-percentage-of-cost-basis. Subordinate contractors (including suppliers) shall be selected on a competitive basis to the maximum practicable extent consistent with the obligations and requirements of this Grant.

p. Publications

(1) If it is the Grantee's intention to identify AID's contribution to any publication or audio-visual teaching material resulting from this Grant, the Grantee shall consult with AID on the nature of the acknowledgement prior to publication or distribution.

(2) The Grantee shall provide the Project Manager with one copy of all published work developed under the Grant. The Grantee shall provide the Project Manager with lists of other written work produced under the Grant.

(3) In the event Grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the Grant.

(4) The Grantee is permitted to secure copyright to any publication or film produced or composed under the Grant, provided the Grantee agrees to and does hereby grant to the Government a royalty-free, non-exclusive and irrevocable license throughout the world to use, duplicate, disclose, or dispose of such publications in any manner and for any purpose and to permit others to do so.

q. Patents

(1) Grantee agrees to notify the Grant Officer, in writing, of any inventions or discovery conceived or first actually reduced to practice in the course of or under this Grant. The Grant Officer will determine the patent rights to be afforded the Grantee in accordance with the Presidential Memorandum and Statement of Government Patent Policy 36 FR 16887.

(2) Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

r. Procurement of Equipment, Supplies, Materials and Services

(1) Except as may be specifically approved or directed in advance by the Grant Officer, or as provided in paragraphs (2) and (3) below, all equipment, materials, supplies and services the costs of which are to be attributed to this Grant and which will be financed with United States dollars shall be purchased in and shipped from the United States. In addition, for any U.S. purchase transaction in excess of \$2,500 the Grantee shall notify the seller that the item(s) must be of U.S. source and production and comply with the componentry limitations and other requirements applicable to suppliers under AID Regulation 1, and that the supplier must execute and furnish Form AID-292 "Suppliers Certificate and Agreement with the Agency for International Development".

(2) Printed or audio visual teaching materials may, to the extent necessary, be purchased outside the United States when:

(a) Effective use of the materials depends on their being in the local language, and

(b) Other funds including U.S. owned and controlled local currencies are not readily available for procurement of such material.

The order of preference as to countries in which such purchases outside the United States are made shall be:

1. The aid receiving country

2. Countries falling within AID Geographic Code 901

3. Other countries falling within AID Geographic Code 899.

AID Geographic Codes are defined in AIDPR 7-6.5201.1.

(3) Procurement in the country in which an activity is being undertaken and which are less than \$2,500 and are for materials (regularly available and normally sold on the local market) which are to be consumed or expended during the period of this Grant, are exempt from the conditions of Paragraph 1 above, provided that the origin of such materials and supplies and the component parts thereof is a free world country as described in AID Geographic Code 935.

(4) All international air shipments made by the Grantee, to be financed hereunder, shall be made on U.S. flag carriers unless such service is "unavailable" as stated in Attachment B 1,1 above. All international ocean shipments made by the Grantee, to be financed hereunder, shall be made on U.S. flag vessels. Where U.S. flag vessels are not available, or their use would result in a significant delay, the Grantee may obtain a release from this requirement from the Grant Officer, USAID, Costa Rica.

(5) The Grantee shall obtain competition to the maximum extent possible for any procurement to be financed hereunder. Procurement by the Grantee without consideration of more than one source must be approved by the Grant Officer. In no event will any procurement be on a cost-plus-a-percentage-of-cost basis. The Grantee shall take all reasonable steps necessary to insure that subgrantees procuring in accordance with Paragraph (2) obtain competition to the maximum extent possible. In addition to the foregoing, for purchases made in the United States the cost of which are to be attributed to this Grant, the Grantee shall comply with the following requirements:

To permit AID, in accordance with the Small Business Provisions of the Mutual Security Act, to give United States Small Business firms an opportunity to participate in supplying commodities and services procured under this Grant, the Grantee shall, to the maximum extent possible, provide the following information to the Office of Small Business, AID, Washington, D. C. 20523 at least 45 days prior to placing any order or contract in excess of Five Thousand (\$5,000) Dollars, except where a shorter time is requested of, and granted by the Office of Small Business:

- (a) Brief general description and quantity of commodities or services;
- (b) Closing date for receiving quotations or bids;
- (c) Address where invitations or specifications may be obtained.

(6) Funds provided under this Grant shall not be used to procure any commodity or commodity-related services furnished by any supplier whose name appears on the List of Ineligible Suppliers under AID Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing", Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be attributed to this Grant. AID will provide Grantee with this list.

s. Prohibition on Abortion Related Activities

No funds made available under this Grant will be used to support the following activities: 1) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; 2) special fees or incentives to women to coerce or motivate them to have abortions; 3) payments to persons to perform abortions or to solicit persons to undergo abortions; 4) information, education, training, or education programs that seek to promote abortion as a method of family planning.

t. Title to and Use of Property

Title to all property financed under this Grant shall vest in the Costa Rican institutions with active participation in all phases of the project. An exchange of correspondence between such institutions and the Grantee shall be sufficient for the assignment of individual units of equipment to the various institutions involved. In the following paragraphs, "Proprietor" shall mean the institution so designated as legal owner of the property.

(1) The Proprietor shall not, under any Government contract or subcontract thereunder, or any Government grant, charge for any depreciation, amortization, or use of any property title to which remains in the Proprietor under this clause.

(2) The Proprietor agrees to use and maintain the property for the purpose of the Grant, and, with the express written consent of AID, for any other purpose consistent with AID policy and programs.

(3) With respect to items having an acquisition cost of \$1,000 or more, title to which vests in the Proprietor, the Proprietor agrees to report such items to the Grant Officer from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.

u. Salaries

All salaries, wages, fees, and stipends reimbursed under this Grant shall be in accordance with the Grantee's policy and practices as reviewed and approved by the Grant Officer. In the absence of an approved policy the Grantee shall follow the regulations contained in Section 7-15.205-6 of the Agency for International Development Procurement Regulations.

ATTACHMENT C

PAYMENT PROVISIONS

A. The USAID will provide a sum not to exceed \$100,000 to AITEC to be used for the financing of the first year of this program, in accordance with the following budget:

1. Personnel Costs

.Project Manager/Coordinator (Salary, benefits) (12 man-months)	\$24,000
.Assistant Coordinator (Salary, Benefits, relocation) (12 man-months)	16,000
.Short-term international consultants	5,000
.Costa Rican counterparts (2) (salary and benefits) (24 man-months)	12,000
.Consultants in Costa Rica of varied specializations	9,000
.Secretary	<u>5,000</u>
Subtotal	\$71,000

2. Travel

.International (includes relocation costs for Resident Manager)	\$ 7,500
.Local	<u>2,000</u>
Sub-total	\$ 9,500

.Training: materials, courses, services, etc. to participating agency personnel and target population	\$ 4,500
Subtotal	<u>\$ 4,500</u>

3. Administration/Direct Costs *

.Communications	\$ 2,000
.Accounting Services/Audit	1,500
.Office Expenses, Supplies, Miscellaneous	5,000
.Equipment	3,000
.Publications	<u>3,500</u>
Subtotal	<u>\$15,000</u>

TOTAL \$100,000

* Administrative costs will be supplemented locally by goods and services provided by the L.D.C. government and collaborating agencies, principally IFAM.

- B. Upon presentation of a SF 1034 voucher, the USAID will make available to AITEC an advance of \$20,000 to enable AITEC to initiate the program.

This advance will be placed in a separate non-interest bearing bank account. After making this initial advance, USAID will reimburse AITEC an amount equal to reported allowable expenditures in order to replenish the advance fund on an imprest basis. USAID will replenish the fund on a monthly basis (or at any other agreed interval) until such time as the total reimbursements effected, added to the initial advance equals the amount of \$100,000. Thereafter, vouchers for expenditures submitted by AITEC will not be reimbursed, but will be applied as "no-pay" vouchers to liquidate the remaining outstanding advance. In the event that the amounts of subsequent vouchers are insufficient to liquidate the amount of the outstanding advance, AITEC will refund the difference to the Controller of the USAID upon request.

- C. The final voucher or "no-pay" voucher must be submitted within 30 days after the expiration or termination of this agreement.

ATTACHMENT D

DEFINITIONS

The following terms, used throughout this Grant Agreement, are defined below as they relate to this particular project:

1. "Grant Officer": The AID Affairs Officer or his designee.
2. "Local Currency": the currency of Costa Rica.
3. "AID" or "USAID": The Agency for International Development,
San Jose, Costa Rica
4. "Government": the United States Government
5. "Overseas": outside the United States



ACCION INTERNATIONAL

Teléfono 22-85-07 — Apartado 10.187 San José, Costa Rica — Cable: IFAM

OPERATING PROGRAM GRANT

submitted to USAID/COSTA RICA

PROJECT TITLE: SMALL FARMERS AND INTEGRAL RURAL DEVELOPMENT

PROJECT LOCATION: Cantones (counties) of Nandayure and Hojancha,
Costa Rica

PVO NAME: AITEC/Costa Rica
IFAM/AITEC
Apartado 10.187
San José - Costa Rica
Telephone: 22-85-07

ACCION INTERNATIONAL TECNICA (AITEC)
Division of Accion International
10-C Mt. Auburn St.
Cambridge - Mass. 02138
Telephone: (617) -492-4930

CHIEF CONTACT PERSON: Jeffrey Ashe (Costa Rica)
Dr. John C. Hancock (Cambridge)

**DATE OF SUBMISSION
TO AID:** May, 1975

TOTAL OPG REQUEST: \$200.000

TIME FRAME PROGRAM: Two years

**PROPOSED IMPLEMENTATION
DATE:** April, 1976



ACCION INTERNATIONAL

Teléfono 22-85-07 — Apartado 12.187 San José, Costa Rica — Cable: IFAM

I. Priority and Relevance

The goal of the integral rural development project is to improve the overall standard of living of the small farmer in the Hojancha/Nandayure region.

The Nicoya subregion,¹ which includes the Hojancha/Nandayure area, is one of the most depressed regions of Costa Rica. The present project should be viewed in the context of the area's problems.

The rate of population increase is a sensitive indicator of conditions in that people tend to migrate to areas where conditions are favorable, and migrate from areas where conditions are unfavorable. In the years between the censuses of 1950 and 1963 the Nicoya subregion attracted a large number of immigrants. The population increased more than sixty percent to a total of 48,314 inhabitants indicating an average increase of nearly 1,500 persons per year.

1. Includes the cantones of Nicoya, Hojancha and Nandayure; census data from 1950, 1955 and 1963 is available only for these three cantones together because at that time they were all part of the canton of Nicoya.



ACCION INTERNATIONAL

Teléfono 22-85-07 — Apartado 10.187 San José, Costa Rica — Cable: IFAM

By 1973 the area was attracting only few immigrants. Between 1963 and 1973 the population increased by only 18% to 57,142; an average increase of less than 900 persons per year. This was one of the lowest rates of population increase in the country.

One probable explanation for this dramatic decline in the rate of population increase is the deterioration of the employment situation. Of the 47 communities studied in the Nicoya sub-region (according to a comprehensive survey of rural conditions undertaken by AITEC for the Institute of Municipal Development and Training²) in 27 of these communities the perception of those interviewed was that the employment situation had worsened in the last five years. In only two communities did they perceive that the employment situation had improved. These data correspond closely to those reported in the 1973 census which indicates increasing rates of unemployment and subemployment.

The deterioration of the employment situation can be explained by two factors:

1. The expansion of the area in production to include nearly all the land of agricultural potential; this deprives those who lived by cutting down the forests of their livelihood.

-
2. By mid 1976 AITEC in coordination with IFAM will have carried out studies of basic trends and specific development needs in nearly 900 communities in 56 of the 80 cantones of the country. To date the project has published over 180 reports concerning rural development needs.
 3. For more information on this subject see: *Producción Agropecuaria, Rama de Actividad, Empleo, Ingreso, Migración Estacional, Inmigración for Hojancha and Nandayure.* AITEC/IFAM - 1975.



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2. Conversion of crop land to pastures. In the 18 years between 1955 and 1973 the area in pastures increased by 72,469 hectares while the area in permanent and annual crops declined by 9,839 hectares. Given that it requires a minimum of 40 hectares of pasture to generate one job in the agricultural sector, while the same number of hectares in basic grain production would create 10 jobs, or in vegetable production 30 jobs, this change toward pastures had a negative effect on the employment situation.

The employment situation need not be worsening; current patterns of land use are by no means optimum. According to a recent study of land use potential in the Province of Guanacaste,⁴ in the Nicoya subregion an additional 44,884 hectares could be used for vegetables, basic grains, permanent crops, and fruits. According to this study if this change in land use were made, the number of new jobs created in these cantones could absorb a rate of population increase nearly equal to that of the average projected for the country. Migration to the cities or to other rural areas could be greatly reduced. However, intensification of agricultural production requires an integrated development effort.

4. See: Guanacaste: Estudio de Desarrollo Regional, Volumen II, IFAM - 1974



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Clues as to what this integrated development program should consist of were indicated by the farmers interviewed in the IFAM/AITEC survey. They mentioned that these problems would have to be solved to achieve an accelerated rate of agricultural development:

- Lack of credit: Principally a lack of institutional sources of credit such as banks and cooperatives offer; and a lack of land titles to serve as collateral for small farmer borrowing; as well as complicated and time consuming procedures required to obtain credit.
- Lack of technical assistance: The productivity per hectare of most crops has shown little improvement in the 18 years between the 3 agricultural censuses and generally falls far below the national average. Agricultural extension services reach only the most centrally located and most easily accessible communities.
- Poorly organized marketing practices. The survey shows price variances in the 50% range among communities in the same cantones for rice and corn, two of the three major crops of the area.
- Lack of infrastructure. There is only one kilometer of gravel or asphalt road for each 3.6 square kilometers of area in production, one of the lower rates in the country; producers often cannot get their products out to market areas.



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- Poorly developed industrial sector. Industry employs less than three percent of the work force at the same time that many communities lack, and are asking for, food processing, storing and drying facilities.
- Poor housing. The subregion has one of the highest rates of deficient housing in the country; nearly one-fourth of the housing in the region should be replaced while approximately one-half needs repair.
- Lack of basic services. Fewer than 10% of the houses have electricity, while nearly 40% have no toilet or latrine.

Local organizations and municipal governments are interested in participating in development efforts and have specific projects and activities which they support.

Another factor making this a priority area for development is the large number of small and medium farmers in those cantones and the high percentage of the land they control. While in the Province of Guanacaste an average of only 21% of the land is held in farms of less than 100 ha., in Hojancha/Nandayure this percentage is 45%.

The purpose of this project, then, is to increase communication between the people of Hojancha/Nandayure and government agencies with the aim of promoting modifications in development policies and plans in the area and of creating a model of integrated rural development that would aid in resolving the above-mentioned problems and provide guidelines for the development of other rural areas of the country.



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This type of program is highly relevant to the present government's attempt to distribute services to the more remote areas of the country, to upgrade agricultural productivity, and to utilize municipal cantonal governments as a vehicle for this process of change.

This project fits well within USAID/Costa Rica's long standing and continuing efforts to assist local government development as mentioned in the DAP and financed by loans 022 - Art. VII Community Development and DINADECO loans 023 and 025 municipal development w/IFAM.



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II. Project description

AITEC will manage and coordinate a comprehensive technical assistance and planning effort in Hojancha/Nandayure. It will work with local institutions such as local development councils, and municipal governments, and take an active role in coordinating the inputs of such national institutions as IFAM, (municipal development), OFIPLAN, (national planning), DINADECO, (community development), the Ministry of Agriculture, INFOCOOP, (cooperatives) and others.

Using the information already collected by IFAM/AITEC and others as a starting point, a planning process will be carried out in coordination with local groups and national institutions. This planning process should lead to a program of investment that will tend to rationalize the use of land, promote the construction of needed infrastructure and lead to the establishment of systems for credit and technical assistance to small farmers, the improvement of marketing systems, and in general stimulate the growth and diversity of a strong agricultural sector.

This plan, developed through strong local and central government agency participation, should provide a strong focus and stimulus for development efforts in the region.



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A. Economic effects:

As the plans made through the AITEC intervention are translated into action all of the inhabitants in the area stand to benefit. It is difficult to predict the full scope of benefits at this stage, but initial efforts will probably focus on inputs which most stimulate the local economy and should therefore improve levels of income and employment. Such production-oriented projects may include: farm to market roads, supervised credit, the organization of production and marketing co-ops, and assistance in crop diversification and efficient farming. The project would also give impetus to local industries especially those which process local products.

This planning and coordination effort, as it contributes to new investment in infrastructure, services, and institutions would affect a large number of people. With its emphasis on small farm production the project should affect the poorest segment of the rural population.

B. Technical factors

AITEC's approach maximizes the use of local resources and manpower. AITEC has many years of experience working with government agencies at the local, regional and national levels.



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It has worked in politically sensitive situations and is acutely aware of socio-cultural variations. It has a history of working at the grass roots level in both rural and urban settings. AITEC has great confidence in the ability of marginal populations to help themselves.

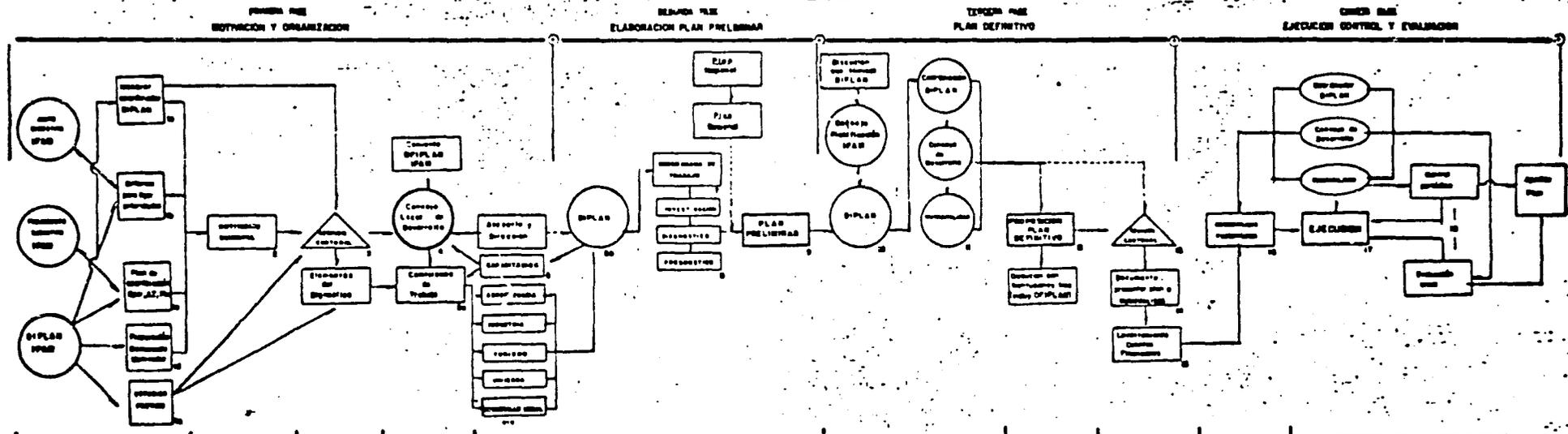
Similarly, where appropriate, AITEC will contract short term technical assistance from various organizations. Emphasis will be placed on "appropriate technology" and labor intensive strategies: consultants will be retained with a view toward these factors. VITA International, the New Alchemists, and the Tropical Science Center of San José are likely candidates for short term collaboration.

C. End of Project Conditions:

1. Anticipated results:

The clearest way to present the anticipated results of this integrated development project is through the project plan presented in the diagram on the following page. The overall goal is to improve the standard of living of the small farmer in the Hojancha/Nandayure region. This in turn should be evidenced by an increase in employment and production, an extension of basic services, the establishment of some basic infrastructure, a decrease in outmigration, and a reversal of indiscriminate land use patterns

PROCESO PLANIFICACION INTEGRAL LOCAL



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2. Institutional:

Given the process of planning and coordination carried out by AITEC, the following changes will have occurred or will at least be underway by the end of the project:

a) an institutionalized system for communication flow - up and down - will be functioning;

b) local development policies will have been modified;

c) local capacity for policies will have been modified;

d) a model will have been established and documented which will serve to transfer integrated rural development to other areas;

e) a model of development will have been developed which is directed principally at benefitting small scale producers; the model will emphasize the rational use of resources and the coordination of local and national institutional inputs.

3. Outputs:

Concrete indicators of the plan's effectiveness will be ascertained by reference to the following:

a) a minimum of 10 projects will have been undertaken in the areas of agriculture, basic services, communications, small industry and housing;

b) partial reports and one final document outlining the results of the initial study will have been published;

c) the local Consejo de Desarrollo will have been established;



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- d) a coordinated plan will have been defined;
- e) at least three national institutions (eg, IFAM, MAC, OFIPLAN, DINADECO, Asignación Familiar) will have been incorporated into the process;
- f) 100 community leaders will have been trained in the fields of local planning and evaluation;
- g) a minimum of 10 concrete projects designed to improve the standard of living for the region will have been approved;
- h) a municipal development plan for the municipality of Hojancha will have been designed and implemented;
- i) 25 local community groups will have been strengthened;
- j) 5 regional offices and agencies of the national government will have been strengthened;
- k) there will have been implemented an on-going system of evaluation.



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III AID and other relevant experience:

This proposal is the result of four years of AITEC work in Rural Costa Rica. From 1971-1973, AITEC advised the National Office of Community Development (DINADECO), helping it set up new management, training, promotional and evaluation systems. Simultaneously, major research was undertaken with DINADECO to better understand the problems of the rural sector. AITEC has provided technical assistance to the Institute for Municipal Development (IFAM), since January 1974, focusing mainly on a comprehensive socio-economic study of rural communities. These studies have begun to serve as a basis for IFAM's (and other agencies) program planning and project selection.



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An initial study of 30 cantones including Hojancha/Nandayure is now being complemented with studies on 26 additional cantones.

AITEC's efforts in Costa Rica are, therefore, integrated into the development plans and strategies of two major governmental agencies working at the local level in the rural areas.

As described in the preceding sections, this project addresses problems of serious dimension. Effective action must be taken to establish a long term rural development process which will promote the continued growth of the area. The process will not be easy, but we believe that the current trends can still be turned around. This may not be possible ten years from now.

The problems of Hojancha/Nandayure are unique but not exceptional in Costa Rica. Programs developed in these cantones will be applicable elsewhere. The potential for wide scale application does exist.

The government is concerned with the development of this region, especially since cattle prices are down and local conditions have degenerated rapidly. Governmental interest in the region is a guarantee that resources are likely to be available.



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We believe that the key variable in success or failure is the need of an objective, disinterested third party who can help the local government and private sector "get it all together". AITEC envisions itself in this role - that of a catalyst, resource broker/coordinator.

AITEC's past activities in Costa Rica and other parts of Latin America demonstrate three unique organizational abilities which are essential to the realization of this project:

1. An understanding of both the problems of the poor and of the pragmatic modus operandi for working with the low income groups.
2. A demonstrated ability to convey this understanding to service organizations which are responsible for promoting programs among the poor and to assist them in improving their delivery systems.
3. An astuteness in functioning as a "resource broker" to coordinate the activities of several agencies while monitoring overall program progress and deal with bottlenecks.



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These abilities, lead AITEC to believe it can successfully carry out this experimental rural development program.

A. Relevant AITEC Experience

1. A series of changes have occurred within the National Service of Community Development (SNDC) in Bolivia since AITEC began providing its general technical assistance in 1973. New operational procedures were introduced, including improved local, regional and national planning; more scientific evaluation will help monitor activities. The result has been a substantial increase in the impact and the quality of services provided to depressed rural communities.

AITEC also helped the SNDC better rationalize its distribution of funds for rural communities, effectively channeling community participation into economic, employment-generating projects.

2. Financed by the Ecuadorean government and various international foundations, AITEC completed a comprehensive study of the food distribution and wholesale marketing system of the Guayas Province. This provided the basis for elaborating a program to restructure the Province's wholesale distribution system.

A mixed enterprise was formed to implement the program, beginning initially with the construction of facilities valued at over \$10 million. The program will provide a higher return to the campesino, stabilize prices, and improve rural conditions generally.



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3. AITEC is currently providing technical assistance to the Provincial Government of Guayas to establish an integral rural development program. This will involve road development, small agri-business development, extended credit, and agricultural development.
4. In Recife, Brazil, AITEC promoted the creation of UNO (Uniao Nordestina de Assistencia a Pequenas Organizacoes), an organization which could substantially renovate the credit system of the deprived Northeast. Through its program of technical assistance and credit, UNO has provided the impetus for local banks to offer a portfolio of up to \$3 million for loans to poor entrepreneurs and community groups. During its first year of operations, 473 small businesses directly benefited. AITEC advises UNO in all its activities. It was instrumental in program planning, and has helped the organization develop an effective approach to labor-intensive industry, utilizing appropriate and intermediate technology.
5. ACCION/AITEC has a long history of promoting the creation of indigenous development entities in Caracas, Rio de Janeiro, Sao Paulo, Lima and Bogotá. Each of these programs is private, self-sufficient, run by nationals, and completely autonomous. Their activities vary considerably, but generally include self-help efforts of every type; leadership training; preparation of manuals and didactic materials; educational television; self-help construction; vocational training, small business development; and community infrastructure.



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ACCION/AITEC was intimately involved in every phase of these agencies' activities during the first two years, including: organizational structure and board of directors formation; staff recruitment, selection and training; design, implementation, monitoring and evaluation of internal systems for fund-raising, promotion, administration, field operations in marginal communities, training and general management.

6. Working with the Centro de Estudios Sociales in Venezuela, AITEC helped create a series of vocational centers in poor communities. These centers conduct applied research, while offering the target communities vocational orientation and job placement services. They have succeeded in developing a series of carefully documented and evaluated operational systems which have the capacity of wide scale implementation.

7. Working with the Ecuadorian government, AITEC did a comprehensive analysis of the social, economic and physical infrastructure problems of the "suburbia" slums in Guayaquil (population 400,000). The study carried out was one of the most comprehensive urban slum development studies undertaken in a Latin American city. The results, submitted in December 1974, have provided the basis for concrete action plans which could radically alter the conditions of life in the slums. It is an excellent example of integral comprehensive planning, including: nutrition and health programs to be financed by the government and UNICEF; community infrastructure projects to be financed by the Inter-American Development Bank;



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employment centers and vocational training to be financed by the Ecuadorean Government; and community development programs to be undertaken by a combination of agencies.

8. AITEC is currently assessing both the Inter-American Commission on Women of the OAS in Washington, and the Comisión Femenina Asesora a la Presidencia of the Venezuelan Government in their programs, plans and related research on the problems of women in Latin America.

B. Relevant Technical Expertise

To supplement its technical expertise in rural planning in this project, where appropriate AITEC will draw on VITA, the New Alchemists, the Tropical Science Center, the Agricultural Research Center at Turrialba, and others. Since the project will emphasize balanced growth and the use of labor intensive methods, the successful elaboration of appropriate, intermediate and low-cost technologies for small farmers and businesses will be crucial. Scientific technical data on local conditions, such as soil classification and use, water tables and irrigation possibilities, forestry resources, etc. will be needed. Information on crop development and diversification will be used.



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AITEC has already initiated contact with the above-mentioned organizations; specific arrangements will be formalized wherever appropriate.

IV. Beneficiaries

Within Costa Rica, the subregion of Nicoya is of special significance. As mentioned earlier this zone was shown to be one of the poorest and most deprived in the country. The region is characterized by a long, severe dry season, and a very wet rainy season. Until about twenty years ago, large areas were under forest, but reserves of virgin land have dropped sharply from 56% of the surface area in 1955 to 19% in 1973, an annual decrease of 2.2%. Should the trend persist, the actual reserves will be completely exhausted in just eight years.



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The result of deforestation and changes in land use has been a despoiled landscape.. Unless reforestation, soil restoration and agricultural diversity are introduced, the entire area could degenerate to a point where it would be unable to support even its current population, to say nothing of absorbing future population increase. There are already indications of depopulation, immigration from other cantones in the past five years has only been 3.2% compared to a national average of 15.1%

The proposed project will help plan the future development of this region and will hopefully succeed in arresting the negative trends of outmigration and unemployment.

This subregion was selected as the target area for two other reasons:

1. IFAM and AITEC have both already undertaken studies which provide a base for work.
2. OFIPLAN, IFAM, and the Ministry of Agriculture have had a particular interest in the complex problems of this zone. If the trends of this challenging area can be turned around, it could have a dramatic impact on other areas of the country which face similar problems.

The target population is the rural poor, the small farmers of the sub-region.

But in the final analysis, the beneficiaries will be all inhabitants of the area.



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If the process of planning and coordinating leads to increased and rationalized investment in the area, with consequent changes in the productivity of economic activities, the proposed project will have a positive impact on the socio-cultural milieu. Practically every project component will directly affect the poorest majority. A better diet will result from multi-cropping and diversification of the agricultural base. Combined with nutritional and health education programs, this will improve health, child care, and also help curb family size. Increased production, processing, and distribution of food should also directly result from the project, due to either the improvement in farming techniques or the impetus given to small business and cooperative development. Obviously, there should be a substantial impact on employment, and purchasing power. This will promote individual self-esteem and help better integrate the individual into the socio-cultural setting.

Because the project will stimulate cooperatives and community groups, it should increase the participation of residents in community affairs. Women will benefit equally to men, in that their integration into society will be augmented, once more opportunities are provided, especially if local industries are developed. The project will also improve the flow of communications between local authorities and communities, thus increasing community participation in governmental decisions.



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V. Feasibility Issues

There are several underlying hypotheses and assumptions which reflect the project's innovative nature.

1. Small farms can be made efficient. Development and increased production do not necessarily mean increased farm size. Poorer nations are usually rich in manpower, and short on capital to finance combines, tractors, etc. Greater emphasis can be placed on labor intensive farming techniques and the use of intermediate, appropriate and low-cost technology.

In order to increase production, the small farmer must have fair access to credit, fertilizer, irrigation, technical skills, etc. He must be freed from short sighted use of resources which, once depleted, cause ecological havoc and economic depression as has been the case in Hojancha/Nandayure.

The small farmer can achieve higher levels of productivity by concentrating more on the use of alternative methods and labor intensive techniques which keep overheads down and are economically feasible. He is capable of developing cropping patterns that bring high yields, conserve nutrients and moisture, and suppress pests. Expensive machinery should be used only when other alternatives are found to be wanting. Teaching the farmer improved production techniques should increase productivity and crop diversification, which will improve the variety of his diet.



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A focus on the small farmer results in an array of programs and policies which affect not only production, employment and income, but also food intake, nutrition, education and community organization.

2. Integral regional planning, as a method of improving the range of services and facilities available to the small farmer, is an important impetus to stable economic growth. Government, at least at the local level, must be supportive of the small farmer's efforts. Intermediate-level organizations must be strengthened. The availability of extension services, credit, self-help housing schemes, education, health care, recreational facilities, etc. must be improved.

Planning is essential if resources are to be utilized efficiently. This type of planning can best be undertaken at the local/regional level, working directly with those who will be involved in the implementation.

3. Carefully planned appropriate technology can contribute significantly to optimizing the perspectives for balanced regional growth.

Indigenous efforts to produce important implements, equipment and tools can be stimulated. Technology that is appropriate to the needs of the small farmer must be found. The problems caused by indiscriminately introducing new technology without regard for the overall economic, ecological, and human impact must be avoided. Natural resources must be used in a way which does not permanently deplete them.



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4. Sustained growth and prosperity depend on long range measures aimed at conserving the balance between economic growth, natural resources and socio-economic services.

Concrete projects, such as marketing facilities, roads, housing, water, and electricity, must be undertaken to increase employment and production. It is a basic concern of this proposal to provide rural services inexpensively so that dependencies are not created.

5. The small farmer can integrate himself into the wider scope of community programs.

In the end analysis, a healthy community spirit and a common sense of identification can contribute to the development task at hand. Care must be taken to educate the community without manipulating it. This will require effective community action, including the motivation of community leadership.

6. Local action can influence national governmental policy, making it responsive to felt needs.

The articulation of locally-perceived problems will flow from effective community development. The Consejo de Desarrollo will be actively involved in this process and will then serve as the conveyor belt of this information to the national agencies responsible for policy development on a regional level. DINADECO has engaged in community development work during the past several years, with commendable success. By meshing this on-going process into the planning network via the Consejo de Desarrollo, the national development agencies should be systematically feeding the local inputs into their policy making.



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7. Rural problems are sufficiently similar so that a development plan created for one specific area can be adapted for use by another area.

It is anticipated that the model which will be fashioned for Hojancha/Nandayure will be suitable for adaptation to other rural areas in Costa Rica. The emphasis in this model will be on balanced economic development and will weigh ecological considerations and long range solutions with more immediate strategies for improved employment possibilities and increased production. This model, stressing rational land use planning, will be relevant for other regions with similar geo-economic indices.

VI. Other Donor Contributions

The project would bring together the work of numerous organizations, principally: IFAM, OFIPLAN, DINADECO, MAG, INFOCOOP, the Municipalities, community associations, and other service institutions such as the Banco Popular y de Desarrollo Comunal, SNAA, etc. It is unnecessary to go into all the work which those institutions have done in rural areas. Suffice it to say that in the last few years the rural poor are receiving much more consideration; they are a priority for several government agencies.

IFAM's experience and expertise are crucial. AITEC will work closely with it from the onset. Through its "rural window project," IFAM has directed a much more conscientious effort towards the problems of the rural poor. It has undertaken studies on regional planning in Guanacaste and San Isidro de El General. These studies combined with those undertaken by AITEC have been instrumental in forming a basis for this project.



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Ever since AITEC's work with IFAM began, both organizations have been conscious that the objective of their research was to obtain the necessary information to undertake concrete action programs. It has been suggested in recent conversations that AITEC's assistance now begin to focus on one or two cantones or regions to help plan at that level. These conversations have led to the current proposal.



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VIII. Implementation Plan

As project manager and coordinator, AITEC will enter into whatever sub-contracts or special agreements are necessary to undertake the program. Work with local governmental agencies will be undertaken on the basis of special written agreements which specify respective commitments. Hopefully, VITA and other private collaborators will secure complementary funding for their components.

A substantial number of consultant man-months will be needed to put the project together. AITEC proposes a full time project manager to coordinate the technical assistance effort. This individual must be a person of broad experience, an expert in socio-economic development, and someone accomplished in public relations, governmental liaison, and work with community groups. The project manager would be complemented by a team of local experts in diverse areas of specialization and by the inputs of a series of short-term international consultants which AITEC has at its disposal.

The following general activities will be carried out: (See attached Chronogram for timing).

1. Selection of Target Areas
2. Analysis of Existing Data. Extracting relevant data from the body of research already undertaken by IFAM, AITEC, DINADECO and others.



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3. Complementary research. Once the existing data is analyzed, and in accordance with the results of the preliminary planning design, there will be a basis for deciding on other essential project-related research to be undertaken.
4. Preliminary Agency Contact. This can be initiated once AITEC's project manager is in Costa Rica. In the preliminary contact phase, the basic project concepts will be considered in depth by all potentially involved and interested agencies. These sessions will provide a basis for projecting the extent of the collaborative effort and the probable resource commitment.
5. Initial Planning. The goal of the project will initially indicate the general direction for planning efforts.
6. Design of Appropriate Strategies. Appropriate development strategies will be devised with the key collaborators. From a governmental standpoint, this activity would be best worked out through the Consejo de Desarrollo with major inputs from local organizations, IFAM, DINADECO, MAG, INFOCOOP, and others.
7. Agency Modification/Approval of Strategies. This process should span approximately six months and will overlap in part with the design of appropriate strategies.
8. Articulation of Specific Inputs, Expected Outputs and Basic Hypotheses. This will represent the model for integrated development of Hojancha/Nandayure.



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9. Implementation. Crucial to the successful implementation of diverse project components will be the establishment of communications between AITEC and the various implementing agencies. AITEC will provide any assistance needed by individual agencies. Special training and orientation courses will be organized for all counterpart personnel.
10. Monitoring Inputs and Progress. Controls will be developed to monitor progress.
11. Coordination of Inputs. AITEC accepts the responsibility for coordinating the inputs of all participating agencies.
12. Selection and Training of Personnel. AITEC will train Costa Rican counterparts. Most of these people would be paid by the USAID OPG. Training systems and manuals would be developed for subsequent widescale application.
13. Evaluation System. Due to the project's experimental nature, an on-going evaluation system will be established to measure its impact. This would be designed and ready for implementation as soon as work on individual project components has commenced.
14. Adaptation of Results. During the final project quarter, a special analysis of results will be undertaken so that appropriate adaptations and recommendations for wider scale implementation can be made.

1) Selection Target Area		<u>/////////</u>						
2) Analysis Existing Target Area Data		<u>////////////////////</u>						
3) Complementary Research		<u>////////////////////</u>						
4) Preliminary Contact all Relevant Agencies at International, National and Local Level		<u>//////////</u>						
5) Initial Planning		<u>//////////</u>						
6) Design of Appropriate Strategies		<u>////////////////////</u>						
7) Agency Modification/Approval of Strategies		<u>////////////////////</u>						
8) Articulation Inputs/Outputs, Hypotheses				<u>////////////////////</u>				
9) Implementation Project Components by Respective Agencies				<u>////////////////////</u>				
10) Development of Controls for Monitoring Inputs and Progress by Consejo de Desarrollo				<u>//////////</u>				
11) Coordination Public/Private Inputs				<u>////////////////////</u>				
12) Selection/Training of Local Personnel		<u>//////////</u>						
13) Design, Modification and Implementation of Evaluation System		<u>//////////</u>		<u>//////////</u>	<u>////</u>	<u>///</u>		<u>///</u>
14) Adaptation Results for Widescale use								<u>//////////</u>

* Project formally begins locally with arrival of resident advisor. Prior to that time, there would be only minimal start-up expenses.

PROJECT FUNDING

	<u>Operating Costs</u>	<u>Projects Costs</u>	<u>TOTAL</u>
USAID Components	\$ 200,000	\$	\$ 200,000
AITEC Component	70,495		70,495
GOCR Component	96,000	290,000	386,000
	<u>\$ 366,495</u>	<u>\$ 290,000</u>	<u>\$ 656,495</u>

A. Operating Costs

- 1) GOCR: Technical assistance operations, including value of counterpart personnel, office supplies, materials, transportation.

	<u>YEAR ONE</u>	<u>YEAR TWO</u>	<u>TOTAL</u>
IFAM	20,000	30,000	50,000
DINADECO	5,000	7,000	12,000
MAG	6,000	10,000	16,000
OFIPLAN	5,000	7,000	12,000
Municipalidad	3,000	3,000	6,000
	<u>39,000</u>	<u>57,000</u>	<u>96,000</u>

2) AITEC

a) Pre-project costs

Salaries

-50 man days at \$125/day spent on project development and preparation, AITEC resident advisor relocation process, final pre-project preparation, \$ 6,250

-Secretarial/controller 850

Travel

-One round trip Costa Rica/Boston, 7 days per diem at \$35/day 845

-Selection process: travel and per diem of three top candidates for AITEC resident 2,500

Overhead

-20% of salaries 1,250

SUBTOTAL \$11,695

	<u>YEAR ONE</u>	<u>YEAR TWO</u>	<u>TOTAL</u>
b) AITEC Life of Project Costs			
Direct Costs			
-4 man-days per month at \$125 (Executive and/or Associate Director)	\$ 6,000	\$ 6,000	\$12,000
-Secretarial, Controller Time	1,200	1,200	2,400
-Materials, Support publications, miscellaneous	500	500	1,000
-Training materials (in kind)	1,000	1,000	2,000
-Evaluation Expert (part time)	4,500	4,500	9,000
Indirect Costs			
-Overhead at 20% of salaries	16,200	16,200	32,400
	<hr/>	<hr/>	<hr/>
SUBTOTAL	\$29,400	\$29,400	\$58,800
			<hr/>
TOTAL			<u>\$70,495</u>

3) AID**a) Personnel Costs**

-Project Manager/Coordinator (salary, benefits) (12 man-months)	\$ 24,000	\$ 24,000	\$ 48,000
-Assistant Coordinator (salary, benefits, relocation) (12 man-months)	16,000	16,000	32,000
-Short term international consultants	5,000	5,000	10,000
-Costa Rican counterparts (2) (salary and benefits) (24 man-months)	12,000	12,000	24,000
-Consultants in Costa Rica of varied specializations	9,000	9,000	18,000
-Secretary	5,000	5,000	10,000
	<hr/>	<hr/>	<hr/>
SUBTOTAL	\$71,000	\$ 71,000	\$142,000

b) Travel

-International (includes relocation costs for Resident Manager)	7,500	7,500	15,000
-Local	2,000	2,000	4,000
	<hr/>	<hr/>	<hr/>
SUBTOTAL	9,500	9,500	19,000

	<u>YEAR ONE</u>	<u>YEAR TWO</u>	<u>TOTAL</u>
c) Training: materials, courses, services, etc. to participating agency personnel and target population.	\$4,500	\$4,500	\$9,000
SUBTOTAL	\$4,500	\$4,500	\$9,000
d) Administration/Direct Costs*			
-Communications	\$ 2,000	\$ 2,000	\$ 4,000
-Accounting Services/Audit	1,500	1,500	3,000
-Office Expenses, supplies, miscellaneous	5,000	5,000	10,000
-Equipment	3,000	3,000	6,000
-Publications	3,500	3,500	7,000
SUBTOTAL	\$15,000	\$15,000	\$30,000
TOTAL	<u>\$100,000</u>	<u>\$100,000</u>	
TOTAL BUDGET FOR TWO YEARS			<u>\$200,000</u>

*Administrative costs will be supplemented locally by goods and services provided by the L.D.C. government and collaborating agencies, principally IFAM.

B. Concrete Projects Costs

IFAM	\$ 30,000	\$ 40,000	\$ 70,000
DINADECO	20,000	30,000	50,000
MAG	15,000	35,000	50,000
OFIPLAN	15,000	25,000	40,000
Min. Industria		30,000	30,000
Municipality		20,000	20,000
Communities	10,000	20,000	30,000
TOTAL	\$90,000	\$200,000	\$290,000

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: _____
From FY _____ to FY _____
Total U.S. Funding _____
Date Prepared: _____

Project Title & Number: _____

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose: (B-1)</p> <ol style="list-style-type: none"> To increase communication between local communities and government agencies. To promote modification in GOCR development policies in the area by bettering the local capacity for generating and preparing projects and plans and by promoting a development strategy based on employment generation, rational land use, labor intensive technology and ecological considerations. To create a model of integrated rural development which attacks the problems of: lack of credit, lack of technical assistance, lack of planning, lack of infrastructure, poorly developed industrial sector, poor housing, and lack of basic services. To harmonize inter-agency planning for maximum coordination and impact; rationalize GOCR inputs to avoid policies which are duplicative, making them more responsive to the needs of small farmers and compatible with long term ecological considerations. 	<p>Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2)</p> <ol style="list-style-type: none"> An institutionalized system for communication flow (up and down) will be functioning. GOCR local development policies in the area will have been modified. Based on new priorities, a minimum of 10 projects will have been undertaken in the areas of agriculture, basic services, communications, small industry and housing. Local capacity for generating projects and plans will have been increased. A model will have been established and documented which will serve to transfer integrated rural development to other areas. A rational plan coordinating agency inputs will be in operation. 	<p>(B-3)</p> <ol style="list-style-type: none"> AITEC/AID/GOCR reports. Observation by AID, GOCR and AITEC personnel. Reports of local groups and agencies. Formal evaluative reports. 	<p>Assumptions for achieving purpose: (B-4)</p> <ol style="list-style-type: none"> That programs are not coordinated due to a lack of information. That national government policy can be modified by local action. That the government agencies will (albeit slowly) accept the development strategy implicit in the purposes. That government agencies will accept the local planning agency. That citizens can know what their problems are and can organize themselves and help solve their own problems. That rural problems are sufficiently similar so that a development plan created for one specific area can be adopted for use by another area. That economic improvement and long term ecological balance are compatible. That lack of planning at the local level is a key bottleneck to improving living conditions in the area.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: _____
From FY _____ to FY _____
Total U.S. Funding _____
Date Prepared: _____

AID 1020-20 (11-72)
SUPPLEMENT 1

Project Title & Number: _____

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NARRATIVE SUMMARY

OBJECTIVELY VERIFIABLE INDICATORS

MEANS OF VERIFICATION

IMPORTANT ASSUMPTIONS

Project Outputs: (C-1)

Magnitude of Outputs: (C-2)

(C-3)

Assumptions for achieving outputs: (C-4)

1. Analyze in depth the socio-economic reality of Hojancha/Nandayure; publication and promulgation of the information.
2. To provide technical assistance in the formation of local group for planning, coordination of activities and execution of plan.
3. Coordination with national institutions which are involved in the local planning process.
4. Provide technical assistance in the definition of action policies and programs for local development.
5. Training technical workers, politicians and leaders of local groups in techniques of planning and evaluation.
6. Technical assistance in the execution of concrete projects in some of the following fields: agriculture, basic services, transportation, communication, housing, industry and business, and training.
7. Technical assistance to municipal government, so as to strengthen it as a development agency.
8. Give technical assistance to local community groups as well as regional offices and agencies of the government.
9. Establish a project evaluation system.

1. Publication of partial reports and of one final document outlining results of initial study.
2. Establishment of local Consejo de Desarrollo; definition of coordinated plan.
3. Incorporation of at least three national institutions into process (most probably IFAM, MAG, OFIPLAN, DINACECO and Asignacion Familiar).
4. Training of 100 community leaders in local planning and evaluation.
5. A minimum of 10 concrete projects which improve the standard of living in the area.
6. Design and implementation of a plan for municipal development in municipality of Hojancha.
7. 25 local community groups strengthened.
8. Five regional offices and agencies of the government strengthened.
9. An on-going evaluation system in operation.

1. Field visits and evaluations by AITEC, AID, and GOCR.
2. AITEC reports.
3. Local agency documents.

1. That local agencies and people are receptive to the project and to AITEC.
2. That specific agreements can be reached with national agencies for the support of this project.
3. That local groups and agencies are open to training and technical assistance.
4. That evaluation is accepted by all participating agencies.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: _____
From FY _____ to FY _____
Total U.S. Funding _____
Date Prepared: _____

AID 102000 11-72
SUPPLEMENT 1

Project Title & Number: _____

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NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Input: (D-1)</p> <ol style="list-style-type: none"> \$200,000 O.P.G. grant by AID. \$70,496 from AITEC for project preparation. \$386,000 from GOCR for operating and project costs, including personnel, supplies, transportation, equipment; etc. 	<p>Implementation Target (Type and Quantity) (D-2)</p> <ol style="list-style-type: none"> See attached budget and implementation plan. 	<p>(D-3)</p> <ol style="list-style-type: none"> Audit reports. Evaluation reports by AITEC, AID/Costa Rica and GOCR agencies. <p><u>B.O.P.S.</u></p> <ol style="list-style-type: none"> No local planning organization exists and no assistance is given to integrated local planning. There exists a lack of coordination of agencies at the local level. In-depth knowledge of the area is not available. There is a very low level of knowledge of planning and evaluation at the local level. There is no integrated system of technical assistance to development projects. There is no rational plan or defined policy for local development. Local organizations, including municipalities, community organizations and local representatives of national offices are not assisted in a coordinated way. There is no evaluation system. 	<p>Assumptions for providing inputs: (D-4)</p> <ol style="list-style-type: none"> That AID approve the O.P.G. funds. That AITEC private sector funding maintain its past level. That GOCR agencies honor commitments established for two-year period. This assumes continued GOCR support of project.

COSTA RICA: NICOYA PENINSULA



Designated AITEC Project Area

(outlined in red)