PDAAB-136-A1

5240112-C4

AID 1380-1 (7-71)

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

PIO/T

PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES

1. Cooperating Country: NICARAGUA — Page 1 of 7 Pages

2. PIO/T No.: 524-112-3-50030

3. ☒ Original or Amendment No.

4. Project/Activity No. and Title: CARE Pilot Irrigation Project 524-15-120-112

DISTRIBUTION

5. Appropriation Symbol: 72-11X1023

6.A. Allotment Symbol and Charge: 402-50-524-00-69-51

6.B. Funds Allotted for: ☐ A.I.D./W ☒ Mission

7. Obligation Status: ☒ Administrative Reservation ☐ Implementing Document

8. Funding Period (Mo., Day, Yr.): From 6/25/75 To 12/31/76

9.A. Services to Start (Mo., Day, Yr.): Between 6/25/75 and 8/25/75

9.B. Completion date of Services (Mo., Day, Yr.): 12/31/76

10.A. Type of Action: ☐ A.I.D. Contract ☐ Cooperating Country Contract ☐ Participating Agency Service Agreement ☐ Other — Specific support Grant for a PVO OPG

10.B. Authorized Agent: USAID/Nicaragua

Estimated Financing $1.00=		(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
11. Maximum A.I.D. Financing	A. Dollars		100,000		100,000
	B. U.S.-Owned Local Currency				
12. Cooperating Country Contributions	A. Counterpart				
	B. Other		41,270*		41,270*

13. Mission References: CARE OPG proposal dated 4/24/75 STATE 124092, Managua 2229, STATE 142338, Managua 2407.

14. Instructions to Authorized Agent: *C.C. contribution shown is exclusive of land and CARE resources.
The Grant Officer is requested to negotiate with CARE the terms of a specific Support Grant agreement, as defined in Chapter 4 of AID Handbook 13, to make available to CARE funds for the Operational Program Grant approved by AID/W in STATE Telegram 142388 dated June 18, 1975.

15. Clearances — Show Office Symbol, Signature and Date for all Necessary Clearances.

A. The specifications in the scope of work are technically adequate: J. O. Philpott, DVP

B. Funds for the services requested are available: R. F. Harger, CONT

C. The scope of work lies within the purview of the initiating and approved Agency Programs: J. O. Philpott, DVP

D. R. Hughes, RDO

E. J. Habron, ENGR

F. H. T. Potter, C&S

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to.
Signature and date:
Title:

17. For the Agency for International Development
Signature: Emerson J. Melaven
Title: Acting Director

18. Date of Signature: June 26, 1975

PROGRAM DESCRIPTION

A. Purpose of Grant:

The purpose of this grant is to finance the installation of a three-stage irrigation project and related housing, utilities and community facilities, to benefit the small farmers and their families at Colonia Angelica de Schick, an agrarian reform colony sponsored by the Instituto Agrario de Nicaragua (IAN). A further purpose of this grant is to dem nstrate the viability of providing credit for cooperative groups to install irrigation systems and enable IAN and CARE to carry out similar projects in the future.

B. Specific Objectives:

The specific objectives of this Grant are as follows:

1. To increase, by means of irrigation systems and technical assistance, both the number of harvests and the amount harvested by lower income farmers comprising the colony of Angelica de Schick.

2. To increase, as a concomitant of the above, the annual income per family for the lower income farmers who will benefit from the proposed irrigation system.

3. To establish a CARE/IAN revolving account which will be financed by repayments made by the beneficiaries of the irrigation system. The revolving account will be used to finance other similar projects in the future as agreed by CARE and IAN.

C. Implementation:

To achieve the above objectives, the Grantee shall carry out the following activities with funds provided by this Grant:

1. With respect to the irrigation system Grantee shall:

a) Work with IAN and the Israeli Mission to complete detailed technical designs and specific action plans for the installation and operation of the proposed three-stage irrigation system at the Angelica de Schick Colony.

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FORM SYMBOL	TITLE OF FORM PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	1. Cooperating Country Nicaragua	2.a. Code No. 524-112-3-50030
		2.b. Effective Date	2.c. [X] Original OR Amendment No.
		3. Project/Activity No. and Title CARE Pilot Irrigatinn Project 524-15-120-112	

Indicate block numbers.

Use this form to complete the information required in any block of a PIO or PA/PR form.

b) Upon completion of technical designs and specifications, initiate action to procure the required equipment and materials and arrange for well drilling and ancillary services and for the installation of the equipment at the project site. Procurement of the equipment, materials and services required shall be in accordance with the provisions related to procurement contained in Attachment B of this Grant.

c) Assure that provision is made by IAN for the adequate operation and maintenance of the irrigation system and related equipment. This would include the training of personnel and the provision of sufficient tools and spare parts to minimize down time and damage to the equipment financed by this Grant.

d) Supervise, to the extent necessary, the installation and initial operation and maintenance of the system.

e) Assure that the electrical installation necessary to operate project pumping stations is provided on a timely basis by ENALUF.

2. With respect to the Population Center, Grantee shall:

a) Work with IAN and the colonists themselves to assure that the colonists are involved to the maximum extent feasible in the planning and implementation of the social and agricultural aspects of the project.

b) Work with IAN and CEPAD to assure the timely construction of adequate housing at the population center.

c) Coordinate with IAN and other GON agencies (e.g., Ministry of Health, Ministry of Education, etc.) to assure that adequate community, health, education and other services are provided for the colonists.

d) Work with IAN and other agencies, as necessary, to install the planned potable water and domestic electrical systems on a timely basis.

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FORM NUMBER	TITLE OF FORM: PROJECT IMPLEMENTATION ORDER TECHNICAL SERVICES	1. Cooperating Country: Nicaragua	2a. Code No.: 524-112-3-50030
		2b. Effective Date	2c. ☒ Original CS Amendment No.
		3. Project/Activity No. and Title: CARE Pilot Irrigation Project 524-15-120-112	

Indicate block numbers.

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e) Exert its best efforts to assure that planned promotional and community training activities, particularly those involving women colonists, are implemented on a timely basis by the GON agencies responsible for them.

3. With respect to crops and agricultural production, Grantee shall:

a) Work with IAN and, to the extent necessary, directly with the colonists themselves to assure that an adequately functioning cooperative organization is operating at the project site. Such an organization should be operated by adequately trained personnel, preferably selected from among the colonists. The cooperative should be capable of obtaining and distributing to the colonists in a timely fashion the seeds, fertilizers, insecticides and other factors of production necessary to grow and harvest the crops grown at the project site.

b) Exert its best efforts to assure that adequate and timely cropping plans are formulated and agreed to by the colonists and that provision is made for the supervision and coordination of their work during the planting, growing and harvesting of agreed to crops.

c) Work with IAN to assure that the Colony's agriculture production is purchased on a timely basis at not less than prevailing market prices.

d) Exert its best efforts to assure that the distribution of profits to the members of the colony is accomplished on a predetermined equitable basis that has been agreed to by the colonists.

4. With respect to the Revolving Account, Grantee shall:

a) Supervise the establishment of a revolving account into which the colonists will repay the cost of the irrigation system, potable water system and community electrical system. This will include the formulation of procedures and controls for both collections and disbursements.

b) Enter into an agreement with IAN under which IAN will require the participating colonists to sign binding repayment agreements that will include the following terms:

i. Repayment for the irrigation system will begin after a two-year grace period measured from the date work is completed on each stage of the irrigation system and will extend over a ten (10) year period.

ii. Interest will be at the rate of 8% per annum on the outstanding balance and will be payable during the grace period as well as the repayment period.

iii. On or before July 31, 1979, the interest rate shall be reviewed by IAN and CARE and adjusted upward if it appears that the purchasing power of the revolving account is being eroded by the effects of continuing inflation.

iv. In case of a net loss on agricultural production during a year, the payment of both principal and interest shall be postponed.

c) Work with IAN and the colonists to establish user charges or tariffs for water and electricity that will be applied on an equitable basis to those colonists benefiting from the two systems. Such charges or tariffs shall be adequate to cover operating costs for the respective systems, depreciation and amortization and interest as specified in b), i, ii, and iii above.

d) Assure that colonists are fully instructed as to their rights and obligations with respect to the repayment agreements they sign.

e) Work with IAN to establish rules and criteria for the selection, development, approval and implementation of future projects to be financed by the Revolving Account. Grantee shall provide AID with a written description of such rules and criteria prior to the approval of any such project.

D. Reporting:

1. Grantee shall submit to AID within fifteen (15) calendar days after the end of each calendar quarter during the life of this Grant, a report summarizing activities undertaken during the preceeding three (3) months and progress achieved toward project objectives. Such reports shall be in the English language and shall be submitted in seven copies.

2. Grantee shall submit on a monthly, quarterly or other agreed basis, the fiscal reports required by Attachment C to this Grant Agreement.

E. Budget

The funds provided herein shall be used to finance the following items:

	Estimated Budget 6/29/75-6/30/76	Proposed Budget 7/1/76-6/30/77
1. Well drilling, pumps, motors and related equipment and services	36,480	46,000
2. Irrigation systems (pipe, connections, valves and sprinklers) and related services	29,693	41,023
3. Electrical installation to project site	13,850	
4. Community electrical system	4,500	3,500
5. Community potable water system	8,500	2,500
6. Sub-total---Direct Costs	93,023	93,023
7. CARE Overhead (at 7.5% of direct costs)	6,977	6,977
8. Total Budget	100,000	100,000

The Grantee may not exceed the total amount of the Estimated Budget. Adjustments among the line items are unrestricted. The amounts shown for the Proposed Budget are illustrative only and the obligation of funds for such costs is subject to the availability of funds in future U.S. Government Fiscal Years.

AID 1200-1 (7-69)

CONTINUATION SHEET

FORM STRICTLY

DEPARTMENT OF STATE
AGENCY FOR
INTERNATIONAL DEVELOPMENT

TITLE OF FORM

PROJECT IMPLEMENTATION
ORDER/TECHNICAL SERVICES

☐ Worksheet ☒ Issuance

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1. Cooperating Country
Nicaragua

2.a. Code No.
524-112-3-50030

2.b. Effective Date

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Indicate block numbers.

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F. Special Provisions*

1. Prior to disbursement of funds under this grant agreement, AID will consult with appropriate personnel of CARE and IAN and with the colonists themselves to determine that the colonists directly involved in the project accept the concepts of the project, e.g. to farm collectively; have profits distributed on the basis of land holdings, labor inputs or other criteria and that the colonists are not unduly pressured to move to the population center.

2. Prior to disbursement of funds hereunder, but in no event later than 30 days after signing this Grant Agreement, Grantee shall submit an evaluation plan acceptable to AID that will be used as the basis for future evaluation of the progress and success of this project. It is anticipated that this evaluation plan will be prepared jointly by CARE and IAN and that it will have the full agreement of both organizations.

3. During implementation of the project, CARE will assure that, to the maximum extent possible, the techniques needed to carry out similar projects are institutionalized in IAN.

4. Repayments from other existing smaller scale irrigation projects jointly initiated in the past by IAN and CARE will be paid into the Revolving Account established by this Grant. Funds provided by such repayments shall thereafter be subject to the same procedures, controls, rules and criteria as repayments generated through activities financed by this grant.

5. Grantee agrees to allocate from its own resources a minimum of U.S.$20,000 for direct project costs during the two-year period commencing with the signing of this Grant Agreement.

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* To be included as Attachment D to the Grant Agreement.