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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

BOLIVIA

PROJECT PAPER

RURAL ELECTRIFICATION MANAGEMENT

AID/LAC/P-79-21 Project Number:511-0534

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT PAPER FACESHEET

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9. ESTIMATED DATE OF OBLIGATION: A. INITIAL FY 79; B. QUARTER 4 (Enter 1, 2, 3, or 4); C. FINAL FY 80

10. ESTIMATED COSTS ($000 OR EQUIVALENT $1 –)

A. FUNDING SOURCE	FIRST FY B. FX	FIRST FY C. L/C	FIRST FY D. TOTAL	LIFE OF PROJECT E. FX	LIFE OF PROJECT F. L/C	LIFE OF PROJECT G. TOTAL
AID APPROPRIATED TOTAL						
(GRANT)	(20)	(–)	(20)	(180)	(20)	(200)
(LOAN)	( )	( )	( )	( )	( )	( )
OTHER U.S. 1.						
OTHER U.S. 2.						
HOST COUNTRY		5	5	–	70	70
OTHER DONOR(S)						
TOTALS	20	5	25	180	90	270

11. PROPOSED BUDGET APPROPRIATED FUNDS ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE C. GRANT	PRIMARY TECH. CODE D. LOAN	E. 1ST FY 79 F. GRANT	E. 1ST FY 79 G. LOAN	H. 2ND FY 80 I. GRANT	H. 2ND FY 80 J. LOAN	K. 3RD FY ___ L. GRANT	K. 3RD FY ___ M. LOAN
(1) FN	300	390	–	20	–	180	–		
(2)									
(3)									
(4)									
			TOTALS	20		180			

A. APPROPRIATION	N. 4TH FY ___ O. GRANT	N. 4TH FY ___ P. LOAN	Q. 5TH FY ___ R. GRANT	Q. 5TH FY ___ S. LOAN	LIFE OF PROJECT T. GRANT	LIFE OF PROJECT U. LOAN
(1) FN					200	–
(2)						
(3)						
(4)						
TOTALS					200	

12. IN-DEPTH EVALUATION SCHEDULED: MM 09 YY 81

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

[1] 1 = NO, 2 = YES

14. ORIGINATING OFFICE CLEARANCE

SIGNATURE

TITLE: Abe M. Reña
Director, USAID Bolivia

DATE SIGNED: MM DD YY

15. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

AID 1330-4 (3-78)

UNITED STATES AID MISSION to BOLIVI.
c/o American Embassy
La Paz, Bolivia

USAID - BOLIVIA
APO MIAMI 34032

Telephones: 50120, 50251
Casilla 673
La Paz, Bolivia

PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS

Name of Country: Bolivia
Name of Project: Rural Electrification Management
Project Number : 511-0534

Pursuant to Part I, Chapter 1, Section 103 of the Foreign Assistance Act of 1961, as amended, and delegations of authority thereunder, I hereby authorize a grant ("Grant") to the Empresa Nacional de Electricidad ("ENDE"), a publicly owned Bolivian power company, in an amount not to exceed Twenty Thousand United States Dollars ($20,000) to help in financing certain foreign exchange and local currency costs of goods and services required for the project described in the following sentences. The project will assist two rural electric cooperatives (CORELPAZ and CEY) to improve their management, operations and financial viability, to become self sustaining, and to provide service at reasonable rates for rural users. The project will also design a special program for ENDE and seven rural electric entities (CRE, ELFEC, CESSA, SEPSA, SETAR, CEY and CORELPAZ) to promote the safe, productive and efficient use of electricity by rural families who benefit from electric service provided under the first and second phases of the A.I.D. rural electrification program ("Project").

I approve the total level of A.I.D. appropriated funding planned for this Project of not to exceed Two Hundred Thousand United States Dollars ($200,000) of Grant funding, including the funding authorized above, during the period FY 1979 through FY 1981. I approve further increments during that period of Grant funding up to $180,000, subject to the availability of funds in accordance with A.I.D. allotment procedures.

I hereby authorize the initiation of negotiation and execution of the Project Grant Agreement by the officer to whom such authority has been delegated in accordance with A.I.D. regulations and delegations of authority, subject to the following essential terms and covenants and major conditions as A.I.D. may deem appropriate:

A. Source and Origin of Goods and Services

Except for ocean shipping, goods and services financed by A.I.D. under the Grant shall have their source and origin in Bolivia or the United States (Code 000 of the A.I.D. Geographic Code Book), except as A.I.D. may otherwise agree in writing. Ocean shipping financed under the Grant shall be procured only in the United States (Code 000), except as A.I.D. may otherwise agree in writing.

Abe M. Peña
Mission Director

Date

Drafted by:
RLA:TLGeiger 9/6/79
Clearances:
DR:JPBittner
CON:MLVanDoren
ETD:RDAdams
DPE:HRHandler
A/DD:DAChaij

TABLE OF CONTENTS

		Page
I.	FACESHEET	
II.	PROJECT BACKGROUND AND DESCRIPTION	1
	A. Introduction	1
	B. Project Purpose and Beneficiaries	2
	C. Project Background	2
	D. Project Description	4
III.	FINANCIAL PLAN AND BUDGET	7
	A. USAID Contribution	7
	B. GOB Contribution	7
	C. Financial Plan	8
	D. Budget	8
IV.	IMPLEMENTATION	8
	A. Implementation Plan	8
	B. Schedule of Major Events	9
	C. Procurement Contracting and Disbursement Procedures	9
	D. USAID Monitoring Requirements	
V.	EVALUATION PLAN	
VI.	CONDITIONS, COVENANTS AND NEGOTIATING STATUS	13
	A. Conditions Precedent to Disbursement	13
	B. Special Covenants	14
	C. Negotiating Status	14

ANNEXES

A. Letter of Application
B. Project Authorization
C. Waiver for Non-Competitive Procurement
D. Log Frame
E. I.E.E. Determination

LIST OF ABBREVIATIONS

AID	Agency for International Development
CESSA	Electrical Cooperative of Sucre, S.A.
CEY	Yungas Electrical Cooperative
CORELPAZ	La Paz Rural Electrical Cooperative
CRE	Rural Electrification Cooperative (Santa Cruz)
ELFEC	Cochabamba Light and Power Company
ENDE	National Electric Enterprise
GOB	Government of Bolivia
IDB	Inter-American Development Bank
INER	Rural National Electrification Institute
NRECA	National Rural Electrification Cooperative Association
SEPSA	Potosi Electrical Service, S.A.
SETAR	Tarija Electrical Service, S.A.
USAID	United States Agency for International Development

I. FACESHEET

II. PROJECT BACKGROUND AND DESCRIPTION

A. Introduction

This project has been developed as a result of AID's Rural Electrification Loans 511-L/T-046 and 511-L/T-049. The project, consisting of technical assistance in the areas of rural electric cooperative management and promotion of productive use of electricity, is based on needs identified in the Project Paper for AID's Rural Electrification II Loan No.511-L/T-049. 1/ They are:

"A training plan for the employees of the participating sub-borrowers and a time-phased plan for the acquisition of the additional staff necessary to enable these institutions to operate and maintain their respective subproject facilities in an efficient manner".

"A detailed description of a promotion plan to attract rural consumers (including instruction in the potential benefits and use of electricity) to be implemented by the various sub-borrowers (under the project)".

Because of administrative and construction delays, two of the rural electric cooperatives established under loan 049 were not yet functioning at the time that the bulk of the technical assistance was provided to the other participating electric utilities and cooperatives. Thus, these two cooperatives did not receive the training necessary to operate and maintain adequately their respective facilities. Also, due to project delays, none of the seven sub-borrowers under the 046 and 049 Rural Electrification Loans received timely and adequate assistance to develop and implement a program for promoting the productive uses of electricity. This type of promotional activity is required because the majority of the recipients of electric services, who live in isolated rural areas, have had no previous experience with electricity in their homes, and thus no awareness of its potential uses or dangers. This grant to ENDE will correct these two deficiencies, in an otherwise successful USAID rural electrification program, by funding the cost of additional technical assistance to ENDE and the seven participating electric utilities and cooperatives.

As per Handbook 3 guidelines for projects with life-of-project costs of under $200,000 (see HB 3, Chapter 632), and due to the fact that sufficient documentation exists in all three Project Papers developed

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1/ Rural Electrification II Project Paper, page 64.

for AID's Rural Electrification Program, this project paper will concentrate its emphasis on the programmatic implementation and financial planning of the $200,000 grant with the understanding that the detailed technical, social, and economic analyses found in the three previous Rural Electrification Project Papers will suffice as documented evidence of Mission research of these parts of the project development. The Mission justifies this approach since the goals and purposes of the grant are identical to those for the other two projects with the only distinction being that the grant provides for development of administrative and maintenance programs which were programmed under the two loans, but due to time and monetary constraints could not be completely implemented during the life of the loan projects. Additionally, it supports the development of a complimentary program to educate potential, rural consumers of electrical services as to the productive uses of electricity in their rural communities and its potential positive financial impact, as well as the safety precautions which must be taken with electric power. The Mission believes that this relatively modest additional investment will provide a very large increase in benefits to rural consumers of electric power, and thus is important in helping to reach the project goal.

B. Project Purpose and Beneficiaries

The goal of this project is to increase the standard of living in rural areas by providing high quality, dependable electric service to the rural populace at the lowest possible cost. To attain this higher standard of living, this project has as its purpose the strengthening of the management of two recently formed rural electric cooperatives in the Department of La Paz, namely the La Paz Rural Electric Cooperative (CORELPAZ), and the Yungas Electric Cooperative (CEY). Through better management, operational ability and financial viability, the two cooperatives will be self-sustaining and able to provide electricity at rates that rural users can afford. A secondary purpose of this project is to design a special rural development program concerning the productive uses of electricity for the approximately 50,000 rural families who are beneficiaries of reliable full-time electrical service which is a result of two AID financed, rural electrification projects.

The primary beneficiaries of this grant will be the two rural electric cooperatives in the Department of La Paz, namely the La Paz Rural Electric Cooperative (CORELPAZ), and the Yungas Electric Cooperative (CEY), as well as the rural poor provided electric service under the 511-L/T-046 and 511-L/T-049 projects.

C. Project Background

Funding for large-scale rural electrification in Bolivia was begun in 1973 when the Government of Bolivia (GOB) and the United States Agency for International Development (USAID)signed the 511-L/T-046 loan

agreement. This agreement provided for the expansion of the existing electric systems of Rural Electric Cooperative (CRE) and Cochabamba Light and Power Company (ELFEC) into the rural areas of Santa Cruz and the Cochabamba valley, respectively.

Loan agreement 511-L/T-049 signed in 1974 expanded the systems of Electric Cooperative of Sucre, S.A. (CESSA), Potosí Electrical Service, S.A. (SEPSA) and Tarija Electrical Service, S.A. (SETAR) in the respective rural areas of Sucre, Potosí and Tarija and provided for the construction of two new electric systems in the Department of La Paz, which were to be administrated by the National Institute for Rural Electrification (INER). However, after review of initial implementation of the project, it was necessary to eliminate INER as sub-borrower and administrator of the two La Paz subprojects, and to create two new rural electric cooperatives to replace INER. This course of action was taken because of INER's ineffectiveness in the management and implementation of the initial phases of the two subprojects in La Paz Department. For these same reasons it was decided that INER could not be reasonably expected to adequately carry-out subsequent operation and administration of these two electrical cooperatives, which was of even more critical nature. Consequently, the two new rural electric cooperatives, CORELPAZ and CEY were formed, and in mid-1978 sub-borrower functions and responsibilities were transferred from INER to them, with ENDE agreeing to provide the technical and managerial assistance required.

The two cooperatives are now adequately staffed and trained for their role in project construction, but will require additional training and staff in order to administer, operate and maintain the systems as they enter the operational phase. Current staff will require additional training and technical assistance in order to assume these new operational responsibilities,and the new staff to be hired will also require training in these same aspects.

When current construction is completed in early 1980, the two cooperatives must be fully operational and capable of serving over 9,000 customers. It is expected that this number will increase rapidly to over 20,000 customers under a planned expansion program to be financed by the IDB.

In the CORELPAZ area, there has been no electric service of a dependable nature until this project was begun. The area has had little development until recent years, but there are now good prospects as a newly paved highway should increase trade and communication. The availability of electricity will offer many additional opportunities for rural development. The "Altiplano" area is the most densely populated rural region of the country. By modern standards, life there is harsh and dreary. Compared, however, with the regions of the "Altiplano" further from Lake Titicaca, the areas to be served are relatively prosperous; the climate because of its proximity to the lake, is better

in that there are more frostfree days and rainfall is more abundant. Through activities planned under this project, rural residents in the villages and along distribution lines will be educated in the productive uses of electricity. A controlled water supply from Lake Titicaca provided by electric powered water pumps, for example, could be an important productive factor for 4,000 to 7,000 hectares of "Altiplano" land suitable for irrigation. In recent years, the local tourism industry has been a significant development factor in Huatajata and Copacabana, both located on the lake shore areas of Lake Titicaca. Small support industries have developed around tourism and among the more notable activities which may have potential benefit from rural electrification promotional activities contemplated under this project are boatbuilding, truck gardening, lake fishing, knitting and weaving. With the availability of electricity, these industries could develop to greater potential.

In the Yungas area to be served by CEY, several of the communities have had electrical power in the past from locally generated power plants. These have not been well maintained or managed and their stimulus to development has been limited. The semi-tropical villages in the Yungas to the north of La Paz are warm and humid and produce much of the country's coffee, cacao and many tropical fruits, especially for the La Paz market. At the present time, virtually all of the preliminary processing of these commodities takes place in La Paz. With electric power, a gradual movement of these operations toward the primary production region could be expected, with consequent improvement in rural employment and income and savings in transport costs. Existing industries with energy requirements which will benefit from a stable source of electricity include saw mills, cereal mills and carpentry shops.

Thus, the Phase I and II rural electrification projects nearing completion will provide dependable electric service and create special development opportunities for the areas served. However, indications are that most of the beneficiaries of the new electric service are ignorant of many of these opportunities and will not be able to take advantage of them unless long-term, low-cost financing is made available for the purchase of electrically operated tools, machines and other devices. A special educational program is also required to make the new rural users aware of those new opportunities, if they are to benefit econimically from the new electric service being provided.

D. Project Description

This AID grant will provide funds to the ENDE in order to obtain technical assistance to carry out both the operating and management training for CEY and CORELPAZ and to develop an electric promotion plan for ENDE and each of the seven sub-borrowers under the 046 and 049 rural electrification loans (CRE, ELFEC, CESSA, SEPSA, SETAR, CEY and CORELPAZ).

1. Component One. Development of Operation and Management Skills within CEY and CORELPAZ (24 w/m)

The technical assistance will provide the necessary personnel to assist both CEY and CORELPAZ in becoming efficient, self-sustaining electric cooperatives. This assistance will include, but not be limited to, the following:

a. Assistance to the cooperatives in the promotion and inscription of new members;

b. Design and implementation of a training program for the staffs of the cooperatives in each of the skills or disciplines needed to facilitate line construction and prepare for energization, as well as programs emphasizing job safety and community leadership;

c. Special assistance in planning for construction and further organizational development when additional funding and resources for implementation becomes available;

d. Assistance in developing operational and maintenance programs for the physical plants of both the CORELPAZ and CEY systems;

e. Guidance and staff training in short and long-range financial, administration and system planning.

At the end of the project, it is expected that the rural electric cooperatives, CORELPAZ and CEY, will have begun operations under the USAID financed Phase II program and that the initial facets of construction under Phase III, to be funded by IDB, would be underway. The expanded staff of CORELPAZ and CEY will be trained and proficient in construction skills, operation and maintenance procedures, administration and accounting skills, and short- and long-range system planning. Also, the cooperatives should have acquired the competency and self-sufficiency to design programs for further training of its personnel.

2. Component Two. Design of a Program for Promoting the Productive Safe and Efficient Use of Electricity (10.5 w/m)

In order to better serve the new rural electric users a rural development program oriented to the special development needs of this new and special class of rural poor is needed to follow-up the rural electrification construction projects nearing completion as a means of accelerating the benefits of the US$35,000,000 investment made through Rural Electrification Loans I and II. The technical assistance with inputs from the National Electric Enterprise (ENDE), the seven sub-borrowers under the on-going rural electrification projects and USAID/Bolivia will design such a program and prepare such complementary documents as are required to demonstrate its feasibility and assure its implementation.

The proposed program will:

a. Review the socio-cultural factors in the project areas which may affect the promotional activities to be carried out and make programmatic recommendations for ameliorating their effects;

b. Provide for the education of the new users in the basic hazards of electricity and basic safety norms and practices to control such hazards;

c. Include a plan or scheme for training electricians and technicians to repair and expand internal house and small shop electr cal wiring systems and repair and maintain the various electrical tools and devices to be promoted under the program;

d. Provide for the continuous dissemination of information about the various productive uses of electricity;

e. Provide for the continuous dissemination of information about specific productive, electrical tools and devices available on the local market and/or through the electric utility and financial plans and arrangements available for the acquisition of these tools and devices;

f. Recommend one or more electric utility operated financial plans that will permit the rural poor to purchase small electric tools and devices through their electric utility and make long-term, low-interest payments through their monthly electric bills;

g. Recommend the amount of funds required initially for this program's implementation by ENDE and each sub-borrower and include alternative plans for the control and use of such funds;

h. Provide for the establishment of a rotating fund in ENDE and/or each sub-borrower to re-circulate program funds and perpetuate the program;

i. Include plans for the importation, promotion, and sale of approved electric tools and devices through local merchants and/or directly by the ENDE and/or the sub-borrowers;

j. Recommend criteria for selection of customers allowed to participate in the rotating fund component of the program;

k. Provide for the formation of a Promotions/Customer Relations unit in ENDE and in each sub-borrower;

l. Provide a simple and straight forward plan or reporting system for the continuous monitoring of the individual programs in ENDE and each of the participating utilities;

m. Provide for periodic evaluation of the program by AID, ENDE, GOB entities and the participating electric utilities.

III. FINANCIAL PLAN AND BUDGET

A. USAID Contribution

The $200,000 grant funds made available for this project will be utilized to finance the cost of a technical assistance contract and some training. It is proposed that 24 w/m of the services of an experienced rural electrification specialist be provided on a full-time basis in the La Paz area to accomplish component No.1. This specialist would work primarily in CORELPAZ and CEY, but would also assist other sub-borrowers.

In addition to the full-time specialist, the contractor would provide home office support, project supervision and evaluation. Also, approximately 10.5 w/m of short-term specialists in several technical areas will assist the resident specialist. Short-term assignments will include power-use assistance, professional training, utility management, systems operations, public and member education, office management and accounting, and electric use promotion programs to accomplish component No.2.

These specialists will provide guidance and direction to the systems described above, provide liaison between AID and Bolivian government agencies, guide the design of the promotion program and assist in policy development and operations and maintenance practices.

B. GOB Contribution

The $70,000 in counterpart funds will be used to cover the cost of employee salaries of ENDE and the participating electric utilities and cooperatives who are assigned to project implementation, as well as other related costs such as local transportation, per diem, copies, transportation, etc.

ENDE is expected to assign one professional employee to work with the consultants who are charged with implementing Component No.1 in CORELPAZ and CEY and another to participate in the design of the promotions program (Component No.2). These assignments will be full-time to assure project implementation and adequate transfer of the technology developed.

In CORELPAZ and CEY the full-time consultant is expected to work in an essentially line capacity as training officer. In that

capacity he will be working directly with cooperative managers and first-level supervisors. Thus each cooperative will assign a full-time assistant to the consultant who will be responsible for follow through while the consultant is away working in the other of the two cooperatives.

The other five participating utilities (CRE, ELFEC, SESSA, SEPSA and SETAR) will each assign an employee to participate with ENDE in the design of the Promotion Program (Component No.2). CRE and ELFEC will assign at least two employees each and CESSA, SEPSA and SETAR at least one.

C. Financial Plan

The breakdown of individual items is given below in the Illustrative Budget. This project is financed over fiscal years 1979 and 1980 with execution spread over Fiscal Years 1980 and 1981. The initial year of AID funding ($20,000) will commence in FY 1979, and early in FY 1980 an additional $180,000 in grant funds is programmed to fund the project through to it completion in 1981. The GOB contribution will be provided beginning in FY 1980, with approximately 50% provided in each year.

D. Budget

ILLUSTRATIVE BUDGET
($000)

	FY 1979		FY 1980		FY 1981		TOTAL	
	AID	GOB	AID	GOB	AID	GOB	AID	GOB
Technical Assistance	20		173				193	
LT (24 w/m's)	(20)		(107)				(127)	
ST (10.5 w/m's)			(66)				(66)	
Training			7				7	
Local Personal and Other Costs				35		35		70
TOTAL	20	0	180	35	0	35	200	70

IV. IMPLEMENTATION

A. Implementation Plan

The proposed $270,000 project is to be implemented over a two year period beginning early in fiscal year 1980 (initial obligation would occur in late FY-79 to accomplish this implementation schedule). The AID financed portion of the project ($200,000) will supply funds for technical assistance and training, while the GOB financed portion consisting of $70,000 will mainly fund salaries of ENDE and participating utilities'

employees, some limited training costs and other miscellaneous costs related to the implementation of the project's promotion campaign.

B. Schedule of Major Events

The following is a schedule of major events throughout the life of the project:

Calendar Year 1979

1.	Project Paper completed	9/14
2.	Project approved by Mission Director	9/17
3.	Non-competitive contracting of NRECA authorized	9/19
4.	Project Agreement signed	9/19
5.	CP's met	9/24
6.	Contract with NRECA signed	9/28
7.	Electric Cooperative Specialist begins work	10/01
8.	Evaluation Specialist arrives	10/08
9.	Power Use and Promotions Specialist arrives	10/15
10.	Training Program and Schedule is submitted by NRECA to ENDE and USAID	10/22
11.	Electric Utility Economist arrives	11/15
12.	Training Program and Schedule is approved by ENDE and USAID.	11/15
13.	Training Specialist for required specialties start arriving	(as per approved schedule)
14.	First Joint NRECA-ENDE-sub-borrowers - USAID Review of Progress of Promotion Program Design	11/16
15.	Joint NRECA, ENDE, sub-borrowers and USAID/B review of draft of Promotions Program Paper	12/12
16.	Submission by NRECA of Final Draft of Promotions Program Paper	12/14
17.	Approval by ENDE, sub-borrowers and USAID/B of Promotions Program Paper	1/30/80
18.	Electric Cooperative Specialist Finishes Work	9/30/81

C. Procurement Contracting and Disbursement Procedures

The Mission believes that non-competitive procurement of the technical services called for in this project paper for the reasons outlined below is justified. Therefore, a waiver request has been forwarded to AID/W and the Mission is awaiting approval of the Assistant Administrator for Latin America and the Caribbean on this request. If the waiver is approved, ENDE would contract directly with NRECA for the services required. As soon after the signing of the agreement as possible, the Mission would then encourage ENDE to begin negotiations with NRECA to

accomplish contracting prior to October 1, 1979. Standard host country contracting procedures would be followed in accord with the waiver.

No deviation from AID established procedures is contemplated with regard to disbursements.

1. Background - Experience of NRECA in Rural Electrification in Bolivia

NRECA has been active in the Bolivian rural electrification program intermittently since 1963 when initial assistance was provided for the planning of the rural electric cooperative in the Santa Cruz area. This project was finally constructed in the late 1960's and was transferred to the Rural Electrification Cooperative of Santa Cruz in 1970. NRECA did not have a full-time project staff in Bolivia, however, until 1975 when it provided a project specialist for the development of the rural electric systems in Sucre, Tarija and Potosí. Some assistance was provided to Santa Cruz and the systems to be developed in the La Paz area, which at that time were to be managed by the National Rural Electrification Institute (INER). INER was expected to be responsible for project development in these areas, and initially it was contemplated that part of the construction, engineering and management costs would be provided by INER. When it became apparent this plan was inoperative, two electric cooperatives were organized to take over the functions and responsibilities of INER. NRECA has participated from the beginning in the creation and organization of these two cooperatives (CORELPAZ and CEY) and continues to have a close and constructive relationship with their management.

It is accepted, however, that further training is needed at both CORELPAZ and at CEY, since the staff at CORELPAZ is not fully trained in any area and has had no electric system operational experience. Only three people are presently employed at CEY. ENDE's previous experience has been limited mostly to supplying power to systems already established in the larger towns and cities. In addition, it is virtually impossible to locate people in Bolivia qualified to provide the needed training because of the limited experience in rural electrification in Bolivia to date. Thus, neither ENDE nor any other Bolivian organization has yet been able to provide the assistance needed by the newly developing cooperatives.

Local funding and human resource restraints forced ENDE to concentrate its attention and efforts on the other five sub-borrowers who were ready to receive assistance much earlier than CORELPAZ and CEY, and whose construction programs are much more advanced. ENDE is now ready to direct its attention to CORELPAZ and CEY, but does not have the necessary funds to provide this technical assistance, since the AID funds which financed these activities are terminating.

NRECA has given excellent assistance to the development of the cooperative staff, but the opportunity for training was limited

due to the lack of an operating electric system in which to gain the practical experience required for such training and the correspondingly limited organizational development of the cooperatives.

It is expected that with project construction finishing in the cooperatives' areas in early 1980, there will be the required conditions to develop a sound organization in the near future and begin the operational training of the cooperative staff. The nucleus of the staff has been employed for the past year and, with some additonal training, is ready to provide service to the people of the area. Additional cooperative staffing, however, will be needed as the systems become fully operational. As most of the skills that are needed are learned in actual project operations, the NRECA specialist would give guidance and instruction through on-the-job training.

NRECA has also worked together with ENDE and the three southern electrical cooperatives (CESSA, SEPSA, and SETAR) to develop a limited electric promotion plan in 1976, but due to funding limitations was not able to supervise the implementation of the program. However, with this promotion plan as a base and funding provided by this project, it would be possible to quickly develop a comprehensive set of promotional plans for all seven cooperatives.

2. Rationale for Non-Competitive Procurement of Services

NRECA is currently active in Bolivia's Rural Electrification effort through an AID loan funded technical assistance contract signed on May 15, 1975, with the National Electric Enterprise (ENDE) and six of the seven sub-borrowers under the 511-L/T-046 and 511-L/T-049 Rural Electrification Loans. Work under the contract is now finished except for that in the recently formed CORELPAZ and CEY cooperatives and the contract funds have been completely expended. The technical assistance described in this grant project is in essence a natural continuation of the services provided under that contract.

NRECA still has a consultant in country who is uniquely qualified by training, experience and familiarity with the Bolivian culture to participate in the implementation of this project. Thus, if a contract can be negotiated without much delay, it is expected that the cost of relocating this consultant could be avoided.

NRECA is uniquely qualified to perform the services described in this grant because of experience and involvement in the ongoing and previous rural electrification projects in Bolivia and other LDCs, because of the uniqueness of their organization and the access they have to vast experience of the extensive rural electrification effort in the United States.

The rural electric cooperatives in the United States are world leaders in rural electrification and have a near monopoly of the world's experience in the design of programs for accelerating the

productive use of electricity. Through NRECA, ENDE and Bolivia's rural electricity users can draw on the vast experience of the stateside cooperatives as well as that of many foreign electric cooperative that also are members of NRECA.

In summary, NRECA, the essentially non-profit organization of electric cooperatives in United States, is very dedicated to rural development through electrification, is uniquely qualified by experience and involvement to provide the services required and can probably provide those services in this case cheaper and quicker than any other entity in the world.

D. USAID Monitoring Requirements

The project will be managed by a designated Project Manager in the Engineering and Transportation Division of the USAID/Bolivia Mission. The Project Manager will be responsible of monitoring the progress of inputs and activities and will work closely with project personnel in the GOB Ministry of Energy and Hidrocarbons and ENDE to help solve any problems which arise; assure timely implementation of the project; and assure compliance with the terms and conditions of the Project Agreement.

A Mission Project Committee composed of the Project Manager and representatives of other Mission offices will review the status of the project monthly, identify potential problems in implementation and determine appropriate solutions. The Project Committee will prepare a monthly project status report which will indicate progress and problems developing in the project.

The Development Resources Office will be responsible for drafting the provisions of the AID Grant Agreement and Implementation Letters and will monitor the project through the Mission's monthly project status report.

The Mission Office of the Controller will review all disbursement requests for conformity with AID regulations and will maintain financial records on the project.

The Training Office,within the Development Planning and Evaluation Division (DPE),will be responsible for coordinating all training visits, courses or seminars in conjunction with the Project Manager. DPE will be responsible for coordinating all annual evaluations together with the Project Manager.

V. EVALUATION PLAN

Component I of the Project will be evaluated informally each month during the life of the project in regularly scheduled joint NRECA-ENDE USAID/B project review meetings. A formal evaluation statement will be prepared at the end of each 12 months of activity.

Component II of the project, which will require approximately two calendar months to complete, will be evaluated in three special joint NRECA, ENDE, sub-borrowers, and USAID/B meetings. The first will be held after one month of activity, the second immediately following submission of the final draft of the Promotions Program Paper (12/79) and the third meeting shortly after the final paper is submitted (1/80). A formal evaluation statement will be prepared following the third meeting. The statement will serve as a basis for ENDE, sub-borrower and USAID approval of Component II activity.

In addition to the above evaluation schedule, the Mission will maintain contact with ENDE and the sub-borrowers following the termination of each component of the Project and one year after termination of the Project will prepare a brief statement on the results and impact of the Project.

VI. CONDITIONS, COVENANTS AND NEGOTIATION STATUS

A. Conditions Precedent to Disbursement

Prior to the first disbursement of the Grant or to the issuance by A.I.D. of documentation pursuant to which such disbursement will be made, ENDE will, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

1. A statement of the name of the person holding or acting in the office of ENDE specified in (the section of the Project Agreement which specifies who the official representative is), and of any additional representatives, together with a speciment signature of each person specified in such statement;

2. A financial plan for the project, which shall include personnel sufficient for ENDE and the seven participating rural electric cooperatives and utilities to meet their responsibilities under the Project; and

3. A detailed implementation and evaluation plan covering all Project activities.

B. Special Covenants

1. Project Evaluation

ENDE agrees to establish an evaluation program as an integral part of the Project. Except as the parties may otherwise agree in writing, the program will include during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problems areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems, in this or other projects; and (d) evaluation of the development impact of the Project.

2. Financing for Implementation

ENDE agrees to pursue actively financing, from internal or external sources, with which to implement the plans and recommendations developed as a result of the Grant provided for this Project and further agrees to inform A.I.D. on a regular basis as to progress toward attainment of this financing.

C. Negotiating Status

Extensive discussions have taken place over the last year with ENDE and the sub-borrowers regarding the need for this type of assistance. General agreement exists as to the project, and once approved no special problems are anticipated with regard to signing of the Project Agreement.

511 0534

Proyecto A.I.D. No. 511-0534
A.I.D. Project No. 511-0534

[illegible]

CONVENIO DE PROYECTO DE DONACION
GRANT PROJECT AGREEMENT

ENTRE
BETWEEN

LA EMPRESA NACIONAL DE ELECTRICIDAD
THE NATIONAL ELECTRIC ENTERPRISE

Y
AND

EL GOBIERNO DE LOS ESTADOS UNIDOS DE AMERICA
THE GOVERNMENT OF THE UNITED STATES OF AMERICA

A D M I N I S T R A C I O N D E L A E L E C T R I F I C A C I O N R U R A L
R U R A L E L E C T R I F I C A T I O N M A N A G E M E N T

Fecha: Septiembre 27, 1979
Date : September 27, 1979

CONVENIO DE PROYECTO DE DONACION de fecha 27 de septiembre de 1979, entre la Empresa Nacional de Electricidad ("ENDE"), una agencia del Gobierno de Bolivia, y los Estados Unidos de América, actuando a través de la Agencia para el Desarrollo Internacional ("A.I.D.").

PROJECT GRANT AGREEMENT, dated September 27, 1979 between the National Electric Enterprise ("ENDE"), an agency of the Government of Bolivia, and the United States of America, acting through the Agency for International Development ("A.I.D.").

ARTICULO 1: EL CONVENIO

El objeto de este Convenio es establecer el entendimiento de las partes arriba nombradas con respecto a la implementación por parte de ENDE del Proyecto aquí descrito y respecto a la financiación del Proyecto por las partes.

ARTICLE 1: THE AGREEMENT

The purpose of this Agreement is to set out the understanding of the parties named above with respect to the undertaking by ENDE of the Project described herein and with respect to the financing of the Project by the parties.

ARTICULO 2: EL PROYECTO

SECCION 2.1. Definición del Proyecto. El Proyecto que se describe más ampliamente en el Anexo 1 consistirá en: ayudar a dos cooperativas de electrificación rural (CORELPAZ y CEY) a mejorar su administración, operaciones y viabilidad financiera, a convertirse en auto-sustentables, y a proporcionar servicios por tarifas razonables a los usuarios rurales; y además diseñar un programa especial para ENDE y siete entidades de electrificación rural (CRE, ELFEC, CESSA, SEPSA, SETAR, CEY y CORELPAZ) para promover el uso seguro, productivo y eficiente de la electricidad de las familias rurales que se benefician con el servicio eléctrico proporcionado por la primera y segunda fase del programa de electrificación rural de A.I.D. ("Proyecto").

El Anexo 1 adjunto, amplía la definición del proyecto contenida en esta Sección 2.1. Dentro de los límites de la definición del Proyecto en esta Sección 2.1, los elementos de la descripción ampliada enunciados en el Anexo 1, podrán ser cambiados mediante

ARTICLE 2: THE PROJECT

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of assisting two rural electric cooperatives (CORELPAZ and CEY) to improve their management, operations and financial viability, to become self sustaining, and to provide service at reasonable rates for rural users; and also designing a special program for ENDE and seven rural electric entities (CRE, ELFEC, CESSA, SEPSA, SETAR, CEY and CORELPAZ) to promote the safe, productive and efficient use of electricity by rural families who benefit from electric service provided under the first and second phases of the A.I.D. rural electrification program ("Project").

Annex 1, attached, amplifies the definition of the Project contained in this Section 2.1. Within the limits of the definition of the Project in this Section 2.1, elements of the amplified description stated in Annex 1 may be changed

acuerdos por escrito de los representantes autorizados de las partes, nombrados en la Sección 8.2, sin necesidad de una enmienda formal de este Convenio.

SECCION 2.2. Incremento de los Fondos del Proyecto.

(a) La contribución de A.I.D. al Proyecto está provista en cuotas, la presente está disponible de acuerdo con la Sección 3.1 de este Convenio. Cuotas subsiguientes de hasta un total de $180,000 estarán sujetas a la disponibilidad de fondos de A.I.D. para este propósito y al mútuo acuerdo de las partes en el momento de la subsiguiente cuota, sin que el monto total de dichas cuotas exceda la suma de $200,000, que es la cantidad total estimada de la contribución con fondos de la Donación de A.I.D. durante la existencia del Proyecto.

(b) Dentro de la fecha de Terminación de Asistencia al Proyecto, como se define en la Sección 3.3 de este Convenio, A.I.D., basada en consultas con ENDE, puede especificar en Cartas de Implementación del Proyecto los períodos de tiempo apropiados para la utilización de los fondos donados por A.I.D. mediante una cuota individual de asistencia.

ARTICULO 3: FINANCIAMIENTO

SECCION 3.1. La Donación. Para asistir a ENDE a cubrir los costos de desarrollo del Proyecto, A.I.D. de acuerdo con la Ley de Ayuda Extranjera de 1961 y sus enmiendas, conviene en donar a ENDE, bajo los términos de este Convenio, una suma que no excederá los veinta mil Dólares Americanos ($20,000) (la "Donación").

by written agreement of the authorized representatives of the parties named in Section 8.2 without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project is provided in increments, the present one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments of up to $180,000 will be subject to availability of funds to A.I.D. for this purpose and to the mutual agreement of the parties to proceed at the time of the subsequent increments, with the total sum not to exceed $200,000, which is the estimated full A.I.D. grant contribution over the life of the Project.

(b) Within the overall Project Assistance Completion Date as defined in Section 3.3 of this Agreement, A.I.D., based upon consultation with ENDE, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

ARTICLE 3: FINANCING

SECTION 3.1. The Grant. To assist ENDE to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant ENDE under the terms of this Agreement an amount not to exceed twenty thousand United States Dollars ($20,000) (the "Grant").

La Donación puede utilizarse para financiar los costos en dólares, tal como se define en la Sección 6.1 y los costos en pesos bolivianos, tal como se define en la Sección 6.2, de los bienes y servicios requeridos para el Proyecto.

SECCION 3.2. Recursos Bolivianos Aportados para el Proyecto.

(a) ENDE conviene en suministrar ó hacer que se suministre al Proyecto todos los fondos, además de los de la Donación, y todos los otros recursos necesarios para llevar a cabo el Proyecto en forma eficaz y oportuna.

(b) Los recursos suministrados por ENDE y las siete entidades de electrificación rural para el Proyecto no podrán ser menores que el equivalente de $70,000 incluyendo los costos sufragados en forma de prestaciones "en especie".

SECCION 3.3. Fecha de Terminación de Asistencia al Proyecto.

(a) La Fecha de Terminación de Asistencia al Proyecto, que es dos años a partir de la fecha de este Convenio, ó cualquier otra fecha que las partes convinieran por escrito, es la fecha en la cuál las partes estiman que todos los servicios financiados por la Donación han de haber sido realizados y todos los bienes financiados por la Donación han de haber sido suministrados para el Proyecto tal como se contempla en este Convenio.

(b) A menos que A.I.D. conviniese en otra forma por escrito, A.I.D. no emitirá ó aprobará documentación que autorice desembolsos de la Donación por servicios realizados después de la FTAP ó por bienes suministrados al Proyecto, tal como se contempla en este Convenio, después de la FTAP.

The Grant may be used to finance U.S. dollar costs, as defined in Section 6.1, and Bolivian peso costs, as defined in Section 6.2, of goods and services required for the Project.

SECTION 3.2. Bolivian Resources for the Project.

(a) ENDE agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by ENDE and the seven rural electric entities for the Project will be not less than the equivalent of $70,000 including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The Project Assistance Completion Date, which is two years from the date of this Agreement, or such other date as the parties may agree to in writing, is the date by which the parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Las solicitudes de desembolso acompañadas de la documentación de respaldo necesaria prescrita en las Cartas de Implementación del Proyecto, deberán ser recibidas por A.I.D. ó cualquier banco descrito en la Sección 7.1 a más tardar nueve (9) meses después de la FTAP ó en otro período convenido por A.I.D. por escrito. Después de este período, A.I.D. notificando por escrito a ENDE puede, en cualquier momento, reducir el monto de la Donación en su totalidad, ó aquella parte de la misma por la que las solicitudes de desembolso acompañadas de la documentación de respaldo necesaria, prescrita en las Cartas de Implementación del Proyecto, no se hubieran recibido antes de la fecha de expiración de dicho período.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to ENDE, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICULO 4: CONDICION PREVIA AL DESEMBOLSO

SECCION 4.1. Primer Desembolso. Con anterioridad al primer desembolso de la Donación ó a la emisión por parte de la A.I.D. de la documentación de acuerdo a la cuál dicho desembolso será hecho, ENDE, a menos que las partes puedan acordar de otro modo por escrito, proporcionará a la A.I.D. en forma y substancia satisfactorias a la A.I.D.:

(a) una declaración del nombre de la persona que desempeñe titular ó interinamente el cargo especificado en la Sección 8.2, y de cualesquier representantes adicionales, junto con el facsímil de la firma de cada persona especificada en dicha declaración; y

(b) un plan de financiamiento para el proyecto, el cuál incluirá un número de personal suficiente para que ENDE y las siete entidades de electrificación rural participantes puedan cumplir sus responsabilidades bajo el Proyecto.

ARTICLE 4: CONDITION PRECEDENT TO DISBURSEMENT

SECTION 4.1. First Disbursement. Prior to the first disbursement of the Grant or to the issuance by A.I.D. of documentation pursuant to which such disbursement will be made, ENDE will, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) a statement of the name of the person holding or acting in the office of ENDE specified in Section 8.2, and of any additional representatives, together with a specimen signature of each person specified in such statement; and

(b) a financial plan for the project, which shall include personnel sufficient for ENDE and the seven participating rural electric entities to meet their responsibilities under the Project.

SECCION 4.2. Notificación. Cuando A.I.D. haya determinado que la condición previa especificada en la Sección 4.1 ha sido cumplida, lo notificará en forma inmediata a ENDE.

SECCION 4.3 Fecha Final para la Condición Previa. Si la condición previa especificada en la Sección 4.1 no ha sido cumplida dentro de los 60 días a partir de la fecha de este Convenio, ó cualquier fecha posterior que A.I.D. pueda acordar por escrito, A.I.D., a su opción, puede dar por terminado este Convenio mediante aviso escrito a ENDE.

ARTICULO 5: ESTIPULACIONES ESPECIALES.

SECCION 5.1. Evaluación del Proyecto. Las partes convienen en establecer un programa de evaluación como una parte integrante del Proyecto. Excepto aquello que las partes acordaran de otro modo por escrito, el programa incluirá, durante la implementación del Proyecto y en una ó más fechas posteriores: (a) evaluación del progreso en relación con el logro de los objetivos del Proyecto; (b) identificación y evaluación de las áreas problemáticas ó apremiantes que puedan impedir dicho logro; (c) diagnóstico de la forma en que tal información puede ser utilizada para ayudar a solucionar tales problemas, de este ú otros proyectos; y (d) evaluación del impacto del desarrollo del Proyecto.

SECCION 5.2. Financiamiento para la Implementación. ENDE conviene en proseguir activamente el financiamiento, proveniente de fuente interna ó externa, que se utilice para implementar los planes y recomendaciones establecidos como resultado de la Donación

SECTION 4.2. Notification. When A.I.D. has determined that the condition precedent specified in Section 4.1 has been met, it will promptly notify ENDE.

SECTION 4.3. Terminal Date for Condition Precedent. If the condition precedent specified in Section 4.1 has not been met within 60 days from the date of this Agreement, or such later date as A.I D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to ENDE.

ARTICLE 5: SPECIAL COVENANTS

SECTION 5.1. Project Evaluation. The parties agree to establish an evaluation program as an integral part of the Project. Except as the parties may otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit such attainment; (c) assessment of how such information may be used to help overcome such problems, in this or other projects; and (d) evaluation of the development impact of the Project.

SECTION 5.2. Financing for Implementation. ENDE agrees to pursue actively financing from internal or external sources, with which to implement the plans and recommendations developed as a result of the Grant provided for this Project

provista para este Proyecto y además conviene en informar a la A.I.D. en forma regular del progreso en relación con el logro de los objetivos de este financiamiento.

and further agrees inform A.I.D. on a regular basis as to progress toward attainment of this financing.

ARTICULO 6: FUENTE DE LAS ADQUISICIONES

SECCION 6.1. Costos en Dólares Americanos. Los desembolsos de acuerdo a la Sección 7.1, se utilizarán exclusivamente para financiar los costos de bienes y servicios necesarios para el Proyecto, que tengan su fuente y orígen en los Estados Unidos (Código 000 del Libro de Códigos Geográficos de A.I.D. en vigencia al tiempo de hacerse los pedidos ó de suscribirse los contratos para tales bienes ó servicios), ("costos en dólares americanos"), excepto que A.I.D. conviniera por escrito en otra forma y excepto lo previsto en el Anexo de Estipulaciones Standard para el Proyecto de Donación, Sección C.1(b), con respecto al seguro marítimo. El embarque marítimo será exclusivamente de fuente y orígen de los Estados Unidos, excepto que A.I.D. pueda convenir de otro modo por escrito.

SECCION 6.2. Costos en Pesos Bolivianos. Los desembolsos de acuerdo a la Sección 7.2 se utilizarán exclusivamente para financiar los costos de bienes y servicios necesarios para el Proyecto que tengan su fuente y, excepto que A.I.D. conviniera en otra forma por escrito, su orígen en Bolivia ("costos en pesos bolivianos").

ARTICLE 6: PROCUREMENT SOURCE

SECTION 6.1. U.S. Dollar Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("U.S. dollar costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance. Ocean shipping shall be exclusively of United States source and origin, except as A.I.D. may otherwise agree in writing.

SECTION 6.2. Bolivian Peso Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Bolivia ("Bolivian peso costs").

ARTICULO 7: DESEMBOLSO

SECCION 7.1. Desembolsos para los Costos en Dólares Americanos.

(a) Después de cumplir con las condiciones previas, ENDE puede obtener

ARTICLE 7: DISBURSEMENT

SECTION 7.1. Disbursement for U.S. Dollar Costs.

(a) After satisfaction of the condition precedent, ENDE may obtain

desembolsos de los fondos de la Donación para los costos en dólares americanos de los bienes ó servicios necesarios para el Proyecto de acuerdo con los términos de este Convenio, por medio de uno de los siguientes métodos que se convinieran de mútuo acuerdo:

(1) presentando a A.I.D., junto con la documentación de respaldo necesaria estipulada en las Cartas de Implementación del Proyecto, solicitudes de reembolso para dichos bienes y servicios, ó solicitudes para que A.I.D. obtenga artículos y servicios por cuenta de ENDE para el Proyecto; ó,

(2) solicitando a A.I.D. que emita Cartas de Compromiso por montos específicos a uno ó más bancos de los Estados Unidos, aceptables a A.I.D., comprometiéndose A.I.D. a reembolsar a dicho banco ó bancos por pagos hechos por ellos a los contratistas ó proveedores bajo Cartas de Crédito ó en otra forma, por tales bienes y servicios, ó directamente a uno ó mas contratistas ó proveedores, comprometiéndose A.I.D. a pagar a tales contratistas ó proveedores, mediante Cartas de Crédito ó en otra forma, por tales bienes y servicios.

(b) Los gastos bancarios incurridos por ENDE en conexión con las Cartas de Compromiso ó/y las Cartas de Crédito, serán financiados por la Donación a menos que ENDE instruya a A.I.D. anticipadamente lo contrario. Aquellos otros cargos, que acordaran las partes, pueden también ser financiados por la Donación.

SECCION 7.2. Desembolsos para los Costos en Pesos Bolivianos. Después de cumplir con la condición previa, ENDE puede obtener desembolsos de los fondos de la Donación para los costos en pesos bolivianos requeridos por el Proyecto, de acuerdo con los términos

disbursements of funds under the Grant for the U.S. dollar costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D. with necessary supporting documentation prescribed in Project Implementation Letters, requests for reimbursement for such goods or services, or requests for A.I.D. to procure commodities or services in ENDE's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers, through Letters of Credit or otherwise, for such goods or services.

(b) Banking charges incurred by ENDE in connection with Letters of Commitment or/and Letters of Credit will be financed under this Grant unless ENDE instructs A.I.D. to the contrary. Such other charges as the parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Bolivian Peso Costs. After satisfaction of the condition precedent, ENDE may obtain disbursements of funds under the Grant for Bolivian peso costs required for the Project in accordance with the terms of

de este Convenio, presentando a A.I.D. con la documentación de respaldo necesaria prescrita en las Cartas de Implementación del Proyecto, solicitudes para financiar dichos costos. Los pesos bolivianos necesarios para tales desembolsos pueden ser obtenidos:

(a) mediante adquisiciones en compra por A.I.D., con dólares americanos ó de los pesos bolivianos obtenidos con anterioridad por el Gobierno de los Estados Unidos; ó,

(b) mediante una solicitud de A.I.D. a ENDE para que ésta disponga pesos bolivianos para tales costos, y luego reembolsar un monto en dólares americanos equivalente al monto de moneda local puesto a disposición por ENDE.

SECCION 7.3. Otras Formas de Desembolso. Los desembolsos de la Donación pueden también hacerse a través de otros medios que las partes convengan por escrito.

SECCION 7.4. Tipo de Cambio. Excepto en el caso de que se estipule más específicamente en la Sección 7.2, si los fondos provistos por la Donación son introducidos a Bolivia por A.I.D. ó cualquier entidad pública ó privada con el objeto de llevar a cabo las obligaciones de A.I.D. bajo este Convenio, ENDE hará los arreglos que sean necesarios a fin de que tales fondos puedan ser convertidos en pesos bolivianos a la tasa más alta de cambio puesta a disposición de A.I.D., la cuál al tiempo en que se haga la conversión, no sea ilegal en Bolivia.

ARTICULO 8: MISCELANEOS

SECCION 8.1. Comunicaciones. Cualquier aviso, solicitud, documento, ú otra comunicación dada, hecha ó enviada por cualquier parte a la otra en

this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs. The Bolivian pesos needed for such disbursements may be obtained:

(a) by acquisition by A.I.D. with U.S. dollars by purchase or from Bolivian pesos already owned by the U.S. Government; or,

(b) by A.I.D. requesting ENDE to make available the Bolivian pesos for such costs, and thereafter reimbursing an amount of U.S. Dollars equal to the amount of local currency made available by ENDE.

SECTION 7.3. Other Forms of Disbursement. Disbursement of the Grant may also be made through such other means as the parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into Bolivia by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, ENDE will make such arrangements as may be necessary so that such funds may be converted into Bolivian pesos at the highest rate of exchange available to A.I.D. which, at the time conversion is made, is not unlawful in Bolivia.

ARTICLE 8: MISCELLANEOUS

SECTION 8.1. Communications. Any notice, request, document or other communication submitted by either party to the other under this

relación con el presente Convenio, deberá ser por escrito ó por telegrama ó cable y se considerará como debidamente dada, hecha ó enviada, cuando haya sido entregada a la otra parte a la siguiente dirección:

A ENDE:

Empresa Nacional de Electricidad
Casilla 565
Cochabamba, Bolivia.

A la A.I.D.:

Misión Económica de los Estados Unidos en Bolivia
a/c Embajada de los Estados Unidos
La Paz, Bolivia.

Todas estas comunicaciones serán en inglés, a menos que las partes acuerden de otro modo por escrito. Otras direcciones pueden substituir a las arriba mencionadas mediante previo aviso. Además, ENDE proporcionará a la Misión de USAID una copia de toda comunicación enviada a la A.I.D. en Washington.

SECCION 8.2. Representantes. Para todos los propósitos relativos a este Convenio, ENDE estará representada por la persona que desempeñe, titular ó interinamente, el cargo de Gerente General y A.I.D. estará representada por la persona que desempeñe titular ó interinamente, el cargo de Director de la Misión, quienes podrán designar representantes adicionales mediante aviso por escrito, para todo propósito, que no sea el ejercicio de la facultad de la Sección 2.1 de revisar los elementos de la descripción ampliada en el Anexo 1. Los nombres de los representantes de ENDE con facsímiles de sus firmas, serán proporcionados a A.I.D., que puede aceptar como debidamente autorizado cualquier instrumento firmado por tales representantes en la

Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following address:

To ENDE:

Empresa Nacional de Electricidad
Casilla 565
Cochabamba, Bolivia.

To A.I.D.:

United States AID Mission to Bolivia
c/o United States Embassy
La Paz, Bolivia.

All such communications shall be in English, unless the parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. In addition, ENDE will provide the USAID Mission with a copy of any communication sent to A.I.D. in Washington.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, ENDE will be represented by the individual holding or acting in the office of General Manager and A.I.D. will be represented by the individual holding or acting in the office of Mission Director, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of ENDE with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement

implementación de este Convenio hasta recibir notificación escrita de revocación de sus poderes.

SECCION 8.3. Anexo de Estipulaciones Standard. Se adjunta a este Convenio y forma parte del mismo un "Anexo de Estipulaciones Standard para el Proyecto de Donación" (Anexo 2).

SECCION 8.4. Idioma del Convenio. Este Convenio está preparado en inglés y español. En caso de ambiguedad ó conflicto entre las dos versiones, la versión en inglés prevalecerá.

EN TESTIMONIO DE LO CUAL, la Empresa Nacional de Electricidad y los Estados Unidos de América, actuando cada cuál por medio de sus respectivos representantes debidamente autorizados, han suscrito el presente Convenio en sus nombres y lo han otorgado en el día y el año mencionados en el encabezamiento.

EMPRESA NACIONAL DE ELECTRICIDAD
THE NATIONAL ELECTRIC ENTERPRISE

/s/ Ing. Jorge O'Connor D'Arlach
Título: Presidente
Title : President

until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

SECTION 8.4. Language of Agreement. This Agreement is prepared in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English version will control.

IN WITNESS WHEREOF, the National Electric Enterprise and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ESTADOS UNIDOS DE AMERICA
UNITED STATES OF AMERICA

/s/ Abe M. Peña
Título: Director, USAID/Bolivia
Title : USAID/Bolivia Mission Director

ANEXO I
ANNEX I

DESCRIPCION DETALLADA DEL PROYECTO
DETAILED PROJECT DESCRIPTION

A. Introducción

Esta donación de AID de $20,000 por un costo total de $270,000 del proyecto por dos años proporcionará fondos a la Empresa Nacional de Electricidad (ENDE) para obtener asistencia técnica para llevar a cabo el entrenamiento operacional y gerencial para CEY y CORELPAZ y para desarrollar un plan promocional eléctrico para ENDE y cada una de las siete cooperativas y empresas eléctricas participantes (CRE, ELFEC, CESSA, SEPSA, SETAR, CEY y CORELPAZ). ENDE y estas siete cooperativas y empresas eléctricas proporcionarán un total de $70,000 de fondos de contrapartida durante los dos años de vida del proyecto. Una donación adicional de $180,000 puede ser concedida en una fecha posterior por AID sujeta a la disponibilidad de fondos y a un acuerdo mutuo entre ambas partes.

1. Componente Uno

Desarrollo de la Capacidad Operacional y Gerencial en CEY y CORELPAZ.

Se proporcionará asistencia técnica a largo plazo (24 m/t) para ayudar tanto a CEY como a CORELPAZ a convertirse en cooperativas eléctricas rurales eficientes y autosuficientes. Esta asistencia proveerá:

a. Asistencia a las cooperativas en la promoción e inscripción de nuevos socios;

A. Introduction

This AID grant for $20,000 of a total 2-year project cost of $270,000 will provide funds to the Empresa Nacional de Electricidad (ENDE) to obtain technical assistance to carry out both the operational and management training for CEY and CORELPAZ and to develop an electric promotion plan for ENDE and each of seven participating electric cooperatives and utilities (CRE, ELFEC, CESSA, SEPSA, SETAR, CEY, and CORELPAZ). ENDE and these seven electric cooperatives and utilities will provide a total of $70,000 in counterpart funds during the 2-year life of project. An additional AID grant of $180,000 may be donated at a later date subject to availability of funds and the mutual agreement of both parties.

1. Component One

Development of Operation and Management Skills within CEY and CORELPAZ.

Long-term technical assistance (24 w/m) will be provided to assist both CEY and CORELPAZ in becoming, efficient, self-sustaining rural electric cooperatives. This assistance will provide for:

a. Assistance to the cooperatives in the promotion and inscription of new members;

50

b. Diseño e implementación de un programa de entrenamiento para el personal de las cooperativas en cada uno de los campos y disciplinas requeridas para facilitar la construcción de líneas y prepararse para la energización del sistema, así como también programas con énfasis en la seguridad industrial y organización comunal;

c. Asistencia especial a la CEY en la planificación de construcción y desarrollo orgánico adicional con el objeto de estar preparados para el caso en que hubiera disponibilidad de fondos y recursos adicionales de otras fuentes para la expansión del sistema.

d. Asistencia para desarrollar programas de operación y mantenimiento de las plantas de energía tanto en el sistema de CORELPAZ como en el de CEY;

e. Orientación y entrenamiento del personal en la planificación financiera, administrativa y de sistemas eléctricos a corto y largo plazo.

Al final del proyecto, se espera que estas cooperativas eléctricas rurales, CORELPAZ y CEY, habrán comenzado la distribución de energía eléctrica bajo el programa de la Fase II financiado por USAID. El personal ampliado de CORELPAZ y CEY estará entrenado y capacitado en el campo de la construcción, procedimientos de operación y mantenimiento, conocimientos de administración y contabilidad y planificación de sistemas de corto y largo alcance. Además, las cooperativas deberán haber adquirido la competencia y auto-iniciativa necesarias para diseñar programas para el entrenamiento futuro de su personal.

b. Design and implementation of a training program for the staffs of the cooperatives in each of the skills and disciplines needed to facilitate line construction and prepare for system energization, as well as programs emphasizing job safety and community organization;

c. Special assistance to CEY in planning for construction and further organizational development in order to be prepared should additional funding and resources for system expansion become available from other sources;

d. Assistance in developing operational and maintenance programs for the physical plants at both the CORELPAZ and CEY systems;

e. Guidance and staff training in short- and long-range financial, administrative and electric system planning.

By the end of the project, it is expected that these rural electric cooperatives, CORELPAZ and CEY, will have begun the actual distribution of electricity under the USAID financed Phase II program. The expanded staff of CORELPAZ and CEY will be trained and proficient in construction skills, operation and maintenance procedures, administration and accounting skills and short- and long-range system planning. Also, the cooperatives should have acquired the competency and self-initiative needed to design programs for further training of its personnel.

2. Componente Dos

Diseño de un Programa para la Promoción de la Utilización Productiva, Segura y Eficiente de la Electricidad

Se proporcionará asistencia técnica (10.5 m/t) a corto plazo para el diseño de un programa para ENDE y cada una de las siete cooperativas y empresas eléctricas participantes para la promoción de la utilización productiva, segura y eficiente de la electricidad como un medio de satisfacer las necesidades especiales de desarrollo de la población rural pobre que tendrá acceso a la electricidad. Específicamente el Programa debe:

a. Revisar los factores socioculturales en el área del proyecto que puedan afectar las actividades de promoción a ser llevadas a cabo y formular recomendaciones programáticas para tratar sus efectos;

b. Prever la educación de los nuevos usuarios en los riesgos básicos de la electricidad y las normas y prácticas básicas de seguridad para controlar tales riesgos;

c. Incluir un plan o esquema para la capacitación de electricistas y técnicos para reparar y ampliar sistemas de alambrado eléctrico en viviendas y pequeños establecimientos y para la reparación y mantenimiento de las varias herramientas y aparatos eléctricos que serán promovidos bajo el programa;

d. Prever la contínua difusión de información acerca de los varios usos productivos de la electricidad y sobre las herramientas y aparatos eléctricos productivos que se encuentran en existencia y disponibles para adquisición en el mercado local y/o a través de las siete cooperativas y empresas electricas participantes;

2. Component Two

Design of a Program for Promoting the Productive, Safe and Efficient Use of Electricity

Short-term technical assistance (10.5 w/m) will be provided for the design of a program for ENDE and each of the seven participating electric cooperatives and utilities for promoting the productive and efficient use of electricity as a means of addressing the special development needs of rural poor who have access to electricity. Specifically the Program will:

a. Review the sociocultural factors in the project areas which may affect the promotional activities to be carried out and make programmatic recommendations for dealing with their effects;

b. Provide for the education of the new users in the basic hazards of electricity and basic safety norms and practices to control such hazards;

c. Include a plan or scheme for training electricians and technicians to repair and expand internal house and small shop electrical wiring systems and repair and maintain the various electrical tools and devices to be promoted under the program;

d. Provide for the continuous dissemination of information about the various productive uses of electricity and the productive electrical tools and devices that are available for purchase on the local market and/or through the seven participating electric utilities and cooperatives;

e. Recomendar planes financieros alternativos diseñados para permitir a la población rural pobre adquirir pequeños aparatos y herramientas eléctricas mediante sus cooperativas o empresas eléctricas y cancelar su costo juntamente con sus facturas mensuales por servicios eléctricos con términos a largo plazo e interés bajo.

f. Prever la contínua difusión de información acerca de los planes y arreglos de financiamiento existentes y que se puedan aprovechar para la adquisición de herramientas y aparatos arriba mencionados;

g. Prever la formación de una unidad de Promoción/Relaciones con clientes en ENDE y en cada una de las siete cooperativas y empresas eléctricas participantes;

h. Prever el establecimiento de un fondo rotativo en ENDE y/o cada una de las siete cooperativas y empresas eléctricas participantes para la recirculación de los fondos del programa y para perpetuar el programa de promoción;

i. Recomendar montos y fuentes de financiamiento de los fondos requeridos por ENDE y cada una de las siete cooperativas y empresas eléctricas participantes para financiar este programa así como también planes alternativos para el control y empleo de tales fondos;

j. Incluir un plan para la importación y promoción de la venta de herramientas y aparatos eléctricos y productivos a través de los comerciantes locales y/o directamente por ENDE y/o las siete cooperativas y empresas eléctricas participantes;

e. Recommend alternative, financial plans designed to permit the rural poor to purchase small electric tools and devices through their electric utility or cooperative and make long-term, low-interest payments through their monthly electric bills;

f. Provide for the continuous dissemination of information about financial plans and arrangements available for the acquisition of the tools and devices mentioned above;

g. Provide for the information of a Promotion/Customer Relations unit in ENDE and in each of the seven participating electric cooperatives and utilities;

h. Provide for the establishment of a rotating fund in ENDE and/or each of the seven participating electric utilities and cooperatives to re-circulate program funds and perpetuate the promotion program;

i. Recommend amount and sources of funding required by ENDE and each of the seven participating electric utilities and cooperatives to finance this program and include alternative plans for the control and use of such funds;

j. Include a plan for the importation and promotion of the sale of approved electric tools and devices through local merchants and/or directly by the ENDE and/or the seven participating electric utilities and cooperatives;

k. Prever un plan simple y directo o un sistema de informes que permitan velar el programa contínuamente en ENDE y en cada una de las siete cooperativas y empresas eléctricas participantes;

l. Prever la evaluación periódica del programa por AID, ENDE, entidades del GOB y las siete cooperativas y empresas eléctricas participantes;

m. Incluir criterios para la selección de clientes autorizados a participar en los planes de compra a largo plazo y bajo costo;

n. Estar respaldado por análisis complementarios que:

i) muestren la gama de usuarios a beneficiarse con el programa según el tipo de actividad productiva a que se dedican, sus ingresos, consumo de electricidad, etc.;

ii) demuestren claramente que el programa se encuentra dentro de los límites presupuestarios de la mayoría de la población rural pobre que recibe o pronto recibirá servicio eléctrico;

iii) demuestren los beneficios económicos del programa a los diferentes tipos de beneficiarios y/o beneficiarios económicamente clasificados;

iv) demuestren los beneficios económicos y otros del programa a ENDE y a las siete empresas y cooperativas eléctricas participantes;

v) recomienden listas de actividades e items específicos a ser promocionados por ENDE y por cada empresa y cooperativa eléctrica participante;

k. Provide a simple and straight forward plan or reporting system for the continuous monitoring of the program in ENDE and each of the seven participating electric utilities and cooperatives;

l. Provide for periodic evaluation of the program by AID, ENDE, GOB entities and the seven participating electric utilities and cooperatives;

m. Include criteria for selection of customers allowed to participate in the long-term, low cost purchase plans;

n. Be supported by complementary analyses that:

i) show the range of users to benefit by the program by type of productive activity engaged, income, consumption of electricity, etc.;

ii) clearly demonstrate the affordability of the program by the majority of the rural poor receiving and to receive electric service;

iii) demonstrate the economic benefits of the program to the various types and/or economically classed beneficiaries;

iv) demonstrate the economic and other benefits of the program to ENDE and the seven participating electric utilities and cooperatives;

v) recommend lists of specific items and activities to be promoted by ENDE and each participating electric utility and cooperative;

vi) justifiquen la inclusión de cada item a ser promovido en términos de beneficios para los usuarios, para la empresa ó cooperativa eléctrica, para el ambiente, etc.

vii) incluyan planes detallados de implementación formulados a la medida de las necesidades específicas de ENDE y de cada una de las siete empresas o cooperativas eléctricas participantes;

viii) sugieran tipos de programas complementarios (proyectos) que AID, ENDE y/ó las siete empresas o cooperativas eléctricas participantes deben promover con el objeto de acelerar el desarrollo rural a través de la utilización de electricidad;

ix) revisen la cartera de proyectos y actividades de USAID/Bolivia en ejecución y planificados relacionados con el desarrollo rural y tomarlos en cuenta en el diseño de éste programa especial con objeto de evitar la duplicidad de esfuerzos y asegurar una óptima accesibilidad por parte de los usuarios de electricidad rural, a fondos ya disponibles o a ser pronto disponibles;

x) incluyan una lista con comentarios sobre todas las recomendaciones de NRECA yá sometidas a ENDE y a las siete empresas y cooperativas eléctricas participantes acerca de programas de promoción sobre la utilización de electricidad;

xi) documenten el historial y el estado actual de los planes y actividades de promoción de ENDE y de cada una de las siete empresas y cooperativas eléctricas participantes;

vi) justify the inclusion of each item to be promoted in terms of benefits to the users, the electric utility, the environment, etc.

vii) include detailed implementation plans tailored to the specific needs of ENDE and each of the seven participating electric utilities and cooperatives;

viii) suggest types of complementary programs (projects) that AID, ENDE and/or the seven participating electric utilities and cooperatives should promote in order to accelerate rural development thru use of electricity;

ix) review USAID/Bolivia's on-going and planned portfolio of rural development projects and activities and take them into account in the design of this special program in order to avoid duplicity of effort and assure optimum accesibility of rural electricity users to funds already or soon to be available;

x) include a list with comments of all NRECA recommendations already submitted to ENDE and the participating electric utilities and cooperatives about electricity use promotion programs;

xi) document the history and current status of promotion plans and activities in ENDE and each of the seven participating electric utilities and cooperatives;

B. Implementación

El proyecto propuesto por $270,000 será implementado durante un período de dos años comenzando a fines del año fiscal 1979.

1. Contribución de USAID

Los $20,000 en fondos de donación puestos a disposición para este proyecto y cualesquier otros fondos adicionales que se puedan hacer disponibles en una fecha posterior, serán utilizados para financiar el costo de la asistencia técnica y del entrenamiento. Como se anota arriba, USAID contempla financiar incrementos adicionales de hasta $180,000 sujetos a la disponibilidad de fondos de AID para este propósito y un acuerdo mútuo de ambas partes. La asistencia técnica incluirá los servicios de un especialista experimentado en electrificación rural quién trabajará a tiempo completo. Este especialista trabajará principalmente en las regiones del Altiplano y Yungas, pero también ayudará a las otras empresas y cooperativas eléctricas participantes y a ENDE.

Además del especialista a tiempo completo en cooperativas eléctricas rurales, el grupo de asistencia técnica proveerá la supervisión y evaluación del proyecto y especialistas a corto plazo en varios campos técnicos. La asistencia a corto plazo incluirá asistencia en uso de energía, entrenamiento profesional, gerencia de cooperativas, operación de equipos, educación del público y de los socios, administración de oficinas, contabilidad y el diseño de un programa de promoción de la utilización productiva de electricidad.

B. Implementation

The proposed $270,000 project will be implemented over a two-year period beginning late in fiscal year 1979.

USAID Contribution

The $20,000 grant funds made available for this project and any additional funds that may be made available at a later date will be utilized to finance the cost of technical assistance and training. As noted above AID contemplates funding additional increments of up to $180,000 subject to the availability of funds to AID for this purpose and the mutual agreement of both parties. The technical assistance will include the services of an experienced rural electrification specialist on full-time basis. This specialist will work primarily in the Altiplano and Yungas areas, but will also assist the other participating electric utilities and cooperatives and ENDE.

In addition to a full-time rural electric cooperative specialist, the technical assistance team will provide project supervision and evaluation and short-term specialist in several technical areas. Short-term assignments will include power use assistance, professional training, cooperative management, equipment operations, public and member education, office management and accounting, and the design of a program for promoting the productive use of electricity.

Estos especialistas también proporcionarán orientación general y dirección a las siete cooperativas y empresas electricas, servirán de enlace con AID y con las agencias del Gobierno Boliviano, prepararán manuales de entrenamiento y de promoción de la electricidad y asistirán en el desarrollo de políticas y prácticas de operaciones y mantenimiento.

2. Contribución Boliviana (GOB)

Los $70,000 en fondos bolivianos serán utilizados para financiar los sueldos de los empleados de las empresas y cooperativas eléctricas participantes y de ENDE involucrados en la ejecución del proyecto, así como también otros costos como de oficina y transporte local.

C. Plan Financiero

El desglose de los items individuales se muestra a continuación en el Presupuesto Ilustrativo. Este es un proyecto a dos años a ser implementado en los Años Fiscales 1980 y 1981, con el año inicial de financiamiento de la Donación ($20,000) a comenzar en el Año Fiscal 1979. La contribución del GOB estará relacionada al apoyo del grupo de asistencia técnica y a la implementación del Proyecto como se indica arriba.

These specialists will also provide general guidance and direction to the seven electric utilities and cooperatives, provide liaison with AID and Bolivian government agencies, prepare training and electric promotion manuals, assist in policy development and operations and maintenance practices

2. Bolivian (GOB) Contribution

The $70,000 in Bolivian funds will be used to finance the salaries of participating electric utilities and cooperatives and ENDE employees involved in the execution of the project as well as other cost such as office space and local transportation.

C. Financial Plan

The breakdown of individual items is given below in the Illustrative Budget. This is a 2-year project to be implemented in Fiscal Year 1980 and 1981, with the initial year of Grant funding ($20,000) to commence in FY 1979. The GOB contribution will be related to the support of the technical assistance team and the Project implementation as indicated above.

PRESUPUESTO ILUSTRATIVO - PROYECTO DE 2 AÑOS*
ILLUSTRATIVE BUDGET - 2-YEAR PROJECT*

	AF FY 1979		AF FY 1980		AF FY 1981		TOTAL	
	USAID	GOB	USAID	GOB	USAID	GOB	USAID	GOB
Asistencia Técnica Technical Assistance	20	-	173	-	-	-	193	-
Largo Plazo Long Term	(20)	-	(107)	-	-	-	(127)	-
Corto Plazo Short Term	-	-	(66)	-	-	-	(66)	-
Entrenamiento Training	-	-	7	-	-	-	7	-
Personal Local y Otros Costos Local Personnel and Other Costs	-	0	-	35	-	35	-	70
TOTAL	20	0	180	35	-	35	200	70

* Se autorizan $20,000 en este convenio para actividades en 1979. Sujeto a disponibilidad de fondos y con un acuerdo mútuo de ambas partes, un monto adicional de hasta $180,000 puede ser donado para este Proyecto en una fecha posterior.

Nota: Los Años Fiscales comienzan el 1° de Octubre.

* $20,000 are authorized in this agreement for 1979 activities. Subject to the availability of funds and upon mutual agreement of both parties up to an additional $180,000 may be granted for this Project at a later date.

Note: Fiscal Years begin October 1.

ANEXO 2
ANNEX 2

ANEXO DE ESTIPULACIONES STANDARD PARA EL PROYECTO DE DONACION
PROJECT GRANT STANDARD PROVISIONS ANNEX

Definiciones. Según se emplea en este Anexo, el término "Convenio" se refiere al Convenio de Proyecto de Donación al que se adjunta este Anexo y del cuál forma parte. Los términos empleados en este Anexo tienen el mismo significado ó la misma referencia que los del Convenio.

Definitions. As used in this Annex, the "Agreement" refers to the Project Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Artículo A: Cartas de Implementación del Proyecto. Para asistir al Gobierno en la Implementación del Proyecto, A.I.D., de tiempo en tiempo, emitirá Cartas de Implementación del Proyecto, las que proporcionarán información adicional acerca de lo establecido en este Convenio. Las partes utilizarán también Cartas de Implementación del Proyecto conjuntamente acordadas y firmadas para confirmar y dejar constancia de su mútuo entendimiento sobre aspectos de la implementación de este Convenio. Las Cartas de Implementación del Proyecto no serán utilizadas para enmendar el texto del Convenio, pero pueden utilizarse para establecer revisiones ó salvedades que estén permitidas por el Convenio, incluyendo la revisión de los elementos de la descripcic ampliada del Proyecto contenida en el Anexo 1.

Article A: Project Implementation Letters. To assist the Government in the implementation of the Project, A.I.D., from time to time, will issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Project Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Project in Annex 1.

Artículo B: Acuerdos Generales.

SECCION B.1. Consultas. Las partes cooperarán para asegurarse que el propósito de este Convenio sea cumplido. A este efecto, las partes, a solicitud de cualquiera de ellas, intercambiarán puntos de vista respecto al progreso

Article B: General Covenants.

SECTION B.1. Consultation. The parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the parties, at the request of either, will exchange views on the

del Proyecto, al cumplimiento de obligaciones según este Convenio, al desempeño de cualesquier consultores, contratistas ó proveedores contratados para el Proyecto y a otros asuntos relacionados con el Proyecto.

SECCION B.2. Ejecución del Proyecto. El Gobierno:

(a) Llevará a cabo el Proyecto ó hará que este sea llevado a cabo con la debida diligencia y eficacia en conformidad con sólidas prácticas técnicas, financieras y de administración y en conformidad con aquellos documentos, planes, especificaciones, contratos, programas ú otras medidas inherentes y con cualesquier modificaciones de los mismos, aprobados por A.I.D. conforme al Convenio; y

(b) Proporcionará personal de administración calificado y de experiencia, y capacitará a aquel personal que sea requerido para el mantenimiento y marcha del Proyecto, y, según sea aplicable para la continuación de las actividades, hará que el Proyecto sea dirigido y conservado en forma tal que se asegure la contínua y exitosa realización de los propósitos del Proyecto.

SECCION B.3. Utilización de Bienes y Servicios.

(a) Cualesquier recursos financiados por la Donación, a menos que A.I.D. acuerde de otro modo por escrito, serán dedicados al Proyecto hasta que éste sea completado, y de ahí en adelante se los empleará de modo que se puedan ampliar los objetivos buscados con la realización del Proyecto.

(b) Los bienes ó servicios financiados bajo la Donación, a menos que A.I.D. pudiera acordar de otro modo por escrito, no serán utilizados para promover ó asistir a un proyecto de

progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors or suppliers engaged on the Project, and other matters relating to the Project.

SECTION B.2. Execution of Project. The Government will:

(a) Carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, approved by A.I.D. pursuant to this Agreement; and

(b) Provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

SECTION B.3. Utilization of Goods and Services.

(a) Any resources financed under the Grant will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

(b) Goods or services financed under the Grant, except as A.I.D. may otherwise agree in writing, will not be used to promote or assist a foreign aid project or

ayuda extranjera ó actividad asociada con, ó financiada por, un país que no esté incluído en el Código 935 del Libro de Códigos Geográficos de A.I.D. vigente en la fecha de tal utilización.

SECCION B.4. Impuestos.

(a) Este Convenio y la Donación estarán exentos de cualesquier derechos ó gravámenes impuestos por las leyes vigentes en Bolivia.

(b) Hasta el punto que (1) cualquier contratista, cualquier personal de dicho contratista financiados bajo la Donación, y cualquier propiedad ó transacción referente a tales contratistas y (2) cualquier transacción para la adquisición de bienes financiados bajo la Donación, no estén exentos de impuestos, gravámenes, aranceles y otros tipos de contribuciones impuestos por las leyes en vigencia en Bolivia, el Gobierno, según y hasta el punto que se estipule y de acuerdo a las Cartas de Implementación del Proyecto, pagará ó reembolsará los mismos con otros fondos que no sean los suministrados por la Donación.

SECCION B.5. Informes, Registros, Inspecciones, Auditorías. El Gobierno:

(a) Suministrará tal información é informes relacionados con el Proyecto y con este Convenio, según A.I.D. pueda solicitar razonablemente;

(b) Mantendrá ó hará que se mantengan, de acuerdo con principios de contabilidad generalmente aceptados y prácticas aprobadas en conformidad con tales principios, libros y registros relacionados con el Proyecto y con este Convenio, adecuados para probar, sin limitación, la recepción y utilización de los bienes y servicios adquiridos con la Donación. Tales libros y registros serán auditados regularmente,

activity associated with or financed by a country not included in Code 935 of the A.I.D. Geographic Code Book as in effect at the time of such use.

SECTION B.4. Taxation.

(a) This Agreement and the Grant will be free from any taxation or fees imposed under laws in effect in Bolivia.

(b) To the extent that (1) any contractor, including any consulting firm, any personnel of such contractor financed under the Grant, and any property or transaction relating to such contracts and (2) any commodity procurement transaction financed under the Grant, are not exempt from identifiable taxes, tariffs, duties or other levies imposed under laws in effect in Bolivia, the Government will, as and to the extent provided in and pursuant to Project Implementation Letters, pay or reimburse the same with funds other than those provided under the Grant.

SECTION B.5. Reports, Records, Inspections, Audit. The Government will:

(a) Furnish A.I.D. such information and reports relating to the Project and to this Agreement as A.I.D. may reasonably request;

(b) Maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project and to this Agreement, adequate to show, without limitation, the receipt and use of goods and services acquired under the Grant. Such books and records will be audited regularly, in accordance

de acuerdo a normas de auditoría generalmente aceptadas y deberán mantenerse durante tres años después de la fecha del último desembolso efectuado por A.I.D.; tales libros y registros deberán también indicar la naturaleza y el alcance de las convocatorias a proveedores potenciales de bienes y servicios adquiridos, la base de la adjudicación de contratos y pedidos, y la totalidad del progreso del Proyecto hacia su terminación; y

(c) Brindará a los representantes autorizados de A.I.D., cuando sea razonable, la oportunidad de inspeccionar el Proyecto, la utilización de los bienes y servicios financiados por A.I.D., y los libros, registros y otros documentos relacionados con el Proyecto y la Donación.

SECCION B.6. Integridad de la Información. El Gobierno afirma:

(a) que los hechos y circunstancias de los cuales ha informado a A.I.D. ó ha motivado que A.I.D. se informe, en el curso de las negociaciones del Convenio con A.I.D. sobre la Donación, son precisos y completos é incluyen todos los hechos y circunstancias que pudieran afectar materialmente al Proyecto y al descargo de responsabilidades según este Convenio; y

(b) que informará a A.I.D. en forma oportuna, de cualesquier hechos y circunstancias posteriores que pudieran afectar materialmente ó que sea razonable esperar que puedan afectar al Proyecto ó al descargo de responsabilidades según este Convenio.

SECCION B.7. Otros Pagos. El Gobierno afirma que ninguno de sus funcionarios ha recibido ó recibirá pago alguno en relación con la adquisición de bienes y servicios financiados por la Donación, con excepción de gravámenes,

with generally accepted auditing standards, and maintained for three years after the date of last disbursement by A.I.D.; such books and records will also be adequate to show the nature and extent of solicitations of prospective suppliers of goods and services acquired, the basis of award of contracts and orders, and the overall progress of the Project toward completion; and

(c) Afford authorized representatives of A.I.D. the opportunity at all reasonable times to inspect the Project, the utilization of goods and services financed by A.I.D., and books, records and other documents relating to the Project and the Grant.

SECTION B.6. Completeness of Information. The Government confirms:

(a) that the facts and circumstances of which it has informed A.I.D., or caused A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Grant, are accurate and complete, and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under this Agreement; and

(b) that it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Project or the discharge of responsibilities under this Agreement.

SECTION B.7. Other Payments. Government affirms that no payments have been or will be received by any official of the Government in connection with the procurement of goods or services financed under the Grant,

impuestos ó pagos similares legalmente establecidos en Bolivia.

SECCION B.8. Información y Marcación. El Gobierno dará la publicidad debida a la Donación y al Proyecto como un programa al cuál Estados Unidos ha contribuído, identificará el lugar del Proyecto, y marcará los bienes financiados por A.I.D., como se describe en las Cartas de Implementación del Proyecto.

Artículo C: Estipulaciones para Adquisiciones.

SECCION C.1. Normas Especiales.

(a) La fuente y orígen de los embarques marítimos y aéreos se considerará que es el país de registro del barco ó de la aeronave a tiempo del embarque.

(b) Las primas por seguros marítimos colocados en Bolivia serán consideradas como un costo en dólares americanos elegible, si no son elegibles bajo la Sección C.7(a).

(c) Todos los vehículos motorizados financiados por la Donación serán de fabricación norteamericana, a menos que A.I.D. acordara de otro modo por escrito.

(d) El transporte por vía aérea de pertenencias ó personas financiado por la Donación deberá efectuarse en transportes de registro norteamericano, siempre que hubiera disponibilidad de tales transportes. Detalles sobre este requisito serán descritos en una Carta de Implementación del Proyecto.

SECCION C.2. Fecha de Elegibilidad. No se podrán financiar bienes ó servicios bajo la Donación que sean adquiridos en cumplimiento de pedidos ó

except fees, taxes, or similar payments legally established in Bolivia.

SECTION B.8. Information and Marking. The Government will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

Article C: Procurement Provisions.

SECTION C.1. Special Rules.

(a) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(b) Premiums for marine insurance placed in Bolivia will be deemed an eligible U.S. dollar cost, if otherwise eligible under Section C.7(a).

(c) Any motor vehicles financed under the Grant will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

(d) Transportation by air, financed under the Grant, of property or persons will be on carriers holding United States certification, to the extent service by such carriers is available. Details on this requirement will be described in a Project Implementation Letter.

SECTION C.2. Eligibility Date. No goods or services may be financed under the Grant which are procured pursuant to orders or contracts

contratos firmemente colocados ó celebrados con anterioridad a la fecha de este Convenio, a menos que las partes convinieran de otro modo por escrito.

SECCION C.3. Planos, Especificaciones y Contratos. Con el fín de que exista un mútuo acuerdo en los siguientes aspectos, y a menos que las partes convinieran de otro modo por escrito:

(a) El Gobierno suministrará a A.I.D. en cuanto estén preparados:

(1) cualesquier planos, especificaciones, programas de adquisición ó construcción, contratos ú otra documentación relacionada con los bienes y servicios a ser financiados por la Donación, incluyendo la documentación referente a la precalificación y elección de los contratistas y a la convocatoria a propuestas. Las modificaciones de importancia sobre tal documentación serán también suministradas a A.I.D. tan pronto estén preparadas,

(2) aquella documentación relacionada con cualesquier bienes ó servicios que, no obstante no estar financiados con fondos de la Donación, sean considerados por A.I.D. como de gran importancia para el Proyecto. Los aspectos del Proyecto que involucren asuntos según esta sub-sección (a)(2), serán identificados en Cartas de Implementación del Proyecto;

(b) Los documentos relacionados con la pre-calificación de contratistas y con la convocatoria a propuestas ó licitaciones por bienes y servicios financiados por la Donación serán aprobados por A.I.D., por escrito con anterioridad a su emisión y, sus términos incluirán las normas y medidas norteamericanas;

firmly placed or entered into prior to the date of this Agreement, except as the parties may otherwise agree in writing.

SECTION C.3. Plans, Specifications, and Contracts. In order for there to be mutual agreement on the following matters, and except as the parties may otherwise agree in writing:

(a) The Government will furnish to A.I.D. upon preparation:

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation relating to goods or services to be financed under the Grant, including documentation relating to the prequalification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished A.I.D. on preparation,

(2) such documentation will also be furnished to A.I.D.; upon preparation, relating to any goods or services which, though not financed under the Grant, are deemed by A.I.D. to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a)(2) will be identified in Project Implementation Letters;

(b) Documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Grant will be approved by A.I.D. in writing prior to their issuance, and their terms will include United States standards and measurements;

(c) Las adjudicaciones, contratos y contratistas financiados por la Donación por servicios de ingeniería y otros servicios profesionales, por servicios de construcción y por aquellos otros servicios, equipo ó materiales según se pueda especificar en las Cartas de Implementación del Proyecto, serán aprobados por A.I.D., por escrito, con anterioridad a dicha adjudicación y a la celebración del contrato. Las modificaciones substanciales en tales contratos serán también aprobadas por escrito por A.I.D. con anterioridad a su ejecución;

(d) Las firmas consultoras utilizadas por el Gobierno para el Proyecto, pero que no sean financiadas por la Donación, el alcance de sus servicios y el personal asignado por éstas al Proyecto según pueda especificar A.I.D. y los contratistas de construcciones utilizados por el Gobierno para el Proyecto, pero no financiados por la Donación, deberán ser aceptables a A.I.D.; y

(e) Las licitaciones, contrataciones y adquisiciones bajo la Donación se llevarán a cabo de acuerdo con los reglamentos y procedimientos de A.I.D. con respecto a convenios de proyecto internacionales, incluyendo el Manual 11 de A.I.D., (copia del cuál se ha proporcionado al Gobierno).

SECCION C.4. Precios Razonables. No se pagarán precios más altos que los razonables por cualesquier bienes y servicios financiados total ó parcialmente por la Donación. Tales items se adquirirán sobre una base justa y, en cuanto sea posible, sobre una base de competencia.

SECCION C.5. Notificación a Proveedores Potenciales. A fin de que todas las firmas de los Estados Unidos tengan la oportunidad de participar en el

(c) Bid awards, contracts and contractors financed under the Grant for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Project Implementation Letters, will be approved by A.I.D. in writing prior to such awards and the execution of such contracts. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution;

(d) Consulting firms used by the Government for the Project but not financed under the Grant, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Government for the Project but not financed under the Grant, shall be acceptable to A.I.D.; and

(e) Bidding, contracting and procurement under the Grant shall be carried out in accordance with A.I.D. regulations and procedures with respect to international project agreements, including A.I.D. Handbook 11 (copy of which has been provided to the Government).

SECTION C.4. Reasonable Price. No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be procured on a fair and, to the maximum extent practicable, on a competitive basis.

SECTION C.5. Notification to Potential Suppliers. To permit all United States firms to have the opportunity to participate in

suministro de bienes y servicios a ser financiados por la Donación, el Gobierno proporcionará a A.I.D. la información necesaria con respecto a dichos bienes y servicios en el momento que A.I.D. lo solicite mediante Cartas de Implementación.

SECCION C.6. Embarques.

(a) Los bienes que deban ser transportados a Bolivia no podrán ser financiados por la Donación si son transportados ya sea: (1) en un barco ó aeronave de bandera de un país que no esté incluído en el Código Geográfico de A.I.D. 935 vigente en la fecha del embarque; ó (2) en un barco que A.I.D. mediante aviso por escrito al Gobierno, hubiera designado como inelegible; ó (3) en un barco ó nave aérea fletados que no hubieran recibido aprobación previa de A.I.D.

(b) Los costos de transporte marítimo ó aéreo (de bienes ó personas) y los servicios de entrega relacionados, no podrán ser financiados por la Donación si tales bienes ó personas son transportados: (1) en un barco de bandera de un país no identificado, en la fecha de embarque, en la parte del Convenio titulada "Fuente de Adquisiciones: Costos en Dólares Americanos", sin previa aprobación por escrito por parte de A.I.D.; ó (2) en un barco que A.I.D. hubiera designado como inelegible mediante aviso por escrito al Gobierno, ó (3) en un barco ó nave aérea fletados que no hubieran recibido aprobación previa por parte de A.I.D.

(c) A menos que A.I.D. determine que no hubiera disponibilidad de barcos comerciales de bandera americana de propiedad privada que ofrecieran tarifas de fletes justas y razonables para dichos barcos: (1) por lo menos el cincuenta (50%) por ciento del tonelaje bruto de todos los bienes (computados

furnishing goods and services to be financed under the Grant, the Government will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation Letters.

SECTION C.6. Shipping.

(a) Goods which are to be transported to Bolivia may not be financed under the Grant if transported either: (1) on an ocean vessel or aircraft under the flag of a country which is not included in A.I.D. Geografic Code 935 as in effect at the time of shipment, or (2) on an ocean vessel which A.I.D., by written notice to the Government has designated as ineligible; or (3) under an ocean or air charter which has not received prior A.I.D. approval.

(b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Grant, if such goods or persons are carried: (1) on an ocean vessel under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: U.S. Dollar Costs", without prior written A.I.D. approval, or (2) on an ocean vessel which A.I.D., by written notice to the Government, has designated as ineligible, or (3) under an ocean vessel or air charter which has not received prior A.I.D. approval.

(c) Unless A.I.D. determines that privately-owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels: (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk

separadamente para cargueros de carga seca y barcos cisterna) financiado por A.I.D. que pueda ser transportado en barcos, será transportado en barcos de bandera americana de propiedad privada y (2) por lo menos el cincuenta por ciento (50%) de los ingresos brutos generados por fletes de todos los embarques financiados por A.I.D. y transportados a Bolivia en barcos de carga seca, deberá ser pagado, ó beneficiar, a barcos de bandera americana de propiedad privada. El cumplimiento de los requisitos (1) y (2) de esta subsección debe ser logrado tanto con respecto a cualquier carga transportada de puertos norteamericanos como con respecto a cualquier carga transportada de puertos no norteamericanos computadas separadamente.

SECCION C.7. Seguros.

(a) El seguro marítimo sobre bienes financiados por A.I.D. que deben ser transportados a Bolivia puede ser financiado como un Costo en Moneda Extranjera bajo este Convenio siempre que: (1) tal seguro sea obtenido al precio competitivo más bajo disponible y (2) los reclamos correspondientes sean pagaderos en la moneda en la cuál tales bienes fueron financiados ó en una moneda de libre convertibilidad. Si el Gobierno por ordenanza, decreto, regla, regulación ó práctica, discrimina con respecto a adquisiciones financiadas por A.I.D., contra cualquier compañía de seguros marítimos autorizada a efectuar negocios en cualquier Estado de los Estados Unidos, entonces todos los bienes embarcados a Bolivia financiados por A.I.D. serán asegurados contra riesgos marítimos y tal seguro será contratado en los Estados Unidos con una compañía ó compañías autorizadas a efectuar un negocio de seguro marítimo en un Estado de los Estados Unidos.

carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will be transported on prviately-owned United States-flag commercial vessels, and (2) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed by A.I.D. and transported to Bolivia on dry cargo liners shall be paid to or for the benefit of privately-owned United States-flag commercial vessels. Compliance with the requirements of (1) and (2) of this subsection must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

SECTION C.7. Insurance.

(a) Marine insurance on goods financed by A.I.D. which are to be transported to Bolivia may be financed as a Foreign Exchange Cost under this Agreement provided (1) such insurance is placed at the lowest available competitive rate, and (2) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency. If the Government, by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to Bolivia financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(b) A menos que A.I.D. acordara de otro modo por escrito, el Gobierno asegurará ó hará que se aseguren los bienes financiados por la Donación importados para el Proyecto contra riesgos que ocurren durante el transporte hasta el lugar de su utilización en el Proyecto, tal seguro será emitido en términos y condiciones de conformidad con sólidas prácticas comerciales y cubrirá el valor total de los bienes. Cualquier indemnización recibida por el Gobierno bajo tal seguro será utilizada para reemplazar ó reparar cualquier daño material sufrido ó cualquier pérdida de los bienes asegurados, ó será utilizada para reembolsar al Gobierno por la substitución ó reparación de tales bienes. Cualesquiera de tales substituciones será de fuente y orígen de países que figuren en el Código Geográfico 935 de A.I.D. en vigencia en el momento de efectuarse tal substitución, y, a menos que las partes acuerden por escrito, estarán sujetas a las estipulaciones de este Convenio.

SECCION C.8. Bienes Excedentes de Propiedad del Gobierno Norteamericano. El Gobierno conviene en que cuando sea factible se utilizarán bienes excedentes de propiedad del gobierno norteamericano en lugar de nuevos items financiados por la Donación. Los fondos de la Donación serán utilizados para financiar los costos de obtención de dichos bienes excedentes para el Proyecto.

Artículo D: Terminación, Recursos.

SECCION D.1. Terminación. Cualquiera de las partes puede terminar este Convenio previo aviso por escrito de 30 días a la otra parte. La finalización de este Convenio pondrá término a cualesquier obligaciones de las partes de proveer financiamiento ú otros recursos al Proyecto de acuerdo con este

(b) Except as A.I.D. may otherwise agree in writing, the Government will insure, or cause to be insured, goods financed under the Grant imported for the Project against risks incident to their transit to the point of their use in the Project; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Government under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Government for the replacement or repair of such goods. Any such replacements will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement, and, except as the parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C.8. U.S. Government - Owned Excess Property. The Government agrees that wherever practicable United States Government-owned excess personal property, in lieu of new items financed under the Grant, should be utilized. Funds under the Grant may be used to finance the costs of obtaining such property for the Project.

Article D: Termination, Remedies.

SECTION D.1. Termination. Either party may terminate this Agreement by giving the other party 30 days' written notice. Termination of this Agreement will terminate any obligations of the parties to provide financial or other resources to the Project pursuant to this

Convenio, excepto por pagos que se hayan comprometido a cumplir de acuerdo a compromisos irrevocables acordados con terceras partes, con anterioridad a la terminación de este Convenio. Además, en el momento de dicha terminación A.I.D. puede, a expensas de A.I.D., instruir a que el derecho sobre los bienes financiados por la Donación sea transferido a A.I.D., si dichos bienes son de procedencia de países fuera de Bolivia, están en buen estado de entrega y no han sido descargados en los puertos de entrada a Bolivia.

SECCION D.2. Reembolsos.

(a) En el caso de cualquier desembolso que no esté respaldado por documentación válida de acuerdo con este Convenio, ó el cual no fuera hecho ó utilizado de acuerdo con este Convenio, ó que cubriera bienes ó servicios no utilizados de acuerdo con este Convenio, A.I.D., no obstante la disponibilidad ó ejercicio de cualesquier otros recursos bajo este Convenio, puede solicitar al Gobierno el reembolso a A.I.D. del monto de tal desembolso en dólares americanos dentro de los sesenta (60) días posteriores de haber recibido una solicitud para el efecto.

(b) Si la omisión del Gobierno en el cumplimiento de cualquiera de sus obligaciones bajo este Convenio tuviera como resultado que los bienes ó servicios financiados por la Donación no sean utilizados de acuerdo con este Convenio, A.I.D. puede solicitar al Gobierno el reembolso total ó parcial a A.I.D. del monto de los desembolsos en dólares americanos efectuados bajo este Convenio para tales bienes ó servicios dentro de los sesenta (60) días después de haber recibido la solicitud para el efecto.

Agreement, except for payments which they are committed to make pursuant to non-cancellable commitment entered into with third parties prior to the termination of this Agreement. In addition, upon such termination A.I.D. may, at A.I.D.'s expense, direct that title to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside Bolivia, are in a deliverable state and have not been offloaded in ports of entry of Bolivia.

SECTION D.2. Refunds.

(a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Government to refund the amount of such disbursement in U.S. dollars to A.I.D. within sixty (60) days after receipt of a request therefor.

(b) If the failure of the Government to comply with any of its obligations under this Agreement has the result that goods or services financed under the Grant are not used in accordance with this Agreement, A.I.D. may require the Government to refund all or any part of the amount of the disbursements under this Agreement for such goods or services in U.S. dollars to A.I.D. within sixty (60) days after receipt of a request therefor.

(c) El derecho, conforme a las subsecciones (a) ó (b), de solicitar un reembolso de un desembolso, continuará no obstante de cualquier otra estipulación de este Convenio, durante tres años desde la fecha del último desembolso bajo este Convenio.

(d) (1) Cualquier reembolso conforme a las subsecciones (a) ó (b), ó (2) cualquier reembolso a A.I.D. de parte de un contratista, proveedor, banco ú otra tercera parte con respecto a los bienes ó servicios financiados por la Donación, relacionado con un precio no razonable ó facturación errónea por bienes ó servicios, ó por bienes que no estuvieran conforme a las especificaciones ó servicios que fueran inadecuados, (A) se podrá disponer primero para cubrir el costo de bienes y servicios requeridos para el Proyecto, hasta el límite justificable, y (B) el saldo si lo hubiere, será aplicado a reducir el monto de la Donación.

(e) Cualquier interés ú otras ganancias sobre los fondos de la Donación desembolsados por A.I.D. al Gobierno bajo este Convenio, con anterioridad a la utilización autorizada de tales fondos para el Proyecto, serán devueltas por el Gobierno a A.I.D. en dólares americanos.

SECCION D.[illegible]. Recursos no Renunciables. Ninguna demora en el ejercicio de cualquier derecho ó recurso que surja en favor de una parte en relación con su financiamiento por este Convenio será interpretada como una renuncia de tal derecho ó recurso.

SECCION D.[illegible]. Cesión. El Gobierno, acuerda a solicitud razonable, otorgar un documento de cesión en favor de A.I.D., de todo derecho de acción que pudiera surgir a favor del Gobierno en relación con, ó que sea emergente de, el cumplimiento ó incumplimiento por una de las partes de un contrato directo en dólares americanos con financiamiento total ó parcial por parte de A.I.D. y con fondo concedidos por A.I.D. bajo este Convenio.

(c) The right under subsections (a) or (b), to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank, or other third party with respect to goods or services financed under the Grant, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.

(e) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Government under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. dollars by the Government.

SECTION D.[illegible]. Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to a party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D.[illegible]. Assignment. The Government agrees, upon reasonable request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Government in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.

(c) El derecho, conforme a las subsecciones (a) ó (b), de solicitar un reembolso de un desembolso, continuará no obstante de cualquier otra estipulación de este Convenio, durante tres años desde la fecha del último desembolso bajo este Convenio.

(d) (1) Cualquier reembolso conforme a las subsecciones (a) ó (b), ó (2) cualquier reembolso a A.I.D. de parte de un contratista, proveedor, banco ú otra tercera parte con respecto a los bienes ó servicios financiados por la Donación, relacionado con un precio no razonable ó facturación errónea por bienes ó servicios, ó por bienes que no estuvieran conforme a las especificaciones ó servicios que fueran inadecuados, (A) se podrá disponer primero para cubrir el costo de bienes y servicios requeridos para el Proyecto, hasta el límite justificable, y (B) el saldo si lo hubiera, será aplicado a reducir el monto de la Donación.

(e) Cualquier interés ú otras ganancias sobre los fondos de la Donación desembolsados por A.I.D. al Gobierno bajo este Convenio, con anterioridad a la utilización autorizada de tales fondos para el Proyecto, serán devueltas por el Gobierno a A.I.D. en dólares americanos.

SECCION D.3. Recursos no Renunciables. Ninguna demora en el ejercicio de cualquier derecho ó recurso que surja en favor de una parte en relación con su financiamiento por este Convenio será interpretada como una renuncia de tal derecho ó recurso.

SECCION D.4. Cesión. El Gobierno, acuerda a solicitud razonable, otorgar un documento de cesión en favor de A.I.D., de todo derecho de acción que pudiera surgir a favor del Gobierno en relación con, ó que sea emergente de, el cumplimiento ó incumplimiento por una de las partes de un contrato directo en dólares americanos con financiamiento total ó parcial por parte de A.I.D. y con fondo concedidos por A.I.D. bajo este Convenio.

(c) The right under subsections (a) or (b), to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank, or other third party with respect to goods or services financed under the Grant, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.

(e) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Government under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. dollars by the Government.

SECTION D.3. Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to a party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D.4. Assignment. The Government agrees, upon reasonable request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Government in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.