

UNITED STATES GOVERNMENT

Memorandum

TO : SER/CM/SD

DATE: July 8, 1980

FROM : Patricio Maldonado, Program Officer
USAID/Ecuador

SUBJECT: OPG Documentation

Please find attached project documentation on OPG-518-0006, Food Processing and Fortification, signed on April 15, 1980, between USAID and Cooperative for American Relief Everywhere, CARE.

Encl. (1)

cc: LAC/DP - PVO



5010-110

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

UNITED STATES GOVERNMENT

Memorandum

TO : The files

DATE: July 8, 1980

FROM : Manuel Rizzo *✓*
Health Coordinator

SUBJECT: Negotiation Memorandum: CARE-OPG-518-0006

1. The Cooperative for American Relief Everywhere (CARE) an American PVO registered with AID, submitted in November 1979 a final proposal for an OPG to increase the effectiveness of the Ministry of Public Health's leche-avena program, by providing the leche-avena processing plant with the necessary additional facilities needed to reach full efficiency. This effort will continue to alleviate malnourishment in infant and preschool children, and pregnant and lactating mothers of Ecuador.

The one year project, which requests AID funding of \$106,000 for total project costs, has two major components:

- a) To provide to the Ministry of Health, two packing machines for the MOH's leche-avena processing plant at "El Beaterio". These packing machines will have a processing capacity of two or more tons of leche-avena per hour; and,
- b) To provide also to the MOH's leche-avena processing plant a 71 liter conveyor belt to transport raw materials from the warehouses to the plant, and after they have been processed, return the finished product back to the warehouses. AID financing will be provided through the OPG for the purchase of the two machines mentioned above.

AID will finance the packing machines (\$70,000), the conveyor belt (\$20,000); costs of technical personnel that will train MOH personnel in charge of the machine's operation (\$7,000), and evaluation (\$1,200).

2. This proposal is the outcome of over six months of negotiations. In November 1979 a team composed of a nutrition and health advisors, working in close coordination with USAID and CARE discussed the content



of the project. Project details were worked out through subsequent conversations between USAID, CARE and the Nutrition Division of the Ministry of Health.

3. With the approval of its RLA, USAID has adopted a standard format (from HB13) for its OPG project agreements. The project agreement signed with CARE has only minor modifications from this.
4. The proposed budget, as negotiated with CARE does not contemplate overhead for CARE/Ecuador, an overhead charged by CARE/New York is minimum. No personnel or operating expenses are being financed under this project, except for the technical assistance necessary to install the equipment and for evaluation.
5. The only element of the project which is not common for this type of project is the Ministry of Health participation. They will provide funding for the construction of two 1,000 square meters warehouses at "El Beaterio", and personnel costs to support the operation.

UNITED STATES AID MISSION TO ECUADOR
 AGENCY FOR INTERNATIONAL DEVELOPMENT
 QUITO, ECUADOR

FHD-80-027

April 15, 1980

Mr. George Menegay
 Director
 Cooperative for American Relief
 Everywhere (CARE)
 Reina Victoria 447
 P.O. Box 2097
 Quito, Ecuador

Dear Mr. Menegay:

Pursuant to the authority contained in the United States Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby grants to the Cooperative for American Relief Everywhere (hereinafter referred to as "CARE" or "Grantee") the sum of US\$106,000 to cover implementation activities of a project, summarized below, and more fully described in Annex A to this Grant, entitled "Project Description". The purpose of this Grant, is to contribute to the improvement of the nutrition status of 48,000 mothers and 102,000 pre-school children through a more efficient and better equipped plant to produce and distribute the food complement "leche avena" to vulnerable population groups.

This Grant and the obligation of US\$106,000 is effective as of the date of signed acceptance of this Letter Grant Agreement by a duly authorized representative of CARE and shall apply only to commitments made by the Grantee, CARE, in furtherance of program objectives as described in Annex A.

This Grant is made to CARE on condition that the funds will be administered in accordance with the terms and conditions set forth in Annex A, "Project Description"; Annex B, "Standard Provision"; and Annex D, "Statement of Assurance of Compliance", which have been agreed to by CARE and are hereby made integral parts of this Grant.

Please sign and return to USAID/Ecuador the Statement of Assurance of

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INTERNATIONAL MAIL ADDRESS:

U.S. Aid Mission to Ecuador
 Co. American Embassy
 Quito, Ecuador

U.S. MAIL ADDRESS:

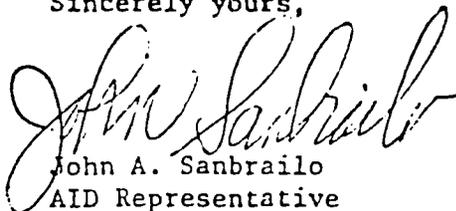
USAID - Quito
 Agency for International Development
 Washington, D.C. 20523

CABLE ADDRESS: USAID QUITO

Phones: 521100 - 521012

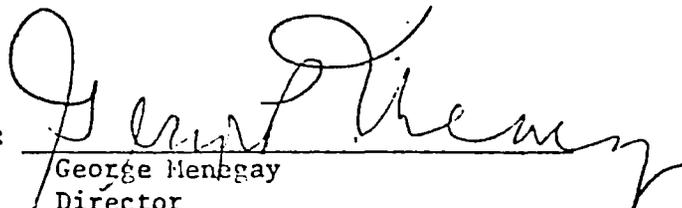
Compliance enclosed herein, and the original of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Sincerely yours,


John A. Sanbrailo
AID Representative

- Annexes: A. Project Description
B. Standard Provisions
C. Budget and Payment Provisions
D. Statement of Assurance of Compliance

Accepted by:



George Mengay
Director

Cooperative for American Relief
Everywhere, CARE

Date: April 15, 1980

Fiscal Data:

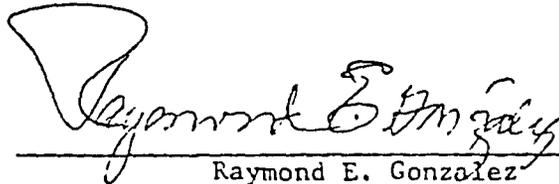
APP: 72-1101021.3
ALL: 043-54-518-00-69-01
Project No. OPG-518-0006

UNITED STATES AID MISSION TO ECUADOR
AGENCY FOR INTERNATIONAL DEVELOPMENT
QUITO, ECUADOR

TESTIGOS DE HONOR



Dr. Humberto Guillen
Ministro de Salud Pública



Raymond E. Gonzalez
Embajador de los Estados Unidos de América

Date: April 15, 1980

INTERNATIONAL MAIL ADDRESS:

US AID Mission to Ecuador
Co American Embassy
Quito, Ecuador

U.S. MAIL ADDRESS:

USAD - Quito
Agency for International Development
Washington, D.C. 20523

CABLE ADDRESS: USAID QUITO

Phones: 52100 - 521012

ANNEX A

PROJECT DESCRIPTION

1. Purpose of the Grant

The project seeks to: a) contribute to alleviate malnourishment in infant and pre-school children, and pregnant and lactating mothers of Ecuador; b) increase the effectiveness of the Ministry of Health Leche-Avena program by increasing the number of the Leche-Avena Program's beneficiaries; c) provide the leche-avena processing plant with the necessary additional facilities and improvement needed to reach full efficiency; d) secure the increasing production of leche-avena, more efficiently, and to provide a viable infrastructure for a food supplement program using locally grown products.

2. Specific Objectives

To achieve the above purposes:

- a. CARE will enter into an agreement with the Ministry of Health (MOH) for a joint activity in which CARE will provide the MOH, using funds provided by USAID/Ecuador through this PVO/OPG, the following:
 - i) up to two packing machines for the MOH's leche-avena processing plant at El Beaterio. This packing machine will have a processing capacity of two tons leche-avena per hour; ii) a 71-meter conveyor belt to transport raw materials from the warehouses to the plant, and after they have been processed, return the finished product back to the warehouses. This will avoid high breakage of bags and loss of commodities.
- b. The Ministry of Public Health will obtain funding either from the Central Government or from other sources, to:
 - i) build two warehouses in the processing plant, with an area of 1,000 square meters each, to increase the storage space of the four 300-square meters warehouses now in service; ii) to purchase 20 Ford 350 pick-up trucks, necessary to expedite the delivery of leche-avena to the distribution centers in the different provinces.

By the end of this 12-month project, the following conditions are expected to exist within the MOH's leche-avena processing plant:

- a. the packing machine will have been installed and working at maximum capacity;
- b. MOH's personnel who will be in charge of maintaining the equipment, will have been trained. The training will be given by technician(s) from the supplier of the packing machine;
- c. a conveyor belt will have been installed and will be in operation;

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- 2 -

- d. arrangements should have been made by the MOH for the construction of two new warehouses with an area of 1,000 square meters each, built by I.E.O.S., the MOH's agency in charge of sanitary works;
- e. either funding arrangements will have been made by the MOH to cover the purchase of vehicles for transportation, or an appropriate logistic system would have been organized to assure the regular supply of leche-avena to the distribution centers.

Once the above conditions have been attained, the following project targets are expected to be accomplished:

- a. an increase in the production of leche-avena of up to 528 metric tons per month by 1982;
- b. an increase in the number of beneficiaries of this program in 1980, by 119% by the end of 1982;
- c. the delivery to the distribution center of an average of 528 tons of leche-avena per month per year, starting in 1982.

3. Implementation

The Grantee will carry out the project in accordance with the implementation plan contained in its proposal to A.I.D. (page 9). The plan has five basic activities:

- a. obtain local, U.S. and/or international suppliers' quotations for the packing machine and conveyor belt;
- b. select suppliers;
- c. make purchase contracts;
- d. obtain duty-free release from Customs for the packing machine, including spare parts.

4. Reporting Requirements and Evaluation

Fiscal reporting requirements are detailed in Annex C, Budget and Project Provisions.

As to program reporting requirements, the Grantee is required to submit four-month progress reports detailing progress indicators for the project purposes, outputs, and inputs, and explaining in narrative form the general progress to date, delays, actions needed and activities expected during next period. The Grant Officer should receive the report no later than the seventh calendar day of the month following the close of

There will be an evaluation at the end of the project termination date. The evaluation is expected to be carried out by a team composed of representatives of CARE, the MOH, and, at its option, USAID. The evaluation, in accordance with the evaluation plan that the Grantee attached to its proposal to A.I.D., will cover the accomplishments to date, progress toward end of project indicators, and the nature and impact of project inputs on the project objectives.

5. Budget

The A.I.D. financed project budget is detailed in Exhibits C-1 and C-2. Funds will be disbursed in U.S. Dollars, in accordance with A.I.D. regulations and the stipulations of Annex C, Budget and Payment Provisions. Movement among line items require the written permission of USAID.

Because of the nature of this Grant (i.e., an Operational Program Grant based on a proposal originating from the Grantee), CARE is not to receive any overhead to pay for costs not otherwise budgeted.

6. Title to Property

Grant financed property brought into or purchased in Ecuador for the implementation of the project will be titled in the name of Ministry of Public Health.

7. Other

The Standard Provision Annex (Annex B) is attached herewith and becomes an integral part of this Agreement.

Unless otherwise modified by USAID, Mr. Manuel Rizzo of USAID will serve as Grant Officer.