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5270180

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AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES AID MISSION TO PERU

C/O AMERICAN EMBASSY

LIMA, 1 PERU

TELEPHONE: 286200

CABLE: USAID/LIMA

March 30, 1978

Rev. Father  
Enrique León Palomino  
General Secretary  
CARITAS/Peru  
Calle Omicrón 492  
Lima

Subject: OPG Project for Expanded, Improved Feeding Program  
Project No. 527-0180

Dear Father León:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the United States Agency for International Development, (hereinafter referred to as "A.I.D." or "Grantor"), hereby grants to CARITAS del Peru, (hereinafter referred to as "CARITAS" or "Grantee"), the amount of \$160,000 (the "Grant") in accordance with the illustrative budget contained in Article V of Attachment A, to assist in the execution of subject project activities during an approximate fifteen month period beginning from the signing of this Letter of Agreement.

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of project objectives. This Grant shall remain in effect until terminated by either one or both of the parties.

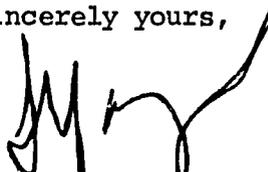
This Grant is made to CARITAS on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A entitled "Program Description" and Attachment B entitled "Standard Provisions," which have been agreed to by your organization.

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Please sign the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Please return the original and six copies of this letter to USAID/Peru,

Sincerely yours,



Leonard Yaeger  
Director, USAID/Peru

Attachments:

- A - Program Description
- B - Standard Provisions
- C - Illustrative Summary Breakdown of  
the Expanded Feeding Program

ACCEPTED:

CARITAS DEL PERU

By:   
Rev. Father Enrique León Palomino

Title: General Secretary

Date: March 30, 1978

PROGRAM DESCRIPTION

Article I - Purpose of the Grant

The purpose of the Grant is to assist CARITAS del Peru to expand and strengthen its Feeding Program activities for the rural poor and poor inhabitants of the urban areas, especially pueblos jóvenes.

Article II - Background and Project Description

In 1977 CARITAS's feeding activities, utilizing U.S. PL 480 Title II commodities under the auspices of Catholic Relief Services, were programmed to reach approximately 240,000 recipients in programs for Maternal/Child Health, Pre-School Children, Other Children, and Food for Work. The approved program for FY 1978 is targeted to reach approximately 275,000 recipients. CARITAS's capacity to expand activities at a time when Peru's current economic crisis is especially adversely affecting the country's millions of malnourished poor is seriously constrained by a lack of financial resources.

In response to the deteriorating nutritional situation among the poor in Peru, CARITAS has requested additional Title II commodities through Catholic Relief Services that would increase the number of recipients by as much as 50%. In order to assist CARITAS to implement this proposed increased Feeding Program, AID Operational Program Grant funds will be provided to finance certain local costs related to transportation, storage and handling of Title II commodities, as well as costs related to supervision, inspection and evaluation of feeding activities. Funds are also included for the purchase of a U.S. vehicle which will be utilized for program monitoring.

Some OPG funds will be used to finance travel and per diem of CARITAS employed Family Educators/Promoters who will instruct project beneficiaries in the basics of sound nutrition and balanced diet, including use of locally nutritious foods, food handling and storage, sanitation, etc. (The value of the Title II Commodities contemplated to implement the expanded program is estimated at \$1.5 million.)

Article III - Project Implementation

CARITAS will implement the project over an approximate 15 month period beginning from the date of the signing of the Letter of Agreement. Implementation of food distribution will be in accordance with CARITAS's Distribution Schedule to be submitted to AID through CRS, and as summarized in Attachment C.

(Modifications to this food Distribution Schedule may be made at quarterly intervals based upon prior quarter implementation.) As envisioned at the outset of the project, the expanded feeding program would entail an increase of approximately 22.8% in MCH recipients, 15% in Pre-school recipients, 27.1% in other Child Feeding, including Day Care Centers, and 69.4% in Food for Work recipients over and above what was originally planned for the 12 month FY 1978 period.

In addition to food distribution per se, the project will also attempt to improve nutrition/health education for project food recipients and their families through the use of CARITAS Educators/Promoters. These family education/promotion activities will be initiated under the project on a pilot basis in several selected geographic project areas. USAID will assist CARITAS in developing scopes of work and course contents for the Family Educators/Promoters, who will receive some basic orientation and training through short in-country seminars funded under the AID Grant.

#### Article IV - Responsibilities of the Grantee

CARITAS will assume responsibility for overall administration of the project's implementation and utilization of Grant funds. Specifically, CARITAS hereby agrees to assume responsibility for the following actions:

- a. Maintain separate records and appropriate documentation required by AID and CRS with respect to Title II commodities, including inventory records from time of port entrance to ultimate distribution, submit to CRS commodity and recipient status reports, reports on inland losses, etc.
- b. Provide adequate warehousing and warehouse surveillance for the project Title II commodities.
- c. Distribution of Title commodities to the diocesan storage facilities in accordance with CARITAS Distribution Schedule documents.
- d. Maintain a record of all end-use inspection and reports relating to project supervision, and inform AID thru CRS whenever an irregularity is identified.
- e. Provide end-use checkers (from among diocesan volunteer collaborators) to supervise end-use distribution of Title II commodities.

- f. Perform all necessary rebagging of foods on a timely basis to assure safe handling and reduced loss.
- g. Conduct the pilot nutrition/health promotion activities described in Article III above. This includes securing the necessary services of Family Educators/Promoters as a CARITAS contribution to the project. AID Grant funds would be utilized for their per diem and travel and appropriate training/orientation. Quarterly summary reports of education/promotion activities will be provided by CARITAS to USAID.
- h. Liberation of the AID Grant financed vehicle from Peruvian customs.
- i. Monitoring the use of the vehicle provided under the project with AID Grant funds. This includes preparing a schedule of use to include port and central warehouse inspection by CARITAS headquarters staff, as well as for selected project spot checking. Every consideration will be given to making the vehicle available for project inspection within Lima area by the project supervisors charged with that task.
- j. Contract, in form and substance acceptable to AID, for outside project supervisory services with a Peruvian firm. Said contract will provide for three full-time field supervisors, selected by CARITAS and approved by USAID, who will perform inter alia, the following functions:
  - 1) port inspection upon arrival of Title II commodities and thereafter whenever necessary,
  - 2) periodic inspection of CARITAS warehouses, both central and regional,
  - 3) visits to diocesan centers and project sites to check on food storage, handling, distribution, according to the CARITAS Distribution Schedule documents, as well as to report on spoilage, local project supervision, diocesan record keeping, etc.
  - 4) prepare inspection reports on each field visit for submission to CARITAS and, as requested, to AID. In addition, on a quarterly basis the contractor will prepare a narrative report of his findings, to include observations on project performance at every level supervised, as well as recommendations for improvement and reprogramming of foods for the subsequent quarter.

- 5) The contractor will prepare a final report to submit to AID and CARITAS containing major observations on project implementation, problems, and suggestions with respect to future CARITAS program supervisory needs.
- 6) As appropriate, the contractor will employ alternative supervisory techniques and inspection forms. The effectiveness of these will be self-evaluated and commented on by the contractor in his final report.

Article V - Project Budget and Release of Funds

Release of Grant funds under this Agreement shall be in accordance with Article XI entitled Fiscal Provisions, and in accordance with the following budget breakdown. Shifts of more than 20% among AID financed budget items cannot be made without amendment to this Agreement.

Illustrative Budget

A. AID Grant Contribution

<u>Item</u>	<u>Amount</u>
1. Transportation Costs for food deliveries from ports to Central Warehouses to Regional and Diocesan warehouses	\$ 98,461
2. Program Supervision	
- External Supervision Contract	21,700
-*CARITAS Supervision	3,077
3. Warehouse Expenses (including insurance)	2,308
4. Customs - related expenses	8,846
5. CARITAS central office expenses (overtime, training, equipment and office maintenance, etc.)	5,769

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\* AID funds for Program Supervision/CARITAS are to pay for travel and per diem of CARITAS field supervisors to permit them to increase the areas and frequency of their field inspection visits.

<u>Item</u>	<u>Amount</u>
6. Office Supplies and Materials for CARITAS	\$ 2,308
7. Re-bagging of Food	3,846
8. Vehicle (U.S. Diesel engine carry-all)	9,000
9. Nutrition, Health, Sanitation Education/ Promotion	3,500
10. Contingency	<u>1,185</u>
Total	\$160,000
B. <u>CARITAS Contribution</u> (In soles equivalent - US\$1.00 = S/.130.00)	
1. Central Office expenses	\$ 3,692
2. Additional warehouse and central office Personnel	13,846
3. Freight Costs (from Diocesan Centers to communities)	<u>49,231</u>
Total	\$ 66,769
C. <u>Diocesan or Community Contribution</u> (In soles equivalent - US\$1.00 = S/.130.00)	
1. Local Storage	\$ 11,815
2. Local office personnel and project administration	<u>43,939</u>
Total	\$ 55,754

Article VI - Conditions and Covenants

1. Initial disbursement of AID Grant funds will be subject to the execution, in form and substance acceptable to AID, of a contract with a local Peruvian firm for project supervisory/evaluation services, in accordance with the provisions specified in Article IV, and conditional upon approval of project Title II commodities by the Inter-agency Staff Committee.

2. Prior to disbursement of funds for CARITAS project supervision (Article V, item A.2.), CARITAS will submit to USAID a proposed supervision schedule to include names of supervisors, project sites to be visited, and approximate number of days involved.
3. Prior to disbursement of AID Grant Funds for Nutrition, Health, Sanitation Education/Promotion (Article V, item A.9.), CARITAS will provide USAID with a proposed plan of action to include a list of persons who will be doing the educating, sites selected and contents of instructions.
4. CARITAS covenants that AID Grant funds provided for transportation, customs, and warehousing will be used for such costs only as they relate to Title II foods under the expanded feeding program, and will not be used to substitute for funds provided the Grantee by the Government of Peru or other source for such expenses under the already approved, on-going feeding program. Exception to this covenant is subject to written AID approval.

#### Article VII - Required Accounting Records

CARITAS hereby agrees to keep separate accounting records for the funds under this Grant, separate and apart from records kept for any other purposes.

#### Article VIII - Reports and Evaluation

CARITAS hereby agrees to provide USAID/Food for Development Office with copies of the following reports and any other reports normally required by Catholic Relief Services:

1. On a quarterly basis, a summary report of CARITAS supervisors' field inspections.
2. Reports prepared by the external contract supervisor, according to the specifications contained in Article IV, j.
3. On a quarterly basis, a summary report of implementation progress against the plan of action for the Nutrition, Health, Sanitation Education/Promotion program indicated in Article VI.3.

A final evaluation report will be prepared by the external supervision contractor and submitted to USAID, as specified in Article IV.5 and 6.

Article IX - Accounting and Appropriation Data

Allotment: 843-50-527-00-69-81

Appropriation: 72-1181021.3

Project No.: 527-0180

Article X - Procurement of Commodities

All commodity procurement outside of Peru (e.g., the AID financed vehicle) shall be performed by USAID. All procurement shall be in accordance with good management practices and with Standard Item 12 in Attachment B.

Article XI - Fiscal Provisions

CARITAS will administer the Grant funds according to the budget included in Article V to defray costs incurred in carrying out the project and within the maximum limitations set forth within this Agreement. Disbursement procedures will be as follows:

Upon satisfaction of the condition precedent to initial disbursement, release of funds will be made on written request in the form of an initial advance and subsequent reimbursements. The initial advance is to be requested on AID standard form 1034 (original and three copies) "Public Voucher for Purchases and Services Other than Personal." The standard form 1034 should be completed in accordance with the attached copy and submitted to AID.

The initial advance will be adequate to cover the Grantee's anticipated expenditures for ninety (90) days and may be increased or decreased based on estimates of the project's needs. At the end of the first month, and each month thereafter until the Grant is fully disbursed, the Grantee should submit to AID a list of expenditures and supporting documentation. This list and supporting documentation should be accompanied by a request for reimbursement. AID will review the request and reimburse the advance account for disbursements made for eligible purposes. (AID will return the originals of the supporting documentation after they have been reviewed.)

This system will be followed until all funds have been exhausted. It is understood that a final No-Pay Voucher will be submitted by CARITAS to liquidate the last advance.

Together with a request for advance of funds or a liquidation of advances CARITAS must submit the following certification:

Certification

CARITAS

Project 527-0180

Expanded, Improved Feeding Program

Serial No. \_\_\_\_\_

Pursuant to Project 527-0180 dated \_\_\_\_\_, CARITAS as implementing Agency hereby requests and certifies the following:

1. CARITAS requests AID to disbursed \_\_\_\_\_ Soles Oro (S/. ) for project implementation, as an advance to cover the cash needs for a 90-day period for purposes prescribed by the Grant Agreement, and on the basis of such disbursement to make a dollar charge against Grant 527-0180. This request for advance of funds is supported by AID Public Voucher Form 1034.
2. CARITAS certifies that its receipt of such disbursement will be in Soles and its use will be in compliance with the terms of the Grant Agreement.
3. CARITAS certifies that the level of the advance requested has been realistically determine to cover the money requirements for a 90-day period.
4. CARITAS requests AID to liquidate the previous advance in the amount of \_\_\_\_\_ Soles Oro as supported by the attached expenditures documentation and No-Pay Voucher.
5. CARITAS certifies that the attached list of accrued expenditures is correct.

Lima, \_\_\_\_\_

For CARITAS;

\_\_\_\_\_  
\_\_\_\_\_

Title: \_\_\_\_\_  
Authorized Representative