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AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES AID MISSION TO PERU

C/O AMERICAN EMBASSY

LIMA, 1 PERU

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TELEPHONE: 286200

CABLE: USAID/LIMA

March 27, 1979

ISN 17058

PD-AAR-204

Mr. Carlos Carrasco L.  
Executive Director  
Servicio Evangélico Peruano de  
Acción Social  
Avenida República de Chile N°566  
Lima

Subject: Project No. 527-0206 - SEPAS Reforestation Food for  
Work Program

Dear Mr. Carrasco:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Servicio Evangélico Peruano de Acción Social, (hereinafter referred to as "SEPAS" or "Grantee") a sum not to exceed the equivalent of One Hundred and Fifty Thousand United States Dollars (\$150,000) to support a program in Peru to provide Title II commodities in conjunction with Food for Work Reforestation activities as more fully described in the attachment to this Grant entitled "Program Description." Subject to the availability of funds for this purpose, and to the mutual agreement of the parties to proceed, AID will provide additional support in total of not to exceed the equivalent of \$343,000 in A.I.D. Fiscal Years 1980 and 1981.

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made in furtherance of program objectives during the period March, 1979 through March, 1980.

This Grant is made to SEPAS on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 entitled "Program Description", and Attachment Two entitled "Standard Provisions".

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 (6) copies of this Grant to the Office of the Grantor.

Sincerely yours,



Harry W. Shlaudeman  
Ambassador



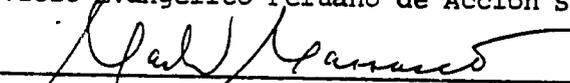
Leonard Yaeger  
Director

Attachments:

1. Program Description
2. Standard Provisions

ACCEPTED:

Servicio Evangélico Peruano de Acción Social

By 

Title: Executive Director

Date: March 27, 1979

Fiscal Data:

Appropriation: 72-1191021  
Allotment: 943-50-527-00-69-91  
Project 527-0206  
Grant Amount: \$150,000

Program Description (For purposes of the Standard Provisions this attachment shall constitute the "Schedule")

A. Purpose of the Grant

The purpose of this grant is to assist the Servicio Evangélico Peruano de Acción Social (SEPAS), the Peruvian counterpart of Church World Service, to expand its Food for Work activities in eight rural sierra departments, in conjunction with reforestation activities, which are expected to assist in the eventual elimination of erosion and increase the production of foodstuffs, provide temporary employment and food support to the rural sierra poor.

B. Specific Objectives

The specific objective of this grant is to assist SEPAS in its work with the Dirección General de Forestal y Fauna (DGFF) of the Ministry of Agriculture, and the National Office of Food Support (ONAA) to undertake reforestation activities and nutrition education in conjunction with PL 480 Title II Food for Work activities in the Departments of Cajamarca, Ancash, Junín, Huancavelica, Ayacucho, Apurímac, Cuzco and Puno, thus increasing the number of beneficiaries of SEPAS' feeding activities by over 100,000 recipients. A large portion of the sierra, presently characterized by severe soil erosion which has resulted from centuries of improper land use practices, depletion of natural forests and population pressure, will be reforested--more than 41 million seedlings will be planted over 31,000 hectares during the course of the project. The Food for Work activity will provide temporary employment to approximately 20,000 landless and near landless workers as well as provide temporary food support to over 100,000 beneficiaries through the distribution of 4,612 MTs of PL 480 Title II commodities, valued at \$1.7 million. The project participants will be provided with basic education on nutrition and health, in addition to optimal uses of Title II food.

OPG funds will be used by SEPAS to defray local costs of administration, promotion and supervision of feeding activities. In addition, funds will be channeled through SEPAS to the DGFF and ONAA to finance certain costs related to reforestation activities, including materials and equipment, seeds, transportation of materials, and the travel expenses of nutritionists participating in the project (see Illustrative Budget, Section H).

C. Project Implementation and Responsibilities of the Parties

This project will be implemented by CWS-SEPAS in coordination with the DGFF and ONAA, over an approximate three year period,

beginning from the date of acceptance of the Grant. SEPAS will assume responsibility for overall administration of the project's implementation and will assume complete responsibility for the utilization of Grant funds.

Upon the signing of this Grant agreement, SEPAS will enter into subsequent contractual agreements with the DGFF and ONAA, specifying the responsibilities of all parties in the fulfillment of project activities and guaranteeing the timely provision of counterpart funds (see below). A central coordinating committee will be created with representation of participating agencies for the purpose of coordinating all activities.

SEPAS assumes responsibility for the following actions:

- a. General coordination of project activities at the national and local level.
- b. Supervision and monitoring of initial entry, transportation and distribution of all food commodities. In order to carry out this responsibility, the following activities are required:
  1. Maintain separate records and appropriate documentation required by A.I.D. with respect to Title II commodities, including inventory records from time of port entrance to ultimate distribution, commodity and recipient status reports, reports on inland losses, etc.
  2. Assure that adequate warehousing and warehouse surveillance has been provided for Title II commodities.
  3. Maintain a record of all end-use inspection and reports related to project supervision, and inform A.I.D. whenever an irregularity is identified.
  4. Perform all necessary rebagging of foods on a timely basis to assure safe handling and reduced loss.
- c. Undertake a community development effort designed to respond to community needs in health, agricultural production, marketing, etc.
- d. Assist the DGFF in the selection of communities and organize the communities participating in the project.
- e. Coordinate between the participating communities and the DGFF the training of campesinos in forestry techniques. In addition, SEPAS will assist ONAA conduct the nutritional education program.

f. SEPAS will contract in form and substance acceptable to A.I.D. additional staff to implement project activities. This staff will be composed of a project coordinator, eight field promoters, two food inspectors/supervisors, and additional office support personnel.

g. Agreements will be signed between SEPAS and both the DGFF and ONAA and will include a statement of responsibilities and assurance of timely provision of counterpart contributions (see budget):

1. The Dirección de Forestal y Fauna (DGFF):

(a) Direct all the seedling nursery and reforestation activities.

(b) Provide technical training to the campesino participating in the project in the preparation and cultivation of seedlings, forest maintenance and overall land use practices.

(c) Assign all the necessary forestry personnel to adequately handle the technical aspects of the project.

(d) Furnish transportation for project materials and supplies.

(e) Transport of Title II commodities from Departmental warehouses to local community distribution sites.

2. The Oficina Nacional de Apoyo Alimentario (ONAA):

(a) Provide nutritionists for the nutrition education program.

(b) Supply initial transportation of the commodities from ports of entry to central ONAA warehouses, and from there to the Departmental or Regional warehouses.

D. Evaluation

SEPAS will conduct jointly with USAID, the DGFF and ONAA an intensive review of project progress at the end of each year's activities. Included in these evaluations will be the following items:

1. Identification and discussion of the most important changes in the project setting and the continuing validity of project assumptions.

2. Measurement of achievement toward reaching project outputs and purpose; if they have not been reached, an explanation of the causal factors is required.

3. Identification and analysis of delays and other problems affecting project implementation with suggestions for corrective action.

E. Reporting

SEPAS hereby agrees to provide USAID/Food for Development Office with copies of the following reports and any others normally required by voluntary agencies for the distribution of PL 480 Title II commodities:

1. Quarterly reports of food supervisors' field inspections.
2. Quarterly reports on the implementation of project activities in reforestation and nutrition education.
3. Quarterly financial reports stating amounts of funds received, spent and liquidated in accordance with the main items in the budget.

F. Conditions and Covenants

1. Initial disbursement of OPG funds will be subject to the approval of the AER by the Inter-Agency Staff Committee on PL 480.
2. Prior to disbursement of OPG funds for the contracting of additional personnel, SEPAS will inform USAID of the personnel required and the names and background of the people proposed.
3. Prior to initial disbursement of OPG funds, SEPAS will deliver for USAID approval, contract agreements entered into between SEPAS and the DGFF and ONAA, delineating responsibilities in the implementation of project activities and assuring the timely provision of counterpart resources.

G. Required Accounting Records

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

H. Project Budget and Release of Funds

Release of Grant funds under this Agreement shall be in accordance with Article 7.B of Attachment 2, Standard Provisions, and in accordance with the following breakdowns. Shifts of more than 20% among AID financed budget items cannot be made without amendments to this Agreement.

ILLUSTRATIVE PROJECT BUDGET

1. AID OPG Grant Contribution

<u>SEPAS</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>TOTAL</u>
a. Salaries and Other Personnel Expenses	26,272	30,453	34,636	91,360
b. Supervision	7,526	7,526	7,526	22,579
c. Personnel Training	2,777	-	-	2,777
d. Project Evaluation	1,570	1,570	1,570	4,710
e. Materials and Equipment	499	499	499	1,497
f. Communications	946	947	947	2,840
g. Customs Clearance	1,739	1,739	1,739	5,217
	<u>41,329</u>	<u>42,734</u>	<u>46,917</u>	<u>130,980</u>

i. The following will be provided for SEPAS use in the implementation of project activities and will be subject to a separate agreement:

- (1) Typewriters (6)
- (2) (6) Desks and (6) Chairs
- (3) (1) Van - 4 Wheel Drive

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>TOTAL</u>
<u>Dirección General de Forestal y Fauna</u>				
a. Tools and Equipment	63,459	118,048	22,809	204,316
b. Seed	11,227	8,865	-	20,092
c. Fuel, Vehicle Maintenance	<u>26,570</u>	<u>50,724</u>	<u>38,324</u>	<u>115,618</u>
	101,256	177,637	61,133	340,026
 <u>ONAA</u>				
a. Per Diem and Transportation	2,415	2,415	2,415	7,245
<u>Contingency</u>	5,000	5,000	5,000	15,000
TOTAL OPG	150,000	227,786	115,465	493,251
 2. <u>GOP Contribution</u>				
DGFF (National Coordination	2,500	3,500	5,000	11,000
Agrarian Zones (Salaries, material and food distribution, etc.)	91,000	100,500	118,000	309,500
 <u>ONAA</u>				
a. Regional Storage	112	202	333	647
b. Customs Pick-up	585	948	1,859	3,392
c. Primary Transport	4,208	7,252	14,231	25,691
d. Transportation Insurance	390	632	1,251	2,273
TOTAL GOP CONTRIBUTION				\$352,503
3. <u>SEPAS Contribution</u>	30,000			\$ 30,000

I. Fiscal Provisions

SEPAS will administer the Grant funds according to the budget (above) 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 conditions precedent to initial disbursement, release of funds will be made on written request in the form of an initial advance and subsequent reimbursements. Both the initial advance and subsequent advances will be requested and liquidated in accordance with the instruction of paragraph 7B of the Standard Provisions. 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. 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 SEPAS to liquidate the last advance.

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

Certification

SEPAS

Project 527-0206

Reforestation Food for Work Program

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

Pursuant to Project 527-0206 dated \_\_\_\_\_, SEPAS as implementing Agency hereby requests and certifies the following:

1. SEPAS 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 527-0206. This request for advance of funds is supported by AID Public Voucher Form 1034.
2. SEPAS 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. SEPAS certifies that the level of the advance requested has been realistically determined to cover the money requirements for a 90-day period.
4. SEPAS 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. SEPAS certifies that the attached list of accrued expenditures is correct.

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

For SEPAS:

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

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

J. Procurement of Commodities

All commodities required for the project will be identified by SEPAS and the DGFF. All procurement of commodities in Peru financed with grant funds will be performed by SEPAS in accordance with good management practices approved by AID. All procurement of commodities outside of Peru will be performed by AID.

K. Special Provisions

The Standard Provisions (Attachment 2) are modified as follows:

1. Paragraph 4 is deleted.
2. Paragraph 5 is deleted.
3. Paragraphs 7A and 7C are deleted.
4. Paragraph 8 is deleted since no international travel is authorized in this agreement.
5. Paragraph 10 is deleted, and in its place should be inserted the following: "All procurement of goods outside of Peru will be undertaken by USAID in accordance with AID regulations."
6. Paragraphs 12B and 12C are deleted. Paragraph 12A will be modified by deleting subparagraph C and inserting the following "At the termination of the project activities the disposition of all nonexpendable property will be subject to negotiation among all parties."
7. Paragraph 15 is deleted.
8. Paragraph 16 is deleted.
9. Paragraph 17 is deleted.
10. Paragraph 20 is deleted.