

PD-AY-994
60223

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D.C. 20523

September 27, 1985

Mr. Armin Schmidt
Heifer Project International
P.O. Box 808
825 West Third Street
Little Rock, Arkansas 72203

Subject: Matching Grant No. PDC-0258-G-SS-5137-00
Comprehensive Livestock Development Program

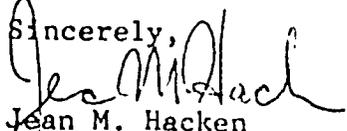
Dear Mr. Schmidt:

Pursuant to the authority of the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby provides to the Heifer Project International (hereinafter referred to as "HPI" or "Grantee") the sum of \$450,000 in support of HPI's development program as described in attachment 1, entitled "Schedule" and attachment 2, entitled "Program Description."

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 program objectives for the estimated period September 30, 1985 to September 29, 1986.

This grant is made to HPI on condition that the funds will be administered in accordance with the terms and conditions set forth in the Schedule; the Program Description; and the Standard Provisions (attachment 3).

Please sign and return the original and six copies of this letter to acknowledge your receipt of this grant.

Sincerely,

Jean M. Hacken
Grant Officer
Office of Contract Management

Attachments:

1. Schedule
2. Program Description
3. Index of Standard Provisions

Acknowledged:

Heifer Project International

By: *Alden R. Hickman*

Typed Name: Alden R. Hickman

Title: Executive Director

Date: 21 October 1985

Fiscal Data

FIO/T No.: 5384003
Appropriation Symbol: 72-1151021.3
Allotment Symbol: 543-38-099-00-76-51
Budget Plan Code: EDAA85 13810 AG11
Project No.: 938-0258
Total Estimated Amount: \$1,350,000
Total Obligated This Action: \$450,000
DUNS No.: 077-399-780
Project Office: FVA/PVC
Project Officer: Nancy Newman

FUNDS AVAILABLE
96 4190
SEP 27 1985
R. Thompson
Program Acctg. Division
OFFICE OF FINANCIAL MANAGEMENT

ScheduleA. Purpose of Grant

The purpose of this matching grant is to provide support to the Grantee's three year development program as described in the Program Description and the HPI "Comprehensive Livestock Development Project" proposal of August 1984.

B. Period of Grant

1. The effective date of this grant is the date of the cover letter. The estimated expiration date of this grant is September 29, 1988.
2. Funds obligated hereunder are available for program expenditures for the estimated period September 30, 1985 to September 29, 1986.

C. Amount of Grant and Payment

1. The total estimated amount of this grant for the period shown in B.1., above, is \$1,350,000.
2. AID hereby obligates the amount of \$450,000 for program expenditures during the period set forth in B.2., above, and as shown in the Financial Plan, below.
3. Additional funds up to the total amount of the grant shown in C.1., above, may be obligated by AID subject to the availability of funds, and to the requirement of the Standard Provision of the grant entitled "Revision of Financial Plans."
4. Payment shall be made to Grantee in accordance with procedures set forth in Attachment 3 - Standard Provision No. 7A, entitled "Payment-Letter of Credit."
5. Documentation required by the payment provision noted above shall be submitted to:

Agency for International Development
M/FM/PAFD
Room 623, SA-12
Washington, D.C. 20523

D. Financial Plan

The following is the financial plan for this grant, including local cost financing items, if authorized. Revisions to this plan shall be made in accordance with Standard Provision No. 6, entitled "Revision of Financial Plans."

<u>Cost Element</u>	<u>Obligated Amount</u>		<u>Estimated Additional</u>	<u>Total Estimated</u>
	<u>9/30/85-9/29/86</u>	<u>9/30/86-9/29/88</u>		<u>9/30/85-9/29/88</u>
Consultants	\$ 5,000	\$ 10,000		\$ 15,000
Tech Materials	8,000	16,000		24,000
Evaluation	6,000	12,000		18,000
Project Support	9,000	18,000		27,000
Livestock Institute	6,000	12,000		18,000
L. Amer/Carib. Proj	259,000	518,000		777,000
Africa Projects	235,000	470,000		705,000
Asia Projects	204,000	408,000		612,000
Indirect Cost	168,000	336,000		504,000
Total	<u>\$900,000</u>	<u>\$1,800,000</u>		<u>\$2,700,000</u>
AID	\$450,000	\$900,000		\$1,350,000
IEF	\$450,000	\$900,000		\$1,350,000

E. Reporting and Evaluation

1. Progress Reports: Annual progress reports will be submitted describing project activities and HPI's financial contribution to the project; these reports will include narrative descriptions of the overall progress of the grant program including portions financed with HPI's private funds expended under the cost-sharing obligations of the grant. The reports should include brief descriptions of program progress in each target country and the projects supported under the grant program. The latter will be furnished in the standard format prescribed by FVA/PVC for its grant information system. The annual progress report will also include financial status, showing actual expenses from AID grant funds and from other sources against the program budget. Other current AID grants to HPI, such as OPGs, will be noted in the report with an explanation of any relationship of such grants to this grant supported program.

2. Evaluation Plan:

HPI will select several country programs for evaluation during the second year of the project. It may be decided to evaluate several of the countries that were evaluated in 1983, to determine progress made and follow-up on the recommendations made at that time. In that case, Haiti and the Dominican Republic may again be evaluated in 1986. HPI would also evaluate one program in Africa and one in Asia. These evaluations would stress local participation by project staff and participants, as well as an outside consultant provided by HPI. AID would be invited to provide a consultant as well.

3. Final Report: A final report in five copies will be submitted to the project office.

The report should include the following information:

- a. A comparison of actual accomplishments with the goals established for the period;
 - b. Reasons why established goals were not met; and
 - c. Other pertinent information including, when appropriate, analysis and explanations of cost overruns, or unusually high expenses.
4. One copy of the final report shall be submitted to the Grant Officer whose address appears on the grant cover letter.
5. Prior to the required final performance reporting date, events may occur that have significant impact upon the project. In such instances, the Grantee shall inform the Grant Officer as soon as the following types of conditions become known:
- a. Problems, delays or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work activities within the established time period. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

- b. Favorable developments or events that enable time schedules to be met sooner than anticipated or more work activities to be performed than originally projected.

F. Special Provisions

1. Countries: The following countries are approved for direct in-country program support under the grant: Haiti, Dominican Republic, Bolivia, Ecuador, Indonesia, Thailand, Kenya, Uganda, Zambia, and Zimbabwe. Other countries may be approved during the period of the grant. Such approval will be communicated by AID in writing after consultation with the relevant AID Mission.
2. Prior Approval Requirements: Prior approval of individual projects or other expenditures which conform to the terms of the grant is not generally required. An exception is the use of grant funds for any project which is a follow-on or supplement to AID Mission funded activity, or which has been considered and rejected by the Mission. Any such expenditures will require specific agreement from AID, which will be given in writing by PVC only in consultation with Mission involved.
3. AID Program Interest: This grant is made with the understanding that AID funds will be used for projects only in areas of AID priority and/or AID program interests. For the purposes of this grant AID interest sectors are agriculture and rural development, health and nutrition, education and training, housing, energy, and selected urban development.
4. The following Standard Provisions are not applicable to this grant and are hereby deleted:
 - a. 5A - Negotiated Overhead Rates - Predetermined
 - b. 7B - Payment - Periodic Advances
 - c. 7C - Payment - Reimbursement
 - d. 10A - Procurement of Goods and Services under \$250,000
 - e. 13B - Title and Care of Property (U.S. Government Title)

- f. 13C - Title and Care of Property (Cooperating Country Title)
5. The "Alterations in Grant" dated November 1984 and July 1985 attached to the Index of Standard Provisions are incorporated into this grant.
 6. Standard Provision No. 35, entitled "Cost Sharing/Matching," dated April 1985, is incorporated into this grant.
 7. Notwithstanding Standard Provision No. 35, expenditures for the Program made from HPI funds after March 1, 1985 but before the period set forth in paragraph B.2., above, may be used to satisfy HPI matching funds requirements providing such costs are otherwise in conformance with the terms of the grant.

Overhead Rate

Pursuant to Standard Provision No. 5B, entitled "Negotiated Overhead Rates - Nonprofit Organizations Other Than Educational Institutions," the following overhead rate is established:

<u>Rate</u>	<u>Base</u>	<u>Period</u>
23%	Total direct costs excluding capital expenditures and major subcontracts or grants.	September 30, 1985 until amended

H. Closeout Procedures

This section prescribes uniform closeout procedures for this grant.

1. The following definitions shall apply for the purpose of this section:
 - a. Closeout. The closeout of a grant or agreement is the process by which AID determines that all applicable administrative actions and all required work of the grant or agreement have been completed by the recipient and AID.

- b. Date of Completion. The date of completion is the date on which work under grants and agreements is completed or the date on the award document, or any supplement or amendment thereto, on which AID sponsorship ends.
 - c. Disallowed Costs. Disallowed costs are those charges to a grant or agreement that AID or its representative determines to be unallowable in accordance with the applicable Federal cost principles or other conditions contained in the grant or agreement.
2. AID closeout procedures include the following requirements:
- a. Upon request, AID shall make prompt payments to a recipient for allowable reimbursable costs under the grant or agreement being closed out.
 - b. The recipient shall immediately refund any balance or unobligated (unencumbered) cash that AID has advanced or paid and that is not authorized to be retained by the recipient for use in other grants or agreements.
 - c. AID shall obtain from the recipient within 90 calendar days after the agreement all financial, performance, and other reports required as a condition of the grant or agreement. AID may grant extensions when requested by the recipient.
 - d. The recipient shall account for any property acquired with AID funds or received from the Government in accordance with Attachment N of OMB Circular A-110 entitled "Property Management Standards".
 - e. In the event a final audit has not been performed prior to the closeout of the grant or agreement, AID shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

PROGRAM DESCRIPTION

The focus of the program is on the provision of inputs, technical support services and follow up to livestock projects which have as their primary aim the socio-economic betterment of poor, small producers in rural areas in Latin America, the Caribbean, Asia and Africa.

Assistance to projects under the matching grant will potentially include:

- Livestock distribution
- Breeding centers and foundation-herd development
- Veterinary services including veterinary supplies
- Training of technicians and project-level workers
- Training of livestock recipients
- Extension, follow-up and technical assistance
- Planning and evaluation.

Assistance will be provided to staff technicians of counterpart organizations as well as to local project leaders and participants with the aim of increasing their ability to manage their own projects. HPI will be responsible for the coordination of inputs of funds, material and human resources, as well as livestock. Additionally, HPI will serve as a clearing house of information between projects.

The primary emphasis of the program will be in three major areas:

- Rural Development Project Support
- Technology and Information
- Human Resource Development

Rural Development Project Support:

HPI support of locally defined and managed rural development projects is carried out primarily through three types of inputs

- Project funding
- Shipments of supplies, equipment, and livestock
- Personnel

HPI specializes in the livestock development aspects of rural programs. Inputs include project support grants to partner organizations. These are used for approved budget items such as local purchase of livestock, physical facilities, and equipment, project personnel, administration and training costs. Where required, HPI also makes shipments of livestock, semen, equipment and veterinary supplies, usually from the U.S. Coordination and follow up are important aspects of HPI assistance, including planning and evaluation, working out the "passing on the gift" system, and exchange of experiences between projects and countries.

The Matching Grant Program is to be implemented primarily in countries where HPI has regional or country representatives or field coordinators, either as direct hire staff or under contracted arrangements with national organizations. HPI representatives have broad responsibilities for program development and follow-up in their countries of responsibility. In addition, in some cases HPI places staff technicians on two year terms or sends short term consultants (up to six months) to provide technical assistance to projects.

HPI will respond to project requests received through counterpart agencies. Priorities and criteria for the selection of projects are already established in a HPI's ongoing programs. Specific inputs will be defined by counterpart organizations and local project committees. Local resources, trainers, facilities, feedstuffs and materials will be utilized whenever possible.

Livestock inputs will be purchased locally, or imported from the U.S. when genetically improved animals are not available within the country or region of the project.

Emphasis will be given to strengthening the capacity of partner organization and of HPI itself to carry out livestock projects as a vital component of integrated rural development.

Technology and Information:

Various means for collecting, sharing and developing technical information and training materials will be used during the grant period.

The HPI "EXCHANGE," a practical technical newsletter will be produced six times a year. Appendix VIII is a copy of the July '84 issue of EXCHANGE. As of July 1984 circulation of the "EXCHANGE" was 456 readers in 65 countries. HPI is also translating the EXCHANGE into Spanish for circulation in Latin America.

HPI has working arrangements with Winrock International and VITA (Volunteers in Technical Assistance), to whom requests are referred for technical information from project areas. However, HPI responds directly to many requests for help by sending information from technical files. HPI maintains a library of books, manuals, and audio visuals for the use of visitors. Currently, HPI responds to an average of 15 requests a week for technical information from many parts of the world.

HPI staff and contracted specialists will continue to write manuals, books, and audio visuals appropriate to the needs of projects.

Technical assistance is provided upon request from project areas by short term consultants and/or volunteers. Technical assistance is also an ongoing function of HPI program staff during frequent field trips.

HPI is involved in several action-research projects which are to be included under the Matching Grant. These include:

- A Tropical hair-sheep study to develop the Kathadin breed and collect data on performance under various conditions.
- Feedstuffs development within projects.
- Ongoing efforts to study cost effectiveness with the scope of project evaluation
- Exploration of the feasibility of embryo transfer in cattle in less developed areas.

Training (Human Resource Development):

HPI will continue to put strong emphasis on training and the development of human resources through:

- field level workshops -- this activity is a direct result of requests from the field for help, as well as a response to the recommendation of various evaluations.
- project level training of local project workers and technicians. Projects are always designed to include training of project participants (the farmers, youth and women who are the intended beneficiaries). This training includes the basics of livestock production and management. Projects also usually entail training of community level extensionists (sometimes called promoters, animators or local leaders) and also local project personnel.
- field level training events, courses, and workshops are planned and coordinated within countries or regions to help project personnel and leaders get together for "cross-project" exchange of experiences and training.
- training for HPI program personnel, including a planned annual "Institute on Livestock in Development," and support for personnel to acquire specific skills and professional upgrading. On a case by case basis, HPI is equipped to offer on-the-job training at the HPI International Livestock Center in Arkansas or other appropriate sites.

Work Plan

First Year

1. All projects to be supported under the Matching Grant program in approved countries will be screened by field staff and program directors, and approved by the HPI Program Committee and Board. Appendix XII of the HPI proposal provides a list of probable 1985 HPI projects in Matching Grant countries.
2. Inputs in terms of funds, livestock, equipment, consultants, and personnel will be scheduled and provided as projects are ready to utilize them.
3. A survey will be done in countries where program is to be expanded and made more comprehensive, i.e. Zambia, Botswana, Zimbabwe, Thailand.

4. Design of a country program strategy in Cameroon as HPI makes a transition from the OPG program to the Matching Grant program.
5. Survey and possible redesign of program strategy in the Eastern Caribbean.
6. Hold region-wide consultations with key project personnel and HPI field staff and representatives in the Andean Region and in East Africa.
7. Hold the second annual "Institute on Livestock in Development."
8. Produce and distribute six technical newsletters, the "EXCHANGE."
9. Review all progress and financial reports from projects and make an annual progress report to AID.

Second Year

1. Continue assistance to project partners in program planning, and especially in project monitoring.
2. Assess training and exchange experiences of the first year and plan for second year training events, with a possibility of a region-wide consultation in Asia, and one in Southern Africa.
3. Continue inputs to previously approved multi-year projects and screen, approve, support new projects. An average of 507 projects will be supported in each approved country.
4. Produce and distribute six technical "EXCHANGE" newsletters. Do an evaluation of the "EXCHANGE" and make corresponding improvements.
5. Hold an annual "Institute on Livestock in Development."
6. Carry out evaluations of selected projects where Matching Grant funds are used, with maximum participation by local project staff and project groups.
7. Conduct a mid-term evaluation and review of the Matching Grant program by a team composed of HPI staff, an independent consultant, and an AID-provided consultant.
8. Submit an annual progress report to AID.

Third Year

1. Screening of new projects to be added to the Matching Grant program and terminating support of those projects which can now function without HPI assistance.
2. Continue to assist with follow-up and coordination of HPI inputs to projects under the Matching Grant.
3. Hold at least one regional consultation (location to be determined).
4. Carry out evaluations in selected projects and use results as part for review of the matching grant and planning for future programs.
5. Submit a final report to AID.