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60568

MEMORANDUM OF UNDERSTANDING BETWEEN THE UNITED STATES
AGENCY FOR INTERNATIONAL DEVELOPMENT
AND
THE PAN AMERICAN AGRICULTURAL SCHOOL ZAMORANO/HONDURAS)
AND
THE "ASOCIACION DE GRADUADOS DE LA ESCUELA AGRICOLA
PANAMERICANA IN GUATEMALA (AGEAP)
FOR THE ZAMORANO SCHOLARSHIP ASSISTANCE PROGRAM
UNDER THE DEVELOPMENT TRAINING AND SUPPORT PROJECT

PROJECT NO. 520-0384
REF.: AGREEMENT NO. 520-0384-G-SS-8583-00

This Memorandum of Understanding sets forth understandings among the United States Agency for International Development in Guatemala (USAID), the Pan American Agriculture School (PAS), and the "Asociación de Graduados de la Escuela Agrícola Panamericana" in Guatemala (AGEAP) acting to implement the Zamorano Scholarship Assistance program described herein. The parties do hereby agree as follows:

CLAUSE I. PURPOSE

The program is designed to increase the opportunities for academically talented and socially and economically disadvantaged Guatemalans to attend the Pan American Agricultural School (PAS) in Honduras. The program supports the development of Guatemala's human resource base, facilitates the participation of the country's disadvantaged in the development process; and through the provision of U.S. support, strengthens U.S. and Guatemalan ties of friendship and depth of understanding. The U.S. portion of training, if any, is to be funded under the Junior Year Abroad component of the CAPS program and not under the DT&S Project.

CLAUSE II. SCHOLARSHIP ASSISTANCE

USAID/Guatemala agrees to provide scholarship assistance under the DT&S Project for up to seventy percent of the cost per student for one group of approximately 50 Guatemalan students to attend PAS beginning in January 1989.

CLAUSE III. STUDENT LOAN

In addition to the scholarships described in Clause II, USAID will contribute an additional fifteen percent of the annual cost per student, but instead of grant, this will be in the form of a loan which the student will be obligated to repay to provide for a rotating loan fund. This fund will be used as a source of low cost educational loans enabling future Guatemalan students of limited economic resources to finance a portion of their education.

CLAUSE IV. CONTRIBUTIONS OF THE PANAMERICAN AGRICULTURE SCHOOL (PAS)

The PAS agrees to contribute at least fifteen percent per year of the cost of studies at PAS for each of the trainees in this program. PAS will provide USAID/G's Office of Human Resources Development (OHRD) the breakdown of trainee costs in such a manner that USAID/G/OHRD is informed on the fifteen percent contribution of PAS to the Zamorano Scholarship Program. In addition to the cost breakdown, PAS shall provide USAID/G a complete description of student services, for each academic year. The cost breakdown for academic year 1989 and student services description is to be submitted to USAID/G/OHRD within 30 days after this Memorandum of Understanding goes in effect.

CLAUSE V. FUNDING MECHANISMS

Both the Grant (70 percent) and the loan (15 percent) portions of the cost per student will be committed by USAID/G through A.I.D. Project Implementation Orders for Participant Training (PIO/P's). It is understood that PAS will not require additional fees or quotas for the scholarship/loan recipients.

CLAUSE VI. ZAMORANO/A.I.D. COMMITTEE

The Zamorano/A.I.D. committee will oversee the implementation of the Project. The Committee will have at least five members: one designated by PAS, one by USAID/G, and three by AGEAP. It will meet periodically to review progress of the project and to address policy issues and problems. The Committee will also review individual student progress and address specific concerns, especially those related to the PAS counseling, tutoring, and remedial program/services. Minutes of Committee meetings shall be submitted to USAID/G/OHRD at the end of each academic trimester.

The Committee Members will designate the Committee Chair. USAID/G will designate a Project Coordinator (who will represent A.I.D. on the committee) from the Human Resources Development Office (OHRD).

CLAUSE VII. SELECTION OF SCHOLARSHIP/LOAN RECIPIENTS

AGEAP will utilize USAID/G approved specific criteria for the selection of scholarship/loan candidates for the 1989 school year.

Since the program is to focus on socially and economically disadvantaged individuals, priority will be given to recruiting capable indigenous youth from the rural areas of Guatemala. This selection process does not preclude, however, the recruitment and selection of participants which USAID/G deems appropriate for the fulfillment of DT&S Project objectives.

The Dean of PAS will be responsible for administering the entrance examination for prospective students and for determining the academic potential of the candidates as to family economic need and will nominate them to USAID/G for final approval and scholarship awards. USAID/G will complement the AGEAP

candidate list with additional scholarship recipients who are selected based on the availability of funds and unique qualifications.

CLAUSE VIII. ADMINISTRATION OF PARTICIPANTS

After the recipients are selected, the Dean of PAS will be responsible for administering the program. He will contact the recipients and provide them with information concerning Zamorano regulations. He will be responsible for all correspondence and administrative matters with USAID/G, AGEAP, and the Zamorano/A.I.D. Committee.

The A.I.D. logo along with that of the PAS and AGEAP will be utilized on all correspondence, letterheads, and materials regarding this scholarship/loan program. Samples of this correspondence, letterheads, and materials relative to the Zamorano Scholarship Assistance Program for academic year 1988 shall be made available to the USAID/G Office of Human Resources Development (OHRD) within thirty days after this Memorandum of Understanding goes into effect, and academic years 1989-1991 printed matter with the A.I.D. logo shall be made available to the USAID/G Office of Human Resources Development (OHRD) as it is produced and disseminated.

CLAUSE X. SCHOLARSHIP RECIPIENT DISMISSAL

In the event a scholarship student leaves the PAS for academic, disciplinary, or any other reason, the PIO/P will be amended for that student to reflect actual costs, per PAS regulations.

CLAUSE XI. PROGRESS REPORTS ON PARTICIPANTS

The PAS will submit to USAID and to The executive committee of its "Loan Fund to Students for Agricultural Careers" (FOPECA) an individual progress report on each scholarship recipient at the conclusion of each trimester of study. The report, using A.I.D. standard format Academic Education Record (AER), will include grades, a consideration of the ease of adaptation of the student to PAS, any social or disciplinary problems observed, any other special problems, and a general progress rating by PAS. The individual progress reports will be submitted separately to USAID/G and to FOPECA within thirty days after the termination date of each academic trimester.

CLAUSE XII. PROJECT EVALUATIONS

The project will be subject to two external evaluations to be contracted by USAID/G. A process evaluation, to be conducted in October-November 1989, will include an analysis of participant's academic performance and adaptation to the PAS, adequacy of recruitment/selection procedures (specifically in terms of motivating capable rural youth to pursue studies in agriculture), and the effectiveness of the AGEAP and the Zamorano/USAID Committee. A final impact evaluation will be conducted at the conclusion of the program, in November 1992.

Both of these evaluations will be funded by USAID/G under Project 520-0384 and conducted by appropriate professionals contracted for that purpose by USAID. This, however, does not preclude the scheduling of periodic on-site observations/evaluations as deemed necessary by USAID/G/OHRD.

For the purpose of periodic evaluation and audits, the contractor shall provide the authorized U.S. Government representatives proper facilities for inspection of the contractor's books, records, and accounts or other information concerning the operation of the contractor's business as it relates to this Memorandum of Understanding.

CLAUSE XIII. TERM OF MOU

The term of this MOU unless extended or terminated is three years. The MOU may be terminated by any of the parties by giving 30 days written notice. This MOU may be amended by mutual agreement of the signatory parties.

CLAUSE XIV. REPRESENTATION

USAID is represented by the person holding or active in the Office of Mission Director, or his/her designee; PAS by the person holding or active in the capacity of School Director, or his/her designee; AGEAP by the President of the "Asociación de Graduados de la Escuela Agrícola Panamericana" (Guatemala Office) or his/her designee.

CLAUSE XV. ADDITIONAL PROTOCOL

The purpose of this protocol is to indicate special procedures to be followed in executing the Zamorano Scholarship Assistance program from January 1989 through December 1991. Procedures included in this document are to complement procedures indicated in the Memorandum of Understanding and any provisions which apply to the Project. This document consists of four sections: 1) General Administration of the project; 2) Transfer of Funds and Accounting; 3) Criteria for Determining Economic Need of Zamorano Scholars; and 4) Reports and Communications.

General Administration of the Project

The Zamorano/AID committee will oversee the implementation of the project. The Committee will have at least five members: one designated by the Pan American Agriculture, School (PAS), one by USAID, and 3 by the Asociación de Graduados de la Escuela Agrícola Panamericana in Guatemala (AGEAP). It will meet periodically to review progress of the project and to address policy issues and problems. USAID will designate a Project Coordinator who will represent AID on the Committee.

2. Transfer of Funds

USAID will earmark funds through this MOU for the total training amount, One Million Five Hundred Thirty Three Thousand One Hundred Eighty Eight Dollars (\$1,533,188.00) and will issue PIO/Ps to commit funds for each participant's training for Zamorano Scholarship recipients for a given term as selected. PIO/P's will cover program (student) costs.

Program costs include student costs and contingencies/inflation. Program costs include tuition, all required fees, all required deposits, use of equipment; room and board; laundry services for required clothing; required uniforms; required clothing; required footwear; required books; required school supplies, etc.; required equipment; health insurance and services; required excursions and field trips; counseling; and English language training charges and contingencies. Due to the fact that trainees are not provided monthly maintenance for incidental expenses and because the scholarship does not provide for comprehensive medical coverage, this MOU includes the mechanism whereby PAS will provide group medical insurance, as well as administer the stipend program. The category, Other Costs, will be utilized, as required, to pay unforeseen expenses for the program and the participant, as well as to pay medical insurance premiums and monthly stipends for trainees (see Attachment 2 for details). PAS will administer the insurance and trainee stipend program. Within 30 days of the effective date of this MOU and annually hereafter, PAS will provide USAID/OHRD a copy of the group insurance policy for trainees and the administrative procedures for managing the monthly stipends to trainees.

Prior to the initiation of each academic year, PAS will provide OHRD the projected costs for the following academic year utilizing the PAS format contained in Attachment 3 of this MOU.

Both the Grant (70 percent) and the Loan (15 percent) portions of the cost per student will be paid directly to the PAS. It is understood that (PAS) will not require additional fees or quotas of the scholarship/loan recipients.

PAS has agreed to contribute at least 15 percent per year of the cost of studies at the Pan American Agriculture School (PAS) for each of the participants in this program.

The assessment of economic need will be based on the individual's and/or family income of the pool of candidates presented. The USAID has established a one thousand five hundred Quetzal family income as the maximum monthly income for preliminary qualification as a candidate. Other family criteria may justify consideration of candidates whose family income is higher than the established limit. FOPECA will rank applications of preselected candidates using high, medium-high, medium-low, and low categories. Candidates will submit a family financial statement indicating: 1) Level of annual income; 2) Sources of income; and 3) Annual expenditures (housing, food, clothing, utilities, medical care, education, taxes, and miscellaneous payments such as insurance). To the extent possible, the financial statement should be supported by appropriate documentation such as receipts, tax reports, etc. Levels of income and expenditures will be one indicator of socio-economic status (SES). Other indicators of socio-economic status (SES) to be considered are: level of education of parents, type of occupation of parents, location and type of residence, and ownership of real estate and

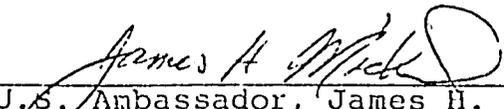
automobiles. Preference will be given to preselected candidates whose socio-economic status falls within the low and medium-low categories. For the purpose of ranking candidates on socio-economic status (SES), the Zamorano/AID Committee will use a uniform system of weights and points. All candidates should comply with the following: 1) Be accepted by PAS; 2) Have obtained a total of 900 or more points on the PAS test; 3) A required average of the last three years of secondary studies.

4. Reports and Communications

As indicated in the MOU, PAS will submit to USAID and to FOPECA an individual progress report on each scholarship recipient at the conclusion of each trimester of study. The report, using AID standard format "AER", will include grades, class rank, a consideration of the ease of adaptation of the student to PAS positive observations, any social or disciplinary problems observed, any other special problems, a general progress rating by PAS. All reports and communications will be sent to the USAID's Office of Human Resource Development. USAID/OHRD will either handle or refer communications to appropriate Mission officials, with copy to FOPECA.

CLAUSE XVI. FUNDING MECHANISMS

Refer to Attachment 1, "Illustrative Budget".



U.S. Ambassador, James H. Michel

January 2, 1989
Date



For USAID/Guatemala: Anthony J. Cauterucci

January 2, 1989
Date



For Pan American Agriculture School:
Simón Malo, Director

January 2, 1989
Date



For "Asociación de Graduados de la Escuela
Agrícola Panamericana" in Guatemala:
Elder Velasquez, President

January 2, 1989
Date

ILLUSTRATIVE BUDGET

Funding Mechanisms:

- A) A.I.D. agrees to provide an amount not to exceed one million five hundred thirty three thousand one hundred eighty eight dollars (US\$1,533,188.00);
- B) The Panamerican Agriculture School agrees to provide not less than the equivalent of two hundred seventy thousand five hundred sixty-three dollars (US\$270,563.00). These costs may be borne on an in-kind basis. Unless A.I.D. otherwise agrees to in writing, USAID/G agrees to reimburse the PAS for approved costs incurred during the implementation of the Zamorano Scholarship Assistance program, based on a voucher and support documents submitted periodically by PAS to USAID/G/CONT; and such payment for costs incurred will be made in U.S. dollars to the PAS United States bank account:

Bank of Boston International 01-05-04
P.O.Box 2016
Account Number 507-68620
Boston, Massachusetts
02106-2016

- c) Loan Fund "Educredito". To administer the loan fund which is being created under this program, AGEAP designates the executive committee of its "Loan Fund to Students for Agricultural Careers" (FOPECA). A.I.D. will provide PAS an amount not to exceed two hundred seventy thousand five hundred sixty-three dollars (US\$270,563.00) for the "Educredito" fund which will be established by student loan repayment. The committee will continue to utilize the USAID/G approved specific regulations as to how the funds from the program are to be administered, unless otherwise agreed to in writing. A copy of the approved regulations will be provided to USAID/G/OHRD and the Dean of PAS within thirty days after the effective date of this Memorandum of Understanding. Since fifteen percent of the costs for a participant will be in the form of a loan, each participant is to be fully informed of his/her responsibility to repay the loan so that future students can benefit. A loan agreement will be drawn up for signature of each trainee and FOPECA; the entity which stipulates the specific conditions for the loan. A sample copy of the loan agreement will be submitted to USAID/G/OHRD within thirty days after the effective date of this Memorandum of Understanding.

1	2	3	4	5	6	7
1	ATTACHMENT 1 (Contd)					
2	ZAMORANO SCHOLARSHIP PROGRAM (DT&S)					
3						
4	SUMMARY OF BUDGET COSTS AND SOURCES OF FUNDING					
5	(IN U.S. DOLLARS)					
6						
7	COSTS OF EDUCATION IN PAS					
8						
9	YEAR	NUMBER OF	TOTAL COST	USAID TOTAL	USAID TOTAL	TOTAL PAS
10		STUDENTS	PER STUDENT	SCHOLARSHIP	CONTRIBUTION	CONTRIBUTION
11				ASSISTANCE	TO EDUCREDITO	
12				70%	15%	15%
13						
14						
15	1989	50	13808	483280	103560	103560
16						
17	1990	50	14574	510090	109305	109305
18						
19	1991	25	15386	269255	57698	57698
20						
21	TOTAL			1262625	270563	270563
22						
23						
24						
25	(TOTAL IN US DOLLARS)					
26						
27	USAID/GUATEMALA DT&S			PANAMERICAN AGRICULTURE		
28	CONTRIBUTION			SCHOOL CONTRIBUTION		
29						
30						
31	SCHOLARSHIPS		1262625		270563	
32						
33	"EDUCREDITO"		270563			
34						
35						
36	TOTAL		1533188		270563	
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Attachment 1 (Contd)

Appropriation: 72-118/81037

Budget Plan Code: LES - 8 - 88 - 25520 - KG13

Project: Development Training and Support

Amount: One million five hundred thirty-three thousand one hundred eighty-eight dollars (US\$1,533,188.00)

* See Attachment 2 for details

OTHER COSTS

A. Group Comprehensive Medical Insurance

Accidental Death
Total Disability
Comprehensive Medical Services

(1)	25 trainees	x US\$364.00	x 3 years	=	27,300.00
(2)	25 trainees	x US\$364.00	x 2 years	=	<u>18,200.00</u>
			Sub-Total Insurance		45,500.00

B. Monthly Stipends to trainees for incidental expenses not included in scholarship.

(1)	25 trainees	x US\$40 per month	x 36 months	=	\$36,000.00
(2)	25 trainees	x US\$40 per month	x 24 months	=	<u>\$24,000.00</u>
			Sub-Total Stipends		60,000.00

C. Inflation/Miscellaneous Training
Related Costs

30,000.00

Sub-Total Inflation 30,000. 00

Total Other Costs 135,500.00

ESCUELA AGRICOLA PANAMERICANA
PROYECCION DE COSTOS DEL AÑO 1989

US\$

I.	<u>Preselección de estudiantes</u>		25.00
	a) Examen de Ingreso	10.00	
	b) Solicitud de Admisión	15.00	
II.	<u>Ingreso de estudiantes</u>		629.00
	a) Derecho de Admisión	75.00	
	b) Seguro por accidentes	474.00	
	c) Fondo de daños	80.00	
III.	<u>Estudios*</u>		6,840.00
	a) Clases teóricas y prácticas	6,840.00	
IV.	<u>Servicios Estudiantiles</u>		6,314.00
	a) Alojamiento	1,350.00	
	b) Alimentación	2,775.00	
	c) Ropa de cama	170.00	
	d) Uniformes	325.00	
	e) Servicio de lavandería	300.00	
	f) Barbero	144.00	
	g) Atención de emergencia (enfermería)	100.00	
	h) Servicios recreativos (cine, piscina, TV)	52.00*	
	i) Material didáctico	200.00	
	j) Uso de herramientas, equipo y transporte interno	100.00	
	k) Recreación y deportes	118.00*	
	l) Estipendio	480.00	
	m) Imprevistos	200.00	
			<hr/>
			13,808.00

*To be paid by Escuela Agrícola Panamericana

*Estimado 95.00 por crédito