

UNITED STATES AID MISSION to BOLIVIA
c/o American Embassy
La Paz, Bolivia

PD-AAZ-665

62300

COPY

USAID - BOLIVIA
APO MIAMI 34032

Telephones: 350120, 350251
Casilla 673
La Paz, Bolivia

July 10, 1989

Mr. Raúl Mariaca
Executive Director
Fundación Boliviana para la Capacitación
Democrática y la Investigación
Casilla 100
La Paz

Dear Mr. Mariaca:

SUBJECT: Cooperative Agreement No. 511-0596-A-00-9251-00

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 Fundación Boliviana para la Capacitación Democrática y la Investigación (herein after referred to as "FUNDEMOS" or "Recipient"), the sum of US\$18,270 in support of the program of micro-enterprise policy reform, as described in the schedule of this agreement and in Attachment 2 entitled, "Program Description."

This agreement is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending three months thereafter.

This agreement is made to FUNDEMOS on the condition that the funds will be administered in accordance with the terms and conditions set forth herewith, in Attachment 1, entitled, "Schedule;" in Attachment 2, entitled, "Program Description;" and in Attachment 3, entitled, "Standard Provisions," which have been agreed to by your organization.

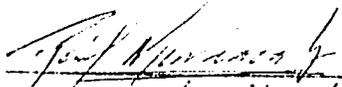
Please sign the original and each copy of this letter to acknowledge your receipt of the agreement, and return the original and all but one copy to USAID/Bolivia.

Sincerely yours,



H. Robert Kramer
Director a.i.

ACKNOWLEDGED:

By: 
Title: Director Ejecutivo
Date: 7/11/89

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

28731

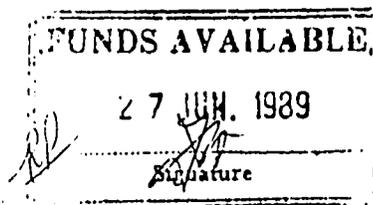
Letter to Raúl Mariaca
Cooperative Agreement
No. 511-0596-A-00-9251-00

PS:EGarcia:nl
Clearances:
PS:DJessee 6/21/89
PD&I:JCloutier W for 7/7/89
EXO/P:PKelrnan
EXO:JLieber 6/22/89
DP:AFunicello 6/22
A/CONT:JHill

FISCAL DATA

Appropriation: 72-1191021
Budget Plan Code: LDNA-89-25511-KG13
PIO/T No.: 511-0596-3-90078
Project No.: 511-0596
PRO-AG No. PA: 511-0596
Total Estimated Amount: US\$18,270
Obligated Amount: US\$18,270
Total Obligated Amount: US\$18,270

R:P890007, E:E890076,
C:CA 05969251
EL 03. ADEPI & FEBOPI



PD&I:Final:amdc 07/07/89
APD&I:JCloutier _____
ADD:DLMcIntyre _____

Cooperative Agreement
No. 511-0596-A-00-9251-00

ATTACHMENT 1

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SCHEDULE

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ATTACHMENT 1

SCHEDULE

I. PURPOSE AND PROGRAM DESCRIPTION

A. Background

The Micro and Small Enterprise Development Project contemplates research activities that will be carried out through the Federación de Pequeños Industriales (FEBOPI). The activity funded by this agreement is the first of these activities. FEBOPI will participate directly in the direction and monitoring of this Cooperative Agreement.

In this case, we are, as an exception, using a cooperative agreement with FUNDEMOS to finance the work because the Cooperative Agreement between USAID and FEBOPI has not yet been signed. In the future, any such activity will be contracted directly by FEBOPI.

B. Purpose

The purpose of this agreement is to prepare recommendations for policy changes benefiting the informal sector at the municipal, departmental, and national levels. The objectives of the program are more fully described in Attachment 2 to this agreement entitled, "Program Description" and in the Recipient's proposal, which is hereby incorporated into this grant.

C. Program Description

A.I.D. will support the Recipient to formulate recommendations for policy reform in the area of micro-enterprise and/or the informal economy in Bolivia based upon further study of this sector in a specific city, Oruro, as described in Attachment 2 entitled, "Program Description." Where there is a conflict between the schedule, Attachment 2 and the Recipient's proposal, first the schedule, then the program description, and finally the proposal shall control.

II. PERIOD OF AGREEMENT

A. The effective date of this agreement is the date of the cover letter. The expiration date of this agreement is Nov. 15, 1989.

B. Funds obligated hereunder are provided for program expenditures for the period from the date of this letter to Nov. 15, 1989, as shown in the Financial Plan below (VI).

III. FUNDS OBLIGATED, PAYMENT, ESTIMATED COSTS, AND COST SHARING

A. Amount of Agreement

The total estimated amount of this agreement for the period shown in II-A above is US\$18,270. This amount includes only the A.I.D. contribution under this grant.

B. Funds Obligated

A.I.D. hereby obligates the amount of US\$18,270 for program expenditures during the estimated period from the date of this letter to Nov 15, 1989, as shown in the Financial Plan below (VI).

C. Disbursements

Disbursements shall be made to the Recipient under the procedures set forth in Attachment 3, Grant Standard Provisions, entitled, "Payment - Periodic Advance." The disbursement schedule is included with the Financial Plan. The following describes the method of disbursements:

1. FUNDEMOS shall prepare and submit to A.I.D. a budget for the expenses to be incurred during the period of the Agreement. The amount and budget items shall be the same as approved in the budget.

2. At the end of the Agreement, FUNDEMOS will present a financial report (Schedule I) to USAID. This report will be on a cash basis and should include mainly the funds received in advance, the balance available, an accounting for any cash disbursement previously approved by USAID and charged to the grant during the reporting period. FUNDEMOS will present also Standard Form 1034 "Public Voucher for Purchase and Services other than Personal," in order to liquidate any earlier advances.

D. Additional Funds

1. FUNDEMOS Contribution

FUNDEMOS will provide operational support for the program at an estimated value of US\$10,000 worth of in-kind logistic support.

IV. OTHER UNDERSTANDINGS

A. Staging of agreement

Prior to any disbursement, or the issuance of any commitment documents under the grant to finance this program, FUNDEMOS shall furnish the following in form and substance satisfactory to A.I.D.:

1. The name(s) and specimen signature(s) of the person(s) authorized to legally represent FUNDEMOS.

2. A plan on how FUNDEMOS will segregate these funds from other funds.

3. A description of FUNDEMOS's accounting and administrative capability adequate for the purposes of this agreement.

4. Pertinent personnel contracting, and travel policies in order to ensure that the resulting costs will not be unreasonable in accordance with applicable cost principles.

5. A plan defining how FUNDEMOS and FEBOPI will direct, coordinate and monitor the program.

Having completed these requirements, A.I.D. will certify that the first stage has been completed and that FUNDEMOS may proceed to the second stage. The second stage corresponds to the implementation of the program (See Attachment II, Section I, D.).

B. Covenant

1. It is understood that FUNDEMOS will obtain A.I.D. approval for all contracts exceeding \$10,000 in value to be reimbursed by A.I.D.

2. FUNDEMOS will keep FEBOPI informed of all of its present and future activities related to the micro and small enterprise sector.

C. Cooperative Agreement Implementation Letters

To assist FUNDEMOS in the implementation of the program, A.I.D., from time to time, may issue Cooperative Agreement Implementation Letters that will furnish additional information about matters stated in this agreement. A.I.D. and FUNDEMOS may also use jointly agreed-upon Cooperative Agreement Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this agreement. Cooperative Agreement Implementation Letters will not be used to amend the text of the agreement. The A.I.D. official authorized to sign Cooperative Agreement Implementation Letters is the Chief of the Private Sector Office.

V. REPORTS AND EVALUATIONS

A. Financial Reports

FUNDEMOS will present to A.I.D. the financial reports described in paragraph III.C above. FUNDEMOS will also present to A.I.D. the financial report (Schedule II) for counterpart FUNDEMOS contribution.

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B. Final Report

FUNDEMOS will prepare and deliver a report to A.I.D. Private Sector Office and FEBOPI containing the results of the study and final recommendations. Five copies of the report will be provided to each organization.

C. Monitoring and Evaluation

During the program, FUNDEMOS, FEBOPI and A.I.D. will jointly monitor program progress.

VI. FINANCIAL PLAN FOR GRANT AGREEMENT

The following is the Financial Plan for this agreement, including local cost financing items which include salaries, telephone charges, and publications expense. Revisions to this plan shall be made in accordance with the section of the Standard Provisions of this agreement, entitled, "Revision of the Grant Budget."

A. Funds Governed by this agreement

1. Life of Project Disbursements by Functional Line Item:

Personnel	9,450
Consultants	2,600
Compilation and analysis of information	1,000
Office rent	1,800
Communications	720
Transport + Per Diem	1,740
Supplies	600
Other direct costs	360

A.I.D. contribution under this agreement \$18,270

2. Obligations by US Government Fiscal Year (Oct. - Sept.):

1989 \$18,270

B. Other Funds

Other resources will also be committed to the program by FUNDEMOS:

	<u>Funds</u>
FUNDEMOS Contribution	
Estimated cost of operational support	\$10,000

VII. SPECIAL PROVISIONS

The Recipient agrees to the following:

A. Coordination with Other Organizations

To secure the approval of FEBOPI for the draft recommendations, data collection methodology, and final report, as described further in Attachment 2, Program Description.

B. Costs

To keep costs within budget estimates agreed with A.I.D.

C. Records

To keep records on costs available for review by A.I.D.

D. Accounting

To maintain for A.I.D. funds bank accounts and accounting records separate from other operating funds.

E. Authorized Geographic Code

The authorized geographic code for procurement of goods and services under this grant is 000 plus Bolivia.

FINANCIAL REPORT - (SPECIAL ACCOUNT)
A.I.D. CONTRIBUTION
(in US\$)

PROJECT: _____

FOR THE QUARTER ENDED _____

PROJECT BUDGET ELEMENTS	LIFE OF PROJECT TOTAL APPROVED BUDGET (OBLIGATIONS) (a)	CURRENT YEAR APPROVED BUDGET (b)	FUNDS RECEIVED TO DATE (AS OF _____) FROM INCEPTION	FUNDS EXPENDED THIS QUARTER	FUNDS EXPENDED THIS YEAR	FUNDS EXPENDED TO DATE (AS OF _____) FROM INCEPTION	BALANCE AVAILABLE FROM INCEPTION (g)	FUNDS REQUIRED THIS QUARTER	REQUESTED IN THIS VOUCHER (i)
			(c)	(d)	(e)	(f)	(c-f)	(h)	(h-r)

Element

TOTAL

0755G

FINANCIAL REPORT - (SPECIAL ACCOUNT)
COUNTERPART CONTRIBUTION (CASH)
 (in US\$)

PROJECT: _____

FOR THE QUARTER ENDED _____

PROJECT BUDGET ELEMENTS	LIFE OF PROJECT TOTAL APPROVED BUDGET (OBLIGATIONS) (a)	CURRENT YEAR APPROVED BUDGET (b)	FUNDS RECEIVED TO DATE (AS OF _____) FROM INCEPTION	FUNDS EXPENDED THIS QUARTER (d)	FUNDS EXPENDED THIS YEAR	FUNDS EXPENDED TO DATE (AS OF _____) FROM INCEPTION	BALANCE AVAILABLE FROM INCEPTION (g)	FUNDS REQUIRED THIS QUARTER (h)	FUNDS DEPOSITED THRU _____ (i)
			(c)		(e)	(f)			

Element

Counterpart Contribution (In Kind)

1. Element

ATTACHMENT 2

PROGRAM DESCRIPTION

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ATTACHMENT 2

PROGRAM DESCRIPTION

A. Objectives

Based on the proposal (Attachment 4 hereto) and the earlier FUNDEMOS study titled, "Reconocimiento Preliminar del Comercio Informal de Oruro," USAID/Bolivia agrees to fund a follow-on study which will recommend legal, regulatory and policy changes, which will support the strengthening of micro and small enterprise system.

B. Statement of Work

The study described above should be developed upon in two steps which FUNDEMOS will implement as follows:

Step 1: Based on the earlier study ("Reconocimiento..."), examine the legal, regulatory and other policy constraints that affect the strengthening of the micro and small enterprise sector, and prepare tentative (hypothetical) recommendations for policy changes affecting this sector at the municipal, departmental, or national levels.

Develop a methodology to collect data to test the policy recommendations, i.e., either to disapprove the hypotheses or to develop supporting arguments.

Receive approval for the tentative recommendations and methodology from FEBOPI.

Step 2: Carry out the study as defined in Step 1.

Revise and augment draft recommendations as necessary.

Prepare and deliver a report containing the results of the study.

Prepare an annotated bibliography of all relevant studies of micro-enterprise in Bolivia and attach a copy of each entry.

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C. End of Project Status (EOPS)

The major measures of program success will be:

Recommendations for policy changes in the micro-enterprise area at the municipal, departmental, or national levels.

A report containing the results of the study referred to in the Statement of Work.

An annotated bibliography of all relevant studies of micro-enterprise in Bolivia and two copies of each entry (a copy each for USAID/Bolivia and FEBOPI).

D. Implementation

1. Responsibilities

FUNDEMOS, utilizing its own resources and other resources donated by A.I.D., as described in this grant, will be responsible for achieving the objectives described in Section A of this Attachment.

FUNDEMOS herein agrees to support the program in the following areas:

- a. Provide office space, secretarial services, office equipment and materials.
- b. Keep control of the funds advanced by USAID to cover the expenses hereby approved.

AID will be responsible for the timely disbursement of funds committed in this grant.

2. Coordination with Other Elements of the Project

FUNDEMOS will work closely with the Federación Boliviana de Pequeña Industria (FEBOPI) which will have certain approval authorities for the work, i.e.:

- a. Receive approval for the tentative recommendations and methodology from FEBOPI.
- b. Receive approval for the final report from FEBOPI.

3. Accounting and Disbursement

The disbursement system includes measures to ensure the systematic and timely flow of project funds. The system will provide for advances of A.I.D. local currency funds, and counterpart local currency funds to be deposited into the program bank account to be maintained by FUNDEMOS. FUNDEMOS will be responsible for disbursing funds from the special account in accordance with quarterly budget approvals by USAID.

4. Reports

a. Financial Reports

FUNDEMOS will present financial status reports to USAID/Bolivia as discussed in the grant Schedule Section III-C.

During the periods between the presentation of the above reports, events may occur that have significant impact upon the program. In such instances, the recipient shall inform USAID as soon as the following types of conditions become known:

- 1) 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 work objectives by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any USAID assistance needed to resolve the situation.
- 2) Favorable developments or events that enable time schedules to be met sooner than originally projected.

b. Final Report

FUNDEMOS will prepare and deliver to USAID/Bolivia and FEBOPI separate copies of a report containing the results of the study and final recommendations. This report shall contain an annotated bibliography of all relevant studies of micro-enterprise in Bolivia and a copy of each document cited in the bibliography.

If any performance review conducted by the recipients discloses the need for change in the budget estimates, the recipients shall submit a request for budget revision.