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AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES AID MISSION TO PERU

C/O AMERICAN EMBASSY

LIMA, 1 PERU

TELEPHONE 333200

CABLE: USAID/LIMA

October 30, 1989

Dr. Walter Fegan Escobar  
President  
Fundación para el Desarrollo Agrario  
Universidad Nacional Agraria, La Molina  
Lima, Peru

Subject: Agricultural Technology Transformation Project  
Project No. 527-0282  
Grant No. 527-0282-G-00-0009-00

Dear Dr. Fegan:

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 para el Desarrollo Agrario (hereinafter referred to as "FDA" or "Grantee"), the sum of US\$17,500 (the "Grant") to support the Universidad Nacional Agraria La Molina (hereinafter referred to as "UNALM"), in planning and implementing activities described in Attachment 1 hereto, entitled "Schedule", and Attachment 2 hereto, entitled "Program Description". Subject to the availability of funds for this purpose and to the mutual agreement of the Grantor and Grantee (hereinafter referred to as the "Parties"), A.I.D. plans to provide during the period of this Grant, shown in Attachment 1 hereto, a total cumulative amount not to exceed US\$200,000.

It is understood and agreed by the Parties that activities to be planned and implemented with support from this Grant are in furtherance of the purposes of the Agricultural Technology Transformation Project Agreement (ATT ProAg A.I.D. Project No. 527-0282), agreed to and signed by the Government of Peru and the United States of America (acting through A.I.D.) on September 25, 1987.

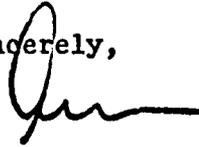
Under the ATT ProAg, the Government of Peru (GOP) has agreed to provide Counterpart resources during the life of the ATT Project, for carrying out those ATT Project activities for which FDA and UNALM have implementation and management responsibilities. FDA agrees to use their best efforts to assure that GOP Counterpart resources are provided in agreed amounts and in a timely manner for supporting Project activities implemented by UNALM and managed by FDA as specified in the ATT ProAg.

This Grant Increment is effective and commitment is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date hereof and ending on December 31, 1989.

This Grant is made to FDA on condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment 1 hereto, entitled "Schedule", Attachment 2 hereto, entitled "Program Description", Attachment 3 hereto, entitled "Mandatory Standard Provisions", and Attachment 4 hereto, entitled "Optional Standard Provisions" and Attachment 5 hereto entitled "A.I.D. Project No.527-0282, Project Grant Agreement", which hereby are agreed to by your organization.

Please sign all six (6) copies of this letter to acknowledge your acceptance of the Grant and of the conditions under which it is granted, and return the original and five (5) copies to the Program Office, USAID/Peru.

Sincerely,



Craig Buck  
Mission Director

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ATTACHMENTS:

1. Schedule
2. Program Description.
3. Standard Provisions
4. A.I.D. Project No.527-0282, Project Grant Agreement
5. FDA/UNALM Proposal,

ACKNOWLEDGED AND AGREED TO:

Fundación para el Desarrollo Agrario - FDA

BY *[Signature]*

TITLE: PRESIDENTE

DATE: OCTOBER 30, 1989

Universidad Nacional Agraria La Molina - UNALM

BY *[Signature]*

TITLE: RECTOR

DATE: OCTOBER 30, 1989

FISCAL DATA:

Appropriation	:72-1181021
Budget Plan Code	:LDNA-88-25527-JG13
Project No.	:527-0282
Total Estimated Amount	:\$200,000
Total Committed Amount	:\$ 17,500
Funding Source	:USAID/Peru

Schedule

A. Purpose of Grant

The purpose of this Grant is to support the UNALM in planning and initiating implementation of activities in furtherance of the objectives of the ATT project.

B. Period of Grant

1. The effective date of this Grant is the date of signature of this Grant Document. The expiration date of this Grant is August 31, 1993.

2. Funds committed hereunder are available for expenditures from the date of signature of this Grant and are estimated to be sufficient to December 31, 1989, for purposes shown in the Grant Budget below.

C. Amount of Grant and Payment

1. The total estimated amount of this Grant for the period shown in B.1, above, is US\$200,000.

2. A.I.D hereby commits the amount of \$17,500 for estimated expenditures during the period set forth in B.2, above, and as shown in the Grant Budget below.

3. Advances and payments shall be made to the Grantee in accordance with procedures set forth in Attachment 3, Optional Standard Provision 1, entitled "Payment-Periodic Advance"(\*). USAID has reviewed Grantee's Financial Management and Accounting Systems and has determined that Grant Funds provided by A.I.D. can be managed in accordance with the requirements of Attachment 3, Mandatory Standard Provision 2, entitled "Accounting, Audit and Records".

(\*). Additional information for disbursement procedures will be provided by P.I.L.

4. Additional funds up to the total amount shown in C.1., above, may be committed by A.I.D. during the period of this Grant Agreement, subject to the availability of funds and to the requirements of Attachment 3, Mandatory Standard Provision 4, entitled "Revision of Grant Budget".

D. Financial Plan

The following is the Illustrative Budget for this Grant, for estimated Government of Peru (GOP) counterpart, and for estimated complementary resource contributions to the FDA-UNALM implemented activities of the ATT Project, including local cost financing which is authorized up to the full amount of the Budget. Revisions to the Grant Budget shall be made in accordance with Attachment 3, Mandatory Standard Provision 4, entitled "Revision of Grant Budget" except point number three.

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E. Reporting and Evaluation

The Grantee shall provide to USAID for review the following written documents or reports:

1. Within 15 days prior to the end of the first full AID fiscal year (FY) quarter (January 1, March 31, June 30, September 30) following the effective date of the Grant, and of each FY quarter thereafter, a report of work accomplished and a plan of work to be executed during the following FY quarter. This quarterly plan of work will specify:

a. Progress achieved toward goals, implementation problems encountered, and estimated expenditures during the previous quarter;

b. Proposed actions to be taken during the ensuing quarter to resolve implementation problems encountered;

c. Specific goals within each activity to be addressed during the ensuing quarter including anticipated expenditures.

2. Within 30 days after the end of each A.I.D. FY (September 30), Grantee shall provide a report, comparing actual implementation accomplishments with the annual implementation plan. This report will include relevant information that would assist in improving subsequent implementation.

F. Title of Property

Title of property acquired under this Grant will be vested in the name of FDA, in accordance with Optional Standard Provision No. 18.

G. Authorized Geographic Code:

Commodities and services financed under the Grant will be in accordance with Optional Standard Provision No. 6.

H. Special Covenants

The Parties agree to establish an evaluation program as part of Project activities, and that an evaluation team composed of designees from USAID and FDA-UNALM will carry out an internal evaluation of ATT Project operations at least 60 days prior to September 30, 1989. The purpose of this review will be to identify functional and/or procedural problems related to implementation of activities supported under this Grant, and to recommend necessary modifications for additional Grants in furtherance of the purposes of the ATT Project.

I. Special Provisions

The following Optional Standard Provisions apply to this Grant 1, 2, 3, 4, 5, 6, 7, 8, 18, 21.

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Financial Plan  
For Activities through August 31, 1993.  
(US Dollars Equivalent) 1/

Illustrative Grant Budget

Element	This Commitment (10/ /89- 12/31/89)	Estimated Additional (01/01/90- 08/31/93) 3/	Total Estimated 01/01/89- 08/31/93	Estimated Complementary Resources 2/ (Life of Project)	Grand Total
1. Personnel	1,800	40,000	41,800	590,000	631,800
2. Operating Expenses	5,700	102,500	108,200	50,000	158,200
3. Training Expenses	10,000	40,000	50,000	200,000	250,000
4. Miscellaneous				10,000	10,000
<b>T O T A L</b>	<b>17,500</b>	<b>182,500</b>	<b>200,000</b>	<b>850,000</b>	<b>1,050,000</b>

1/ Transfer of funds between elements totalling more than 20% of each element will require the written approval of A.I.D.

2/ Estimated UNALM in-kind costs and PL-480 counterpart.

3/ Estimated Amounts, to be confirmed upon submission of length of project plan.

## PROGRAM DESCRIPTION

### A. Background

On September 25, 1987, the Republic of Peru (Peru) and the United States of America acting through the Agency for International Development (A.I.D.) entered into a Project Agreement (ProAg) to assist Peruvian institutions involved in the Agricultural Technology Generation and Transfer (ATG&T) System. This assistance Project known as the Agricultural Technology Transformation (ATT) Project is designed to strengthen the capacity of selected public and private sector ATG&T institutions to coordinate their activities and to effectively participate in developing and disseminating improved agricultural technologies for Peruvian farmers that will increase rural incomes, agricultural productivity and yields.

The ATT Project is fundamentally a set of institutional development activities designed to create a national ATG&T system by strengthening its component parts and improving interfaces among involved institutions, as well as between them and farmer users of technology. Peru and A.I.D. have agreed in the ProAg and in Implementation Letters to the ATT Project that four institutions have primary responsibility for administration of Project funds, as well as for coordination and management of its implementation. These institutions are: 1) The Instituto Nacional de Investigación Agropecuaria y Agroindustrial of the Ministry of Agriculture (MinAg/INIAA); 2) the Organización Nacional Agraria (ONA); 3) the Fundación de Desarrollo Agropecuario (FUNDEAGRO); and, 4) the Fundación para el Desarrollo Agrario - Universidad Nacional Agraria (FDA-UNALM).

Since the turn of the century UNALM has existed as an institution of higher education for agriculture. In the 1960's, with strong external support from A.I.D., IDB, IBRD and other international donors, UNALM achieved the reputation of being one of the best agricultural universities in Latin America. UNALM's continuing challenge is the search for quality of institutional and professional performance. Nearly two decades of reduced limited contact with the international agricultural scientific community and the loss of many better trained faculty have contributed to the erosion of high academic standards achieved prior to 1968. Since 1980, with external assistance re-initiated (including a resumption of modest assistance from A.I.D. under the APID Project beginning in 1983), UNALM is rebuilding its faculty and its academic standards, as well as rehabilitating its physical plant and equipment.

UNALM currently has eight faculties covering a broad spectrum of agricultural sciences, over four hundred faculty members and a student body in excess of 3,500. Currently, one-fourth of the faculty have Masters degrees and 13% have PH.D's or equivalent. A graduate school offers MS degrees in several disciplines. Some 140 faculty teach in the graduate school and student enrollment is about 350. UNALM has research

laboratories and lands at its campus location in La Molina and at three institutes (plus other areas) located on the Coast, in the Sierra and in the Selva.

UNA government is highly democratic with change largely determined by faculty interest. In an unsettled economic environment and reduced real level of resources the improving of academic standards will be possible with increased exposure of faculty to quality standards combined with a more effective administrative and personnel performance reward system. Such improvements cannot be imposed from outside but must be generated from within the existing decision structure.

The Project provides resources to UNALM to facilitate positive change as internal willingness and opportunities permit. To stimulate and accelerate the change process, the Project will assist in increasing availability of discretionary resources, providing both post-graduate academic and non-academic training opportunities, providing for research opportunities on a competitive basis and assist in developing other elements of a system that rewards quality performance.

Both UNALM administration and faculty have a strong interest and desire to expand research and outreach efforts as a means not only of contributing to improved agricultural technology generation and transfer in Peru, but also to enrich and increase the relevance of instruction both for under graduate and graduate students. Specific functions of UNA of relevance to ATT Project Implementation will be to:

1. Increase faculty/student research involvement,
2. Improve the university administration, especially related to expanding and improving the quality of research, and
3. Expand the availability of and access by faculty and other agricultural scientists to up-to-date, relevant technological information and international contacts for purposes of research and technology transfer, as well as for instructional purposes.

These appear to be the best vehicles for improving course content and teaching quality for both undergraduate and graduate students.

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**B. Specific Purpose of Grant**

Grant Funds allocated to FDA are to support UNALM for the specific purpose to improve the efficiency and effectiveness of UNALM educational activities, primarily, at the M.S. training level through support for administrative strengthening, curriculum revision and strengthening faculty specialization and field research experiences.

**C. Specific Objectives**

The A.I.D. grant, supplemented by Government of Peru (GOP) counterpart and other public sources of funds will enable FDA to support activity 3a, "UNALM Administration and Teaching Program Strengthening" through four initiatives:

1. Improve and strengthen the capacity to plan, obtain and allocate resources.
2. Stimulate and support curriculum revisions to match the evolving science knowledge base in agriculture.
3. Create an incentive program to stimulate and reward faculty for undertaking new and additional initiatives in research, teaching and curriculum development.
4. Strengthen and expand faculty skills, knowledge, vision and understanding of the Peruvian agriculture sector and ATG&T system.

**D. Project Implementation and Responsibilities**

FDA will provide grant funds to support UNALM to execute this project during the life of the ATT project (to August 31, 1993). Specifically, FDA in conjunction with UNALM will: 1) select UNALM project implementation manager to be contracted by FUNDEAGRO and secured to UNA; 2) select the national advisors to be contracted by FUNDEAGRO; 3) provide physical infrastructure and services for technical assistance personnel assigned to work with UNALM from time to time; 4) secure the assignment of specified GOP counterpart funds and prepare required quarterly reports on status of assignment and subsequent disbursement of these funds; 5) develop and make available to A.I.D. annual implementation plans and budgets; 6) implement activities identified in section C, above; 7) establish relationships and working linkages with other ATT Project implementing organizations that participate in or collaborate with the project; 8) coordinate with FUNDEAGRO in the implementation of UNALM's participation in activities 1C, 3B and 3C of the ATT project and 9) identify and coordinate institutional efforts with other organizations with similar objectives.

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The FDA-UNALM Project Implementation Manager is a member of and will participate in deliberations of the Project Coordination Committee of which Project Implementation Managers of other ATT implementing institutions and the USAID ATT Project Manager also are members. This participation includes discussion and coordination of annual implementation plans; and review of budget requests and disbursements plans of all ATT implementing institutions. The Project Coordination Committee also is responsible for identifying and resolving Project bottlenecks, for reviewing technical progress and budget utilization, and, generally, for resolving Project implementation problems as they arise. A project Secretariat will provide administrative support to the Project Coordination Committee and will execute other administrative support and coordination functions required by the ATT Project.

A Project Council, made up of the Vice-Minister of Production and Concertation of MinAg., the Rector of UNALM, the Chief Executive Officers of ONA, INIAA and FUNDEAGRO, and the Chief of the USAID/Peru Office of Agricultural and Rural Development (OARD), will oversee Project implementation progress from a senior management perspective. This Project council will make decisions required to resolve Project problems that cannot be resolved at lower levels, and will be informed of Project progress by the Project Coordination Committee from time to time as it may require. The President of the Project Coordination Committee will serve as the Executive Secretary of the Project Council, and the Secretariat will provide that Council with staff support.

b. Administration of Project Funds

Funds will be disbursed by USAID/Peru to FDA in accord with UNALM's implementation responsibilities and implementation plans. A.I.D. Grant funds to be utilized by FDA-UNALM have been obligated under the bilateral ATT ProAg and initial grant support is committed under this implementing Grant.

Counterpart Project funds will be administered in accord with the detailed implementation plan, budget request and disbursement plans agreed to by the parties (See Exhibit A to this Attachment 2). Disbursement of Counterpart funds for all activities will be made pursuant to procedures to be developed in accord with relevant GOP laws and regulations and as approved by USAID.