

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

SEP 26 1986

9380706

Ms Beryl Levinger
Assistant Executive Director
Cooperative for American Relief Everywhere (CARE)
660 First Avenue
New York, New York 10016

Subject: Grant No. PDC-0706-G-SS-6184-00

Dear Ms. Levinger:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby provides to Cooperative for American Relief Everywhere (hereinafter referred to as "CARE" or "Grantee") the sum of Five Hundred Ninety Four Thousand Dollars (\$594,000) to provide support for a program of surplus dairy products distribution in Mexico, as more fully described in the Attachment 1 of this grant entitled Schedule and the 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 through the estimated completion date of October 1, 1988. Funds disbursed by AID but uncommitted by the Grantee at the expiration of this period shall be refunded to AID.

The total estimated amount of the AID contribution to the program is \$594,000, of which the total \$594,000 is hereby obligated. AID shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount. The Grantee will provide an additional \$50,000 of non-Federal funds for cost sharing purposes. The total estimated cost of the program is \$644,000, plus in-kind contributions consisting of (a) the use of land and building facilities to be provided by the Federal District of the Government of Mexico and (b) a truck tank and accessories to be provided by LICONSA, the Government of Mexico's food policy, purchasing, importing, and distribution agency.

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

Please acknowledge receipt of this grant by signing all copies of this Cover Letter, retaining one set for your files, and returning the remaining copies to the undersigned, being sure to return all copies marked "Funds Available".

After receipt of the Grantee's acceptance of the grant, administrative cognizance for this grant will be transferred to the AID Office of Procurement, AID/W Projects Division, Central Operations Branch (M/SER/OP/W/CO). Further correspondence should be directed to Ms. Jean Hacken, Grant Officer, in that office.

Sincerely yours,

James D. Murphy
Grant Officer
Office of Policy, Planning,
and Evaluation
Directorate for Program and
Management Services

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

BY:

TYPED NAME: Beryl Levinger

TITLE: Assistant Executive Director

DATE: October 10, 1986

FISCAL DATA

PIO/T No.:	6383401
Appropriation No.:	72-1161021.3
Budget Plan Code:	EDAA86-13830-AG11
Allotment No.:	643-38-099-00-20-61
This Obligation:	\$594,000
Total Estimated Amount:	\$594,000
Total Obligated Amount:	\$594,000
Grantee Cost Sharing:	\$ 50,000
Total Program:	\$644,000
Technical Office:	FVA/FFP
Funding Source:	AID/W
DUNS No.:	00-179-3082
E.I. No.:	13-1685039
LOC No.:	72-001483

SCHEDULE

A. Purpose of Grant

The purpose of this grant is to provide support for a program of surplus dairy products distribution in Mexico, as more specifically described in Attachment 2 to this grant entitled "Program Description."

B. Period of Grant

The effective date of this grant is the date of the cover letter and the estimated completion date is October 1, 1988.

C. Amount of Grant and Payment

1. AID hereby obligates the amount of \$594,000 for the purposes of this grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Optional Standard Provision, entitled "Payment -Letter of Credit"

D. Financial Plan

The following is the Financial Plan for this grant. The Grantee may not exceed the total estimated amount or the obligated amount, whichever is less (see Part C above). Except as specified in the Mandatory Standard Provision of this grant entitled "Revision of Grant Budget", as shown in Attachment 3, the Grantee may adjust line item amounts within the grand total as may be reasonably necessary for the attainment of program objectives.

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Budget

09/26/86 -- 10/1/88

<u>Category</u>	<u>Total Estimated Costs</u>
Dairy Production Center Equipment	\$219,850
Distribution Center Equipment	216,800
Vehicles	127,000
Technical Assistance and Evaluation	10,000
Other Direct Costs	10,000
Subtotal	<u>\$583,650</u>
Overhead	60,350
TOTAL	<u>\$644,000</u>

Cost Sharing Distribution

AID	\$594,000
Grantee	50,000
TOTAL	<u>\$644,000</u>

E. Reporting

1. Financial Reporting

a. Financial reporting requirements shall be in accordance with the Optional Standard Provision of this grant entitled "Payment - Letter of Credit", as shown in Attachment 3.

b. The original and two copies of all financial reports shall be submitted to AID, Office of Financial Management, Program Accounting and Finance Division (FM/PAFD), Washington, D.C. 20523. In addition, three copies of all financial reports shall be submitted to the Technical Office specified in the Cover Letter of this grant.

2. Program Performance Reporting

a. The Grantee shall submit quarterly program performance reports, and a final report, which briefly presents the following information:

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(1) A comparison of actual accomplishments with the goals established for the period, the findings of the investigator, or both. If the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(2) Reasons why established goals were not met.

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

b. Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform AID 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 project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any AID assistance needed to resolve the situation.

(2) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

c. If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this grant entitled "Revision of Financial Plans", the Grantee shall submit a request for budget revision.

d. Five copies of each program performance report shall be submitted to the Technical Office specified in the Cover Letter of this grant.

F. Indirect Cost Rates

Pursuant to the Optional Standard Provision of this grant entitled "Negotiated Indirect Cost Rates - Provisional", a rate or rates shall be established for each of the Grantee's accounting periods which apply to this grant.

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Pending establishment of revised provisional or final indirect cost rates for each of the Grantee's accounting periods which apply to this grant, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate(s) applied to the base(s) which are set forth below.

<u>Type</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>
Overhead	10.34%	*	07/01/84 until amended

* Total direct cost but excluding value of agricultural commodities, in-kind contributions, and ocean freight charges.

G. Title to Property

Title to all property purchased under this grant shall be vested in the LICONSA, the Government of Mexico's food policy, purchasing, importing, and distribution agency.

H. Authorized Geographic Code

The Authorized Geographic Code for the procurement of goods and services under this grant is "000", the United States.

I. Close-Out Procedures

This section prescribes uniform close-out procedures for this grant.

1. The following definitions shall apply for the purpose of this section:

a. Close-out: The close-out of a grant is the process by which AID determines that all applicable administrative actions and all required work of the grant have been completed by the Grantee and AID.

b. Date of Completion: The date of completion is the date on which all work under grant is completed or the date on the award document, or any supplement or amendment thereto, on which AID sponsorship ends.

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c. Disallowed Costs: Disallowed costs are those charges to a grant that AID or its representative determines to be unallowable in accordance with the applicable Federal cost principles or other conditions contained in the grant.

2. AID close-out procedures include the following requirements:

a. Upon request, AID shall make prompt payments to a Grantee for allowable reimbursable costs under the grant being closed out.

b. The Grantee 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 Grantee for use in other grants.

c. AID shall obtain from the Grantee within 90 calendar days after the grant all financial, performance, and other reports required as a condition of the grant. AID may grant extensions when requested by the Grantee.

d. The Grantee 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 close-out of the grant, AID shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

J. Special Provisions

1. For the purposes of this grant, references to "OMB Circular A-122" in the Standard Provisions of this grant shall include the AID implementation of such Circular, as set forth in subpart 731.7 of the AID Acquisition Regulations (AIDAR) (41 CFR Chapter 7).

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ATTACHMENT 2

PROGRAM DESCRIPTION

I. Goals

- A) To stimulate consumption of dairy products among Mexico's neediest children and women of child-bearing age.
- B) To encourage increased milk production in Mexico.

II. Background

In support of these overall goals, CARE is undertaking a program of distributing 21,200 MT of USG surplus dairy commodities (NFDM and cheese) to 300,000 families in Mexico starting in October 1986. The distribution of these commodities will be implemented through three programs, as follows:

--Maternal child health program to be implemented through existing rural health facilities of the Mexican Secretariat of Health;

--National Institute of Nutrition program for the neediest population in the states of Chiapas, Oaxaca and Guerrero;

--Milk Distribution Centers (Lecherias Populares) in Mexico City's neediest neighborhoods operated by LICONSA, the Government of Mexico's food policy, purchasing, importing and distribution agency.

III. Purpose of this grant

This grant will enable CARE to assist LICONSA to expand both the dairy consumption and dairy production network through helping to equip sixteen additional Lecherias Populares in Mexico City's neediest urban neighborhoods and two new production/processing centers in dairy-producing areas close to Mexico City.

The purpose of the grant is to improve the health status of low income people living in the most marginal areas of Mexico City and the state of Mexico through the following measures:

(a) increasing milk consumption among marginally based populations;

(b) improving milk production capabilities and facilities for the small farmer;

(c) extending the infrastructure for milk production and distribution.

ATTACHMENT 2

The communities, state governments, and/or LICONSA will be responsible for providing land and the construction and operation of the Lecherias Populares and production/processing centers. Funds provided under this grant will be used to help equip the Lecherias Populares and production/processing centers.

Non-fat dried milk (NFDM) targeted for the Lecherias Populares program in the CARE-Mexico Section 416 commodities program will be used in part for the new Lecherias Populares to be assisted under this grant. The milk produced and processed at the rural based dairy production/processing centers is expected to lead to greater milk supply and consumption among the marginally based populations living within the state of Mexico.

IV. CARE's role

CARE-Mexico will be responsible for coordinating the various inputs from this grant and other sources, including the following:

- (a) Liaison with LICONSA;
- (b) Issuing purchasing authorizations and payment vouchers under the grant;
- (c) Coordination of technical assistance and evaluation;
- (d) Monitoring of program implementation; and
- (c) Reporting

V. Duration

Activities undertaken with this grant are expected to be completed within two years, i.e. by October 1988.

VI. Reporting. CARE will submit quarterly progress reports to the Office of Food for Peace, FVA Bureau, A.I.D., Washington, D.C. 20523, and to the A.I.D. Affairs Officer, American Embassy, Mexico City.

VII. Evaluations. CARE will conduct interim evaluations as necessary and will carry out a full evaluation at the completion of the grant to determine the extent to which the purposes of the grant have been achieved. Copies of the evaluation will be provided A.I.D. with the final progress report.