

PD-ARJ-689
AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES OF AMERICA A. I. D. MISSION
TO EL SALVADOR
C/O AMERICAN EMBASSY.
SAN SALVADOR, EL SALVADOR, C. A.

15N 68010

5190382

June 28, 1990

Mr. Lino Osegueda
Country Program Director
El Salvador
TechnoServe, Inc.
San Salvador

SUBJECT: Cooperative Agreement No. 519-0382-A-00-0226-00
Rural Enterprises Development II

Dear Mr. Osegueda:

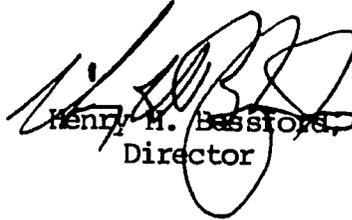
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the Cooperative Agreement Act of 1971 (P.L. 95-224), the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby enters into a Cooperative Agreement with TechnoServe, Inc. (hereinafter referred to as "TechnoServe" or "Recipient") for the sum of \$4,500,000 to provide support to the program described in Attachment I entitled "Schedule", and Attachment II entitled "Program Description", of this Agreement. The total estimated cost of this program to A.I.D. is \$6,500,000

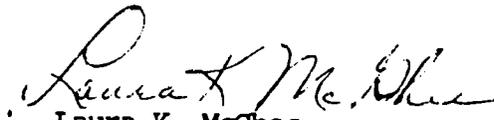
This Cooperative Agreement is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Recipient in furtherance of project objectives through May 31, 1994.

This Cooperative Agreement is entered into with TechnoServe on condition that the funds be administered in accordance with the terms and conditions set forth in Attachment I, entitled "Schedule"; Attachment II, entitled "Program Description"; Attachment III entitled "Illustrative Financial Plan"; and Attachment IV entitled "Standard Provisions" effective as of March 30, 1989, which have been agreed to by your organization.

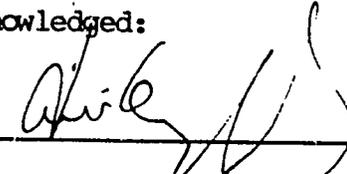
Please sign the original and six (6) copies of this letter to acknowledge receipt and return the original and five (5) copies to USAID/El Salvador.

Please accept the assurance of my highest esteem and consideration.


Henry M. Bassford,
Director


Laura K. McGhee,
Agreement Officer

Acknowledged:

By 

Title: Country Program Director

Date: June 28, 1990

Attachments:

I. Schedule

II. Program Description

~~III. Illustrative Financial Plan~~

~~IV. Standard Provisions~~

FISCAL DATA

Appropriation 72-1101021

Budget Plan Code LDNA9025519KG13

Funding Source: ARDN - USAID/El Salvador

Total Estimated Amount: \$6,500,000

Total Obligated Amount: \$4,500,000

SCHEDULE

A. GOAL AND PURPOSE OF THE COOPERATIVE AGREEMENT

The goal of this Agreement is to increase rural employment, income and production. The purpose is to develop self-managed enterprises and assist institutions which service these enterprises. Project activities will primarily emphasize strengthening cooperative-enterprises in both the traditional and Agrarian Reform sectors. It is expected that fifty cooperatives will receive technical assistance and training during the life of the Project.

B. PERIOD OF THE COOPERATIVE AGREEMENT

1. The effective date of this Agreement is the date of the covering letter. The expiration date is May 31, 1994.
2. Funds obligated hereunder are available for program expenditures for the estimated period shown in B.1 above and as shown in Attachment III to this Agreement entitled Illustrative Financial Plan.

C. AMOUNT OF THE COOPERATIVE AGREEMENT AND PAYMENTS

1. The total estimated amount of this Agreement for the period shown in B.2. above is \$6,500,000.
2. A.I.D. hereby obligates the amount of \$4,500,000 for program expenditures during the period set forth in B.2. above and as shown in the Attachment III to this Agreement, entitled Illustrative Financial Plan.
3. Additional funds up to the total amount shown in C.1. above may be obligated by A.I.D., subject to the availability of A.I.D. funds and to the requirements of Mandatory Standard Provision No. 4 entitled "Revision of Grant Budget" of Attachment IV.
4. Payments shall be made to the Recipient in accordance with the procedures set forth in optional Standard Provision No. 1 entitled "Payment - Letter of Credit" of Attachment IV. The financial reporting requirements are detailed in that Standard Provision. The "Financial Status Report" Form SF-269 and "Federal Cash Transaction" Form SF-272 shall be submitted to AID/Washington with information copies to the USAID/El Salvador Controller's Office.

D. FINANCIAL PLAN

1. The Financial Plan for the Agreement is presented in Attachment III to this Cooperative Agreement. Reprogramming of funds between the line items of the Financial Plan will be permitted up to 15% of the programmed amounts without the prior approval of A.I.D. Any reprogramming which exceeds 15% will require a written request from TechnoServe and A.I.D. approval.

E. A.I.D. INVOLVEMENT

USAID/El Salvador, will participate in the activities under this Agreement in the following manner:

1. TechnoServe will submit a First Year Work Plan to A.I.D. for approval within 30 days after the signing of the Agreement. Thereafter, Annual Action Plans for each of the following years, describing all the activities to be financed under this Cooperative Agreement and those activities financed with counterpart funds, must be approved by A.I.D. before initiating activities, unless A.I.D. agrees otherwise in writing. The annual Action Plans will include a list of the proposed rural enterprises and institutions to be assisted during the year.
2. Quarterly progress reports will be provided to A.I.D. detailing project activities for the quarter. A.I.D. will actively participate in periodic reviews of activities financed under this Agreement, based on quarterly reports submitted by TechnoServe.
3. USAID will monitor Project implementation to assure that the terms and conditions of this Agreement are met. Project monitoring will be exercised principally by a Project Manager assigned from the USAID Office of Rural Development (RDO).
4. A.I.D. will make arrangements to conduct two formal evaluations and will actively participate during their conduct.

F. SPECIAL PROVISIONS

1. Conditions Precedent to First Disbursement.

Prior to the disbursements of funds by A.I.D. to TechnoServe or to issuance by A.I.D. of documentation pursuant to which disbursements will be made, TechnoServe will, except as A.I.D. may otherwise agree in writing provide:

a. A statement of the name(s) of the person(s) empowered in TechnoServe to receive the funds provided under this Agreement and of any additional representatives, together with a specimen signature of each person so designated; and

b. Evidence that TechnoServe has established separate accounts (i.e. in the U.S. and in El Salvador) to control the receipt of Agreement funds, including the complete bank account numbers and names of individuals authorized to access such accounts.

2. Covenants

a. TechnoServe covenants to pay no more than reasonable prices for any goods and services financed in whole or in part under this Agreement. Such items will be procured by employing good commercial practices to assure the most effective use of the funds provided.

b. TechnoServe shall maintain a drug-free workplace in compliance with the certification provided to A.I.D. dated May 4, 1990. Violations of the requirements to maintain a drug-free workplace may subject the Recipient to suspension of disbursements, termination or suspension of this Agreement, ineligibility to receive further grant assistance, and other remedies as A.I.D. may consider appropriate. Violations include the failure to comply with the certification, presentation of a false certification, or evidence that such a number of employees have been convicted of violations of criminal drug statutes for acts occurring in the workplace as to indicate that TechnoServe has failed to make a good faith effort to provide a drug-free workplace.

c. For the funding period under this Agreement, the Recipient agrees to expend from non-federal funds an amount at least equal to 25% percent of the total expenditures under this Agreement as specified in the Financial Plan of this Agreement.

d. U.S. citizens employees of the Recipient, as well as the U.S. citizen employees of its Subgrantees or subcontractors, who are working in El Salvador under the Cooperative Agreement will have access to the commissary operated by the American Employees Association in El Salvador in accordance with the policies of the Department of State and the U.S. Embassy, El Salvador.

e. This Agreement does not contain funds for the procurement and usage of pesticides. If TechnoServe recommends pesticide usage as part of its production and marketing assistance, appropriate environmental assessment procedures should be utilized. Therefore, TechnoServe in collaboration with the USAID/El Salvador Environmental officer will establish procedures to address possible pesticide usage by beneficiaries under the Project.

f. All goods and services provided under this Agreement must be delivered before the expiration date of the Agreement. All the enterprises and/or institutions assisted must have received a basic technical assistance and training package in order to reach at least the minimal stated objectives. The implementation plans will spell out types of technical assistance and training packages to facilitate monitoring these activities.

G. REPORTING AND EVALUATION

1. Financial Reports

The financial reporting requirements are set forth in the Optional Standard Provision No. 1 entitled "Payment - Letter of Credit". The financial reports shall be submitted to A.I.D./Washington with copies to USAID/El Salvador Controller's officer on a monthly basis. Reports shall be submitted within 15 working days following the close of the month.

2. Program Progress Reports

The Recipient shall monitor performance under the Agreement and ensure that time schedules are being met, projected work units are being accomplished, and other performance goals are being achieved. Based upon this monitoring, the Recipient shall submit quarterly technical performance reports to A.I.D. which briefly present the following information for each activity under the Agreement:

- a. A comparison of actual accomplished with the target established for the period in the implementation plan;
- b. Reasons why established targets were not met;
- c. A review of expenditures and projected expenditures for planned project activities to determine whether the program budget is sufficient to cover all activities or if additional funding is required and justified to meet project goals; and
- d. Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

The Recipient shall submit the quarterly technical performance reports to A.I.D.'s Rural Development Office (RDO) within 30 days after the completion of the quarter. The last day of each quarter is defined as the last day of the month of March, June, September and December. If any performance review conducted by the Recipient discloses the need for change in the budget estimates in accordance with the criteria established in Mandatory Standard Provision No. 4 entitled "Revision of Grant Budget", the Recipient shall submit a request for budget revision.

3. End-of-Project Report

Within 90 days following termination of the Project, the Recipient will submit to USAID/El Salvador an end-of-project report of the activities carried out during this Agreement, including a section on "lessons learned".

4. Evaluation

- a. A.I.D. and TechnoServe agree to establish regular in house evaluations as an integral part of the program.
- b. Two formal evaluations will be undertaken, using A.I.D. specialists and/or consultants contracted by USAID and paid for with funds provided under this Agreement. The first evaluation will take place in the second year after the signing of this Agreement to assess implementation performance, to identify any obstacles to project implementation and to consider any other factors that may result in modifications to the Project, as appropriate. The second and final evaluation will take place in the fourth year of the Project and will examine the extent to which the Project's purpose and objectives have been achieved.

H. OVERHEAD RATE

The following provisional indirect rate applies to the costs under this Agreement for the period indicated.

<u>Type of Rate</u>	<u>Rate</u>	<u>Base</u>	<u>Accounting Period</u>
G & A	19.8%	Total Direct Cost	1-1-89 until amended

I. TITLE TO PROPERTY

Property financed under this Agreement brought into or purchased in El Salvador will be titled in the name of TechnoServe, Inc.

J. AUTHORIZED GEOGRAPHIC CODE

The authorized Geographic Code for procurement of goods and services under this Agreement is 000, the U.S., and the Central American Common Market (CACM) Countries.

K. AUDITS

The Recipient will engage a U.S. CPA firm, or an affiliate of a U.S. CPA firm, to carry out an annual audit using G.A.O. standards of TechnoServe's financial statements and use of the A.I.D. grant funds. Funding made available under this Agreement may be used to contract a CPA firm to comply with this requirement.

L. APPLICABLE STANDARD PROVISIONS

Attachment IV contains the Standard Provisions effective as of March 30, 1989. All mandatory Standard Provisions are in force under this Agreement. The optional Standard Provisions checked off in the list below are also enforced under this Agreement:

1. Payment - Letter of Credit	<u>X</u>
2. Payment - Periodic Advance	<u> </u>
3. Payment - Cost Reimbursement	<u> </u>
4. Air Travel and Transportation	<u>X</u>
5. Ocean Shipment of Goods	<u>X</u>
6. Procurement of Goods and Services	<u>X</u>
7. AID Eligibility Rules for Goods and Services	<u>X</u>
8. Subagreements	<u>X</u>
9. Local Cost Financing	<u>X</u>
10. Patents Rights	<u>X</u>
11. Publications	<u> </u>
12. Negotiated Indirect Costs Rates-Predetermined	<u> </u>
13. Negotiated Indirect Costs Rates-Provisional	<u>X</u>
14. Regulations Governing Employees	<u>X</u>
15. Participant Training	<u>X</u>
16. Voluntary Population Planning	<u> </u>
17. Protection of the Individual as a Research Subject	<u> </u>
18. Care of Laboratory Animals	<u> </u>
19. Government Furnished Excess Personal Property	<u> </u>
20. Title to and Use of Property (Grantee Title)	<u>X</u>
21. Title to and Care of Property (U.S. Government Title)	<u> </u>
22. Title to and Care of Property (Cooperating Country Title)	<u> </u>
23. Cost Sharing (Matching)	<u>X</u>
24. Use of Pouch Facilities	<u>X</u>
25. Conversion of United States Dollars to Local Currency.	<u>X</u>

PROGRAM DESCRIPTION**A. PROJECT GOAL AND PURPOSE**

The goal of the project is to increase rural employment, income and production. The purpose is to develop self-managed enterprises and assistance to strengthen institutions which service these enterprises. It is expected that fifty cooperatives will receive technical assistance and training during the life of the Project.

Project activities will emphasize strengthening Phase I, Phase III, and traditional cooperatives. Limited support will be provided to GOES institutions, mainly in terms of sharing information and lessons learned. Technical assistance and training will also be provided in a limited way to cooperative federations and private development institutions, which service rural enterprises; however, no financial support will be provided to any of these organizations.

As it has done in the past, TechnoServe will cooperate with other groups and projects forming part of the A.I.D. portfolio in El Salvador; of particular importance are CLUSA, DIVAGRO/FUSADES and the Agrarian Reform Financing Project.

B. SPECIFIC PROGRAM OBJECTIVES

The specific objectives of this Agreement are:

1. To continue providing full service assistance to agricultural enterprises composed of low income people in order to substantially improve existing productive activities by reorienting or introducing innovations aimed at obtaining profits. Special attention will be given to institutional assistance in aspects related to organizational development, personnel training and the elaboration of studies and project implementation with a regional/national impact.
2. To expand the systematic formal and on-the-job training program operated by TechnoServe designed to strengthen personnel of cooperatives being indirectly assisted (e.g. through cooperative federations), as well as professional and technical personnel working in different institutions of the agricultural sector, to increase earnings of rural enterprises.
3. To disseminate through different publications or by other means, the scientific-technological knowledge of TechnoServe in enterprise development.

4. To provide technical assistance and training to private or service organizations and institutions working in cooperative and rural enterprise development. The assistance would be focused on studies or projects aimed at developing solutions to different problems such as that of creating productive employment in the agricultural sector.

C. PROJECT COMPONENTS

During the period of this Agreement, TechnoServe will provide technical assistance as follows:

1. Ongoing and New Assistance for Phase I and Phase III Cooperatives

Technical assistance and training will be provided in farm management, accounting, production, marketing and social development. The cooperatives will generally produce coffee, henequen, cattle, basic grains and vegetables among other products. In accordance with A.I.D. regulations, no assistance may be provided to cooperatives for sugar production or marketing. TechnoServe will analyze the appropriateness of developing non-traditional crops in various enterprises.

During the life of this Project, TechnoServe will provide assistance to an estimated twenty two Phase I cooperatives and an estimated eighteen Phase III Cooperatives and other Agrarian Reform cooperatives. TechnoServe will employ the basic criteria outlined in its final proposal for selecting cooperatives and institutions.

The cooperatives to be assisted are those that have the potential to obtain the status of self-management. That is, TechnoServe will work mainly with class "B" and some "C" cooperatives which have the potential to reach "A" status in the short term.

2. Cooperative Enterprises Outside the Reform Sector

TechnoServe will continue assisting cooperatives in the traditional sector, including those created prior to the Agrarian Reform. As part of this sub-activity, TechnoServe will provide administrative, technical, managerial and accounting assistance to approximately ten cooperatives during the life of this Agreement.

117

Thus the estimated number of cooperatives to be assisted during the life of this agreement is as follows:

COOPERATIVES ASSISTED PER PERIOD*
(Illustrative)

	6/90-5/91	6/91-5/92	6/92-5/93	6/93-5/94
<u>Phase I Cooperatives</u>				
Cooperatives Assisted**	16	10	10	6
Cooperatives Graduated	9	3	4	1
Cooperatives Added	3	3	3	0
<u>Phase III Cooperatives</u>				
Cooperatives Assisted**	8	12	13	10
Cooperatives Graduated	1	5	2	4
Cooperatives Added	7	5	5	0
<u>Cooperatives of the Traditional Sector</u>				
Cooperatives Assisted**	3	5	7	4
Cooperatives Graduated	1	2	3	0
Cooperatives Added	0	3	4	0

*The figures showed in this table are illustrative and may be adjusted in accordance with the Annual Action Plans submitted by TechnoServe and approved by A.I.D. after the signing of the Agreement.

**The process of providing technical assistance normally lasts more than one year, so the figures showed at the during the year include the ongoing enterprises assisted at the beginning of the year and the new cooperatives to be assisted during the year.

3. Assistance to GOES and Private Sector Institutions

TechnoServe will reinforce its relationships with other institutions, both public and private, working in cooperative and enterprise development. Assistance to public sector institutions will consist mainly of information sharing and work sessions at senior, regional, zonal and cooperative levels.

Consultations will also continue with private Salvadoran institutions and private voluntary organizations. These consultations will strive to coordinate the activities of several organizations and direct them toward a single project or program objective.

Under this component TechnoServe will also provide technical assistance and training to five federations of cooperatives. The purpose of this assistance will be to improve the operations of these federations as a vehicle for transmitting this knowledge to member cooperatives. TechnoServe will convey its methodology and procedures to these organizations through the technical assistance and training activities. No financial or administrative support will be provided to any of these Federations during the life of the Agreement.

No more than ten percent of TechnoServe's time under this Cooperative Agreement should be dedicated to direct institutional assistance activities.

D. PROGRAM METHODOLOGY

The methodology employed to provide technical assistance will include, but not be limited to, the phases described below:

1. Preliminary contact. The purpose of this phase is to determine if the group (i.e., cooperative or federation) qualifies for assistance.
2. Preliminary Investigation and Audit. During this phase, analyses are conducted on key factors that may affect the success of the assistance provided; this includes the level of commitment of the group to the project idea, credit situation, leadership, financial performance and experience.
3. Diagnostic Study Phase. A complete diagnostic study of the enterprise's performance, bottlenecks and problems will be conducted.
4. Project Concept. In this phase TechnoServe will develop projections of the technical assistance needed given the complexity of the problem.
5. Planning Phase. TechnoServe, in conjunction with the group, will develop workplans and implementation timetables, and assign responsibilities and actions to be taken within specified time frames.
6. Follow-up Steps. Corrections and adjustments will be made to assure the appropriateness of the assistance provided.
7. Evaluation Phase. This will be a continuous process during the assistance. TechnoServe will use the results of these reports to measure accomplishments throughout the different stages of technical assistance and to detect lessons learned and ways of improving its methodology.
8. Training Phase. This also is a continuous process carried out in all phases of assistance.
9. Participation. All stages of the assistance will be carried out in a participatory way. Despite the additional time needed to accomplish a task, the experience obtained by the group is worthwhile, especially during the evaluation, planning and implementation phases.

E. ANTICIPATED MAJOR OUTPUTS

1. Enterprise Cooperative Level.

The following outputs are expected during the implementation of the project:

Total number of cooperatives to be assisted	50
Ongoing Cooperatives Assistance Completed	20
New Phase I Cooperatives assistance completed	4
New Phase III Cooperatives assistance completed	11
New Traditional Cooperatives assistance completed	3
Employment (Persons-years)	42,000
Family Income	₱162,567,000
Area under cultivation (cumulative Has/year)	88,190

2. Institutional Level

Training Activities	32
Preliminary Investigations	32
Diagnostic Studies	32
Feasibility Studies	16
Coordination Activities	48
Total No. of Persons Trained	3,200

ILLUSTRATIVE FINANCIAL PLAN
(In Thousand Dollars)

A.I.D CONTRIBUTION

	This Obligation	Future Obligations	TOTAL A.I.D.
Personnel Expenses	\$ 2,525	\$ 1,175	\$ 3,700
Travel Allowances	\$ 330	\$ 154	\$ 484
Office Expenses	\$ 197	\$ 91	\$ 288
Other Direct Exp.	\$ 423	\$ 197	\$ 620
G & A	\$ 695	\$ 323	\$ 1,018
Capital Expenditures	\$ 250		\$ 250
Evaluations	\$ 50	\$ 50	\$ 100
Audits	\$ 30	\$ 10	\$ 40
TOTAL A.I.D.	\$ 4,500	\$ 2,000	\$ 6,500

TECHNOSERVE COUNTERPART

Cash	\$ 475	\$ 222	\$ 697
In Kind	\$ 1,025	\$ 445	\$ 1,470
TOTAL COUNTERPART	\$ 1,500	\$ 667	\$ 2,167
TOTAL COST OF THE PROJECT	\$ 6,000	\$ 2,667	\$ 8,667

AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES OF AMERICA A. I. D. MISSION
TO EL SALVADOR
C/O AMERICAN EMBASSY.
SAN SALVADOR, EL SALVADOR, C. A.

PROJECT AUTHORIZATION

Name of Entity:	TechnoServe
Name of Project:	Rural Enterprise Development II
Number of Project:	519-0382

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Rural Enterprise Development II Project, entailing a Cooperative Agreement with TechnoServe and involving a total planned obligation of not to exceed SIX MILLION FIVE HUNDRED THOUSAND United States Dollars (US\$6,500,000) in grant funds, subject to the availability of funds in accordance with A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project. The planned life of the project is four years from the date of the initial obligation.

2. The project consists of providing technical assistance and training in production, accounting and financial management, marketing and social development to cooperatives in the land reform (Phase I and III) and non-reformed sectors in order to improve their management and profitability. The purpose will be to develop self-managed enterprises and assist institutions which service these enterprises. The beneficiaries of the project will be 50 cooperatives (15 at the beginning of the period plus 35 to be added). Assisted cooperatives will be those that have the potential of becoming "self managed".

3. The Cooperative Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the applicable Standard Provisions for U.S. Grantees and U.S. Sub-Grantees.

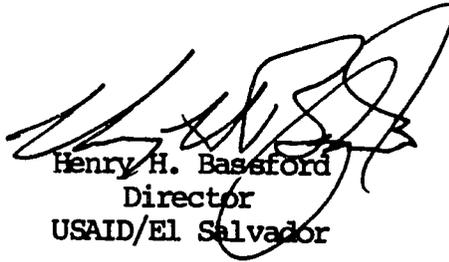
A. Source and Origin of Procurement of Commodities and Other Services

Commodities and services financed by A.I.D. under the Project shall have their source and origin in the United States and El Salvador.

B. Conditions Precedent to Disbursement

Prior to initial disbursement of funds under this Cooperative Agreement, the Grantee will, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

1. A statement of the name of the person(s) empowered in TechnoServe and empowered to act for TechnoServe with reference to the A.I.D. Agreement, along with a specimen signature of such person(s); and
2. Evidence that TechnoServe has established a separate account to control the receipt and disbursement of A.I.D. grant funds.



Henry H. Bassford
Director
USAID/El Salvador

Drafted by:	PRJ:SNovellino (draft)	Date	05-16-90
Clearances:	PRJ:TLandau (in draft)	Date	05-17-90
	PRJ:DKennedy (in draft)	Date	05-21-90
	RDO:Kellis (in draft)	Date	05-24-90
	ACONT:FBreep <i>DEF</i>	Date	6/27/90
	CO:LKMcGhee (in draft)	Date	05-31-90
	DPP:TMcKee <i>7/2/90</i>	Date	6/4/90
	DDIR:RKArchi <i>SPN</i>	Date	6/5/90

4975B

5/22/90

17

AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES OF AMERICA A. I. D. MISSION
TO EL SALVADOR
C/O AMERICAN EMBASSY.
SAN SALVADOR, EL SALVADOR, C. A.

ACTION MEMORANDUM FOR THE MISSION DIRECTOR

FROM: Deborah Kennedy, PRJ

SUBJECT: Cooperative Agreement with TechnoServe, Rural Enterprise Development II Project (No. 519-0382)

Problem: Your approval is requested to authorize and enter into a Cooperative Agreement with TechnoServe Inc. for the Rural Enterprise Development II Project (No. 519-0382). Total funding required for the life of the Project is \$6,500,000. The initial obligation will be \$ 4,500,000.

Background: TechnoServe has provided technical assistance and training to cooperatives and farm based rural enterprises in El Salvador since 1975. A.I.D. funding for the TechnoServe program began in 1978 with an OPG (519-0193), and has continued uninterrupted since then. A follow on Cooperative Agreement (519-0286) was approved in 1982, and in May, 1986 a new Agreement was authorized (519-0312). Through the implementation of these Projects, TechnoServe has been able to provide continued technical assistance and training to reform and non-reform sector cooperatives in production, farm management, accounting, financial management and marketing. This assistance has been considered as valuable by the recipients and has had a special impact in achieving self-managed, self-sustainable enterprises. An evaluation carried out in October, 1989, found that TechnoServe implemented the Project successfully and recommended that A.I.D. should continue providing funds for the TechnoServe program in El Salvador.

In April, 1990, TechnoServe submitted a new four-year proposal for \$7.2 million dollars to continue their ongoing activities with 15 cooperatives and provide an additional 35 cooperatives with their assistance and training. The new proposal also included one component for technical assistance and training for institutions which service these rural enterprises. The Mission Review was held on April 20, 1990 and the Committee approved the Project, contingent upon some additional information and clarifications. These items included (1) a reduced budget based upon the new exchange rate regime; (2) an acceptance of the need to assure that their clients represent an appropriate mix of Phase I, Phase III and traditional cooperatives; (3) an emphasis of the continuing plans to coordinate with other groups and A.I.D. projects working with non-traditional exports; (4) clarification of the project description for the Institutional (GOES and private) assistance component and recognition of the need to reduce the work effort in this area; and (5) the requirement to meet the 25 percent counterpart contribution. In May, TechnoServe submitted the additional information, including a budget cut to \$6.5 million, to the satisfaction of A.I.D. Furthermore, the proposal package contains sufficient information to meet Bureau guidance requiring that PVO proposals comply with Handbook 3 requirements on Project documentation (PIDs, PPs or their equivalents).

Discussion: The purpose of this new project is to develop self-managed enterprises and assist institutions which service these enterprises. The assistance will be provided mainly to three different areas: (a) Assistance for Phase I and Phase III Cooperatives. It is expected that approximately forty cooperatives will be assisted; (b) Assistance to Cooperatives outside the Reform Sector. TechnoServe will continue providing administrative, technical and managerial assistance to an estimated ten cooperatives-enterprises. (c) Assistance to GOES and Private Sector Institutions. Under this component TechnoServe will reinforce its relationships with other public and private institutions working in cooperative development. No administrative support will be provided to any of the institutions assisted under activity (c).

In summation, this proposal requests a total of \$6,500,000 during a 4 year life of project.

Notification: A Congressional Notification for this Project was sent to the Congress on May 18, 1990. The waiting period expired on June 2, 1990, thereby enabling obligation to be incurred anytime thereafter.

Delegation: Per State 164155, dated May 22, 1990, AID/W reviewed the New Project Description and has concurred with the Mission's desire to proceed with this new Project with TechnoServe. Delegation of Authority No. 752 dated December 16, 1988, gives you the authority to authorize projects which do not exceed \$20 million over the life of the project. Certificate of Appointment and Delegation of Authority 149.1.43 dated December 2, 1985, provides the Mission's Agreement Officer, Laura K. McGhee, unlimited authority to sign Cooperative Agreements and Amendments thereto. The Agreement Officer is prepared to sign the Agreement following your approval of this Action Memorandum, the Project Authorization, and the PIO/T attached hereto.

Recommendation: That you authorize the TechnoServe Rural Enterprise Development II Project, and sign the Cooperative Agreement and the PIO/T attached hereto.

Approved 
 Disapproved _____
 Date 6/25/90

Drafted by: SNovellino, PRJ	(in draft)	Date	05-16-90
Cleared by: ETLandau, PRJ	(in draft)	Date	05-17-90
	Kellis, RDO	(in draft)	Date 05-24-90
	FBreen, ACONT	AST	Date 6/27/90
	LKMcGhee, CO	mc(in draft)	Date 05-31-90
	TMcKee, DPP	YAM	Date 6/4/90
	RKArchib, DDIR	AKC	Date 6/19

4975B

5/26/90

19

AID 1350-1 (3 87) *PIO/T	AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	1. Cooperating Country El Salvador	Page 1 of 3 Pages
		2. PIO/T No. 519-0382-2-00033	3. <input type="checkbox"/> Original or Amendment No. _____
		4. Project/Activity No. and Title Rural Enterprise Development II TECHNOSERVE 519-0382	

DISTRIBUTION USAID/ES/CO →	5. Appropriation Symbol 72-1101021		6. Budget Plan Code LDNA9025519KG13	
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document		8. Project Assistance Completion Date (Mo., Day, Yr.) May 31, 1994	
	9. Authorized Agent HHBassford, DIR		10. This PIO/T is in full conformance with PRO/AG No. Date	
	11a. Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input checked="" type="checkbox"/> AID Grant or Cooperative Agreement (HB 13) <input type="checkbox"/> PASA/RSSA (HB 12) <input type="checkbox"/> Other		11b. Contract/Grant/Cooperative Agreement/ PASA/RSSA Reference Number (If this is an Amendment)	

12. Estimated Financing (A detailed budget in support of column (2) is attached as Attachment No. _____)					
Maximum AID Financing Available	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
			\$ 4,500,000		\$ 4,500,000
	B. U.S.-Owned Local Currency				

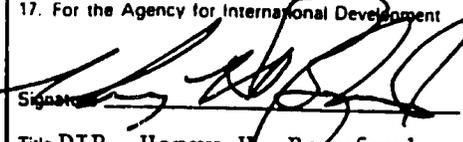
13. Mission References

14A. Instructions to Authorized Agent
 Authorized Agent is requested to execute the attached Cooperative Agreement with TechnoServe to carry out a program designed to strengthen cooperative enterprises of the rural sector.

APPROVED BY: 
DATE: 05/21/90

14B. Address of Voucher Paying Office
**Office of the Controller
 USAID/EL SALVADOR - c/o American Embassy**

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.			
A. The Project Officer certifies that the specifications in the statement of work or program description are technically adequate.	Phone No.	B. The statement of work or program description lies within the purview of the initiating office and approved agency programs.	Date
	Date 5/28/90		PRJ, DKennedy
	RDO, Kellis CCO, LKMcGhee DPP, TMcKee	Date 5/31/90 6/4/90	D. Funds for the services requested are available
DDIR, RKArchib	Date 6/5/90	A/CONT, FBreen	6/27/90

16. For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to	17. For the Agency for International Development
Signature <u>N/A</u> Date _____	Signature  Date <u>6/27/90</u>
Title _____	Title DIR, Henry H. Bassford

*See HB 3, Sup. A, App. C, Att B, for preparation instructions. Note: The completed form contains sensitive information whose unauthorized disclosure may subject an employee to disciplinary action.

Statement of work or program description for this project is described in Attachment No. 1

Language Requirements (specify) Fluent Spanish for all technical consultants
(If marked, testing must be accomplished by AID to assure desired level of proficiency.)

Access to classified information will [X] will not be required by technical specialists. (Indicate level)

Duty post(s) and duration of technical specialist(s) services at post(s) (months) Variable

Dependents will [X] will not be permitted to accompany technical specialist(s).

Geographic code applicable to procurement under this PIO/T is [X] 000 [] 899 [] 935 [] 941 [] Other (specify)

Salary approval(s) to exceed FS-1 salary ceiling are [] attached [] in process [X] N/A.

Cooperating country acceptance of this project (applicable to AID/W projects only)
[] has been obtained [] is in process [X] is not applicable to services required by PIO/T.

Justification for use of external resources for consulting services is [] attached [X] N/A

Clearance for procurement of ADP equipment, software, and services is [] attached [] in process [X] N/A.

OMB approval of any report to be completed by ten or more members of the general public under the statement of work is
[] attached [] in process [X] N/A.

Participant training [X] is [] is not being funded as part of this PIO/T.

Requirement (contracts only) is recommended for [] small business set-aside [] SBA 8(a) Program [] neither.

Other (specify).

Provisions for Logistic Support

Specific Items (Insert "X" in applicable column at right. If asterisk is needed, insert asterisk and explain in C. "Comments")

Table with 6 columns: Item, AID, COOPERATING COUNTRY, FROM LOCAL CURRENCY SUPPLIED BY (AID, COOPERATING COUNTRY), TO BE PROVIDED OR ARRANGED BY SUPPLIER, N/A. Rows include Office Space, Office Equipment, Housing and Utilities, Furniture, Household Appliances, Transportation, Interpreter Services, Medical Facilities, Vehicles, Travel Arrangements, Nightwatchman, etc.

ER IFYI

20. Provisions for Logistic Support (Continued)

B. Additional Facilities Available From Other Sources

Diplomatic pouch

PX

Commissary

Other (specify, e.g., duty free, entry, tax exemption)

C. Comments

N/A

21. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

See Section "E" of Attachment I to the attached Cooperative Agreement entitled "AID Involvement".

B. Cooperating Country Liaison Officials

Country Program Director, TechnoServe

C. AID Liaison Officials

Division Chief, Office of Rural Development (RDO)

22. Background information (additional information useful to authorized agent)

See action memorandum and Project Authorization approving Project.

Please delegate prior to 7/2/90, closing call of the 620G open window, at 12:00 at night.

ESG/27/90

<input checked="" type="checkbox"/> FUNDS AVAILABLE <input type="checkbox"/> FUNDS AVAILABLE <input type="checkbox"/> RENEWED			
DOCUMENT STATUS			
ADM. RES <input type="checkbox"/>	OBL. <input type="checkbox"/>	<i>Acting Tech. 5/29/90</i> <i>Approved/Initials/Date</i>	
LAR. RES <input type="checkbox"/>	EAR. <input type="checkbox"/>		
COM RES <input type="checkbox"/>	CRM. <input type="checkbox"/>		
MACS CODING			
Commitment	For. Cnt. No.	Res. Cnt. No.	Amount
<i>0382 0</i>		<i>400057</i>	<i>64,500,000</i>
Agent Code			

23. Summary of attachments that accompany the PIO/T (check applicable boxes)

A. Detailed budget estimate in support of increased funding (Block 12)

B. Evaluation criteria for competitive procurement (Block 14A)

C. Justification for procurement by other than full and open competition or noncompetitive assistance

D. Statement of work or program description (Block 18)

E. Waiver(s) justification(s), clearance(s), certification(s) (Block 19) (specify number _____)

22