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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

BOLIVIA

PROJECT PAPER

CHILD SURVIVAL PVO NETWORK II (PROCOSI)

AID/LAC/P-699

PROJECT NUMBER: 511-0620

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET		1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number 	DOCUMENT CODE 3
2. COUNTRY/ENTITY BOLIVIA		3. PROJECT NUMBER 511-0620		
4. BUREAU/OFFICE Latin America & Caribbean (LAC)		5. PROJECT TITLE (maximum 40 characters) CHILD SURVIVAL PVO NETWORK II (PROCOSI)		

6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 09 30 96	7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY 91 B. Quarter <input type="checkbox"/> C. Final FY 96
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8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	19	294	313	404	7,596	8,000
(Grant)	(19)	(294)	(313)	(404)	(7,596)	(8,000)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country						
Other Donor(s)				--	2,667	
TOTALS	19	294	313	404	10,263	10,667

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) CS	500	500	--	--	--	2,600	--	8,000	--
(2)									
(3)									
(4)									
TOTALS				--	--	2,600	--	8,000	--

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 510 530 540			11. SECONDARY PURPOSE CODE 530			
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)						
A. Code	PVON	PVOU	BR	BU	ING	INTR
B. Amount						

13. PROJECT PURPOSE (maximum 480 characters)

1) To strengthen the technical management and service delivery capacity of private voluntary organizations working in health, child survival, and community development; 2) to establish PROCOSI as a sustainable organization for maintaining services aimed at institutional strengthening and coordination.

14. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY 09 93 02 96	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify)
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment)

The USAID Controller has reviewed the methods of implementation and financial procedures described herein and hereby indicates his concurrence.

John K. Davison
Controller

17. APPROVED BY Signature: <i>Garber A. Davidson</i> Title: Garber A. Davidson Acting Mission Director	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION Date Signed MM DD YY 06 27 97
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PROJECT AUTHORIZATION

Name of Country/Entity: Bolivia
Name of Project: Child Survival PVO Network II (PROCOSI)
Number of Project: 511-0620

1 Pursuant to Sections 104 and 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the PROCOSI II Child Survival Private Voluntary Organization Network Project (The Project) for Bolivia (The Cooperating Country) involving planned obligations of not to exceed Eight Million United States Dollars (\$8,000,000) in grant funds over a five year period, subject to the availability of funds, in accordance with the AID OYB/allotment process, to help in financing foreign exchange and local currently costs for the Project. The planned life of the Project is approximately five years from the date of initial obligation, until September 30, 1996.

2. The Project will seek to improve the health status of young children and women of child-bearing age, decreasing morbidity and mortality in these groups, by strengthening the technical, managerial and service delivery capacities of Bolivia private voluntary organizations (PVOs). The Project will be carried out by a grant to the Bolivian Child Survival Private Voluntary Organization Network, called "PROCOSI", itself a PVO. The Project will also establish PROCOSI as an organization capable of maintaining child survival services and strengthening and coordinating the capacities of Bolivian PVOs to deliver such services.

3. The Project Agreement(s), which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with AID Regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as AID may deem appropriate:

a. Source and Origin of Commodities, Nationality of Services

Commodities financed by AID under the project shall have their source and origin in the Cooperating Country or in the United States, except as AID may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the Cooperating Country or the United States as their place of nationality, except as AID may otherwise agree in writing. Ocean shipping financed by AID under the Project shall, except as AID may otherwise agree in writing, be financed only on flag vessels of the United States.

b. Prior to execution of a grant to PROCOSI, PROCOSI shall have attained legal status under Bolivian law, shall have been registered with AID, and shall have complied with the requisites of AID Handbook 13 for receipt of a grant.

c. Prior to use by PROCOSI of grant funds for debt conversion, AID shall approve the amount, terms and conditions of such conversion in writing, by amendment of this authorization.

d. Prior to disbursement of any Project funds for the procurement or use of pesticides for vector-borne disease control or other activities, an environmental assessment must be completed and approved by AID. For water supply and sanitation activities, PROCOSI shall follow environmental procedures determined by AID.

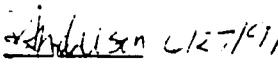
4. Authorization of Local Cost Financing

Based on the financial plan and justification included in the Project Paper, Chapters 3 and 6, and the description of Project activities and implementation arrangements in Chapters 2 and 5 of the Project Paper-like document, local cost financing with appropriated funds is hereby authorized for the Project, as necessary to fulfill program objectives and to best promote the objectives of the Foreign Assistance Program. Per 90 State 410442, the Buy America Policy Guidance cable, para 12, the source, origin and nationality requirements of the Standard Provisions will apply.


Garber A. Davidson
Acting Director
USAID/Bolivia

RLA:SCAllen:nec
PD&I:mtn

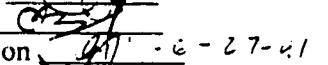
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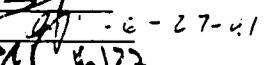
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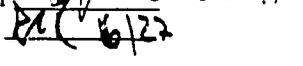
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21 ENO:JLieber  6/27/91

RCO:CBucher 

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A/DD:ELKadunc 

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5C(2) - ASSISTANCE CHECKLIST

PROCOSI II Child Survival
Private Voluntary Organization
Network No. 511-0620

Listed below are statutory criteria applicable to the assistance resources themselves, rather than to the eligibility of a country to receive assistance. This section is divided into three parts. Part A includes criteria applicable to both Development Assistance and Economic Support Fund resources. Part B includes criteria applicable only to Development Assistance resources. Part C includes criteria applicable only to Economic Support Funds.

CROSS REFERENCE: IS COUNTRY CHECKLIST UP TO DATE?

Yes.

A. CRITERIA APPLICABLE TO BOTH DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

1. Host Country Development Efforts (FAA Sec. 601(a)): Information and conclusions on whether assistance will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture, and commerce; and (f) strengthen free labor unions.

The purpose of the project is to improve the health status of young children and women of child-bearing age by strengthening the capacities of Bolivian private voluntary organizations to deliver primary health care services. It will not directly impact on the development of cooperatives, credit unions or labor unions.

2. U.S. Private Trade and Investment (FAA Sec. 601(b)): Information and conclusions on how assistance will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

N/A.

3. Congressional Notification

a. **General requirement** (FY 1991 Appropriations Act Secs. 523 and 591; FAA Sec. 634A): If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified (unless the notification requirement has been waived because of substantial risk to human health or welfare)?

A Congressional Notification will be sent to the Congress before obligation.

No funds will be obligated until AID/W advises USAID B that the CN has expired without objection.

b. **Notice of new account obligation** (FY 1991 Appropriations Act Sec. 514): If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures?

N/A.

c. **Cash transfers and nonproject sector assistance** (FY 1991 Appropriations Act Sec. 575(b)(3)): If funds are to be made available in the form of cash transfer or nonproject sector assistance, has the Congressional notice included a detailed description of how the funds will be used, with a discussion of U.S. interests to be served and a description of any economic policy reforms to be promoted?

N/A.

4. **Engineering and Financial Plans** (FAA Sec. 611(a)): Prior to an obligation in excess of \$500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes.

(b) Yes.

5. **Legislative Action** (FAA Sec. 611(a)(2)): If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?

Not required.

6. **Water Resources** (FAA Sec. 611(b); FY 1991 Appropriations Act Sec. 501): If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.)

Yes.

7. **Cash Transfer and Sector Assistance** (FY 1991 Appropriations Act Sec. 575(b)): Will cash transfer or nonproject sector assistance be maintained in a separate account and not commingled with other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance)?

N/A.

8. **Capital Assistance** (FAA Sec. 611(e)): If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively?

Yes.

9. **Multiple Country Objectives** (FAA Sec. 601(a)): Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

The purpose of the project is to improve the health status of young children and women of child-bearing age by strengthening the capacities of Bolivian private voluntary organizations to deliver primary health care services. It will not directly impact on the development of cooperatives, credit unions or labor unions.

10. **U.S. Private Trade** (FAA Sec. 601(b)): Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

N/A.

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11. Local Currencies

- a. **Recipient Contributions** (FAA Secs. 612(b), 636(h)): Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.
- a. The Government of Bolivia provides local currency to all AID-GOB projects in conjunction with the Balance of Payment Program. The U.S. does not own Bolivian currency.
- b. **U.S.-Owned Currency** (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?
- b. No.
- c. **Separate Account** (FY 1991 Appropriations Act Sec. 575). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies:
- c.
- (1) Has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?
- (1) Yes. The 1991 ESF Agreement, and procedures approved by USAID thereunder comply with all these requirements.
- (2) Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the PA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?
- (2) Yes.
- (3) Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?
- (3) Yes.

(4) If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government? N/A.

12. Trade Restrictions

a. Surplus Commodities (FY 1991 Appropriations Act Sec. 521(a)): If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

a. and b. Section 559(a)(3) of the FY 91 Appropriations Act provides a waiver of Section 521 restrictions for Bolivia, for the purpose of reducing dependence upon the production of crops from which narcotic and psychotropic drugs are derived.

b. Textiles (Lautenberg Amendment) (FY 1991 Appropriations Act Sec. 521(c)): Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?

13. Tropical Forests (FY 1991 Appropriations Act Sec. 533(c)(3)): Will funds be used for any program, project or activity which would (a) result in any significant loss of tropical forests, or (b) involve industrial timber extraction in primary tropical forest areas? (a) No. (b) No.

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14. **Sahel Accounting** (FAA Sec. 121(d)): If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)?

N/A.

15. PVO Assistance

a. **Auditing and registration** (FY 1991 Appropriations Act Sec. 537): If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.?

Yes.

b. **Funding sources** (FY 1991 Appropriations Act, Title II, under heading "Private and Voluntary Organizations"): If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?

Yes.

16. **Project Agreement Documentation** (State Authorization Sec. 139 (as interpreted by conference report)): Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).

N/A. because agreement is for less than \$25 million.

17. **Metric System** (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the

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extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Yes.

Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage? Yes.

Yes. The metric system will be used for all procurements from non-U.S. sources.

18. **Women in Development** (FY 1991 Appropriations Act, Title II, under heading "Women in Development"): Will assistance be designed so that the percentage of women participants will be demonstrably increased? Yes.

19. **Regional and Multilateral Assistance** (FAA Sec. 209): Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs. No. The project concerns primary health care within Bolivia.

20. **Abortions** (FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 525):

a. Will assistance be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? a. No.

b. Will any funds be used to lobby for abortion? b. No.

21. **Cooperatives** (FAA Sec. 111): Will assistance help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life? The project will work with local private voluntary organizations to assist them to deliver primary health care services.

22. U.S.-Owned Foreign Currencies

a. Use of currencies (FAA Secs. 612(b), 636(h); FY 1991 Appropriations Act Secs. 507, 509): Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services.

The U.S. does not own any significant amount of Bolivianos.

b. Release of currencies (FAA Sec. 612(d)): Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

No.

23. Procurement

a. Small business (FAA Sec. 602(a)): Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?

Yes.

b. U.S. procurement (FAA Sec. 604(a)): Will all procurement be from the U.S. except as otherwise determined by the President or determined under delegation from him?

Yes.

c. Marine insurance (FAA Sec. 604(d)): If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company?

Yes.

d. Non-U.S. agricultural procurement (FAA Sec. 604(e)): If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)

No procurement of agricultural commodities, other than plant genetic material, is planned under the project.

e. Construction or engineering services (FAA Sec. 604(g)): Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible

under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.) No.

f. **Cargo preference shipping** (FAA Sec. 603): Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? No.

g. **Technical assistance** (FAA Sec. 621(a)): If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? Yes. Yes.

h. **U.S. air carriers** (International Air Transportation Fair Competitive Practices Act, 1974): If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes.

i. **Termination for convenience of U.S. Government** (FY 1991 Appropriations Act Sec. 504): If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? Yes.

j. Consulting services

(FY 1991 Appropriations Act Sec. 524): If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)?

Yes.

k. Metric conversion

(Omnibus Trade and Competitiveness Act of 1988, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy): Does the assistance program use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage?

Yes.

Yes.

Yes.

l. Competitive Selection

Procedures (FAA Sec. 601(e)): Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes.

24. Construction

a. Capital project (FAA Sec. 601(d)): If capital (e.g., construction) project, will U.S. engineering and professional services be used?

Any construction and engineering services under the project will be carried out by Bolivian firms because of their small value.

b. Construction contract (FAA Sec. 611(c)): If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

Yes.

c. Large projects,
Congressional approval (FAA Sec. 620(k)):
If for construction of productive
enterprise, will aggregate value of
assistance to be furnished by the U.S. not
exceed \$100 million (except for productive
enterprises in Egypt that were described
in the Congressional Presentation), or
does assistance have the express approval
of Congress? N/A

25. U.S. Audit Rights (FAA Sec.
301(d)): If fund is established solely by
U.S. contributions and administered by an
international organization, does
Comptroller General have audit rights? Yes.

26. Communist Assistance (FAA Sec.
620(h). Do arrangements exist to insure
that United States foreign aid is not used
in a manner which, contrary to the best
interests of the United States, promotes
or assists the foreign aid projects or
activities of the Communist-bloc
countries? Yes.

27. Narcotics

a. Cash reimbursements (FAA
Sec. 483): Will arrangements preclude use
of financing to make reimbursements, in
the form of cash payments, to persons
whose illicit drug crops are eradicated? Yes.

b. Assistance to narcotics
traffickers (FAA Sec. 487): Will
arrangements take "all reasonable steps"
to preclude use of financing to or through
individuals or entities which we know or
have reason to believe have either: (1)
been convicted of a violation of any law
or regulation of the United States or a
foreign country relating to narcotics (or
other controlled substances); or (2) been
an illicit trafficker in, or otherwise
involved in the illicit trafficking of,
any such controlled substance? Yes. USAID/Bolivia has developed
a certification form for
contractors, grantees and
borrowers under Sec. 487, by
which USAID and the U.S.
Embassy can check the appropriate
narcotic records to ensure
compliance.

28. **Expropriation and Land Reform** (FAA Sec. 620(g)): Will assistance preclude use of financing to compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? Yes.
29. **Police and Prisons** (FAA Sec. 660): Will assistance preclude use of financing to provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes.
30. **CIA Activities** (FAA Sec. 662): Will assistance preclude use of financing for CIA activities? Yes.
31. **Motor Vehicles** (FAA Sec. 636(i)): Will assistance preclude use of financing for purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes.
32. **Military Personnel** (FY 1991 Appropriations Act Sec. 503): Will assistance preclude use of financing to pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes.
33. **Payment of U.N. Assessments** (FY 1991 Appropriations Act Sec. 505): Will assistance preclude use of financing to pay U.N. assessments, arrearages or dues? Yes.
34. **Multilateral Organization Lending** (FY 1991 Appropriations Act Sec. 506): Will assistance preclude use of financing to carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes.
35. **Export of Nuclear Resources** (FY 1991 Appropriations Act Sec. 510): Will assistance preclude use of financing to finance the export of nuclear equipment, fuel, or technology? Yes.

36. Repression of Population (FY 1991 Appropriations Act Sec. 511): Will assistance preclude use of financing for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes.

37. Publicity or Propoganda (FY 1991 Appropriations Act Sec. 516): Will assistance be used for publicity or propoganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propoganda purposes not authorized by Congress? No.

38. Marine Insurance (FY 1991 Appropriations Act Sec. 563): Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate? Yes.

39. Exchange for Prohibited Act (FY 1991 Appropriations Act Sec. 569): Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law? No.

B. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

1. **Agricultural Exports (Bumpers Amendment)** (FY 1991 Appropriations Act Sec. 521(b), as interpreted by conference report for original enactment): If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

Section 559(a)(3) of the FY 91 Appropriations Act waives Section 521 for Bolivia.

2. **Tied Aid Credits** (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund"): Will DA funds be used for tied aid credits?

No.

3. **Appropriate Technology** (FAA Sec. 107): Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

Yes.

4. **Indigenous Needs and Resources** (FAA Sec. 281(b)): Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

The project will develop the capacities of local groups and organizations to provide primary health care.

5. **Economic Development** (FAA Sec. 101(a)): Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes.

6. **Special Development Emphases** (FAA Secs. 102(b), 113, 281(a)): Describe extent to which activity will: (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

- a) The target group includes the poor.
- b) The project will work with local PVOs.
- c) Much of the community activities are self-help efforts.
- d) At least 50% of the target group are women.
- e) The success/failures of the primary health program will be shared with other Andean countries.

7. **Recipient Country Contribution** (FAA Secs. 110, 124(d)): Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

This requirement is inapplicable to PVO grants; however, the host country will provide more than 25% of project costs through a debt swap.

8. **Benefit to Poor Majority** (FAA Sec. 128(b)): If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

Yes.

9. Abortions (FAA Sec. 104(f); FY 1991 Appropriations Act, Title II, under heading "Population, DA," and Sec. 535):

- a. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions? No.
- b. Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? No.
- c. Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? No.
- d. Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? Yes.
- e. In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? No.
- f. Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? N/A.
- g. Are any of the funds to be made available to any organization if the President certifies that the use of these funds by such organization would violate any of the above provisions related to abortions and involuntary sterilization? No.

10. **Contract Awards** (FAA Sec. 601(e)): Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes

11. **Disadvantaged Enterprises** (FY 1991 Appropriations Act Sec. 567): What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

These organizations may bid for contracts or grants directly, or for subcontracts under the project.

12. **Biological Diversity** (FAA Sec. 119(g)): Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

- (a) Yes.
- (b) Other agreements provide for such protection.
- (c) Other agreements provide for such inventory.
- (d) No.

13. **Tropical Forests** (FAA Sec. 118; FY 1991 Appropriations Act Sec. 533(c)-(e) & (g)):

a. **A.I.D. Regulation 16**: Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16?

Yes.

b. **Conservation**: Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent

Yes.

feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; (11) utilize the resources and abilities of all relevant U.S. government agencies; (12) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land; and (13) take full account of the environmental impacts of the proposed activities on biological diversity?

- 1) Yes.
- 2) Yes.
- 3) Yes.
- 4) Yes.
- 5) Yes.
- 6) Yes.
- 7) Yes.
- 8) Yes.
- 9) Yes.
- 10) Yes.
- 11) Yes.
- 12) Yes.
- 13) Yes.

c. Forest degradation: Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas; (3) activities which would result in the conversion of forest lands to the rearing of livestock; (4) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (5) the colonization of forest lands; or (6) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

- 1) No.
- 2) No.
- 3) No.
- 4) No.
- 5) No.
- 6) No.

d. Sustainable forestry: If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry?

N/A.

e. Environmental impact statements: Will funds be made available in accordance with provisions of FAA Section 117(c) and applicable A.I.D. regulations requiring an environmental impact statement for activities significantly affecting the environment?

Yes.

14. Energy (FY 1991 Appropriations Act Sec. 533(c)): If assistance relates to energy, will such assistance focus on: (a) end-use energy efficiency, least-cost energy planning, and renewable energy resources, and (b) the key countries where assistance would have the greatest impact on reducing emissions from greenhouse gases?

(a) Yes.

(b) N/A.

15. Sub-Saharan Africa Assistance (FY 1991 Appropriations Act Sec. 562, adding a new FAA chapter 10 (FAA Sec. 496)): If assistance will come from the Sub-Saharan Africa DA account, is it: (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (b) to be used to promote sustained economic growth, encourage private sector development, promote individual initiatives, and help to reduce the role of central governments in areas more appropriate for the private sector; (c) being provided in accordance with the policies contained in FAA section 102; (d) being provided in close consultation with African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (e) being used to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take into account, in assisted policy reforms, the need to protect vulnerable groups; (f) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks,

N/A.

to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

16. Debt-for-Nature Exchange (FAA Sec. 453): If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (a) the world's oceans and atmosphere, (b) animal and plant species, and (c) parks and reserves; or describe how the exchange will promote: (d) natural resource management, (e) local conservation programs, (f) conservation training programs, (g) public commitment to conservation, (h) land and ecosystem management, and (i) regenerative approaches in farming, forestry, fishing, and watershed management. N/A.

17. Deobligation/Reobligation (FY 1991 Appropriations Act Sec. 515): If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified? N/A.

18. Loans

a. Repayment capacity (FAA Sec. 122(b)): Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest. N/A.

b. Long-range plans (FAA Sec. 122(b)): Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

N/A.

c. Interest rate (FAA Sec. 122(b)): If development loan is repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter?

N/A.

d. Exports to United States (FAA Sec. 620(d)): If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

N/A.

19. Development Objectives (FAA Secs. 102(a), 111, 113, 281(a)): Extent to which activity will: (1) effectively involve the poor in development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

- 1) The target group of the Project is poor young children and mothers of child-bearing age.
- 2) The project will work with local private voluntary organizations.
- 3) Community self-help activities included.
- 4) At least 50% of the target group are women.
- 5) Bolivia will share its primary health care successes or failures under the project with other countries in the region.

20. Agriculture, Rural Development and Nutrition, and Agricultural Research (FAA Secs. 103 and 103A):

a. Rural poor and small farmers: If assistance is being made available for agriculture, rural development or nutrition, describe extent to which activity is specifically designed to increase productivity and income of rural poor; or if assistance is being made available for agricultural research, has account been taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made.

b. Nutrition: Describe extent to which assistance is used in coordination with efforts carried out under FAA Section 104 (Population and Health) to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people.

c. Food security: Describe extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

a,b,c. - See detailed description of project activities in the Project Paper. All of these items are addressed.

21. Population and Health (FAA Secs. 104(b) and (c)): If assistance is being made available for population or health activities, describe extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of

N/A.

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mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

22. Education and Human Resources Development (FAA Sec. 105): If assistance is being made available for education, public administration, or human resource development, describe (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

N

23. Energy, Private Voluntary Organizations, and Selected Development Activities (FAA Sec. 106): If assistance is being made available for energy, private voluntary organizations, and selected development problems, describe extent to which activity is:

a. concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment;

b. concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

See portions of the Project Paper dealing with the participation of Bolivian PVOs, whose capacities to deliver primary health care will be strengthened under the Project.

c. research into, and evaluation of, economic development processes and techniques;

d. reconstruction after natural or manmade disaster and programs of disaster preparedness;

e. for special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance;

f. for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.

24. Sahel Development (FAA Secs. 120-21). If assistance is being made available for the Sahelian region, describe: (a) extent to which there is international coordination in planning and implementation; participation and support by African countries and organizations in determining development priorities; and a long-term, multidonor development plan which calls for equitable burden-sharing with other donors; (b) whether a determination has been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of projects funds (dollars or local currency generated therefrom). N/A.

C. CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY

1. **Economic and Political Stability** (FAA Sec. 531(a)): Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?
Yes.
Yes.
2. **Military Purposes** (FAA Sec. 531(e)): Will this assistance be used for military or paramilitary purposes?
No.
3. **Commodity Grants/Separate Accounts** (FAA Sec. 609): If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?
N/A.
4. **Generation and Use of Local Currencies** (FAA Sec. 531(d)): Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106?
Yes.
Yes.
5. **Cash Transfer Requirements** (FY 1991 Appropriations Act, Title II, under heading "Economic Support Fund," and Sec. 575(b)). If assistance is in the form of a cash transfer:
Funds obligated in this project will not be cash transfer assistance. However, all of the concerns in this section are covered in the 1991 ESF Agreement and procedures developed to implement that Agreement.
 - a. **Separate account:** Are all such cash payments to be maintained by the country in a separate account and not to be commingled with any other funds?
N/A.

b. **Local currencies:** Will all local currencies that may be generated with funds provided as a cash transfer to such a country also be deposited in a special account, and has A.I.D. entered into an agreement with that government setting forth the amount of the local currencies to be generated, the terms and conditions under which they are to be used, and the responsibilities of A.I.D. and that government to monitor and account for deposits and disbursements?

N/A.

c. **U.S. Government use of local currencies:** Will all such local currencies also be used in accordance with FAA Section 609, which requires such local currencies to be made available to the U.S. government as the U.S. determines necessary for the requirements of the U.S. Government, and which requires the remainder to be used for programs agreed to by the U.S. Government to carry out the purposes for which new funds authorized by the FAA would themselves be available?

N/A.

d. **Congressional notice:** Has Congress received prior notification providing in detail how the funds will be used, including the U.S. interests that will be served by the assistance, and, as appropriate, the economic policy reforms that will be promoted by the cash transfer assistance?

N/A.

DRAFTER:GC/LP:EHonnold:4/11/91:2169J

Agency for International Development
Washington, D.C. 20523

LAC-IEE-91-59

ENVIRONMENTAL THRESHOLD DECISION

Project Location : Bolivia

Project Title : PROCOSI II, A Child Survival PVO Network

Project Number : 511-0620

Funding : \$8 million

Life of Project : 5 Years (FY 91-95)

IEE Prepared by : John Wilson, LAC Deputy Chief Environmental Officer

Recommended Threshold Decision : Positive Determination

Bureau Threshold Decision : Concur with Recommendation

: No pesticides will be purchased, used, or promoted for vector-borne disease control or other components of the project without an environmental assessment (EA), and its approval by the LAC Chief Environmental Officer. In addition, the project must comply with the recommendations contained in the CARE Community Development EA during planning, implementation and monitoring of any community water and sanitation activities. Project personnel, with the guidance of the Mission Environmental Officer and/or the Regional Environmental Advisor, will monitor environmental impacts of project activities. Evaluation of the environmental impacts of project implementation and of compliance with the terms of the environmental assessments will be made components of scheduled project evaluations.

ENVIRONMENTAL THRESHOLD DECISION (cont.)

- Comments (cont.) : These conditions will be contained in a Covenant to be included in the Project Agreement.
- Copy to : Carl Leonard, Director
USAID/Bolivia
- Copy to : Mahlon A. Barash, USAID/Bolivia
- Copy to : Darell McIntyre, USAID/Bolivia
- Copy to : Howard Clark, REA/SA
USAID/Ecuador
- Copy to : Peter Lopera, LAC/DR/SAM
- Copy to : Thomas Park, LAC/DR/HPN
- Copy to : Bruce Blackman, LAC/SAM
- Copy to : IEE File

James S. Hester Date JUN 18 1991

James S. Hester
Chief Environmental Officer
Bureau for Latin America
and the Caribbean

Lon

CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

DATE: April 11, 1991

We wish to inform you of proposed actions in the Agency's programs during Fiscal Year 1991:

- Nicaragua - Economic Stabilization and Recovery III
- Sri Lanka - Development Studies and Training
- Philippines - Enterprise in Community Development
- Israel - FY 1991 Emergency Supplemental Cash Transfer
- Turkey - FY 1991 Emergency Supplemental Cash Transfer
- Philippines - PVO Co-Financing III
- Centrally Funded - Data for Decision-Making
- India TN - Program of Advancement of Commercial Technology
 - Child Survival Health Support
 - Family Planning Communication and Marketing
- Mali TN - PVO Co-Financing
- Centrally Funded TN - Financial Services Volunteer Corps
- Bolivia - Self-Financing Primary Health Care II
- Bolivia - Child Survival Network II
- Mongolia - Support for Economic Transition

The attached notification was sent to the Hill on April 11, 1991. Obligation may be incurred on April 26, 1991.

Barbara A. Bennett
Barbara Bennett
Program Presentation Division
Bureau for Legislative Affairs

Fax to Bolivia
cc: LAC/DR, E Raueh
LAC/SAM, R Kahn
LAC/DR, T Francis
LAC/DAP, K Perry

11 APR 1991

AGENCY FOR INTERNATIONAL DEVELOPMENT
ADVICE OF PROGRAM CHANGE

Date:

Country : Bolivia

Project Title : Child Survival Network II (UPG)

Project Number : 511-0620

FY 1991 CP Reference : None

Appropriation Category : Child Survival

Life-of-Project Funding : \$ 8,000,000

Intended FY 1991 Obligation : \$ 5,000,000

This is to advise that A.I.D intends to obligate \$5,000,000 in FY 1991 Child Survival grant funds for the Child Survival Network II (PROCOSI) project in Bolivia. This amount will be used for a debt-for-development swap with the Government of Bolivia and will result in total funding of \$7.5 million becoming available. These funds will enable PROCOSI (a local Private Voluntary Organization (PVO) umbrella organization) members to establish an interest-bearing account to sustain its activities in subsequent years, as authorized by Section 571 of the FY 91 Appropriations Act. The income will be used to finance both operating expenses of PROCOSI and sub-donations to member PVOS.

The goal of this project is to improve the health status of children under five years of age and women of childbearing ages, by decreasing the morbidity and mortality within these high risk groups. The purposes of the project are: 1) to strengthen the technical, management, and service delivery capacity of private voluntary organizations working in health, child survival and community development; and 2) to establish PROCOSI as a sustainable organization.

MEMORANDUM OF NEGOTIATION

DATE June 27, 1991

TO Carl H. Leonard, Jr.
Clement J. Bucher, RCO

FROM Cindy Terada, HHR

THRU Sigrid Anderson, A/Director, HHR

SUBJECT Child Survival PVO Network (PROCOSI) II Project

PROJECT	
OPG	
Recipient	PROCOSI
Period	July 1991 - June 1996
Total Amount	\$8,000,000
Amount Obligated	\$2,600,000
Project Officer	Charles Jewell, HHR assisted by Cindy Terada, HHR
Grant Officer	Clement J. Bucher, RCO

This Memorandum of Negotiation documents the negotiations which have taken place between USAID/Bolivia and PROCOSI over the course of the design of the Child Survival PVO Network II Project. The format of this memorandum follows that suggested in Local Order 13-1.

According to Delegation of Authority 752, Section II A, the Mission Director has authority to authorize projects with life of project financing up to \$20,000,000. Delegation of Authority No. 452 from the Assistant Administrator for Management delegates to USAID Mission Directors the authority to execute grants not to exceed \$5 million over the approved life of project. The Regional Contracting Officer has unlimited authority to execute grants. The Child Survival PVO Network (PROCOSI) II Operational Program Grant (OPG) has a LOP of \$8,000,000 with a first tranche FY 91 obligation of \$2,600,000. Therefore, The Mission Director may sign the authorization and both the Regional Contracting Officer and the Mission Director will sign this grant agreement.

Congressional Notification was sent to Congress on April 11, 1991 and expired without comment on April 26, 1991. The PROCOSI Environmental Examination was approved by MD/W Chief Environmental Officer of LAC Bureau on June 18, 1991 with a positive determination. The conditions relate to pesticides and water and sanitation activities. Budget allowance for the first \$2.2 million is contained in STATE 060777 dated February 26, 1991. The allowance for the additional \$400,000 is contained in STATE 200078 dated June 19, 1991.

A. Rationale for selecting an assistance instrument

To implement the grant program which is essentially a transfer of funding to accomplish a public purpose, it was decided to use an Operational Program Grant. PROCOSI is a locally registered PVO and has had previous experience with an OPG through Save The Children Foundation and therefore there is no need for substantial involvement of USAID in the implementation of the project.

B. Description of purpose, amount, cost break-down, and duration

The OPG will provide funds to PROCOSI to assist the strengthening of the technical, management and service delivery capacity of PVOs working in health, child survival and community development, and to establish PROCOSI as a sustainable organization for maintaining services aimed at institutional strengthening and coordination. Activities will include:

- Child survival/primary health care
- Applied nutrition
- Organizational Development
- Training methodologies/TOT
- Health information systems
- Maternal health
- Health education

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\$2,600,000 is assigned to PROCOSI in FY 91 to implement the program as follows:

	<u>This Obligation</u>	<u>LOP</u>
1 Assets	\$282,000	\$305,000
2 Program Costs	\$1,198,000	\$3,414,000
3 Sub-Grants	\$1,120,000	\$4,281,000
	-----	-----
TOTAL	\$2,600,000	\$8,000,000

The duration of the OPG is five years from the date of signature.

In view of the fact that USAID/Bolivia is providing the majority of funding for PROCOSI activities within Bolivia as well as the fact that there has not been a basis upon which to establish a reliable indirect cost allocation rate, this Operational Program Grant does not specify either a pre-determined or provisional overhead rate. USAID/Bolivia will undertake to engage an independent audit of PROCOSI for the purpose of determining indirect cost expenses, the base of application, and overhead rate. This audit will be initiated within a six-month period after the effective date of the OPG. PROCOSI should notify the OPG Officer of other sources of funding including AID/Washington for PROCOSI activities within Bolivia. The grantee shall incorporate approved indirect cost rates of PVOs to whom sub-grants are awarded into these sub-grants. This method of handling the indirect cost allocation was discussed by RCO with the Grantee Representative, John Kepner and AID/W Office of special costs.

C. Pre-award/negotiation chronology of activities

PROCOSI, through Save the Children Foundation, was the recipient of a \$1,777,000 OPG (511-0601) which will end December 31, 1991. The final evaluation, conducted in January 1991, was very positive and made suggestions for an improved PROCOSI follow-on project.

PROCOSI submitted to USAID/Bolivia an unsolicited proposal with letter No. SI-Cr-026/91 on February 6, 1991. After various committee meetings and discussions with and revisions by PROCOSI, this "PID-like" document was approved with conditions by the Mission Director in letter PDIL 071/91 dated February 20, 1991. This letter requested PROCOSI submit a final proposal (PP-like document) for \$8 million. PROCOSI

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subsequently submitted a formal proposal (Project Paper) on March 22, 1991 for \$8 million. The 1992-93 Action Plan included a new project description for \$8 million. This was approved in STATE 157916 dated May 14, 1991. It is expected that the the PROCOSI II Project authorization will be signed by the USAID/B Director on June 27, 1991.

D. Rationale for special/optional standard provisions choice and discussion of any unusual features.

PROCOSI through Save the Children Foundation has general knowledge of USAID project execution requirements having previously executed USAID grants. A set of pertinent Mandatory Standard Provisions for Non-governmental Grantees and the required as Applicable Standard Provisions for Non-governmental Grantees (HB 13 App.4D) has been provided before the signature of the OPG.

The following was required as applicable provisions were included:

1. Payment - Periodic Advance

This provision was included because the grantee has experience in this procedure through Save the Children Foundation and is in the process of establishing its own acceptable accounting system; the grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof, and the grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this agreement. For more details, see attached letter SI-286791.

2. Air Travel and Transportation

Air Travel and Transportation will be provided by the project. Therefore, costs for air travel and transportation are included in the budget.

3. Ocean Shipment of Goods

Some items purchased with funds provided under this grant may be transported on ocean vessels.

4 Procurement of Goods and Services

The grantee will use its own procurement policies and practices for the procurement of goods and services under this grant, provided they conform to all of AID's requirements

5 AID Eligibility Rules for Goods and Services

Goods and Services will be procured under this contract. The authorized codes for this grant are 000 and Bolivia. Bolivia has been included in the grant to permit the hiring of Bolivians and local procurement of materials which are inappropriate to import from the U.S. A waiver for local cost financing has been prepared. These include the following elements: In country costs of long and short term international technical assistance, Bolivian technical assistance, office supplies, vehicle operation and maintenance, operational costs, workshops and training, project commodities, publications and documents, sub grant monitoring, travel costs and audits and evaluations (in case local firms are used)

Commodities financed by AID under the project shall have their source and origin in the Cooperating Country or in the U.S. except as AID may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the Cooperating Country or the U.S. as their place of nationality, except as AID may otherwise agree in writing. Ocean Shipping financed by AID under the Project shall, except as AID may otherwise agree in writing, be financed only on flag vessels of the United States

6 Sub-agreements

Sub-agreements with participating entities will be financed under the grant.

7 Local Cost Financing with U.S. Dollars

Local costs are authorized by the grant for financing indigenous goods, imported shelf items, and services, per the Standard Provisions.

8 Patent rights

Patentable processes or practices may be financed by the grant

9 Publications

Publications may be financed under this grant

10 Nondiscrimination

US employees will be financed under this grant

11 Regulations Governing Employees

US employees will be financed under this grant.

12. Title to and Use of Property (Grantee Title)

Commodities will be purchased for the use of the Grantee and the Government will vest title to property in the Grantee

E Budget discussion and justification of all cost elements

The budget was prepared with the assistance of PROCOSI. The following costs were projected:

I Assets \$305,000

This item covers building purchase, vehicles and equipment. There are no PVO contributions to this item.

II Program Costs \$3,414,000

This item includes: administrative costs, PROCOSI salaries, external technical assistance, evaluations, audits, legal fees, workshops and training. Salaries and other program support costs will require 39.9% of the total operating budget.

This item is for sub-grants to PROCOSI members to support field projects. Sub-grants will account for 55% of the operating budget. Budget level of detail as set forth in both PID-like and PP-like documents. PROCOSI proposals have been reviewed by USAID/Bolivia and determined that the costs are reasonable and supportive of program objectives. (See proposals for detailed breakdown of costs)

F. Discussion of recipient's management, financial and other elements of responsibility, to include the rationale for the necessary determination of responsibility, under HB 13, Chapter 4.

PROCOSI is a locally based PVO registered with A.I.D. and has demonstrated its fiscal and administrative responsibility through recently completing a successful, similar project through Save the Children Foundation. Moreover, an institutional and financial review of PROCOSI by USAID/BOLIVIA in accordance with A.I.D. regulations for the certification of PROCOSI as a local PVO, has been carried out by the Mission.

Price Waterhouse has established a financial and Administrative system for PROCOSI. Appropriate documentation was submitted to USAID/Bolivia (letter SI-286/91 and attachments) June 26, 1991. This documentation includes a manual of administrative procedures, procurement regulations, travel and per diem policies, and personnel functions. This information is available in the Office of Health and Human Resources. These policies and procedures for the most part were developed by PROCOSI based upon the USAID/Bolivia Grant implemented through the US PVO Save the Children Foundation. USAID/Bolivia will do a follow-up review of the policies and procedures within 6 months of grant award to insure that such procedures are in place and operating effectively. Additional information on procedures and policies is available from PROCOSI. For more details, see attached letter.

USAID has insisted, and PROCOSI/Bolivia concurs with an periodic advance of funds mechanism where USAID/Bolivia will advance funds directly to PROCOSI so that both parties will have knowledge of expenditure rates.

6 Conclusion and Recommendation

Issues pertinent to award of an Operational Program Grant to PROYOSI in the amount of \$2 600 000 as the first tranche of the \$8 000 000 Life of Project amount have been identified and resolved. signature is recommended

Clearances:

HIR: S Anderson SA date 6/27/91
PD&I M Parash MP date 6/27/91
RLA: S Allen in draft date 6/5/91
EXO/P: P Keirnan PK date 6/27/91

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PROCOSI
PROGRAMA DE COORDINACION EN SUPERVIVENCIA INFANTIL
ORGANIZACIONES PRIVADAS VOLUNTARIAS
Secretaría Ejecutiva

La Paz, junio 26 de 1991
SI-286/91



Mr. Garber A. Davidson
USAID/Bolivia
HH/R
La Paz, Bolivia

Estimado Sr. Davidson:

La presente tiene como objeto presentar oficialmente los documentos solicitados por USAID/Bolivia que demuestran la instalación en PROCOSI de los sistemas, procedimientos y políticas administrativas/financieras que están en actual uso y aquellos que serán adoptados por PROCOSI a partir del próximo mes.

Reglamento de Adquisiciones (Procurement): El Reglamento de Adquisiciones adjunto, ha sido desarrollado para implementar en la próxima gestión de PROCOSI y será revisado y aprobado por el Comité Ejecutivo Rotatorio (CER).

Políticas y Normas para Viajes y Viáticos (Travel and Per-Diem): Las políticas y normas para viajes y viáticos adjunta, están en actual vigencia y han sido aplicadas dentro de PROCOSI desde enero de 1988 cuando comenzó el programa con USAID (OPG-PROCOSI I).

Manual de Funciones (Personnel): El Manual de Funciones adjunto delinea las funciones de todo el personal de PROCOSI y está en actual vigencia. Este manual ha normado el avance de trabajo y las relaciones del personal durante el actual OPG (PROCOSI I). Los nuevos cargos que serán incorporados dentro de la nueva OPG (PROCOSI II) serán desarrollados e incluidos en el manual a partir de julio del presente año.

Manual de Procedimientos (Administrative Procedures): El Manual de Procedimientos adjunto es un compendio de normas que han regulado todos los procesos cotidianos administrativos de la Secretaría de PROCOSI. Comprendido en este manual están los procedimientos y sus respectivos formularios para:

- Solicitudes de Financiamiento
- Desembolsos

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**PROGRAMA DE COORDINACION EN SUPERVIVENCIA INFANTIL
ORGANIZACIONES PRIVADAS VOLUNTARIAS**

- Asistencia Técnica
- Evaluaciones de Proyectos
- Fondo Rotativo
- Caja Chica
- Compra de materiales
- Contratación de Personal permanente y eventual
- Solicitud de viaje
- Liquidación de gastos de viaje
- Vacación
- Recepción y despacho de correspondencia

Régimen de Subdonaciones (Sub-Grants): Este manual define los objetivos para la otorgación de sub-donaciones bajo el OPG actual con USAID destinados a financiar proyectos de supervivencia infantil. Provee a los sub-donatarios y al personal técnico de PROCOSI los criterios de selección de las propuestas de sub-donación. Establece las condiciones de legibilidad de los proyectos, los sectores de inversión, las normas financieras, y restricciones específicas. Explica los requisitos y procedimientos para el trámite de solicitud de financiamiento. Establece el proceso que ha sido utilizado en el actual OPG para la aprobación de las subdonaciones por el Panel Revisor, el procedimiento de desembolsos y las evaluaciones de los proyectos. Por último provee los formularios que deben ser utilizados por los sub-donatarios para el control presupuestario de sus proyectos.

Guía para la Presentación de Solicitudes de Financiamiento al PROCOSI: Esta guía provee en detalle información a las OPVs miembros de PROCOSI sobre lo que deben contener las solicitudes de financiamiento. Es una guía para el diseño de los proyectos que recomienda utilizar un formato que facilita el proceso de revisión por el personal técnico de PROCOSI y el Panel Revisor. Incluye formularios para presentar cronogramas de actividades, desembolsos y un cuadro de inversión por fuentes de financiamiento.

Síntesis de la Presentación de los Sistemas Diseños: La síntesis adjunta detalla los sistemas financieros que ha desarrollado Price Waterhouse en su actual consultoría con PROCOSI. Los 5 Manuales de Contabilidad, Normas de Control Interno, Presupuestos y Control Presupuestario, Procedimientos de Activo Fijo y Procedimiento Operativo de Ingresos y Egresos están desarrollados y en actual estudio por el personal administrativo de PROCOSI. La capacitación en el uso correcto de los manuales se llevará a cabo por Price Waterhouse en PROCOSI durante el mes de julio de este año. Adjunto carta de Price Waterhouse de fecha 12 de junio de 1991 informando sobre el estado de su trabajo.

PROGRAMA DE COORDINACION EN SUPERVIVENCIA INFANTIL
ORGANIZACIONES PRIVADAS VOLUNTARIAS
Secretaría Ejecutiva

Para su información PROCOSI cuenta con adicionales normas, procedimientos y formularios tales como:

- Normas y Criterios para Asistencia Técnica y Proyectos de Investigación.
- Solicitudes de Asistencia Técnica
- Solciitudes de Empleo
- Solicitudes de Anticipo de salarios
- Contratos para transporte
- Seguimiento de Compras
- Ordenes de trabajo
- Hojas de Ruta
- Pedidos de materiales
- Formulario de Registro de Seguro
- Registro de baja médica
- Hoja de asistencia mensual con información para llenar el registro de tiempo
- Otros.

Si fuese necesario estos podrían ser enviados para su revisión.

Espero que los documentos adjuntos satisfacen los requerimientos de USAID.

Para cualquier información adicional estoy a sus ordenes.

Sin otro particular, saludo a usted atentamente,



Lic. John Kepner
SECRETARIO EJECUTIVO

Adj.: lo indicado