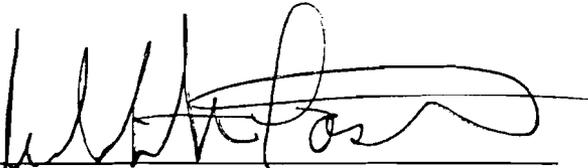


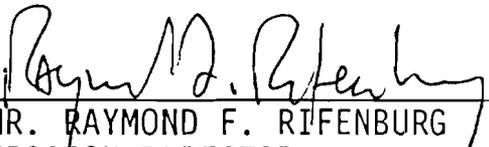
GRANT NO. 517-0247-G-00-2108-00
PAN AMERICAN DEVELOPMENT FOUNDATION



MR. ROBERT PASTORINO
AMBASSADOR
UNITED STATES OF AMERICA



FATHER LOUIS QUINN
EXECUTIVE DIRECTOR
ASOCIACION PARA EL DESARROLLO
DE SAN JOSE DE OCOA



MR. RAYMOND F. RIFENBURG
MISSION DIRECTOR
AGENCY FOR THE INTERNATIONAL
DEVELOPMENT



MR. NORBERTO AMBROS
PROJECTS DIRECTOR
PAN AMERICAN DEVELOPMENT
FOUNDATION

DATE May 8, 1992

U. S. AID MISSION TO DOMINICAN REPUBLIC

AMERICAN EMBASSY, P. O. Box 22201
SANTO DOMINGO, DOMINICAN REPUBLIC

FOR U. S. CORRESPONDENTS
U. S. AID MISSION
APO MIAMI 34041-0008

May 8, 1992

Mr. Peter Reitz
Director
PAN AMERICAN DEVELOPMENT FOUNDATION (PADF)
Organization of American States Building
1889 F Street N. W.
Washington, DC 20006

Subject: Grant No. 517-0247-G-00-2108-00

Dear Mr. Reitz:

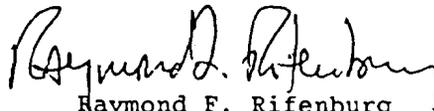
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants PAN AMERICAN DEVELOPMENT FOUNDATION (PADF) hereby referred to as "PADF" or "Grantee") the sum of \$999,231 to provide support for a program in Dominican Republic as more fully described in Attachment 1 of this grant entitled "Schedule", and Attachment 2 entitled "Program Description."

This grant is effective and obligation is made as of May 8, 1992, and shall apply to commitments made by the grantee in furtherance of program objectives from the effective date and ending on the estimated completion date of May 7, 1995.

This grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in this Cover Letter, Attachment 1 entitled "Schedule", Attachment 2 entitled "Program Description", Attachment 3 entitled "Mandatory Standard Provisions", and Attachment 4 entitled "Optional Standard Provisions".

Please sign the original and five (5) copies of this letter to acknowledge your acceptance of the grant, and return the original and four (4) copies to the undersigned.

Sincerely yours,


Raymond F. Rifenburg
Director

Attachments:

1. Schedule
2. Program Description
3. Mandatory Standard Provisions
4. Optional Standard Provisions

ACKNOWLEDGED:

PAN AMERICAN DEVELOPMENT FOUNDATION (PADF)

BY: [Signature]

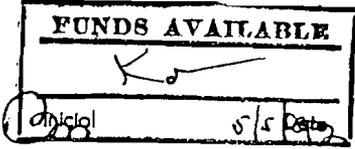
TYPED NAME: DORBERTO AMEZAS

TITLE: PROJECTS OFFICER

DATE: May 8, 1992

FISCAL DATA

Appropriation Symbol: 72-1191021
Budget Plan Code: LDHA-89-25517-KG13
PIO/T No.: 517-0247-3-90325
Project No.: 517-0247 ECN: D200040
Total Estimated Amount: \$ 999,231
Total Obligated Amount: \$ 999,231
DUNS Number: _____
LOC Number: _____
Funding Source: USAID/DR
Project Office: USAID/DR
Submission of Invoices to: Office of the Controller - USAID/DR
Paying Office: _____



CLEARANCES: GDO: PStruharik [Signature] Date 5/4/92
RMangrich [Signature] Date 5/3/92
CON: KLeBlanc [Signature] Date 5/6/92
PDO: DChiriboga [Signature] Date 5/5/92
RLA: EDragon (In substance) Date 5-5-92

ATTACHMENT 1

SCHEDULE

A. PURPOSE OF GRANT

B. PERIOD OF GRANT

The effective date of this grant is May 8, 1992. The estimated completion date is May 7, 1995.

C. AMOUNT OF GRANT AND PAYMENT

1. A.I.D. hereby obligates the amount of \$999,231 for purposes of this Grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 (the Standard Provisions).

D. GRANT BUDGET

1. The following is the Grant Budget. Revisions to this Budget shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Grant Budget."

2. Financial Plan

<u>ADESJO SUB-GRANT</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>TOTAL</u>
1. Personnel	\$70,972	\$40,236	\$23,676	\$134,884
2. Other Costs	16,207	9,068	5,208	30,483
3. Training	17,338	8,701	6,811	32,850
4. Commodities	<u>271,231</u>	<u>151,969</u>	<u>82,839</u>	<u>506,039</u>
Sub-Total	\$375,748	\$209,974	\$118,534	\$704,256

PADF

1. Personnel	\$52,460	52,013	55,732	\$160,205
2. Other Costs	17,016	17,889	18,745	53,650
3. Training	5,422	6,309	7,153	18,884
4. Commodities	<u>5,144</u>	<u>-0-</u>	<u>-0-</u>	<u>5,144</u>
Sub-Total	\$80,042	\$76,211	\$81,630	\$237,883
Overhead (24%)	<u>\$19,210</u>	<u>\$18,291</u>	<u>\$19,591</u>	<u>\$ 57,092</u>
Sub-Total	<u>\$99,252</u>	<u>\$94,502</u>	<u>\$101,221</u>	<u>\$294,975</u>
TOTAL	\$475,000	\$304,476	\$219,755	\$999,231

The Grantee may make adjustments between line items of up to 15% of any line item without the prior written approval of the Grant Officer. Approval beyond 15%, if given, will be via formal amendment to the Grant. In no event may the Grantee exceed the total estimated cost of the Grant nor the total estimated cost for any given year without the prior written approval of the Grant Officer.

A detailed budget is provided for informational purposes as Annex B hereto.

E. REPORTING/EVALUATION

The Grantee shall submit the following reports in English and Spanish at the time and in the quantities specified.

PADF shall submit to USAID/Santo Domingo quarterly financial and progress reports by the 10th working day following the end of the quarter. These reports shall show the progress made toward meeting verifiable indicators, any problems encountered and delineate plans for the next quarter. Financial reports shall include all sources of contribution (in-cash and in-kind), not just USAID.

The Grantee shall prepare and submit 2 copies of each report required by this grant to the Bureau for Program and Policy Coordination, Center for Development Information and Evaluation, Development Information Division (PPC/CDIE/DI). Documents should be mailed to:

PPC/CDIE/DI
ACQUISITION
Room 209, SA-18
Agency for International Development
Washington, DC 20523

Another copy of each report should be mailed to:

General Development Office
USAID/Santo Domingo
Unit 5541
APO AA, 34041

The title of all reports forwarded shall include a descriptive title, the author's name, name of the A.I.D. project office, and the publication or issuance date of the report.

Expenditure reports shall be submitted to USAID/Santo Domingo on a monthly basis.

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F. SPECIAL PROVISIONS

(See Annex D)

G. INDIRECT COST RATE

Pursuant to the provisions of Clause 13 of the Standard Provisions of this grant, provisional overhead rates as set forth below have been established for PADF:

<u>Type</u>	<u>Effective Period</u>		<u>Overhead(a)</u>
	<u>From</u>	<u>To</u>	
Provisional	10/1/88	9-30-89	19.92
Provisional	10/1/89	9-30-90	15.27
Provisional	10/1/90	Until amended	24.00
Final			

H. AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this Grant is 000 and the Cooperative Country.

I. TITLE TO PROPERTY

Title to all property shall be in accordance with the Optional Standard Provisions entitled "Title to and Care of Property (Grantee Title) (November 1985).

ATTACHMENT 2

PROGRAM DESCRIPTION
FIRENA PROJECT - Phase II

A. PURPOSE AND PROJECT DESCRIPTION

1. Purpose of the Project

The purpose of the project is to decrease soil erosion in the Municipality of San José de Ocoa, caused by traditional agriculture practices in the area.

2. Problems Addressed by the Project

The goal of the project is to address the high level of soil erosion caused by the agriculture practices of small farmers on hillsides in the municipality of Ocoa. The municipality is basically dry and mountainous with an annual precipitation between 800 and 2,500 cubic millimeters and an altitude between 400 and 2,800 meters. The population is approximately 70,000. The Ocoa watersheds were chosen for the project because of the current erosion problem and the importance of their water for the municipality and other parts of the country.

The municipality encompasses two watersheds, Ocoa and Nizao. The Ocoa watershed is the most eroded area in the country with an estimated annual soil loss of over 500 tons per hectare. The Jigüey and Aguacate dams are being constructed in the Nizao Watershed, which will supply energy and water to Santo Domingo. The erosion problem on the two watersheds is aggravated by the low economic return of the current agricultural practices, which encourages farmers to put even more marginal hillside land under cultivation. The practice of shifting from one parcel to another also exacerbates the erosion problem. In the point of view of traditional farmers in the area, the poor production of the land which is also due to the practice of continually cultivating the same site without a fallow period, does not justify an investment in soil conservation practices.

In the driest zones, the farmers cultivate the highest part of the hillsides because they tend to be more humid than the lower flatter lands. This practice makes it harder to protect the area against inappropriate agricultural practices.

Finally, farmers do not consider forestry a good source of income, although it would be positive from an environmental point of view. According

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to farmers, government policies on harvesting rights are too arbitrarily enforced to justify the risk of investing their land, manpower, and economic resources.

The people of Ocoa are aware that the erosion problem results from deforestation and aggravated by cultivating deforested hillsides. They believe that rainfall in the area has decreased as a result of deforestation. There is also great concern in the area regarding the sedimentation of the dams, currently under construction. In general, there is concern at all levels of the community regarding the deterioration of their environment.

3. General Description of the Project

The strategy of the project is to achieve positive environmental impacts by incorporating that same rural sector, which is usually considered to have caused the problem. The prime motivation will be economic. The project will introduce agroforestry technology and services that are less damaging and more economically advantageous to the rural sector.

For its long-term sustainability, the project will recuperate investments made in new technologies and services. To help accomplish this purpose, the project includes activities to strengthen ADESJO, organize communities, and provide services directly tied to economic success for the beneficiaries.

The project include six components: (1) Agroforestry Irrigation Systems, (2) Commercial Reforestation, (3) an Investment Program to recover and reinvest the funds, (4) Community Organization, (5) a Market Price Information System for farmers, and (6) Institutional Strengthening of ADESJO.

Agroforestry Irrigation Systems: The project will design, finance, and monitor community irrigation subprojects that will decrease the pressure on marginal land and minimize soil erosion. Activities include: soil conservation practices, reforestation near water sources, reforestation of land not suited for cultivation and the incorporation of perennial plants and trees as part of a agroforestry economic system.

The Agroforestry Irrigation Program will cover 18,000 tareas with the following treatments: barriers against erosion and drainage, 9,000; irrigation, 9,000; reforestation of water sources, 4,000; reforestation of soils not well suited for cultivation 7,000. The actual total will be more than 18,000 since some areas will receive more than one treatment.

Commercial Reforestation Program: The project will finance and provide technical assistance for the production of fast growing tree species for commercial purposes. The cultivation of trees will be promoted for erodible lands not suited for production of annual crops. Although an

important part of the project, the reforestation program has a modest target due to low demand in the rural sector. This low demand is due to the insecurity of investing in forestry as a result of the arbitrary application of the rules and procedures for harvesting trees. However, this situation should improve now that FORESTA is granting "harvesting certificates" to ADESJO for areas established with the farmers. The project will plant 7,000 tareas of commercial forests.

Investment Program: The project will make investments in irrigation systems, infrastructure, marketing equipment, reforestation, and provide agricultural credit through other ADESJO programs. The Investment Program is the component with the responsibility to evaluate the economic feasibility of investments, provide technical assistance and training on marketing and production, and collect amortization payments from the investments.

The program will function through Irrigation Committees and directly with the participants of the reforestation program. The program will provide technical assistance and training in marketing and production to 1,200 farmers of annual crops and technical assistance in marketing to 400 participants of the commercial reforestation program.

Community Organization: The project will organize and train Irrigation Committees and Environmental Vigilance Committees. The Irrigation Committees are responsible for managing irrigation subprojects, supervising water distribution, systems maintenance, scheduling production and compliance with financial obligations of the beneficiaries, programming training and technical assistance, and collecting payments from every participant.

The Environmental Vigilance Committees are responsible for monitoring tree cutting and/or illegal burning practices in the area, reporting to the authorities and educating the other members of their communities on legal provisions and technically acceptable agricultural practices.

The project will organize 30 Irrigation Committees representing 900 families (5,400 individuals), and 30 Vigilance Committees representing approximately 1,800 families (10,800 individuals).

Market Price Information System: The project will start a daily radio program (5 days a week) to broadcast prices from the central market in Santo Domingo. This component addresses the strategy of promoting the adoption of appropriate agricultural practices for economic benefits. The same information system will serve to orient the general population on the condition of the environment, sensitize the public regarding the problems, and promote desirable technologies.

Strengthened ADESJO: The project will strengthen the Asociación para el Desarrollo de San José de Ocoa through the development of policies,

procedures, systems for administration, planning and evaluation, and training of the staff and Board.

The Project forms part of the ADESJO strategy to improve the environment of the municipality. ADESJO has other complementary activities in reforestation, production of plants, forest management, and participation in official sector councils.

The project is proposed for three years and will complement the current FIRENA project.

4. Situation Expected at the End of the Project - Phase II

- a. Six Thousand people of the municipality benefitted by the reduction in soil erosion.
- b. Eighteen Thousand areas treated (conservation and reforestation) against soil erosion.
- c. Sixty groups from the municipality organized under democratic principles for the purpose of protecting the environment.
- d. The municipality has a development association (ADESJO) with trained personnel, funds available for investments and a strategy to address environmental priorities.
- e. Nine Hundred families with incomes 2.5 times higher than before using technology to minimize soil erosion and 400 families maintain their income from agriculture during droughts through the adoption of commercial forestry which is less damaging than annual cropping.

5. Potential to Expand the Program to More People Using Local Resources

There exists the potential to continue expanding the program to other areas after A.I.D. funding ceases. The project is already utilizing local resources through community labor, employees from SEA and FORESTA, specialists from SEA and INDHRI, and training from INFOTEP. The Project is also introducing a policy of charging the beneficiaries for technical assistance in production. During the life of the project approximately \$1,000,000 plus interest will be invested and recuperated to continue benefitting beneficiaries in natural resource investments.

One of the activities to be performed by consultants is an analysis of the economic return from irrigation systems. ADESJO will use this information to refine its payment policies and determine additional costs to charge the beneficiaries.

6. Beneficiary Participation in Decision Making and Benefits

The beneficiaries participated in the development of the initial FIRENA Project through a planning workshop attended by 35 farmers, chosen by their communities. Their role included the identification of problems and necessities of small farmers pertaining to deforestation and soil erosion. From this workshop came the priority of protecting the environment using irrigation as the catalyst. Beneficiaries also participate in ADESJO monthly assemblies through democratically selected representatives.

At the community level, the beneficiaries work with the technicians in the design and construction of irrigation subsystems (contributing all of the labor) and land distribution. All of the lands donated for use by landless beneficiaries are provided by beneficiaries with land. The beneficiaries form irrigation committees, select members to participate on the ADESJO procurement committee to acquire equipment and materials corresponding to their irrigation systems. The irrigation committee also collects all of the money from its members to pay quotas and supervise the distribution of water and maintenance of the system.

Finally, beneficiaries with advice from project personnel organize and implement the activities of the Vigilance Committees.

7. Project Coordination with Other Similar Activities

Other ADESJO Activities: The Project coordinates its activities with other ADESJO activities through the Natural Resources Department. This forum serves to coordinate operational policies, exchange ideas and technical knowledge and plan environmental efforts for all of ADESJO. The Project is planning to sponsor a seminar for June 1992, on female participation in environmental activities entitled "Women and Natural Resources".

The Project acquires trees from the nurseries of ADESJO and PROGRESSIO. PROGRESSIO produces plants in Ocoa and has formal relations with ADESJO. The Project receives technical assistance in reforestation from the ADESJO PARRA Project. The GTZ (German AID) is providing technical assistance on strategies to increase the organic content of soils and is conducting a study on agricultural marketing that will benefit farmers and technicians in the investment program. ADESJO assigned two irrigation technicians to the Project.

Government Activities: The Project relies on personnel assigned to ADESJO from various government entities. SEA assigned 13 technicians and support personnel to ADESJO to work on the Project. Recently, SEA assigned 3 more agronomists to provide technical assistance to farmers who participate in the irrigation systems under the auspices of the Project. FORESTA assigned 2 foresters. Through the participation of ADESJO personnel on the National

Forestry Commission the project is helped regarding the processing of tree harvesting permits. Participation on the commission also gives the project an avenue to express the necessities of beneficiaries pertaining to problems with forestry policies.

A cooperative agreement was recently negotiated between ADESJO and the Instituto Nacional de Formación Técnico Profesional (INFOTEP) to provide training to project technicians and farmers in horticultural production, organic agriculture and the use of chemical inputs.

Activities of Other NGOs and Other Organizations:

The US Peace Corps has assigned a volunteer to ADESJO to assist the Project with a new accounting system. The Project is also requesting a volunteer specializing in natural resources. The Project participates on the Environmental Committee of CEDOIS. As in the past, the project participates within a network of training activities, visits to other projects and sponsoring visits from other organizations in the area to demonstrate the work of the Project.

B. PROJECT BENEFICIARIES

1. Beneficiaries

Categories and Number of Direct Beneficiaries:

Agroforestry Systems with Irrigation: Seven hundred and twenty beneficiaries and their families will participate in irrigation subsystems. In addition, a factor of 25% is used to determine the total number of beneficiaries due to the increased demand for labor as a result of irrigation and the increased marketing activity due to more product availability.

The Brunn study of 1988 determined an average annual income for potential beneficiaries equivalent to US\$582/family/year for farmers with and without land which is about three times more than the current income. Marketing intermediaries and the people that provide their labor would also have increased income.

Nine Thousand tareas/12.5 tareas per family = 720 families X 6 people per family X 1.25 other direct = 5400 direct beneficiaries.

Commercial Reforestation: The four hundred potential beneficiaries of the activity and their families will also have incomes similar to the beneficiaries of irrigation subsystems.

Seven Thousand tareas/17.5 tareas per family = 400 families X 6 people per family = 2400 direct beneficiaries.

Investment Program: Beneficiaries are those who participate in one of the various ADESJO programs that involve investment/recuperation of funds.

All of the participants involved in ADESJO investments programs are low income and the majority from the rural sector.

The proposed project activities aim to strengthen ADESJO's investment program which should have a direct impact on sustainability of current and future ADESJO projects.

Four Hundred Sixty current beneficiaries in investment/recuperation program plus 700 participants projected under FIRENA Phase II, representing 6,960 direct beneficiaries (1,160 families X 6).

Community Organization: The entire population of communities with Vigilance Committees are considered to be direct beneficiaries.

Thirty Committees/Communities X average community population of 300 people or 10,800 direct beneficiaries.

Market Prices System: Out of a rural population of 40,000, 50% or 20,000 are farmers or dependents who would benefit from the program.

Strengthening of ADESJO: Through its projects in natural resources, the construction of schools, houses, potable water systems, and roads; programs in health, women's education, and others 80% of the population of Ocoa will be directly affected by the strengthening of ADESJO.

Population of 70,000 X .80 = 56,000

Indirect Beneficiaries: The entire population of the municipality of Ocoa, 70,000 will be affected by the project, directly or indirectly. In addition, a percentage of the population of Santo Domingo of approximately two million will be indirectly impacted by project activities aimed at reducing the sedimentation problems of the Jigüey-Aguacate dam complex. We consider that this will potentially affect 500,000 people.

2. Criteria for Selecting Beneficiaries

To the extent possible, communities themselves select beneficiaries to participate in the various programs. Almost all of services offered by ADESJO require a significant contribution by the beneficiaries. In the FIRENA Project, the beneficiaries contribute labor and sections of land from those who own land. ADESJO, through the FIRENA Project intervenes in the organizational process of the community to assure that all potential beneficiaries have equal opportunity to participate. In cases where a beneficiary is later rejected from the group, the corresponding committee will

have to replace him/her with another. This possibility which is rarely applied, requires the concurrence of ADESJO.

Specific selection requirements for the agroforestry irrigation systems are: (1) the beneficiaries have to associate themselves with their neighbors, (2) the beneficiaries must contribute all of the required labor, (3) the beneficiaries, as a group must be in agreement with the legal documents to pay the investment costs with interest and maintain it, (4) they must agree to undertake activities in soil conservation and reforestry, as much in the subproject area and its peripheries, and (5) they must agree to help other communities outside of the project area. In cases where the small farmer owns land suitable for irrigation, he/she must contribute up to half of his/her land for use by landless beneficiaries.

Other criteria include (1) a clear need and benefit for the project technology, (2) demonstrated economic viability of the activity and (3) a clearly demonstrated interest on the part of the potential beneficiaries.

In the Commercial Reforestation Program, the beneficiary must agree to: (1) contribute all of the labor, (2) complete the management plan with assistance from ADESJO, and (3) pay the cost of the investment including interest.

3. Cost of Activities per Beneficiary

- Agroforestry Irrigation Systems = \$258 (\$1,497,137 - 7%/5,400 beneficiaries). 36% of this cost is the ADESJO contribution and the value of labor contributed by the beneficiaries is included in this cost.
- Commercial Forestry = \$135 (\$347,474 - 7%/2,400 beneficiaries)
- Investment Program = \$32 (\$236,537 - 7%/6,960 beneficiaries)
- Community Organization = \$12 (\$132,057 - 7%/10,800 beneficiaries)
- Market Price News = \$2 (\$43,773 - 7%/20,000 beneficiaries)
- Strengthening of ADESJO = \$6 (\$313,243 - 7%/56,000 beneficiaries)

NOTE: The figures for costs come from the budget for each component. Some costs have a useful life of more than three years such as vehicles, motorcycles, office equipment, and technical assistance. In the previous cost analysis the total cost of this equipment and technical assistance, (\$360,000) is applied for three years. To recognize the useful life for more than three years, the costs are reduced by a factor of 7% (\$185,000 realize the additional useful years 4-6, divided by the total project cost \$2,570,000 = 7%).

C. PROJECT DESIGN AND IMPLEMENTATION

1a. Description of the Implementation Plan

Although PADF will be the grantee, the project will be implemented as an ADESJO project, through a sub-grant from PADF to ADESJO. PADF will have a Project Officer responsible for grant administration and ADESJO will have a Project Director who reports to the Executive Director of ADESJO. Under the Project Director implementation is organized into five components with someone in charge of each: (1) Agroforestry Irrigation Systems, (2) Commercial Forestry, (3) Investment Program, (4) Community Organization and Development, (5) Market Price Information.

The institutional strengthening activities of ADESJO will be implemented under the direction of the Executive Director.

See the chronogram of activities in Annex B.

(1) Agroforestry Systems with Irrigation

- a. Orient FIRENA personnel on project policies.
- b. Negotiate contracts with the personnel.
- c. Orient the project personnel on their duties and responsibilities.
- d. Develop annual work plan for this component.
- e. Acquire vehicles and motorcycles.
- f. Conduct an analysis of the technical feasibility of systems for communities that apply to participate.
- g. Design system (subproject) to include conservation practices, reforestation areas, water distribution, subdivision of parcels, and irrigation system.
- h. Supervise installation by community work groups.
- i. Evaluate the technology and management of installed systems and make recommendations.
- j. Evaluate the viability of capturing water using methods such as rain catchment.

(2) Commercial Forestry

- a. Orient FIRENA personnel on project policies.
- b. Negotiate contracts with personnel.
- c. Recruit promoters and negotiate agreements.
- d. Prepare policies and procedures for participation in the activity.
- e. Develop annual work plan for this component.
- f. Acquire vehicles and motorcycles.
- g. Promote participation and registration of farmers.
- h. Contract for production of tree seedlings.
- i. Distribute seedlings.

- j. Analyze economic cost/benefit.
- k. Provide training and technical assistance to beneficiaries.
- l. Arrange for the "Certificados de Aprovechamiento" from the GODR.

(3) Investment Program

- a. Orient FIRENA personnel on project policies.
- b. Negotiate contracts with personnel.
- c. Develop annual work plan for this component.
- d. Recruit promoters and negotiate agreements.
- e. Acquire vehicles and motorcycles.
- f. Orient the irrigation committees on procedures for production planning.
- g. Analyze the economic benefit of the irrigation systems already installed and make recommendations.
- h. Develop policies and procedures to acquire investments in marketing equipment and infrastructure.
- i. Analyze applications for investments in marketing equipment and infrastructure.
- j. Analyze the economic feasibility of applications for subprojects in agroforestry systems with irrigation.
- k. Along with the "Events Committees" plan for training in agricultural production.
- l. Identify and recruit specialists to provide training.
- m. Monitor production and assist farmers when necessary.
- n. Provide technical assistance to the Irrigation Committees when necessary in the collection of water fees.

(4) Community Organization and Development

- a. Orient FIRENA personnel on project policies.
- b. Negotiate contracts with personnel.
- c. Develop annual work plan for this component.
- d. Acquire vehicles and motorcycles.
- e. Conduct an analysis of the functions and performance of the Committees for Irrigation and Vigilance and make recommendations.
- f. Receive applications from interested communities to participate in the project.
- g. Orient potential beneficiaries on the philosophy, policies and procedures of the project.
- h. In the case of Agroforestry Irrigation System negotiate contracts with landowners and other potential beneficiaries.
- i. Organize irrigation committees.
- k. Implement a series of training programs on organization, such as: problem solution, and procedures to incorporate, and decision making using participatory methods.

(5) Market Price Information Program

- a. Contract with a specialist to design the policies and procedures for the program.
- b. Design a method for collection of current market prices in Santo Domingo.
- c. Design a format for a radio program (time, specific material, presentation, etc.)
- d. Contract personnel.
- e. Contract radio station.
- f. Initial test program.
- g. Evaluate and redesign.
- h. Implement the program.
- i. Analyze the potential for commercial endorsements.

(6) Institutional Strengthening

- a. Enter into agreement between ADESJO and PADF.
- b. Design contract for the project personnel.
- c. Orient the board on project policies and plans.
- d. Develop annual work plan for this component.
- e. Design a system for periodic financial reporting appropriate for the Board and those in charge of programs and projects.
- f. Analyze the current procurement system and make recommendations.
- g. Provide technical assistance to the committees of the Board responsible for finances, personnel, and programming.
- h. Analyze the indirect costs of ADESJO and develop a policy and procedures to recognize indirect costs for each project.
- i. Provide technical assistance to the Board on project progress and make recommendations for adapting developed policies to other ADESJO projects.
- j. Evaluate the salary levels vis-a-vis other institutions and develop appropriate policies.
- k. Evaluate the legal strategy for land transfer in the irrigation systems and make recommendations.
- l. Implement training workshops on management for the Board and the staff.
- m. Evaluate the project.

b. Description of Technical Assistance Plans

Assistance to the Board of Directors will be provided by PADF using a team of specialists in specific areas on short term consultancies. PADF will also subcontract with Dominican people/institutions for specific tasks such as legal analysis. Specialists from other projects, such as the A.I.D. On-Farm Water Management Project will be recruited, depending on their cost for activities that require their knowledge. Long-term volunteers, such as Peace

Corps Volunteers, will continue to be recruited by ADESJO. We also continue to explore the feasibility of employing specialized volunteers for specific tasks from SCORE.

Technical assistance will be organized according to project components with assigned counterparts. The counterparts for ADESJO will be the Executive Director of ADESJO and the FIRENA Project Director. Following are projections of the estimated technical assistance:

- Design and implementation of the Market Prices Program = 30 days.
- Accounting/computers = 90 days
- Legal advice on land use contracts and water rights = 60 days.
- Monitoring and advice in administration, sustainability, implementation, etc. (Executive Director, Project Director, Board) = 105 days.
- Design, testing, and monitoring of instruments for investment component = 105 days.
- Socioeconomic analysis of the irrigation systems = 15 days.
- Design of policies, materials, and monitoring of the committees for Irrigation and Vigilance = 132 days.
- Design of policies and procedures for investments in commercial forestry and monitoring = 66 days.
- Socioeconomic analysis of commercial forestry = 20 days.
- Evaluation of technologies used in the irrigation systems = 11 days.
- Project evaluation = 36 days.

c. Procurement and Disbursement Procedures

Disbursements to PADF will be accomplished by a Letter of Credit in accordance with the conditions of the Letter and other instructions from the A.I.D. Controller's Office.

Funds for the sub-grant will be managed in a separate account. PADF will require that ADESJO have annual audits performed by independent auditors selected by ADESJO in accordance with requirements set forth in "Guidelines for Financial Audits Contracted by Foreign Recipients" issued by the AID Inspector General. ADESJO books for the project will be maintained in accordance with generally accepted accounting principles and will be open for PADF and A.I.D. Project purchases will be done according to established ADESJO procedures and approved by PADF. ADESJO's records which pertain to this grant shall be retained for a period of three years from the date of the expiration of the grant.

2. Project Monitoring and Progress

The FIRENA project director will prepare quarterly reports detailing the progress for each product using the quantifiable indicators. This

information will be accompanied by three additional sections: (1) exceptional achievements, (2) implementation problems, and (3) strategies to resolve the problems mentioned in number two. Once approved by PADF, a section will be added on technical assistance progress, problems encountered and strategies to resolve them.

PADF will submit quarterly financial reports to AID showing the following: quarterly budgeted amounts by category, including direct payments handled by USAID/Dominican Republic; quarterly actual costs incurred by category, with footnoted references for costs questioned by USAID; the cumulative budgeted amounts to date (since the inception of the project) by category; the actual cumulative costs incurred to date (since the inception of the project) by category. ADESJO will send information every quarter to PADF on costs for the period and cumulative costs.

3. Training Program

Training under the project will be provided to four categories of participants: direct beneficiaries, beneficiary committees, personnel from the FIRENA project, other ADESJO projects and the ADESJO Board. The training will consist of short-term, observation visits by beneficiaries to other projects, workshops/seminars, international observation visits and on-the-job training of counterparts.

a. Direct Beneficiaries

All of the beneficiaries will receive (1) group training sessions on the philosophy of the project, proposed technology and rights and responsibilities of the participants; (2) three technology workshops in pest control, water management, seed storage, product storage, etc. (for irrigation beneficiaries); and (3) two workshops on subjects such as planting, pruning, and marketing (for forestry beneficiaries). Training will be continuous throughout the life of the project.

A minimum of 100 participants will be taken on organized field trips to projects in Santiago, Mao, Barahona, Bani, Haiti, and others.

b. Beneficiary Committees

Irrigation Committee members will receive four half-day workshops on the following topics: (1) organization and procedures of groups, (2) rights and responsibilities of the committee, (3) procedures related to the committee, and (4) problem solving. This training will be continuous throughout the life of the project.

During the life of the project, two people will be sent overseas to participate in seminars, with the hope of being expositors.

c. Personnel from the FIRENA Project and other ADESJO Projects

Project personnel will receive four workshops in project policies and procedures. Each department will have two workshops on particular procedures, technology, and analysis. All of this training will be programmed for the first 12 months.

The project will send up to two people overseas per year for short courses in soil conservation, irrigation and/or forestry.

Counterparts will be assigned to learn from the specialists working on specific project tasks. Wherever possible, the technician will present or participate in the presentation and defense of the results to his/her colleagues and the Board.

The personnel will participate in four training workshops on administrative and interpersonal topics during the life of the project. Themes include: decision making, planning, evaluation, personnel motivation, and supervision.

d. ADESJO

The Board will receive training in six short workshops to present the results of short-term consultants: economic analyses of the farmers with irrigation, technical analyses of the systems, economic analyses of fast growing trees, analyses of legal policies, and others.

The Board will participate in the eight personnel workshops dealing with project procedures and administrative areas.

The project will send two people overseas during the life of the project to participate in seminars.

4. Chronogram of Project Progress

<u>Outputs</u>	<u>Target</u>	<u>Semester (cumulative)</u>					
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
Irrigation	9,000 tar	1,500	3,000	4,500	6,000	7,500	9,000
Conservation	9,000 tar	1,500	3,000	4,500	6,000	7,500	9,000
Reforestation/Prot.	9,000 tar		3,500		7,000		9,000
Refor/commercial	7,000 tar		2,300		4,600		7,000
Irrigation Committees	30	15	18	21	24	27	30
Vigilance Committees	30	5	10	15	20	25	30
Market News System					Operating	----->	

- The targets take into account 11 systems with 5100 tareas of irrigation installed at the end of phase I for a total of 14, 100 tareas (5,100 + 9,000). A part of the installation of some of these systems remain to be finished but the financial projections take into account that all of the equipment will have already been purchased.

- The targets assume 5,100 tareas of conservation already installed at the start of phase II for a total of 14,100.

- The targets for reforestation for protection and commercialization apply only to Phase II. Due to climatic factors part of the reforestation from Phase I will be completed during Phase II.

- 15 of the 30 Irrigation Committees have already been organized but the project will strengthen all 30.

- 30 Vigilance Committees will be organized during the project.

5. Periodic Evaluations

The evaluation program includes five specific evaluations on the progress of the individual components and one comprehensive project evaluation. The component evaluations are: (1) socioeconomics of the agroforestry irrigation systems, (2) technologies used on the agroforestry irrigation systems, (3) socioeconomic factors in the cultivation of fast growing trees, (4) effectiveness of the Irrigation and Vigilance Committees, and (5) effectiveness of the land transfer system.

a. Component Evaluations

The impact of the agroforestry irrigation systems will be evaluated during the first six months. This evaluation will focus on the economic impact of the system with secondary observations on migration

patterns, crop changes, and the use of additional income, The Brunn evaluation of 1988 will be used as a model and base of information. Samples will be taken randomly from farmers with and without irrigation, and a comparison will be made of the differences attributed to irrigation. An objective of the project is to triple the income of the farmers with irrigation. The evaluation will be done by a specialist from PADF.

The second component evaluation will be of the technology incorporated in the irrigation systems already installed (irrigation and soil conservation technologies). This evaluation will be done during the first year by a specialist from PADF. The purpose of this evaluation will be to improve designs and methods for subsequent installations and improvement of the current systems. Similar cultivated land not employing the project technologies will be used as a constant.

The third component evaluation will be the commercial reforestation program. The purpose is to determine the economic return in cultivating fast growing trees as an income source. The evaluation will be conducted after 18 months by a specialist from PADF. This study will identify the most profitable products for sale such as stakes, posts, firewood, etc., and the best markets. The study will update some facts from the 1988 Brunn study. "El Potencial para el Cultivo de Especies Forestales de Rápido Crecimiento en la Región de San José de Ocoa". Baseline data comes from this study, plantations of energy species planted under the MARENA Project, and experiences from the PARRA Project with growing and harvesting of lumber species.

A fourth evaluation component will be the Beneficiary Irrigation and Vigilance Committees. This evaluation will examine the methods and materials developed by the project to organize and train the committees, the strategies to involve women, the democratic form of functioning, and the impact of the committees on the environment. This evaluation is programmed between months 24-26. Baseline data comes from the current groups and their levels of participation.

The fifth component will be an evaluation of the methodology and policies used to transfer the use of land belonging to farmers to landless beneficiaries. The evaluation will examine the procedures and legal documents currently being used, identify weaknesses and strengths of the current system and make recommendations.

b. General Project Evaluation

An in-depth evaluation of the project will be conducted by a multidisciplinary team between months 24 and 30. This evaluation will document progress against the indicators mentioned in the log frame (Annex A)

for every component. The team will examine the progress in relation to the objectives for each component.

The baseline will be the documented quantifiable progress of the work already done at the start of Phase II in agroforestry irrigation systems, conservation, reforestation, commercial forestry, investments, and committees organized. In addition to this base of facts, the evaluation will compare areas and communities where the technologies and work have been vigorously applied to others where they have been minimally applied. This will serve to measure the relative merit of using the project methods and technologies.

Before conducting the evaluation, PADF will define the terms of reference for concurrence by ADESJO and A.I.D. The candidates for the evaluation will also be subject to concurrence by both parties.

D. SUSTAINABILITY

(The information in this chapter is presented from the, point of view of the sub-grantee, ADESJO)

1. Institutional Strengthening and Independence from Donors

The project will strengthen ADESJO with the development of policies, procedures, operating systems, information and planning systems, and training.

a. Policies, Procedures and Operating Systems: The policies and procedures developed under the project allow ADESJO to identify all of its costs and assign them accordingly. This, primarily through the accounting system, gives ADESJO the capability to budget more adequately and determine more realistic fees for their services.

b. Information and Planning Systems: With improved information and planning systems both the ADESJO board and the administrative staff will be in better conditions to make more opportune decisions in favor of the institution's financial well-being. Area where decisions need to be made are: interest rates, salary levels, service costs and cost for alternative strategies.

c. Training: Training to be provided at all ADESJO levels, from the Board to the agricultural technicians, will increase institutional capability. It is expected that the quality of decisions and technical work will improve as a result of the project.

2. Strategies to Sustain Project Activities

a. Recurrent costs: ADESJO will continue with their policy of using personnel paid by the government but selected and supervised by ADESJO which represents a subsidy for the project and ADESJO. Recurrent administrative costs of ASDEJO will be addressed by a policy, to be developed, that will apply indirect costs to all ADESJO activities. In this way, the pressure on other subsidies to cover these costs will be diminished.

The recurrent costs of the investment component will be covered, primarily, from interest earnings generated from the investments.

The recurrent costs of the agroforestry irrigation systems and commercial forestry, vary according to implementation intensity of those activities. During the life of the project, a portion of the costs of those activities are absorbable through the investment program. The potential to cover those costs under the investment program will be determined by the socio-economic evaluations of the agroforestry irrigation systems and commercial reforestry.

There is the possibility of financing the publication of market prices through the sale of advertisements, once the system has been established.

b. Administrative and Managerial ability to continue implementing the activities: The project is designed to be administratively sustainable. Technical assistance is short term, forcing consultants to work through project counterparts. Institutional strengthening activities are designed to leave efficient administrative systems in the hands of capable and experienced personnel.

c. Maintenance of technical aspects: The ability to expand project activities to other areas after project termination depends mainly on the availability of investment capital. Technical maintenance of installed systems under this project will be in the hands of trained beneficiaries. However, ADESJO will continue supporting the community according to their needs. It is hoped that the other collaborating institutions such as SEA, FORESTA, INDRHI, and INFOTEP will also continue supporting the farmers.

d. Transfer of experience and knowledge to beneficiaries: ADESJO's philosophy is to intervene with the beneficiaries in such a way as to decrease long term dependency. For this reason, most of the project activities are one-time events, such as the technical design of the irrigation systems. Beneficiaries learn a lot about the technology, maintenance and operation through the provision of all manual labor in the installation of systems.

From the first day, beneficiaries are included in ongoing activities such as production planning, water distribution, fee collection, system maintenance and programming of technical assistance in production. The project advises and trains beneficiaries in the management of the daily and continuous activities. It is hoped that the communities, organized by the project, are independent enough at the end of the project to be managed in a self-sufficient way.

3. Fund Raising Capabilities

ADESJO programmed more than DR\$4,800,000 in 1990. Sources of financing included: Office of the President, A.I.D./STP, GTZ, Embassy of Canada, IAF, and private sector organizations such as Rotary Clubs from Canada, Misereor, Fundación Guadalupe, American Chamber of Commerce, Project HOPE, and individual donations.

4. Demand for the Services by Beneficiaries

Farmers have a high demand for agroforestry systems with irrigation. Evidence of this is the manual labor they provide, negotiations among themselves to obtain land, and their willingness to reforest for protection purposes.

Eleven groups have already installed, or are in the final stages of, installing systems under the terms of the project. Those groups are: Los Martínez, Las Caobas, Arroyo Hondo, Los Montellanos, Rincón de Pino, Los Caminitos, Los Ranchos, el Limón, Arroyo Colorado, El Cercado y Arroyo Palma. There are at least 18 groups that are also willing to comply with the terms of the project.

Seven of the 18 groups are already in the process of organizing, studying, and discussing the agreements required to start conservation work. Those groups are: El Naranjal, La Cumbre, La Piedra, La Botija, Los Palos Grandes, Los González, and Los Limoncillos.

The demand is attributed to two main factors. First, the technology is already demonstrated in the zone and the people know its benefits. The second factor is the high level of confidence that the people have in projects and activities executed by ADESJO.

Demand for the commercial reforestation program has not been as great but continues growing. ADESJO has already made demonstration plantings of commercial, fast-growing trees through the Parra Project and in the first phase of FIRENA. These experiences have produced positive economic results.

The initial caution expressed by farmers is due to the arbitrary application of official harvesting regulations. However, in the past six

months we have seen a noticeable change in the government attitude. and regulations are being applied in a more rational manner. As a result, farmers have increased their interest in planting trees.

5. Participation of Communities and Potential Beneficiaries in Project Design

Beneficiaries participated in the development of the initial FIRENA project during a planning workshop that was attended by 35 farmers from the area. Their role was to identify the problems and needs of small farmers in relation to soil erosion and deforestation. In this workshop, a strategy to protect the environment by using irrigation as an instrument to organize their efforts was considered a priority. During implementation of the first phase, farmers will participate in their Irrigation Committees and at the ADESJO monthly assemblies. On these occasions, representatives from each community will inform the ADESJO Board of the problems and desirable changes in the projects sponsored by ADESJO.

The process of group planning was recently repeated with the participation of 18 beneficiaries and potential beneficiaries to evaluate the achievements of the first systems and identify desirable modifications. They identified more support in marketing production and technical assistance in agronomy as additional needs.

E. ADMINISTRATIVE CAPACITY OF THE INSTITUTIONS

The proposed Project has two implementing institutions, Pan American Development Foundation (PADF) and the Asociación para el Desarrollo de San José de Ocoa (ADESJO).

1. Institutional Description - PADF

a. Primary Objectives: Strengthen the ability of the private sector to help the poor.

b. Background: PADF, an independent non-profit institution, affiliated with the Organization of American States (OAS), was established in 1962, to support development activities in Latin America and the Caribbean. PADF is dedicated to strengthening the capacity of local organizations of the region to help low income people become effective participants in the economic and social development of their communities.

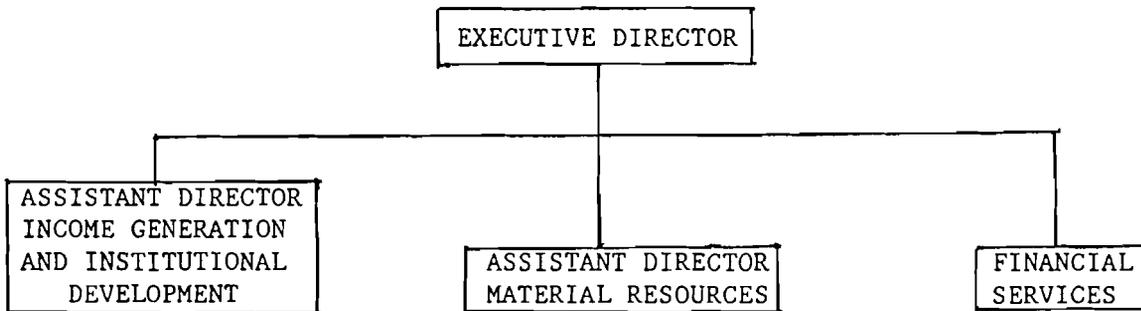
c. Operations: PADF has three programs: Income Generation and Institutional Development; Health Services and Tools for Education; and Disaster Assistance. The institution maintains a multinational personnel of 50 people and a registry of specialized consultants. This proposal falls under the Employment Generation and Institutional Development program, which

has specialized personnel in agroforestry, institutional development, administrative systems and credit programs.

d. Experience with Similar Projects: a) MARENA (technical assistance/USAID); b) FIRENA (Project design and technical assistance); c) PWOJE PYEBWA (reforestation and agroforestry systems Project with 85 NGOs in Haiti); d) Regional Agroforestry Project in Costa Rica, Dominican Republic, Antigua, St. Lucia, Dominica, and St. Kitts (introduce agroforestry systems with local NGOs); e) Assistance in agricultural development in St. Vincent (support to a cooperative in the production and marketing of non-traditional products); f) Eastern Caribbean Cocoa at Grenada, Dominica, and St. Lucia (introduce improved rehabilitation methods); and g) PROCACAO Centroamericano (create and strengthen NGOs, national advisory groups to promote cacao)

e. In 1990 PADF had income of \$10,395,500. More than 55% of the funds come from private sources.

2. Organizational Chart:



3. Qualifications of the Staff Involved in the Project

PADF staff involved in the administration and implementation of the project have ample experience in agroforestry projects, projects administered by subgrants to local NGOs, and projects financed by USAID. Annex G presents the resumés of the staff directly involved in administration and implementation. PADF works with consultants specialized in irrigation, natural resources, forestry, marketing, and agricultural production. According to PADF personnel policies, PADF personnel has access to training to improve their professional capability.

4. Description of Administrative Systems

Administration: The project will be administered through the Office of Income Generation and Institutional Development. A Project officer will

be in charge of daily project administration, with the support of a Program Associate. The Project Officer has authority within the limits of the budget and scope of work.

Records Administration: Original documents are kept and controlled by the main office of PADF in Washington.

Procurement: PADF has formal systems established to procure materials and services. This system is reviewed periodically by auditors from USAID and independent firms.

Internal Control: PADF has formal systems established to control resources under the Office of Financial Services and monitored by a Controller. This system is periodically reviewed by USAID auditors and independent audit firms.

Accounting: The accounts are maintained in accordance with generally accepted fund accounting principles.

1. Institutional Description - ADESJO

a. Primary Objectives: This institution is interested in the economic development of San José de Ocoa with preferences in providing services to marginalized populations.

b. Structure: ADESJO has a team of 100 professional and support persons. The team is distributed among four specific programs and projects. The FIRENA Project has a team of 25 persons, of which 14 are professionals, the majority agricultural technicians.

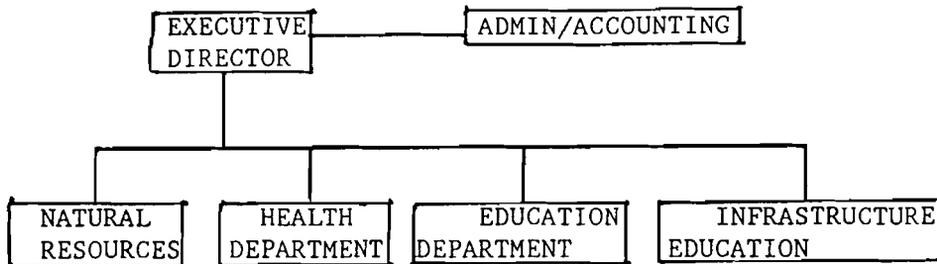
c. About the Institution: ADESJO was established in 1963, with the goal of improving life in the municipality of Ocoa. ADESJO develops programs in natural resources, health, housing, training workshops and production for women, and public works. It's a private, non-profit organization under the direction of a board of local leaders that answer to an Assembly of residents from the municipality.

d. Experience with Similar Projects: ADESJO is the sponsor of the FIRENA Project and participated in the AID-Financed MARENA (Natural Resources) Project, predecessor of FIRENA. ADESJO is also charged with the implementation of a reforestation project in Parra micro-water shed. In the Nizao watershed, ADESJO manages the Nizao Project, a conservation and reforestry project. A women's training program has a special focus on environmental topics.

e. ADESJO programmed DR\$4,800,000 in 1990. Financial sources are: Office of the President, AID/STP, Misereor, GTZ, IAF, and miscellaneous

donations. Funds under this project will be managed under a subgrant from PADF to ADESJO. A new computerized fund accounting system was installed in 1991.

2. Organizational Chart



3. Qualifications of the Staff involved in the Project

Staff involved in administration and implementation of the first phase will continue with Phase II of the project. The project has training programs for its personnel and most of the technical support from PADF is focused on administrative systems. Annex H presents the resumés of the staff directly involved.

4. Description of Administrative Systems

Administration: The project will be managed as part of the Natural Resources Program by the Project Director who reports directly to the Executive Director of ADESJO. He is responsible for implementation and administration of the project, and is supported by an administrative team and five Components Heads. The Project Director has authority within the limits of the budget and scope of work.

Records Administration: Original documents that correspond to the subgrant are kept on file at the main office of ADESJO in Ocoa.

Procurement: The project has a formal system established to purchase materials and services. This system requires multiple quotations and purchase orders. In the case of buying irrigation equipment, trees, and other expenses payable by beneficiaries, a community representative will participate in the decisions.

Internal Control: ADESJO has formal systems established under the controllers office to control all resources.

Accounting: ADESJO recently installed a new consolidated accounting system with technical assistance from PADF. A subcontractor from PADF,

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Pellerano y Asociados, installed a system in accordance with the principles of accounting for separate funds. The system maintains separate accounts for each funding source and corresponding expenses.

Pre Award Survey: A pre-award capability assessment was made of ADESJO's Administrative Systems, including internal controls and accounting, by an independent accounting firm (report dated March, 1992). PADF will follow up on all recommendations made in the report in order to strengthen ADESJO's institutional capability in the areas assessed.

F. REPORTING REQUIREMENTS

The Grantee shall submit the following reports in English and Spanish at the time and in the quantities specified.

1. Quarterly progress reports must be submitted to USAID/Dominican Republic in Spanish and English by the 10th working day following the end of the quarter. The reports should include achievements toward meeting verifiable indicators, problems/delays and actions expected for next quarter.
2. Expenditure reports on a monthly basis to USAID/DR.
3. Fund accountability statements will be submitted to USAID/DR on a quarterly basis. The statements will be denominated in U.S. dollars.

ANNEX A

Addendum to the FIRENA II Proposal

The following material is presented in response to observations contained in a letter from A.I.D. dated October 23, 1991.

1. Environmental Considerations

The A.I.D. environmental guidelines will be incorporated in two ways. First, the requirements referring to the municipality will be fully dealt with in a description based on the best available information. This information will be periodically updated by the new information described in the document called "Global Environmental Factors." (The annex of this document contains the information on the municipality).

The second way to incorporate the environmental guidelines is at the level of individual irrigation systems. The requirements referring to the work site will be incorporated in the development process that is currently used to design the systems already installed. Various requirements are already being addressed in the current process. Those that are not part of the process will be included by modifying the guidelines and procedures during the first few months of the project. Until they are formally included, the pertinent information will be attached to the corresponding documents. Following is an explanation of the current procedure to develop agroforestry irrigation systems, followed by a section referring to the incorporation of the A.I.D. environmental guidelines at the work sites, that is the irrigation systems.

System to Develop Agroforestry Irrigation Systems

A. Prefeasibility: An informal step in response to the verbal application by the community. The purpose for this step is to approximately determine the availability of land and water, the distance to the water source, the disposition of land owners to provide their land, the list of beneficiaries and their disposition to adhere to project policies.

B. Basic Criteria to Participate: Based upon a positive evaluation in the first step, the potential beneficiaries are invited to sign the document that details the basic project criteria. This document requires the signature of all potential beneficiaries, landowners and landless. Experience shows that this step takes about one month to complete but can last much longer in case of conflict or doubt on the part of landowners.

C. Watershed Subproject Application: This document is a guide to planning the agroforestry irrigation system. Which is developed in conjunction with the potential beneficiaries. The resulting document includes drawings of the

zone (areas to be irrigated and reforested), estimates of beneficiary labor costs and implementation schedule.

D. Legal Documents: While planning is taking place the beneficiaries are required to sign legal documents that describe their responsibilities. At this stage the landowners officially provide land for use by the project. The FIRENA Project is then ready to initiate work in soil conservation, tree planting, and technical designs of irrigation systems.

E. Technical Design: The technical design includes all of the factors pertaining to hydrology, morphology, and soils of the zone. A topographic plan is prepared in conjunction with the designs.

Incorporation of the Environmental Guidelines into the Agroforestry Irrigation subprojects

The stipulations of the guidelines that apply to individual systems (instead of the global factors) will be incorporated into the irrigation systems. The two documents that will be affected are the "Watershed Subproject Application" and the "Technical Design".

The sections that will be incorporated as part of the "Technical Design" document of the subproject include:

A. Climatological factors: (1) precipitation, (2) rainfall intensity, and (3) temperature. All of this information will be collected by the nearest weather station.

B. Characteristics of micro-watershed: (1) location of the subproject and topographic maps of the micro-watershed and its location in the larger watershed, (2) estimate of the micro-watershed area above the subproject, and (3) the slope of the micro-watershed.

C. Hydrology of surface water: (1) water analysis (this is also a global factor) to include pathogenesis, salinity and pH, (2) difference in height between the source and discharge, (3) flow of water source (the project will periodically collect global information from 15-18 streams).

D. Morphology of zone: (1) gradient of the slope in degrees, (2) concavity or convexity, (3) appearance of the zone, (4) stability of the land and tendency to move, (5) current erosion level.

E. Soils: (1) classification, (2) impediments to cultivation, (3) description of fertility, water retention etc., (4) soil flora, (5) comparison of past uses.

F. Classification of environmental attributes: The classification chart will be included as a part of the technical design for each irrigation system.

Other criteria to be incorporated as part of the Application for Watershed Subproject include:

- A. Tree species currently used and preferred by the farmers.
- B. Appropriate species chosen according to the ecotype of the zone.

2. Technical

A. Availability of Water - Data for potential micro-watershed sites have not been systematically collected by governmental institutions. In the past, water flow for each system was measured during the design process for that system. Under the FIRENA Project ADESJO has installed instruments to measure the flow in the streams called El Limón, El Canal, La Piedra, El Naranjal, and El Higuito. The instruments will also be installed in the rest of the streams within a month. The results will be passed to ENTRENA and A.I.D. when available.

B. Land Tenure: The process whereby landless farmers gain access to land takes place in the transfer of land-use rights from the landowners to the landless beneficiaries by way of ADESJO. The irrigation rules for all parties are described in the document entitled "Basic Criteria for the Implementation of a Community Irrigation Subproject" under the FIRENA Project (Development Council) and in the rules of operation for the functioning of the irrigation systems. This document is referred to as the "Basic Criteria for Participation".

Regarding the provision of land to landless farmers, the following formula pertaining to quantity applies to the landowners:

- a. If the landowner owns 6 to 10 tareas, he/she will yield a minimum of 25% to the project.
- b. If the landowner owns 11-30 tareas, he/she will yield a minimum of 35%.
- c. If the landowner owns 31-50 tareas, he/she will yield a minimum of 40%.
- d. If the landowner owns more than 50 tareas, he/she will yield a minimum of 50%.

According to the rules, the owner yields the use of the land for the "total duration of the subproject, that is to say until the water source

disappears." Land use also returns to the owner if 75% of the beneficiaries decide to terminate the subproject. It is worth noting that the economic value of the land is closely linked to water availability. All of the beneficiaries by way of ADESJO own the irrigation distribution systems. The rules also establish the right of the Irrigation Committee to suspend the flow of water to landowners in case of breach of contract.

It is required that all potential beneficiaries, landowners and landless, sign the "Basic Criteria for Participation".

In addition to this document, the beneficiaries sign financial agreements with ADESJO. These contracts describe the financial obligations of each beneficiary, calculated according to the size of the irrigated parcel he/she received. The landowner's financial contract also includes the transfer of land to ADESJO for the use of landless beneficiaries.

The rules and legal documents were found to be "reasonable and appropriate" by the A.I.D. legal advisor.

C. Communities Benefitted by the Project

Constructed	FIRENA I/II Combined	FIRENA II	Tareas
Los Ranchos	X		461
Rancho de Pino	X		225
El Limón de Ocoa	X		300
Los Martínez	X		432
Las Caobas	X		381
Rincón de Pino	X		650
La Laguneta	X		500
Los Monte Llanos	X		161
Arroyo Hondo	X		334
El Cercado	X		400
Los Gaimitos	X (YEAR 1)		214
Arroyo Colorado	X		300
Arroyo Palma	X		685
La Cumbre	X		<u>300</u>
			5,343

	(Year 1)
Los Ranchos Arriba	X
La Piedra	X
El Higuito	X
El Pinar	X
El Naranjal	X

(Year 2-3=13 of 18)

Los Palos Grandes	X
Los Limoncillos	X
La Vija	X
La Gina	X
La Ciénaga	X
Nizao	X
Las Auyamas	X
Mahoma	X
El Memiso	X
El Pinal	X
El Bejucal	X
Los Corozos	X
Los Tramojos	X
Los Negros	X
Sábana Larga	X
Los González	X
La Botija	X
Mone Hievero	X

The first 5 communities under FIRENA II have been identified. The next 13 will be chosen from the remaining 18. It is possible for one irrigation system to cover two communities.

3. Annual Plan - The annual work plan for the first year will be submitted prior to Grant Award and before the end of each calendar year there after for the next two years.

4. Design of Water Storage Tanks - The actual design for every tank varies according to the water flow, size of system, height of tank over the land to be irrigated and soil type where the tank is to be constructed. Designs are on file at ADESJO.

5. Importance of INDRHI Contribution

The INDRHI contribution will supply water to Arroyo Palma. All of the soil conservation practices and irrigation systems within the parcel have already been installed. The water from the main line will also improve the system in La Laguneta and will create possibilities to expand other systems. INDRHI is already executing the design of the main line and analyzing the water. In the event that INDRHI can not provide the materials, ADESJO will look for other funding sources. Other possible sources include the GTZ, HOPE International, and The Guadalupe Foundation. As a last recourse the Arroyo Palma system could be supplied by pumping water from nearby streams at a reduced cost. This could be either a short-term solution until the main line is installed or a permanent solution.

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ADESJO has a long history of collaboration with INDHRI in various irrigation projects and INDHRI has complied with all of their agreements. The same should be true in this case.

6. Reports

It is understood that project financing will be through a Letter of Credit with PADF in the United States, which eliminates the need for monthly financial reporting to the Banco Dominicano de Desarrollo.

7. Evaluations

The two socio-economic analyses for commercial forestry and irrigation will be conducted by Dominicans.

8. Beneficiary Training

INFOTEP is planning 45 courses on pest management, 60 in horticultural production and marketing, and 3 on each of the following themes: bees, pigs, and cows. INFOTEP has already started the planning process in the communities.

International Conferences - The purpose for sending people overseas to conferences on natural resources is for training. The conferences should increase knowledge level on project technologies, implementation at the community level, implementation of policies and procedures and sustainability of activities at the field level. We consider it beneficial for the people who attend the conferences to also contribute their experience gained with ADESJO and the project. This is not to promote the project, but rather to recognize the participant for the achievements already obtained by the project. We consider that this level of participation requires ample preparation and the participant will be more open to new ideas and technologies when his/her credentials have been recognized.

International Training and Selection Process - Training in the U.S. is limited to one person for 10 days per year. The training source will depend on the opportunities that present themselves. In general, it is ADESJO policy to try to find scholarships or subsidies as a condition for participating. In the last two training occasions in which project personnel have participated, the Project Director attended various courses on organization and the environment and participated on a panel to develop strategies to involve beneficiaries in development and maintenance of agroforestry activities. The project A.I.D. for transportation and per diem while the Inter-American Foundation provided a scholarship. In the other training trip the technician in charge of irrigation systems went to Florida for a course on irrigation design. The project A.I.D. for transportation and part of the per diem. The company sponsoring the workshop provided a scholarship plus accommodations.

Participant selection is done by recommendation from the Project Director and approval by the Executive Director. PADF also participates in the recommendation.

Training in Haiti and Costa Rica will take place in PADF projects. The purpose is to show the technicians and leaders other technologies, policies, procedures and organizational methods used on similar projects. The participants also establish relations with counterparts from other projects. Additionally, it facilitates PADF project monitoring of the materials learned. Participant selection is done by the Project Director in consultation with Irrigation committees. The purpose of the process is to chose beneficiaries that have the confidence of the others and the ability to spread information. Over the life of the project, selection will be made in such a way to assure a dispersion of training in the beneficiary communities.

Training for Farmers not participating in Irrigation Systems - The project expects that 10-15% of the participants trained in soil conservation, reforestation, pesticide application, horticultural production, etc. will be farmers not benefitting from irrigation. This is the current policy of the project. In case demand for training exceeds the ability of the project to provide for the additional beneficiaries, the Project is prepared to negotiate increased collaboration from INFOTEP.

9. Verifiable Indicators and Cost per Beneficiary

<u>OUTPUTS</u>	<u>TAREAS</u>
Agroforestry Irrigation Systems	18,000
- Irrigation, Soil Conservation, Nitrogen fixing trees	9,000
- Fruit trees, coffee	540
- Reforest near Water Sources	4,000
- Reforest Hillsides not suitable for cultivation	4,000
- Windbreakers	460
Commercial Reforestation	<u>7,000</u>
Total Area	25,000
<u>Beneficiary Indicators</u>	
Estimated Population of Ocoa Municipality:	70,000

<u>Products</u>	<u>Number of Beneficiaries</u>	<u>Estimated Cost (unit)</u>	<u>Cumulative Cost (per ben.)</u>
ADESJO Strengthened	56,000	\$ 6.00	\$ 6.00
Market Price Information	20,000	2.00	8.00
Community Organization	10,800	12.00	20.00
Investment Program *	10,560	22.00	44.00
Commercial Reforestation	2,000	145.00	189.00
Agroforestry Irrigation Systems	5,000	277.00	321.00
Commercial Reforestry and Irrigation	800	422.00	466.00

* System that can be applied to other ADESJO programs to recover investments: housing, potable water, solar energy, irrigation; reforestation: 460 current investments + 900 in irrigation + 400 in commercial reforestation = 1,760 x 6 beneficiaries per investment = 10,560.

Summary: The project benefits the community at different levels. The first four products could be considered cumulative with few exceptions, that is, the people benefitting from the community organization can also benefit from market price information and a strengthened ADESJO. In the case of the last three products each one is treated individually. An estimated 7,800 beneficiaries will participate in irrigation systems and/or commercial forestry. Participation is projected as follows:

- * 2000 participate exclusively in commercial forestry.
- * 5000 participate exclusively in irrigation.
- * 800 participate in both.

In addition, of the 7800 beneficiaries, an estimated 12.5% or 1000 people participate in training courses, designed for beneficiaries of irrigation and reforestation.

Beneficiaries by Gender - The Project is structured to benefit the entire family. Therefore, 50% of the beneficiaries are women. The participation of the sexes defer in various ways: 1) Individual irrigation systems assign one parcel with irrigation to women's clubs to improve the family diet. 2) The introduction of drip irrigation on fruit trees is considered a crop managed primarily by women. 3) The women prepare the food for the community work groups while the men do the installation and soil conservation. 4) Women and men participate jointly in the committees.

	<u>Beneficiaries</u>	<u>Feminine</u>	<u>Masculine</u>
ADESJO Strengthened	56,000	28,000	28,000
Market Price Information	20,000	10,000	10,000
Community Organization	10,800	5,400	5,400
Investment Program	10,560	5,280	5,280
Commercial Reforestation	2,000	1,000	1,000
Irrigation Systems	5,000	2,500	2,500
Commercial Reforestry with Irrigation	800	400	400

10. Project Personnel

The following people have important notes in the implementation of the Project.

ADESJO

Carlos Bonilla: Director of FIRENA Project and ADESJO Natural Resources Department. Has direct responsibility for project implementation. Reports directly to the Executive Director of ADESJO, Father Luis Quinn.

José de Carmen Cabrera Ciprian: In charge of Investment component. Participates in the economic feasibility analysis of irrigation systems. Responsible for monitoring all of the investments in irrigation and reforestation, production plans and collection of payments. Makes recommendations pertaining to policies and procedures in financing, monitoring and collection of production facts and collecting payments. Reports directly to Project Director, Carlos Bonilla.

Santa Barbara Báez y Tejada: In charge of the Community Organization component. Responsible for organizing and training irrigation and vigilance committees for each systems. Orients the committees on their duties, responsibilities, philosophy of ADESJO and the Project and the operational requirements, etc. Reviews all of the legal documents with the beneficiaries.

Edgar Alberto Cáceres: Assigned to the Irrigation component. Is responsible for supervision of design and installation of irrigation systems.

Pedro Julio Gonzáles: Assigned to the Irrigation component. Head of Agricultural Extension. Works closely with the Irrigation committees in the planning of training by INFOTEP. Coordinates production planning with the Irrigation committees in conjunction with the Investment component. Maintains information on market opportunities and tendencies.

José Toribio Robles: Assigned to the Irrigation component. In charge of installation and soil conservation. Works with Irrigation Committees and promoters of the community work groups.

Nerys de los A. Soto Félix: Assigned to the Irrigation component. Specialist in topography and cartography. Works in the design of irrigation systems.

PADF

Jim Heinzen: Project Director for PADF. In charge of monitoring and administration of grant. Counterpart to Project Director, Carlos Bonilla and Luis Quinn, Executive Director of ADESJO. The following duties will be shared with Jorge Baanante and Louis Bergner according to their availability and planning of the work: 1) planning activities, 2) Design of policies and procedures for investment programs, and 3) Design of policies and procedures for investments in commercial reforestation.

Francisco Rodríguez: Advice on policies, materials and monitoring of Irrigation and vigilance committees and extension methods.

Phoebe Landsdale: Assists in Project administration at the headquarter level in the absence of the Project Director. As coordinator of the PADF global strategy in environmental areas, facilitates the flow of agroforestry information within PADF. PADF shares information between its various agroforestry projects to help resolve problems and spread successful strategies.

ANNEX B

UNCONSOLIDATED COMPONENTS (6)

BUDGET (US\$)

PROJECT: FIRENA (Phase II) - Municipality of San Jose de Ocoa

DESCRIPTION	NOTE #	EXPENSES			TOTAL PESO COSTS	TOTAL DOLLAR COSTS	TOTAL	FUNDING SOURCES				
		YEAR 1	YEAR 2	YEAR 3				ADESJO (VARIANTS SOURCES)	GDOR (IN KIND)	PADF	RECUPERATION	A.I.D.
ADESJO SUB-GRANT												
1. PERSONNEL		209,557	220,770	232,498	662,825	0	662,825	253,450	84,777	0	189,714	134,894
Local												
GDOR Technicians	1	26,892	28,237	29,648	84,777	0	84,777	0	84,777	0	0	0
Personnel Contracts	2	71,970	75,569	79,347	226,886	0	226,886	35,280	0	0	95,803	95,803
ADESJO	3	13,920	14,616	15,347	43,883	0	43,883	43,883	0	0	0	0
Laborers	4	49,600	52,080	54,684	156,364	0	156,364	156,364	0	0	0	0
Promoters	5	2,592	3,456	4,320	10,368	0	10,368	0	0	0	5,184	5,184
Professional Services	6	19,750	20,738	21,724	62,262	0	62,262	17,923	0	0	22,170	22,169
Commissions	7	17,993	18,892	19,837	56,722	0	56,722	0	0	0	56,722	0
Medical Insurance	8	6,840	7,182	7,541	21,563	0	21,563	0	0	0	9,835	11,728
2. OTHER COSTS		59,187	60,992	65,253	184,381	1,051	185,432	46,385	0	0	108,564	30,483
Transport:												
Gas & Lubricants	9	7,608	7,988	8,388	23,984	0	23,984	0	0	0	11,992	11,992
Vehicle Maintenance	10	4,760	4,998	5,248	15,006	0	15,006	0	0	0	7,503	7,503
Local Transport	11	1,350	1,418	1,488	4,256	0	4,256	3,783	0	0	237	236
International Transport	12	600	0	662	1,262	0	1,262	0	0	0	631	631
Per Diem:												
Interior	13	1,662	1,745	1,832	5,239	0	5,239	0	0	0	2,620	2,619
Exterior	14	500	0	551	0	1,051	1,051	0	0	0	526	525
Office:												
Space	15	2,800	2,940	3,087	8,827	0	8,827	8,827	0	0	0	0
Communication	16	480	504	529	1,513	0	1,513	0	0	0	756	757
Water, Light, & Trash	17	300	315	331	946	0	946	0	0	0	473	473
Materials	18	1,200	1,260	1,323	3,783	0	3,783	0	0	0	1,891	1,892
Insurance	19	1,015	1,066	1,119	3,200	0	3,200	0	0	0	1,600	1,600
Food for Laborers	20	35,712	37,498	39,372	112,582	0	112,582	33,775	0	0	78,807	0
Miscellaneous	21	1,200	1,260	1,323	3,783	0	3,783	0	0	0	1,528	2,255
3. TRAINING		32,760	34,398	36,119	89,814	13,463	103,277	70,427	0	0	0	32,850
Dominican Republic:	22											
Registration		500	525	551	1,576	0	1,576	0	0	0	0	1,576
Local Transport		2,500	2,625	2,756	7,881	0	7,881	0	0	0	0	7,881
Local Per Diem		3,150	3,307	3,473	9,930	0	9,930	0	0	0	0	9,930
INFOTEP		22,340	23,457	24,630	70,427	0	70,427	70,427	0	0	0	0
Third Country:	23											
Registration		0	0	0	0	0	0	0	0	0	0	0
International Transport		1,000	1,050	1,103	0	3,153	3,153	0	0	0	0	3,153
International Per Diem		1,470	1,544	1,620	0	4,634	4,634	0	0	0	0	4,634
United States:	24											
Registration		200	210	221	0	631	631	0	0	0	0	631
International Transport		600	630	662	0	1,892	1,892	0	0	0	0	1,892
International Per Diem		1,000	1,050	1,103	0	3,153	3,153	0	0	0	0	3,153
OPERATIONS COST		301,504	316,160	333,870	937,020	14,514	951,534	370,262	84,777	0	298,278	198,217
4. COMMODITIES		441,139	397,430	416,635	1,133,204	122,000	1,255,204	374,000	0	25,000	350,165	506,039
Vehicles	25	52,000	0	0	0	52,000	52,000	0	0	0	52,000	0
Trees	26	57,578	60,457	63,480	181,515	0	181,515	0	0	0	90,757	90,758
Equipment/Infra. Market	27	13,333	13,333	13,334	0	40,000	40,000	0	0	0	40,000	0
Irrigation Systems	28	300,258	315,313	331,078	946,689	0	946,689	374,000	0	0	165,908	406,781
Radios	29	1,500	0	0	0	1,500	1,500	0	0	0	1,500	0
Computers	30	3,500	0	0	0	3,500	3,500	0	0	0	0	3,500
Photocopier	31	5,000	0	0	5,000	0	5,000	0	0	0	0	5,000
Tools/Materials	31A	7,930	8,327	8,743	0	25,000	25,000	0	0	25,000	0	0
ADESJO TOTAL		742,643	713,590	750,505	2,070,224	136,514	2,206,738	714,762	84,777	25,000	648,443	704,256
PADF												
1. PERSONNEL		52,460	62,013	55,732	56,534	113,671	170,205	0	0	10,000	0	160,205
Local	32	19,600	17,430	17,504	52,534	0	52,534	0	0	0	0	52,534
U.S. Contracts	33	32,860	44,583	36,228	0	103,591	103,591	0	0	10,000	0	93,591
Evaluations	33A				4,000	10,080	14,080	0	0	0	0	14,080
2. OTHER COSTS		17,018	17,869	18,763	0	53,650	53,650	0	0	0	0	53,650
National Transport	34	4,280	4,494	4,719	0	13,493	13,493	0	0	0	0	13,493
International Transport	35	4,800	5,040	5,292	0	15,132	15,132	0	0	0	0	15,132
Per Diems	36	5,538	5,815	6,106	0	17,459	17,459	0	0	0	0	17,459
Office	37	2,400	2,520	2,646	0	7,566	7,566	0	0	0	0	7,566
3. TRAINING	38	5,422	6,309	7,153	0	18,884	18,884	0	0	0	0	18,884
4. COMMODITIES	39	5,144	0	0	0	5,144	5,144	0	0	0	0	5,144
SUB-TOTAL		80,044	86,191	81,648	56,534	191,329	247,883	0	0	10,000	0	237,883
INDIRECT COSTS (PADF)		19,211	20,686	17,195	0	57,092	57,092	0	0	0	0	57,092
PADF TOTAL		99,255	106,877	98,843	56,534	248,421	304,975	0	0	10,000	0	294,975
TOTAL CONSOLIDATED COMPONENTS (ADESJO & PADF)		841,898	820,467	849,348	2,126,758	384,955	2,511,713	714,762	84,777	35,000	648,443	799,231

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ANNEX C

Implementation Schedule

	Semesters					
	1	2	3	4	5	6
(1) Agroforestry Systems with Irrigation						
a. Orient FIRENA personnel	xxx			xxx		
b. Negotiate contracts with personnel	xx					
c. Orient personnel on rights & responsibilities	xx			xxx		
d. Develop annual work plan	xx	x	x	x	x	
e. Acquire vehicles & motorcycles	xxx					
f. Technical prefeasibility of systems	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
g. Design systems (subprojects) including conservation, reforestation, water transfer, subdividing parcels, irrigation	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
h. Supervise installation work groups	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
i. Evaluate the technology & management of systems		xxx				
j. Evaluate feasibility of capturing water			xxx			

	1	2	3	4	5	6
	(2) Commercial Forestry					
a. Orient FIRENA personnel	xxx			xxx		
b. Negotiate contracts	xx			xxx		
c. Recruit promoters & negotiate agreements		xxx				
d. Prepare policies & procedures	xx	xxx				
e. Develop annual work plan	xx	x	x	x	x	
f. Acquire vehicles & motorcycles	xxx					
g. Promote & register farmers to participate	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
h. Supervise installation work groups	x	x	x	x	x	
i. Contract for production of trees	xx	xx	xx	xx	xx	xx
j. Analyze cost/benefit of activity		xxx			xx	
k. Training & T. A. to beneficiaries	x	xxxx	xxxx	xxxx	xxxx	xxxx
l. Arrange for "Certificados de Aprovechamiento"	x	xxxx	xxxx	xxxx	xxxx	xxxx

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	1	2	3	4	5	6
(3) <u>Investment Program</u>						
a. Orient FIRENA personnel	xxx			xxx		
b. Negotiate contracts	xx					
c. Develop annual work plan	xx					
d. Acquire vehicles & motorcycles	xx					
e. Orient Irrigation Committees on procedures for production planning		x xxxx	xxxx	xxxx	xxxx	xxxx
f. Analyze economic benefit of installed irrigation systems			xxxx		xx	
g. Develop policies & procedures for investments in marketing equipment & infrastructure		xx x				
h. Analyze application for investments in marketing			xxxx	xxxx	xxxx	xxxx
i. Analyze the economic feasibility of applications for irrigation subprojects	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
j. Plan training in production with committees		x xxxx	xxxx	xxxx	xxxx	xxxx
k. Identify & recruit trainers		x xxxx	xxxx	xxxx	xxxx	xxxx
l. Monitor production & assist farmers when necessary	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
m. Assist Irrigation Committees with fee collection	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx

	1	2	3	4	5	6
(4) <u>Community Organization & Development</u>						
a. Orient FIRENA personnel	xxx			xxx		
b. Negotiate contracts	xx					
c. Develop annual work plan	xx		x x		x x	
d. Acquire vehicles & motorcycles	xxx					
e. Do analysis on functions of Irrigation & Vigilance Committees		x xxxx				xxx
f. Receive applications from interested communities	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
g. Orient potential beneficiaries on project philosophy, policies, procedures	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
h. Negotiate contracts with landowners & other beneficiaries	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
i. Organize Irrigation committees	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
j. Organize Vigilance committees		xxxx	xxxx	xxxx	xxxx	xxxx
k. Conduct training on organizational Topics	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx

	Semesters					
	1	2	3	4	5	6
(5) <u>Market Price Information</u>						
a. Contract specialist to design policies & procedures of program		xxx				
b. Design method to collect current market prices		x x				
c. Design format for radio program		x x				
d. Contract personnel		xx				
e. Contract radio station		x x				
f. Start test program			xxxx	xx		
g. Evaluate and redesign				xxx		
h. Implement program				xx	xxxx	xxxx
i. Analyze potential for commercial endorsement				x xxx		

	Semesters					
	1	2	3	4	5	6
(6) <u>Institutional Strengthening</u>						
a. Update agreement between ADESJO and PADF	x					
b. Design contracts for project personnel	xx					
c. Orient Board on project policies & plans	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
d. Develop annual work plan	xx	x x		x x		
e. Design financial information system		xxx				
f. Analyze current procurement system & make recommendations		xxx		xx		
g. Assist Board committees with responsibilities in finance, personnel & programming	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
h. Analyze indirect cost of ADESJO & develop policy & procedures to recognize indirect cost for every subproject		x x				
i. Advise the Board of progress & recommend established project policies for application on other ADESJO projects	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx
j. Evaluate salary levels & develop appropriate policies		xxx		xxx		xxx
k. Evaluate legal strategy for land use transfer		x xx				
l. Conduct management training for Board & personnel		xx	xx	xx	xx	xx
m. Evaluate project			xxx			

ANNEX D

SPECIAL PROVISIONS

1. PADF and their sub-grantee ADESJO (Asociación para el Desarrollo de San José de Ocoa) agree to the following provisions during the implementation of the project:

- Contracts with participating farmers must be signed prior to installation of irrigation systems which, as a minimum, include provisions for land use, payments for materials and services and regulations for the use of any farm chemicals prohibited or restricted by the U. S. Environmental Protection Agency. Signed contracts will be kept on file by ADESJO.

- A hydrologic analysis must be conducted for each new irrigation system prior to installation, in order to determine the availability of sufficient quantities of water to operate the system year round. The hydrologic reports will be kept on file for periodic review by the PVO Support Unit of ENTRENA, (A.I.D. technical assistance contractor).

- Technical and economic analyses conducted for each new irrigation system must be kept on file for review by ENTRENA.

- All personnel to be reimbursed with A.I.D. grant funds must have signed contracts with PADF or ADESJO which were awarded on a competitive basis.

2. An initial disbursement of \$475,000 will be made to cover operating expenses for the first year. Subsequent disbursements will depend on approval of annual work plans by the PVO Support Unit of ENTRENA which contain a minimum of the following:

- Verifiable indicators of targeted output per quarter
- Procurement plan
- Map showing areas to be reforested and irrigated
- Implementation schedule
- Communities and beneficiaries to be served
- Budget estimating cash flow requirement
- Environmental analysis

ATTACHMENT 3

STANDARD PROVISIONS

The Standard Provisions set forth as Attachment 3 of this grant consist of the following Standard Provisions marked by an "X", which are attached hereto and made a part of this grant:

1. MANDATORY STANDARD PROVISIONS FOR U.S., NONGOVERNMENTAL GRANTEES

- (X) Allowable Costs and Audit (November 1985)
- (X) Accounting, Audit, and Records (January 1988)
- (X) Refunds (January 1988)
- (X) Revision of Cooperative Agreement Budget (November 1985)
- (X) Termination and Suspension (May 1986)
- (X) Disputes (March 1987)
- (X) Ineligible Countries (May 1986)
- (X) Nondiscrimination (May 1986)
- (X) U.S. Officials Not to Benefit (November 1985)
- (X) Nonliability (November 1985)
- (X) Amendment (November 1985)
- (X) Notices (November 1985)

2. OPTIONAL STANDARD PROVISIONS FOR U.S., NONGOVERNMENTAL GRANTEES

- (X) Payment - Letter of Credit (November 1985)
- () Payment - Periodic Advance (January 1988)
- () Payment - Cost Reimbursement (November 1985)
- (X) Air Travel and Transportation (November 1985)
- (X) Ocean Shipment of Goods (May 1986)
- (X) Procurement of Goods and Services (November 1985)
- (X) A.I.D. Eligibility Rules for Goods and Services (November 1985)
- (X) Subagreements (November 1985)
- (X) Local Cost Financing (May 1986)
- () Patent Rights (November 1985)
- (X) Publications (November 1985)
- () Negotiated Indirect Cost Rates - Predetermined (May 1986)
- (X) Negotiated Indirect Cost Rates - Provisional (May 1986)
- (X) Regulations Governing Employees (November 1985)
- (X) Participant Training (May 1986)
- () Voluntary Population Planning (August 1986)
- () Protection of the Individual as a Research Subject (November 1985)
- () Care of Laboratory Animals (November 1985)
- () Government Furnished Excess Personal Property (November 1985)
- (X) Title To and Use of Property (Grantee Title) (November 1985)
- () Title To and Care of Property (U.S. Government Title) (November 1985)

- () Title To and Care of Property (Cooperating Country Title)
(November 1985)
- (X) Cost Sharing (Matching) (November 1985)
- () Use of Pouch Facilities (November 1985)
- (X) Conversion of United States Dollars to Local Currency
(November 1985)