

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

(598-0784)

ISA 81305

PD-ABF-541

SEP 24 1990

Mr. Alan Randall  
Director of Government Relations  
The Nature Conservancy  
1815 North Lynn Street  
Arlington, Virginia 22205

Subject: Grant No. LAC-0784-G-00-0048-00

Dear Mr. Randall:

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 provides to the Nature Conservancy (hereinafter referred to as "TNC" or Grantee) an amount not to exceed Five Hundred Thousand Dollars (\$500,000) to provide support for the establishment of the Mbaracayu Nature Reserve, in Paraguay 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 September 30, 1990 and shall apply to commitments made by the Grantee in furtherance of program objectives through the estimated completion date of September 30, 1993. Funds disbursed by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

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

Please acknowledge receipt and acceptance of this Grant by signing all copies of this cover letter, retaining one set for your files, and returning the remaining copies to the undersigned.

Sincerely yours,



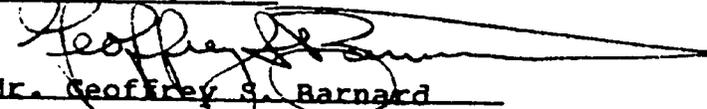
Judith D. Johnson  
Grant Officer  
Overseas Division-LAC  
Office of Procurement

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED

THE NATURE CONSERVANCY



BY Mr. Geoffrey S. Barnard

Vice President

TITLE Executive Director, Latin American Division

DATE 24 September, 1990

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FISCAL DATA

PIO/T No.	598-0784-3-0651605
Appropriation Symbol	72-1101021.3
Budget Plan Code	LDNA 90-35598-KG12
This Obligation	\$230,000
PIO/T No.	598-0784-3-0655810
Appropriation No.	72-1101021.6
Budget Plan Code	LDSA-90-35598-KG12
Allotment No.	046-65-598-00-69-01
This Obligation	\$270,000
This Obligation	\$500,000
Total Obligation	\$500,000
Total Estimated Amount	\$500,000
DUNS No.	072656630
E.I. No.	530242652
Technical Office	LAC/DR/E, J. Wilson
Funding Office	FM/PAFD

Attachment 1

SCHEDULE

A. Purpose of Grant:

The purpose of this grant is to support the establishment and purchase of the Mbaracay Nature Reserve in eastern Paraguay.

B. Period of Grant:

The effective date of this Grant is September 30, 1990 and the estimated completion date is September 30, 1993.

C. Amount of Grant and Payment:

1. The total estimated amount of this Grant for the period indicated in paragraph B above is \$500,000.
1. A.I.D. hereby obligates the amount of \$500,000 for program expenditures during the period set forth in B above.
2. Payment shall be made to the recipient in accordance with procedures set forth in Attachment 3, Standard Provision No. 3 entitled ~~"Payment Letter of Credit (November 1985)."~~ "Payment - Cost Reimbursement" BGM

D. Financial Plan:

1. The following is the Grant Budget. The Grantee will not be reimbursed for expenses exceeding the total amount obligated (see part C above). Revisions of this budget shall be made in accordance with the Standard Provision entitled "Revisions of Grant Budget."

BUDGET

<u>Category</u>	<u>A.I.D.</u>	<u>TNC</u>	<u>Total Est. Cost</u>
1.Acquisition of Mbaracayu	\$500,000	\$1,500,000	\$2,000,000
2.Endowment of Management Trust	-0-	750,000	750,000
Total	<u>\$500,000</u>	<u>\$2,250,000</u>	<u>\$2,750,000</u>

2. Notwithstanding the effective date of this Grant and subject to the Standard Provision entitled "Allowable Costs and Contributions (Non-Profit Organizations other than Educational Institutions)," costs incurred on or after September 30, 1990 shall be eligible for reimbursement hereunder. Such costs are included in the Financial Plan shown above.

E. Reporting:Requirements:

1. Financial Reporting:

a. Financial reporting requirements shall be in accordance with the Standard Provision of this agreement entitled "Payment - Letter of Credit" (November 1985), as shown in Attachment 3.F.

b. The original and two copies of all financial reports shall be submitted to A.I.D., Office of Financial Management, Program Accounting and Finance Division (FM/PAFD), Washington, D.C. 20523. In addition, three copies of all financial reports shall be submitted to the Technical Office, LAC/DR/E, AID/W.

2. Program Performance Reporting:

The following reports shall be provided to the USAID project officer during the course of this project.

a) Two copies of semiannual progress reports detailing progress, and the status of fund raising efforts and negotiations for the debt-for-nature agreement.

b) Copies of published articles, books, training guides, etc., that are developed by project staff concerning the project.

- c) Five copies of a final evaluation report detailing all activities and accomplishments of the project, including a section outlining the success of the project in promoting the establishment of Mbaracayu Nature Reserve, and thereby, the protection of sub-tropical forest and biological diversity in Paraguay.

3. Special Reports:

The recipient shall provide special reports as requested by the A.I.D. Grant Officer or the LAC/DR/E Project Officer.

F. Special Provisions:

1. For the purposes of this Grant, references to "OMB Circular A-122" in the Standard Provisions of this agreement shall include the A.I.D. implementation of such Circular, as set forth in subpart 731.7 of the A.I.D. Acquisition Regulations (AIDAR) (41 CFR Chapter 7).
2. The "Mandatory Standard Provisions for U.S. Nongovernmental Grantees," and the "Additional Standard Provisions for U.S. Nongovernmental Grantees," Attachment 3, are hereby made a part of this Grant. The Standard Provisions shall also be made a part of any subgrant between the Grantee and any U.S. Organization.
3. All travel by Grantee to Paraguay must be approved in writing by AID/Rep, Peter Orr.
4. Prior to expenditure of funds obligated hereunder, the Grantee shall ensure to the satisfaction of the A.I.D. Liaison Officials that the conditions specified in the "Program Description" paragraph 2 have been met in form and substance.

G. Logistic Support:

All logistic support shall be provided or arranged by the Recipient.

H. Authorized Geographic Code:

The eligible geographic code under this grant shall be determined through application of the Standard Provisions entitled "Procurement of Goods and Services under \$250,000" and "Procurement of Goods and Services over \$250,000."

I. Title to Property:

Title to all property procured under this grant shall vest to the Grantee.



PROGRAM DESCRIPTION

I. Objective:

The project objective is to address the Congressional mandate to undertake a Global Climate Change Initiative to reverse deforestation and protect and preserve tropical and sub-tropical forests in developing countries.

Project purposes are to establish Mbaracayu as a managed nature reserve, endow a trust fund for the sustained protection of the reserve, and manage the reserve as a core area of a sustained development program in the headwaters of the Jejui River watershed.

II. Scope of Work:

The estimated completion date for this grant should be three years from grant award date. The project will be implemented by The Nature Conservancy (TNC), working together with their Paraguayan partner environmental NGO, Fundacion Moises Bertoni, and in consultation with the Government of Paraguay National Parks Directorate and the Institute for Rural Welfare. TNC will receive a grant of \$500,000 from A.I.D. in support of the establishment and long-term protection of the Mbaracayu Nature Reserve. TNC will provide an additional \$2.25 million, and use the combined total of \$2.75 million to finance purchase the Mbaracayu property, establish Mbaracayu as a managed nature reserve, and endow a management trust fund for its long-term management and protection.

TNC shall furnish to A.I.D. evidence that the following conditions will be met in a form and substance satisfactory to A.I.D.: (1) all conditions precedent to acquisition of title have been met by The Nature Conservancy, including (a) TNC, IFC, and Fundacion Moises Bertoni (FMB) have entered into an agreement that details the form and schedule of compensation of IFC, quality of title, and any additional terms and conditions specific to the acquisition of the Mbaracayu property, and (b) TNC, FMB, and the GOP have completed an agreement on the actions that the GOP will take to ensure the preservation of the Mbaracayu. (2) Sufficient funds are committed or received by TNC to: (a) complete the compensation of the IFC for the acquisition of the Mbaracayu, and (b) endow the management trust fund at a minimum level of \$750,000. Furthermore, A.I.D. funds will be allocated strictly for the acquisition of the Mbaracayu property, thereby avoiding the need for A.I.D. to track the use of local currency generations from the management trust fund.

A. Development of Mbaracayu management plan

The grantee will develop a management plan that will cover the 665,000 acres of the Upper Jejui River which surrounds the Mbaracayu Nature Reserve. The plan will include a program for the economic development of the neighboring local communities in the watershed based on sustainable use of natural resources in the reserve area and protection of the watershed. It will also include a design for a public awareness campaign aimed at enlisting the participation of land owners and local residents in this overall conservation program and their support for the conservation of the watershed as a biological reserve.

The management program will provide training to the Ache people, an indigenous tribe of hunters and gatherers, to patrol and act as game wardens for the reserve, and to guide and support scientific investigations and nature-tourism in the area. It will also support employment of women in local processing industries.

B. Implementation of Management Plan

TNC will assist the Fundacion Moises Bertoni and the GOP Park Directorate in developing and implementing the management plan. This assistance will include preparation of separate activities to:

- a) Design and develop reserve infrastructure;
- b) Recruit and train reserve management and patrol personnel;
- c) Promote Ache economic development and employment actions;
- d) Initiate local community education and participation in reserve conservation activities;
- e) Implement land consolidation and cooperative management actions; and
- f) Develop sustainable uses for the biological resources in the reserve.

C. Debt-for-Nature Exchange

Up until July, 1990, negotiations on the establishment of Mbaracayu had included consideration of a debt-for-nature exchange to finance the project. In July, the Government of Paraguay indicated to IFC that they were not prepared to advance on a debt-for-nature exchange. Nevertheless, it is still possible that a debt-for-nature swap will be approved for

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the acquisition of Mbaracayu, or to finance the management trust fund. In such case, TNC shall agree that any use of A.I.D. funds will follow A.I.D.'s Debt-for-Development guidelines, and shall be used solely for the purchase of qualified debt.

D. Project Financial Requirements

TNC is planning on a minimum requirement of \$2.75 million for the acquisition and management phase of the project. The A.I.D. grant of \$500,000 to TNC will meet 18% of the expected minimum requirement. The balance of the \$2.25 million will be raised by TNC through an international campaign targeted as follows:

Major U.S. Foundations	\$1,250,000
Individual U.S. donors	400,000
Paraguayan Private donors	150,000
European Foundations	450,000

AID 1350-1  
(3-87)

\*PIO/T

AGENCY FOR  
INTERNATIONAL DEVELOPMENT  
  
PROJECT IMPLEMENTATION  
ORDER/TECHNICAL  
SERVICES

1. Cooperating Country

LAC Regional

Page 1 of Pages

2. PIO/T No.

598-0784-3-0651605

3.  Original or  
Amendment No. \_\_\_\_\_

4. Project/Activity No. and Title

Environment/Global Climate Change  
598-0784 (ARDN)

DISTRIBUTION

OFFICE OF FINANCIAL MANAGEMENT  
FUNDS RECEIVED BY:  
Initials: *K. Hester*  
Date Posted: *9/14/90*  
PFM/FM/A/PNP

5. Appropriation Symbol

72-1101021.3

6. Budget Plan Code

LDNA90-3598-KG-12

7. Obligation Status

Administrative Reservation

Implementing Document

8. Project Assistance Completion Date

(Mo., Day, Yr.) Sept. 30, 1993

9. Authorized Agent

MS/OP/OS/LAC

10. This PIO/T is in full conformance with PRO/AG No.

N/A

11a. Type of Action and Governing AID Handbook

AID Contract  
(HB 14)

AID Grant or  
Cooperative Agreement  
(HB 13)

PASA/RSSA  
(HB 12)

Other

11b. Contract/Grant/Cooperative Agreement/  
PASA/RSSA Reference Number (if this is  
an Amendment)

12. Estimated Financing (A detailed budget in support of column (2) is attached as Attachment A. 2)

Maximum AID Financing Available	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
					\$230,000
	B. U.S.-Owned Local Currency				

14A. Instructions to Authorized Agent

Please make a Specific Support Grant to the Nature Conservancy to provide support for the establishment and long-term management of the Mbaracayu Nature Reserve in eastern Paraguay, as described more fully in the attached proposal.

This PIO/T is prepared in conjunction with PIO/T # 598-0784-3-0655810 to bring FY 1990 total funding up to \$500,000.

14B. Address of Voucher Paying Office

FM/PAFD, AID/W

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

A. The Project Officer certifies that the specifications in the statement of work or program description are technically adequate.

LAC/DR/E, JHester

Phone No.  
7-8093

Date  
7/26/90

B. The statement of work or program description is within the purview of the initiating office and approved agency programs.

LAC/DR/JFrancis/CWilliams

Date

7/26/90

C. LAC/DR, EWarfield

Date  
7/26/90

D. Funds for the services requested are available

Date

E. LAC/DR, EBrineman

Date  
9/10/90

16. For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to

Signature \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

17. For the Agency for International Development

Signature *Peter Bloom* Date 9/13/90

Title Director, Office of Development Resources

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

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AID 1350-1  
(3-87)

\*PIO/T

AGENCY FOR  
INTERNATIONAL DEVELOPMENT  
  
PROJECT IMPLEMENTATION  
ORDER/TECHNICAL  
SERVICES

1. Cooperating Country <b>LAC Regional</b>	Page 1 of _____ Pages
2. PIO/T No. <b>598-0784-3-0655810</b>	3. <input checked="" type="checkbox"/> Original or Amendment No. _____
4. Project/Activity No. and Title  <b>Environment/Global Climate Change 598-0784 (PSEE)</b>	

**DISTRIBUTION**

5. Appropriation Symbol <b>72-1101021.6 046-65-598-00-69-01</b>	6. Budget Plan Code <b>LDSA90-35598-KG12</b>
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7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document	8. Project Assistance Completion Date (Mo., Day, Yr.) <b>Sept. 30, 1993</b>
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9. Authorized Agent <b>MS/OP/OS/LAC</b>	10. This PIO/T is in full conformance with FRO/AG No. <b>N/A</b> Date _____
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11a. Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input checked="" type="checkbox"/> AID Grant or Cooperative Agreement (HB 13) <input type="checkbox"/> PASA/RSSA (HB 12) <input type="checkbox"/> Other	11b. Contract/Grant/Cooperative Agreement/ PASA/RSSA Reference Number (if this is an Amendment)
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12. Estimated Financing (A detailed budget in support of column (2) is attached as Attachment No. <u>2</u> )					
Maximum AID Financing Available	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
			\$270,000		\$270,000
	B. U.S.-Owned Local Currency				

14A. Instructions to Authorized Agent

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This PIO/T is prepared in conjunction with PIO/T # 598-0784-3-0651605 to bring FY 1990 total funding up to \$500,000.

14B. Address of Voucher Paying Office  
**FM/PAFD, AID/W**

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

A. The Project Officer certifies that the specifications in the statement of work or program description are technically adequate. <i>John Williams for</i> <b>LAC/DR/E, JHester</b>	Phone No. <b>7-8093</b>	B. The statement of work or program description lies within the purview of the initiating office and approved agency programs. <i>John Williams/C Williams</i> <b>LAC/DP: John Williams/C Williams</b>	Date <b>8/30/90</b>
	Date <b>8/30/90</b>		Date <b>8/30/90</b>
C. <b>LAC/DR, EWarfield</b> <i>EBW</i>	Date <b>9/4/90</b>	D. Funds for the services requested are available	Date
E. <b>LAC/DR, EBrineman</b> <i>EB</i>	Date <b>9/10/90</b>		

16. For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to	17. For the Agency for International Development
Signature _____ Date _____	Signature <i>Peter Bloom</i> <b>Peter Bloom</b> Date <b>9/13/90</b>
Title _____	Title <b>Director, Office of Devel. Resources</b>

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

OFFICE OF FINANCIAL MANAGEMENT  
 FUNDS RECEIVED BY:  
 Initials: *EB*  
 Date Posted: *9/14/90*  
 PAFD/PAFD/PAFD