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AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

SEP 20 1985

Mr. William W. Burrus  
Executive Director  
ACCION International/AITEC  
10-C Mount Auburn Street  
Cambridge, Mass. 02138

ORIGINAL

Subject: FDC-0230-G-SS-5099-00

Dear Mr. Burrus:

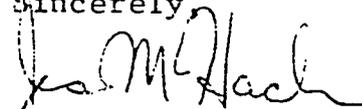
Pursuant to the authority of the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to ACCION International/AITEC (hereinafter referred to as "ACCION" or "Grantee") the sum of \$73,938 to provide support to ACCION's Development Education program as described in the Schedule of this grant and in Attachment 2 entitled "Program Description". The total estimated cost of the program is \$375,033.

This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives for the estimated period September 1, 1985 to August 31, 1986.

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

Please sign and return the original and six copies of this letter to acknowledge your receipt of this grant.

Sincerely,



Jean M. Hacken  
Grant Officer  
Office of Contract Management

Attachments:

1. Schedule
2. Program Description
3. Index of Standard Provisions



Acknowledged:

ACCION International/AITEC

By: William W. Burrus

Typed Name: WILLIAM W. BURRUS

Title: EXECUTIVE DIRECTOR

Date: NOVEMBER 8, 1985

Fiscal Data

PIO/T No:	5384227
Appropriation Symbol:	72-1151021.3
Allotment Symbol:	543-38-099-00-69-51
Budget Plan Code:	EDAA85 13800 AG11
Project No.:	938-0230
Obligated Amount:	\$73,938
Cumulative Obligation:	\$73,938
DUNS No.:	07 536 5825
Project Office:	FVA/PVC, E. Hogan

FUNDS AVAILABLE  
o/c 4190  
SEP 23 1985  
R. Hemphill  
Program Acctg. Division  
OFFICE OF FINANCIAL MANAGEMENT

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## Schedule

### A. Purpose of Grant

The purpose of this grant is to provide support to the grantee's Development Education program as described in Attachment 2 to this grant, entitled "Program Description".

### B. Period of Grant

1. The effective date of this grant is the date of the grant letter. The estimated expiration date of this grant is August 31, 1987.
2. Funds obligated hereunder are available for program expenditures during the estimated period September 1, 1985 through August 31, 1986.

### C. Amount of Grant and Payment

1. The total estimated amount of this grant for the period shown in B.1., above is \$156,247.
2. AID hereby obligates the amount of \$73,938 for program expenditures for the period shown in B.2., above.
3. Payment shall be made to the Grantee in accordance with procedures set forth in the Alterations in Grant, Attachment A entitled "Letter of Credit".
4. Documentation required by the payment provision noted above shall be submitted to:

Agency for International Development  
M/FM/PAFD  
Room 623, SA-12  
Washington, D.C.                      20523

### D. Financial Plan

The following is the financial plan for this grant, including local cost financing items, if authorized. Revisions to this Plan shall be made in accordance with the Standard Provision of this grant entitled "Revision of Financial Plans"

<u>Cost Element</u>	<u>Obligated 9/1/85-8/31/86</u>	<u>Estimated Additional</u>	<u>Total</u>
Salaries & Fringe	\$ 63,278	\$ 69,606	\$ 132,884
Overhead	15,820	17,402	33,222
Travel	34,427	51,500	85,927
Other Direct Costs	25,000	8,500	33,500
Private Sector			
Resource Committees	28,000	32,000	60,000
Small Business			
Associations	12,000	15,000	27,000
Evaluation		2,500	2,500
	\$ 178,525	\$ 196,508	\$ 375,033
AID	\$ 73,938		
Grantee	\$ 104,587		

E. Reporting and Evaluation

The grantee will prepare and submit semiannual program reports to FVA/PVC, Elizabeth Hogan. Reports will reflect progress made in achieving the stated goals and objectives of the program.

The reports will include:

1. A narrative description of the work undertaken during the six month period covered by the report, illustrating successes and shortcomings of the project as originally designed and an updated workplan if warranted,
2. A list of materials produced or collected for use in the course of the project, and
3. A detailed financial expenditure report of AID and private funds, identifying disbursements by program activity.

The first report will be furnished not later than six months from the date of initiation of grant activities, with subsequent reports following at six month intervals.

A final report/evaluation which will include a detailed analysis of activities, accomplishments, and financial expenditures for the entire grant period will be submitted at the completion of the program.

F. Special Provisions

The following Standard Provisions are not applicable to this grant and are hereby deleted:

5A - Negotiated Overhead Rates-Predetermined

7B - Payment-Periodic Advances

7C - Payment-Reimbursement

Paragraph (a) of Standard Provision 8, Travel and Transportation

10B - Procurement of Goods and Services Over \$250,000

13B - Title to and Care of Property (U.S.G. Title)

13C - Title to and Care of Property (Cooperating Country Title)

G. Overhead Rate

Pursuant to the Standard Provision of this grant entitled "Negotiated Overhead Rates - Nonprofit Organizations Other Than Educational Institutions" the following overhead rate is established:

<u>Rate</u>	<u>Base</u>	<u>Period</u>
25%	Direct Salaries and Fringe Benefits	September 1, 1985 until amended

H. Title to Property

Title to property procured under this grant will vest in the Grantee in accordance with Standard Provision 13A of this grant.

I. Closeout Procedures

This section prescribes uniform closeout procedures for this Grant.

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

- a. Closeout. The closeout of a grant or agreement is the process by which AID determines that all applicable administrative actions and all required work of the grant or agreement have been completed by the recipient and AID.

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- b. Date of Completion. The date of completion is the date on which and work under grants and agreements is completed or the date on the award document, or any supplement or amendment thereto, on which AID sponsorship ends.
- c. Disallowed Costs. Disallowed costs are those charges to a grant or agreement that AID or its representative determines to be unallowable in accordance with the applicable Federal cost principles or other conditions contained in the grant or agreement.

2. AID closeout procedures include the following requirements:

- a. Upon request, AID shall make prompt payments to a recipient for allowable reimbursable costs under the grant or agreement being closed out.
- b. The recipient shall immediately refund any balance or unobligated (unencumbered) cash that AID has advanced or paid and that is not authorized to be retained by the recipient for use in other grants or agreements.
- c. AID shall obtain from the recipient within 90 calendar days after the agreement all financial, performance, and other reports required as a condition of the grant or agreement. AID may grant extensions when requested by the recipient.
- d. The recipient shall account for any property acquired with AID funds or received from the Government in accordance with Attachment N of OMB Circular A-110 entitled "Property Management Standards".
- e. In the event a final audit has not been performed prior to the closeout of the grant or agreement, AID shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

## ATTACHMENT 2

### PROGRAM DESCRIPTION

During Year I and Year II ACCION initiated a development education program with the corporate community in six U.S. cities. Initial **americas dialogue** events have focused on the importance of the informal economy in Latin America and the role of the private sector in development. The dialogues generally include a showing of ACCION's new slide-show, "Los Informales: The Other Economy", panel presentations by Latin American experts, and a discussion period. The events have been covered by the press and often include a radio program, which enables **the americas dialogue** to reach a broader audience.

During the third and fourth years, ACCION will further consolidate **the americas dialogue** program in these same six cities --- Boston, New York, Pittsburgh, Atlanta, San Antonio and Minneapolis/St. Paul. Rather than a somewhat superficial program in additional cities, ACCION believes that this concentration of effort will be more conducive to a sustained, self-reliant process of development education in the corporate sector. ACCION will work to diversify and deepen **the americas dialogue** program in each city, developing expanded linkages and depending more and more on local resources and direction.

ACCION has learned through its first round of events that follow-up is critical; individuals, corporations and banks look for guidance as to how they might become involved in actively supporting

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development efforts. ACCION has had to take more of a leadership role in the early stages of **the americas dialogue** than originally anticipated.

The process of building self-sustaining Private Sector Resource Committees is gradual, but very worthwhile in the long run. Business leaders and corporations have begun to be involved in **the americas dialogue** through their participation in planning and often in co-sponsoring events and activities. Our hope is that ACCION's direct involvement will be minimal in each city by the end of three years, and that we can take on more of a resource coordination and networking role in the fourth and final year.

In addition to the expansion of efforts begun in Years I and II, ACCION will reach a new but related audience over the next two years --- the small business community in the United States. Interest has been expressed by this sector in becoming involved in **the americas dialogue** program, both locally in the six targetted cities and at the national level through small business associations and groups. The themes of **the americas dialogue** are of particular relevance to this sector because of shared concerns and experiences of owners and employees of small businesses around the world. Many important development topics can be approached by fostering bonds between small businesspeople in the U.S. and the informal economic sector in Latin America. ACCION's strategy for reaching



this new audience will include dialogues, dissemination of the audiovisual and written materials, and production of articles for publication in association newsletters. As with the corporate sector, ACCION's ultimate goal is to motivate the small business community to become directly involved in development education efforts as well as in actual development activities such as exchanges and collaborative projects.

## I. BUILDING ON THE FIRST TWO YEARS: DEVELOPMENT EDUCATION AND THE CORPORATE COMMUNITY

### A. LESSONS FROM YEARS I AND II

The rationale, themes and strategy proposed for Years III and IV are basically the same as those presented in last year's proposal. However, lessons from our experience to date with the **americas dialogue** relate to each of these areas and will be incorporated in future programming. Many of these lessons have already been elaborated in the Year I report to AID, dated 10/12/84.

1. Rationale: There is clearly a need within the corporate community for education around hemispheric development issues. Even those executives who travel frequently to Latin America and who are involved in macro-economic and business planning for that region are often surprisingly unaware of 'how the other half lives'. The reality of the poor as active participants

in the private sector and in the development process is often obscured by images of indigent people helpless and dependent on charity.

As in Years I and II, ACCION will work towards overcoming these persistent stereotypes through **the americas dialogue** -- educating people through first hand experiences wherever possible, e.g. through exchanges and dialogues with Latin Americans and, secondarily, through audiovisuals and written materials. The end goal of the dialogues is to provoke a change in attitude that will be followed by behavioral change -- by active commitment to development education, by involvement in collaborative development projects, and by increased responsiveness to the poor on the part of multi-national corporations and business people.

2. Themes: ACCION has learned from Years I and II that dialogue themes must be clearly defined and must be of obvious interest to the corporate sector. ACCION has sought a common ground -- one which encompasses agency expertise and programmatic experience, AID development education goals, and the enlightened self-interests of business people. During the first round of events, ACCION narrowed a general macro-economic development emphasis down to the more specific yet still ample topic of "Private Enterprise and the Informal Sector: Supporting the Economic Initiatives of the Poor in Latin America." This theme draws on ACCION's 24 years of experience with the informal sector

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and emphasizes the importance of the sector for the poor in developing countries. The topic appeals to the corporate community in its focus on the private sector's role in development and in its portrayal of the poor as enterprising small scale business-people. **The americas dialogue** will continue to explore various aspects of this theme. To date, our emphasis has been predominantly on the urban informal sector. During the next year we will develop materials and use speakers with expertise in rural development themes -- the role of small farms and rural micro-enterprises. Again, the overall emphasis will be on how U.S.-based multinational corporations and banks can become more involved in directly supporting the economic initiatives of the poor in Latin America.

3. Strategy: The major objectives of Phase II still apply to Phases III and IV: 1) mobilize members of the private sector in major U.S. cities; 2) create a forum for a sustainable dialogue on development issues; and 3) develop a viable, replicable model for development education with the corporate sector. ACCION will continue to organize and strengthen the Private Sector Resource Committee in each city to take on an increasingly active role in local **americas dialogue** activities. Membership will be expanded to encompass a broader range of private sector institutions and associations. Relationships with local corporations and organizations are key; ACCION will seek co-sponsors for all events in order to maximize financial resources as well as to help assure programmatic continuity and lend credibility

to the dialogues. Finally, the program will continue to center around the dialogues themselves, with people-to-people exchanges between U.S. business and community leaders and their counterparts from Latin America and the Caribbean.

Specific lessons from the first round of dialogue events have been incorporated in planning for future implementation of **the americas dialogue** program:

o A 'market survey' approach to organizing PSRCs and dialogues was helpful in several cities as an 'entre' to the corporate community. Individual appointments were made with a dozen or so business and community leaders to assess interest in development topics in general and **the americas dialogue** in particular, and to solicit ideas regarding format and content of local events. This approach has been helpful in identifying potential PSRC members and co-sponsoring institutions, and will be continued as the scope of the PSRCs is expanded.

o Individuals are unlikely to be willing to commit themselves to a program like **the americas dialogue** until some sort of track record has been established, i.e. through a successful dialogue event. PSRCs must be built gradually, involving people that have demonstrated a clear interest in initial events. ACCION will have to take the lead in organizing activities during the first year or two in each city, calling on individuals and corporations for specific assistance. The process is greatly facilitated when there is a key person or organization in each city to help coordinate and follow-up on local events. ACCION Board members have been particularly helpful in providing both logistical and programmatic support. ACCION will rely more and more on local consultants and resource people as the program is decentralized over the next two years.

o Smaller, low-key events, particularly in-house with a corporation or bank, are more conducive to dialogue than larger more public events, yet the latter enable **the americas dialogue** to reach a larger audience. ACCION will seek to include both of these formats in each city in order to have both broad impact and in-depth working sessions. Press and radio coverage -- interviews and talk shows -- have also proven to be effective in reaching larger audiences with development education themes, and more outreach will be undertaken through the media.

c ACCION's new slide show has been quite helpful in enabling

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dialogue participants to visualize and better comprehend the realities of the informal sector in Latin America. The audiovisual has been particularly useful for business audiences. A second slide show which is more prescriptive in nature will be developed during Year III.

o ACCION's participation in international conferences has been worthwhile in Years I and II, especially where ACCION has taken the lead in defining themes and identifying speakers. This will be continued Years III and IV in an effort to expand the reach of the **americas dialogue** beyond the six targetted cities.

Probably the most important lesson to date has been the realization that ACCION must be prepared to follow-up on events and take advantage of the momentum engendered by the **americas dialogues**. Participants have found the dialogues to be very interesting and informative, but they want to know what the desired outcome of the program is --- they want to go beyond the information and education stage to actual participation in development efforts, whether financially, through provision of technical assistance, or through collaborative projects. Corporations in particular wonder of what relevance the dialogue lessons are to them in their work overseas. For example, an executive in the Twin Cities said that corporations no longer want to just make financial contributions; more and more they actually want to become involved in development projects.

ACCION will respond to this desire for 'action' by taking on the role of facilitator - generating and disseminating concrete examples of corporate collaboration in development, and formulating a 'portfolio' of Latin American community organizations and projects with which companies or their local subsidiaries could

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become involved. For example, a U.S. based dairy firm might lend its expertise to a rural community cheese production project in Costa Rica. A manufacturing company with a subsidiary in Peru might begin to purchase local supplies through a micro-business association. The corporations could then take a lead in educating their colleagues in the United States about hemispheric development issues.

4. Participation: High level corporate executives are much more likely to participate in an event or program when invited by a peer or by a colleague within their company or line of business. Thus, ACCION has been most successful through asking Board members, who are well known in the corporate community, to invite friends and colleagues to **americas dialogue** events. However, this high-level group, while interested in the subject matter, has limited time available for follow-up activities. Their direct contribution to development education is generally limited to financial support and participation in an occasional event. Nonetheless, as decision-makers within their companies and as individuals who influence public policy, these corporate leaders are an important 'target group' of **the americas dialogue**.

In the long run, a more active target audience of **the americas dialogue** will be the line managers at corporations or banks -- people whose day to day work requires substantial dealings in Latin America and the Caribbean. These people generally

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