ISA 83373

AGENCIA PARA EL DESARROLLO INTERNACIONAL
MISION ECONOMICA DE LOS ESTADOS UNIDOS EN COSTA RICA

USAID

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22 de junio de 1993

Srta. Vera C. Varela
Directora Ejecutiva
Fundación Neotrópica
San José, Costa Rica

Ref: Enmienda No. 4 a la Donación de Programa Operacional (OPG) con Fundación Neotrópica bajo el Proyecto de Conservación y Manejo del Bosque (BOSCOSA) No. 515-0255

Estimada Srta. Varela:

El propósito de esta carta es enmendar el actual OPG bajo el Proyecto de Conservación y Manejo del Bosque (BOSCOSA) No. 515-0255 firmado el 31 de marzo de 1990, entre la Agencia para el Desarrollo Internacional (en lo sucesivo referida como "A.I.D." o "Donador") y la Fundación Neotrópica (en lo sucesivo referida como "Neotrópica" o "Donatario"). A.I.D originalmente donó a Neotrópica la suma de $1,000,000 (un millón de dólares estadounidenses).

De conformidad con la autoridad conferida mediante la Ley de Asistencia al Exterior de 1961, y sus enmiendas, la A.I.D. por este medio dona a Neotrópica, la suma adicional de $300,000 (Trescientos Mil Dólares) para proporcionar ayuda a las actividades del Proyecto de Conservación y Manejo del Bosque según lo descrito en el Anexo I de esta Enmienda, titulado "Enmienda al Programa"; y en el Anexo II, titulado "Enmienda a la Descripción del Proyecto". Fondos adicionales hasta por la suma de un total de $900,000 estarán disponibles al Donatario sujeto a disponibilidad de fondos y al mutuo acuerdo de las partes para continuar el Proyecto. Esos fondos futuros serán obligados mediante enmiendas a este Acuerdo.

June 22, 1992

Ms. Vera C. Varela
Executive Director
Neotropica Foundation
San Jose, Costa Rica

Ref: Amendment No. 4 to the Operational Program Grant (OPG) to Neotrópica Foundation under the Forest Conservation and Management Project (BOSCOSA) No. 515-0255

Dear Ms. Varela:

The purpose of this letter is to amend the current OPG under the Forest Conservation and Management Project (BOSCOSA) No. 515-0255 signed on March 31, 1990, between the Agency for International Development (hereafter referred to as "A.I.D." or "Grantor") and the Neotropica Foundation (hereafter referred to as "Neotrópica" or "Grantee"). A.I.D originally granted to Neotropica the sum of $1,000,000 (one million United States dollars).

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, A.I.D. hereby grants to Neotrópica, the additional sum of $300,000 (Three Hundred Thousand United States Dollars) to provide support for the activities of the Forest Conservation and Management Project as described in Attachment I of this Grant Amendment, entitled "Schedule Amendment"; and Attachment II, entitled "Project Description Amendment". Additional funds up to a total of $900,000 will be made available to the Grantee subject to funds availability and the agreement of the parties to continue the Project. These future funds will be obligated through amendments to this Agreement.

Esta Enmienda y la obligación de fondos son efectivas a partir de su firma, y se aplicará a los compromisos hechos por el Donatario en apoyo a los objetivos del programa, durante el período que comienza el 1 de Abril de 1993 y finaliza el 31 de marzo de 1996.

Esta Donación se hace al Donatario con la condición de que los fondos serán administrados de acuerdo con los términos y condiciones establecidas en el Anexo I, titulado "Enmienda al Programa", y el Anexo II, titulado "Enmienda a la Descripción del Proyecto", las cuales han sido aceptadas por su organización.

Todos los demás términos y condiciones del OPG original, excepto los que aquí específicamente se enmiendan y modifican, permanecen en total y completa vigencia.

Sírvase firmar los dos originales de esta carta acusando recibo de esta Donación, y devolver un original a nuestras oficinas en San José.

This Grant Amendment is effective and obligation is made as of the date of its signature, and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning April 1, 1993 and ending March 31, 1996.

This Grant is made to the Grantee on condition that the funds will be administered in accordance with terms and conditions set forth in Attachment I, entitled the "Schedule Amendment", and Attachment II, entitled "Project Description Amendment", which have been agreed to by your organization.

All other terms and conditions of the original OPG, except as hereby specifically amended and modified, remain in full force and effect.

Please sign the two originals of this letter to acknowledge your receipt of this Grant, and return one original to USAID/Costa Rica.

Atentamente,

Sincerely,

Douglas Tinsler
Director a.i.

Anexos:
(Attachments)

I. Enmienda al Programa (Schedule Amendment)
II. Enmienda a la Descripción del Proyecto (Project Description Amendment)

DE CONFORMIDAD:
(ACKNOWLEDGED)

FUNDACION NEOTROPICA (NETROPICA FOUNDATION)

Por: Zdarila
(By)

Cargo: Directora Ejecutiva
(Title)

Fecha: 30 junio 1993
(Date)

FISCAL DATA:

Project No.: 515-0255

Grant No.:

Appropriation No.: 72-1131021

Budget Plan Code: LDVA9325515EG13

PIO/T No.: 515-0255-3-30066

Total Estimated Amount:

Total Obligated Amount: $300,000.00

Funding Source:

ANEXO I

ENMIENDA AL PROGRAMA

B. Término de la Donación

Agregar a esta sección lo siguiente:

"1. La fecha efectiva de esta Enmienda es el 1 de abril de 1993. La fecha de expiración es el 31 de marzo de 1996.

2. Los fondos obligados bajo esta enmienda están disponibles para gastos del proyecto dentro del período comprendido entre el 1 de abril de 1993 y el 31 de enero de 1994, según se muestra más adelante en el Plan Financiero."

C. Monto de la Donación y Pagos

Agregar a esta sección lo siguiente:

"3. El total estimado de esta Enmienda para el período mencionado en el literal B.1 anterior es $900,000, sujeto a la disponibilidad de fondos.

4. A.I.D. por este medio compromete la suma de $300,000 para gastos del programa durante el período estipulado en el literal B.2 anterior y como se detalla más adelante en el Plan Financiero

5. Los pagos al Donatario se harán de acuerdo con los procedimientos estipulados en la Disposición General No. I, titulada "Pagos-Adelantos Periódicos", del Anexo III del OPG original.

6. Los fondos adicionales hasta por el monto total de la Donación mostrado en el literal C.3. anterior podrán ser obligados por A.I.D. sujeto a su disponibilidad, al mutuo acuerdo entre las Partes para continuar el Proyecto y a los requisitos de la Estipulación General Obligatoria del OPG original titulada "Revisión del Presupuesto de la Donación."

ATTACHMENT I

SCHEDULE AMENDMENT

B. Period of Grant

Add to this section the following:

"1. The effective date of this Grant Amendment is April 1, 1993. The expiration date is March 31, 1996.

2. Funds obligated under this amendment are available for program expenditures for the estimated period from April 1, 1993 to Janurary 31, 1994 as shown in the Financial Plan showed below."

C. Amount of Grant and Payment

Add to this section the following:

"3. The total estimated amount of this Grant Amendment for the period shown in B.1 above is $900,000, subject to the availability of funds.

4. A.I.D. hereby obligates the amount of $300,000 for program expenditures during the period set forth in B.2 above and as shown in the Grant Financial Plan below.

5. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment III of the original OPG, Standard Provision No. 1, entitled "Payment-Periodic Advance".

6. Additional funds up to the total amount of the Grant shown in C.3 above may be obligated by A.I.D. subject to the availability of funds, the mutual agreement of the Parties to continue the Project, and the requirements of the Mandatory Standard Provision of the original OPG entitled "Revision of the Grant Budget."

D. Plan Financiero

Agregar el siguiente párrafo:

"Se autoriza una transferencia de hasta un 15% entre las partidas del presupuesto sin incrementar el total del mismo. Ajustes mayores a un 15%, o incrementos en el total de la Donación requerirá la aprobación previa escrita del Donante."

Sustituir el Plan Financiero mostrado en el Acuerdo de Donación original por el siguiente Plan Financiero que se muestra en la ultima página de este Anexo:

E. Reportes y Evaluaciones

Eliminar esta sección en su totalidad y sustituirla por lo siguiente:

"1. Administración, Reportes y Evaluación

El Donatario supervisará la ejecución de esta Donación para asegurarse de que los cronogramas, planes de trabajo y presupuestos están siendo cumplidos. El Donatario será responsable en el logro de todas las metas y objetivos del Proyecto.

El Donatario presentará a la A.I.D informes trimestrales, a más tardar una semana después del final de cada trimestre, detallando los logros proyectados y reales que se han alcanzado como parte de las actividades financiadas por esta Donación y de conformidad con los lineamientos establecidos en la circular OMB No. A-110, así como un plan de trabajo del próximo período a reportar. Además, el Donatario preparará un informe final amplio y detallado que deberá ser entregado a la A.I.D a más tardar dentro de los dos meses posteriores a la fecha de terminación de esta Donación.

Se llevará a cabo, con fondos del Proyecto, una evaluación externa interina en el tercer trimestre de 1994 para

D. Financial Plan

Add the following paragraph:

"A 15% transfer between budget line items is hereby authorized without increasing the Grant Total. Any adjustment exceeding 15%, or any increase in the Grant Total requires the prior written approval of the Grantor."

Substitute the Financial Plan shown in the original Grant Agreement by the following Financial Plan showed in last page of this Attachment:

E. Reporting and Evaluation

Delete this section in its entirety and substitute it by the following:

"1. Management, Reporting and Evaluation

The Grantee will monitor the performance under this Grant to ensure that schedules, work plans, and budgets are being accomplished. The Grantee will be responsible in achieving all performance goals and objectives of the Project.

The Grantee will provide A.I.D with quarterly reports, no later than a week after the end of each quarter, detailing the projected and actual accomplishments which have been achieved as part of the activities financed under this Grant pursuant to the guidelines set forth in OMB No. A-110 as well as the work plan for the next reporting period. Furthermore, the Grantee will prepare a comprehensive and detailed final report which must be submitted to A.I.D no later than two months after the termination of this Grant.

An interim external evaluation financed by the Project will be carried out in the third quarter of 1994 to

evaluar el progreso e identificar mecanismos que mejoren la ejecución del Proyecto. El costo de esta Evaluación será cubierta por el Elemento de Contingencia del Presupuesto de la Donación.

2. Informes Financieros

Se llevarán a cabo auditorías independientes financieras y de cumplimiento al final de cada año fiscal comprendido dentro del período de la Donación. Estas auditorías se ejecutarán de conformidad con la Circular A-133 de la Oficina de Administración y Presupuesto (OMB A-133)."

F. Estipulaciones Especiales

Eliminar la Estipulacion Especial No. 3.

Agregar las siguientes Estipulaciones Especiales:

7. El Donatario está de acuerdo en contribuir con la suma de $378,339.00 al Proyecto según lo establecido en el Plan Financiero de la Donación y en la Estipulación General Opcional No. 21, titulado "Costos Compartidos". Adicionalmente, por este medio se modifica la Estipulación General Opcional No. 21 para que se agreguen las siguientes secciones:

a. El Donatario deberá elaborar un estado anual de rendición de cuentas para la contribución de costos compartidos del Donatario o terceras partes. El estado de rendición de cuentas deberá estar respaldado por registros auditables mantenidos de conformidad con la Estipulación Estándard Obligatoria No. 2, titulada "Contabilidad, Auditoría y Registros". El valor de la contribución de costos compartidos deberá establecerse de acuerdo con la Estipulación Estándard Opcional No. 21, titulada "Costos Compartidos ".

evaluate progress and identify mechanisms for improved Project performance. The costs of this Evaluation will be covered by the Contingency Element of the Grant Budget.

2. Financial Reports

Independent financial and compliance audits will be carried out at the end of each fiscal year covered by the period of the Grant. These audits will be conducted in accordance with the Office of Management and Budget Circular A-133 (OMB A-133)."

F. Special Provisions

Delete Special Provisions No. 3.

Add the following Special Provisions:

7. The Grantee agrees to contribute to the Project the sum of $378,339.00 in accordance with the Grant's Financial Plan and Optional Standard Provision No. 21, entitled "Cost Sharing". Furthermore, Optional Standard Provision No. 21 is hereby modified by adding the following sections:

a. The Grantee shall produce an annual funds accountability statement for the cost sharing contribution made by the Grantee or other third parties. The funds accountability statement shall be supported by auditable records maintained in conformance with the Mandatory Standard Provision No. 2, entitled "Accounting, Audit and Records". The value of the cost sharing contribution shall be established in accordance with the Optional Standard Provision No 21, entitled "Cost Sharing (Matching)".

b. El Donatario hará que sus auditores incluyan un estado de rendición de cuentas de los fondos de costos compartidos en su informe anual de auditoría, y que brinden una opinión sobre dicho estado.

c. El Donatario deberá presentar el estado anual de rendición de cuentas al oficinal del proyecto de la A.I.D dentro de los 60 días posteriores al cierre de su año fiscal.

8. AID, a través de la aprobación del Oficial del Proyecto, reembolsará gastos del proyecto debidamente documentados en que haya incurrido el Donatario desde el I de Abril de 1993 hasta la fecha de firma de esta enmienda.

9. Excepto que AID acuerde otra cosa por escrito, el Donatario acuerda implementar las medidas de mitigación provenientes del Estudio de Manejo Ambiental (EA) según se detallan en el anexo II Sección F.

10. Dentro de las 120 días posteriores a la firma de este acuerdo, el Donatario entregará a la AID un plan de trabajo detallado para el establecimiento de una institución autosostenible (COFOSA) la cual buscará perpetuar las actividades de BOSCOSA relacionadas con el manejo sostenible del bosque una vez terminado el proyecto.

11. El Donatario acuerda poner en ejecución cualesquiera recomendaciones y hallazgos que surjan de la evaluación externa interina.

12. El Donatario no celebrará ninguna subdonación bajo esta Donación.

13. Este documento está redactado tanto en español como en inglés. En caso de conflicto entre las dos versiones, la versión en inglés prevalecerá.

b. The Grantee shall cause their auditors to include a cost sharing funds accountability statement in the grantee's annual audit reports, and express an opinion on the statement.

c. The Grantee shall provide the annual funds accountability statement to the A.I.D project manager within 60 days after the close of each grantee fiscal year.

8. AID, by means of the Project's Officer approval, will reimburse properly documented project costs incurred by the Grantee from April 1, 1993 to the date of the signature of this amendment.

9. Except that AID may otherwise agree in writing, the Grantee agrees to implement the mitigation measures arising fron the Environmental Assessment (EA) as detailed in Attachment II Section F.

10. Within 120 days of the signing of this agreement, the Grantee will submit to AID a detailed Work Plan for the establishment of a sustainable institution (COFOSA) which will seek to perpetuate BOSCOSA's sustainable forest management activities after the termination of the project.

11. The Grantee agrees to implement any recommendations and findings arising from the interim external evaluation.

12. The Grantee will not enter into any subgrants under this Grant.

13. This document is prepared in both Spanish and English. In the event of conflict between the two versions, the English version will prevail.

14. El Donatario entregará durante la vida del Proyecto y a más tardar el 31 de abril de cada año, un Presupuesto y Plan de Trabajo Anuales detallados para ser aprobados por el Oficial de la Donación.

15. La estipulación general opcional No. 1 (Pagos - Adelantos Periódicos) se modifica aquí para permitir que (1)el donatario presente liquidaciones trimestrales y (2)AID haga adelantos mensuales.

Se autoriza un adelanto único para necesidades de efectivo de hasta 90 días. Dicho adelanto deberá ser usado para los primeros 90 días. Los adelantos subsiguientes se deberán calcular y distanciar de manera que los saldos de los adelantos posteriores al período inicial de 90 días no excedan 30 días de necesidades de efectivo.

16. Agréguese la Estipulación General Opcional No. 16 (Tasa de Costos Indirectos Negociada - Provisional)

17. El rubro de Contingencias del Plan Financiero mostrado en la sección D. anterior incluye parte de los fondos para reembolsar los costos indirectos incurridos por el Donatario durante la vida del Proyecto. La tasa de costo indirecto será determinada por una auditoría independiente. La tasa de costo indirecto determinada por la auditoría será implementada por medio de una enmienda al Plan Financiero."

G. <u>Código Geográfico</u>

Agregue el párrafo siguiente:

"El Código Geográfico autorizado para la adquisición de bienes y servicios es el 000 más la República de Costa Rica."

14. The Grantee shall submit during the life of the Project and no later than April 31 of each year, a detailed Anual Budget and Work Plan to be approved by the Grant Officer.

15. Optional Standard Provision No. 1 (Payment - Periodic Advace) is hereby modified to allow (1)the grantee to submit quarterly liquidation vouchers and (2)AID to make monthly advances.

A one time advance of up to 90 days cash needs is authorized. This advance shal be depleted over the initial 90 days. Subsequent advances will be calculated and timed so that cash balances after the initial 90 day period do not exceed 30 days cash needs.

16. Add Optional Standard Provision No. 16 (Negotiated Overhead Rates - Provisional)

17. The Contingencies line item of the Financial Plan shown in section D. above includes part of the funds to reimburse the indirect costs incurred by the Grantee during the life of the Project. The indirect cost rate will determined by an independent audit. The indirect cost rate determined by the audit will be implemented by means of an amendment to the Project's Financial Plan."

G. <u>Geographic Code</u>

Add the following paragraph:

"The authorized Geographic Code for the procurement of good and services is 000 plus the Republic of Costa Rica."

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NEOTROPICA FOUNDATION BUDGET BY US$ AND L.C.

ELEMENT DESCRIPTION	PREVIOUS OBLIGATION A.I.D. U.S. DOLLARS	PREVIOUS OBLIGATION A.I.D. U.S. EQUIV.	PREVIOUS OBLIGATION NEOTR. FOUND. C.S.C. US$ EQ.	THIS AMENDMENT CURRENT OBLIGATION (*) A.I.D. U.S.$ EQUIV.	THIS AMENDMENT CURRENT OBLIGATION (*) NEOTR. FOUND. C.S.C. US$ EQ.	THIS AMENDMENT FUTURE OBLIGATION A.I.D. U.S.$ EQUIV.	THIS AMENDMENT FUTURE OBLIGATION NEOTR. FOUND. C.S.C. US$ EQ.	TOTAL PLANNED OBLIGATIONS A.I.D. TOTAL U.S.$	TOTAL PLANNED OBLIGATIONS A.I.D. TOTAL US$ EQ.	TOTAL PLANNED OBLIGATIONS NEOTR. FOUND. TOTAL US$ EQ.	PROJECT TOTAL
1.BOSCOSA CENTER	13,874	436,555	85,638	118,530	0	251,535	78,309	13,874	806,620	163,947	984,441
A. Salaries and Soc. Sec.	0	279,216	12,315	74,188	0	136,830	78,309	0	490,236	90,624	580,860
B. Consultants	13,174	30,763	2,319	2,143	0	5,076	0	13,174	37,982	2,319	53,475
C. Travel	700	3,731	9,858	3,456	0	11,344	0	700	18,531	9,858	29,089
D. Equipment	0	25,912	37,509	7,854	0	7,246	0	0	41,012	37,509	78,521
E. Other Direct Costs	0	96,930	23,637	22,507	0	84,228	0	0	183,665	23,637	207,302
G. Audits	0	0	0	7,854	0	22,146	0	0	30,000		
H. Evaluations				528	0	4,665	0		5,193		
2.P&M PROTEC. AREAS.	69,628	154,324	170,312					69,628	154,324	170,312	394,264
A. Salaries and Soc. Sec.	0	55,854	0					0	55,854	0	55,854
B. Consultants	61,848	13,577	54,322					61,848	13,577	54,322	129,747
C. Travel	280	10,060	17,826					280	10,060	17,826	28,166
D. Equipment	7,500	10,734	59,972					7,500	10,734	59,972	78,206
E. Other Direct Costs	0	64,099	38,192					0	64,099	38,192	102,291
3.SUSTAIN. DEVELOPM.	14,070	311,549	96,935					14,070	311,549	96,935	422,554
A. Salaries and Soc. Sec.	0	153,586	13,656					0	153,586	13,656	167,242
B. Consultants	6,515	44,638	9,903					6,515	44,638	9,903	61,056
C. Travel	55	14,716	2,301					55	14,716	2,301	17,072
D. Equipment	7,500	25,130	36,239					7,500	25,130	36,239	68,869
E. Other Direct Costs	0	73,480	34,836					0	73,480	34,836	108,316
4.FORESTRY	0	0	0	47,249	38,271	118,207	0	0	165,456	38,271	203,727
A. Salaries and Soc. Sec.				43,298	0	84,292	0	0	127,590	0	127,590
B. Consultants				0	3,955	2,500	0	0	2,500	3,955	6,455
C. Travel				1,571	15,271	9,815	0	0	11,386	15,271	26,657
D. Equipment				526	2,120	3,744	0	0	4,270	2,120	6,390
E. Other Direct Costs				1,854	16,925	17,856	0	0	19,710	16,925	36,635
5 CROP & ANIMAL PROD.	0	0	0	28,076	0	64,778	8,092	0	92,854	8,092	100,946
A. Salaries and Soc. Sec.				22,933	0	43,466	8,092	0	66,399	8,092	74,491
B. Consultants				0	0	0	0	0	0	0	0
C. Travel				1,178	0	3,542	0	0	7,720	0	7,720
D. Equipment				525	0	3,776	0	0	4,301	0	4,301
E. Other Direct Costs				3,440	0	10,994	0	0	14,434	0	14,434
6. LAND TITLING	0	0	0	50,742	0	52,673	17,919	0	103,415	17,919	121,334
A. Salaries and Soc. Sec.				23,201	0	27,495	8,976	0	50,696	8,976	59,672
B. Consultants				25,330	0	20,897	8,943	0	46,227	8,943	55,170
C. Travel				785	0	1,215	0	0	2,000	0	2,000
D. Equipment				0	0	0	0	0	0	0	0
E. Other Direct Costs				1,426	0	3,066	0	0	4,492	0	4,492
7. COMMER & MARKET.	0	0	0	15,051	17,547	44,095	11,557	0	59,146	29,104	88,250
A. Salaries and Soc. Sec.				11,711	10,504	22,360	11,557	0	34,071	22,061	56,132
B. Consultants				0	2,500	1,350	0	0	1,350	2,500	3,850
C. Travel				1,492	364	7,008	0	0	8,500	364	8,864
D. Equipment				589	356	1,061	0	0	1,650	356	2,006
E. Other Direct Costs				1,259	3,823	12,316	0	0	13,575	3,823	17,398
8.ENVIROM. PROTEC.	0	0	0	0	67,917	9,000	0	0	9,000	67,917	76,917
A. Salaries					28,500		0	0	0	28,500	
B. Consultants				0	3,000	7,500	0	0	7,500	3,000	10,500
C. Travel				0	5,900	0	0	0	0	5,900	5,900
D. Equipment				0	17,000	0	0	0	0	17,000	17,000
E. Other Direct Costs				0	13,517	1,500	0	0	1,500	13,517	15,017
9. CONTINGENCIES	0	0	0	40,352	10,619	59,712	16,796	0	100,064	27,415	127,479
10. FIPROSA	0	0	0	0	111,212	0	0	0	0	111,212	111,212
A. Incentives					61,212.00	0	0	0	0	61,212	61,212
B. Collaterals					50,000.00	0	0	0	0	50,000	50,000
TOTAL PROJECT	97,572	902,428	352,885	300,000	245,566	600,000	132,673	97,572	1,802,428	731,124	2,631,124

REPORT OF PLANNED OBLIGATIONS

	A.I.D.	F.N.	TOTAL
PREVIOUS OBLIGATIONS	1,000,000	352,885	$1,352,885
CURRENT OBLIGATIONS	300,000	245,566	$545,566
FUTURE OBLIGATIONS	600,000	132,673	$732,673
TOTAL PLANNED OBLIGATIONS	1,900,000	731,124	$2,631,124

(*) PRESENT OBLIGATION WILL COVER APPROXIMATELY 19 MONTHS OF OPERATIONS.

Gerv/L/FNFP.L.C.

FUNDACION NEOTROPICA
COSTOS ESTIMADOS DEL PLAN FINANCIERO
PRESUPUESTO EN US$ Y MONEDA LOCAL

				ESTA ENMIENDA							
		OBLIGACION PREVIA		OBLIGACION (*) PRESENTE		OBLIGACION FUTURA		TOTAL OBLIGAC. PLANEADAS			
	A. I. D		NEOTR. FOUND.	A. I. D.	NEOTR. FOUND.	A. I. D.	NEOTR. FOUND.	A.I.D.	A.I.D.	NEOTR. FOUND.	PROYECTO
DESCRIPCION	U.S. DOLLARS	U.S. EQUIV.	C. S. C. US$ EQ.	U.S. DOLLAR	C.S.C. US$ EQ.	U.S. DOLLAR	C.S.C. US$ EQ.	TOTAL U.S.$	TOTAL US$ EQ.	TOTAL US$ EQ.	TOTAL
1.CENTRO BOSCOSA	13,874	436,555	85,638	118,530	0	251,535	78,309	13,874	806,620	163,947	974,441
A. Salarios y Seg. Soc.	0	279,218	12,315	74,188	0	136,830	78,309	0	490,236	90,624	580,860
B. Consultoria	13,174	30,763	2,319	2,143	0	5,076	0	13,174	37,982	2,319	53,475
C. Viajes	700	3,731	9,858	3,456	0	11,344	0	700	18,531	9,858	29,089
D. Equipo	0	25,912	37,509	7,854	0	7,246	0	0	41,012	37,509	78,521
E. Otros Costos Directos	0	96,930	23,637	22,507	0	64,228	0	0	183,665	23,637	207,302
G. Auditorias	0	0	0	7,854	0	22,146	0	0	30,000	0	0
H. Evaluaciones	0	0	0	528	0	4,665	0	0	5,193	0	0
2. AREAS PROTEGID.	69,628	154,324	170,312	0	0	0	0	69,628	154,324	170,312	394,264
A. Salarios y Seg. Soc.	0	55,854	0	0	0	0	0	0	55,854	0	55,854
B. Consultoria	61,848	13,577	54,322	0	0	0	0	61,848	13,577	54,322	129,747
C. Viajes	280	10,060	17,826	0	0	0	0	280	10,060	17,826	28,166
D. Equipo	7,500	10,734	59,972	0	0	0	0	7,500	10,734	59,972	78,206
E. Otros Costos Directos	0	64,099	38,192	0	0	0	0	0	64,099	38,192	102,291
3.DESARR. SUSTENT.	14,070	311,549	96,935	0	0	0	0	14,070	311,549	96,935	422,554
A. Salarios y Seg. Soc.	0	153,586	13,656	0	0	0	0	0	153,586	13,656	167,242
B. Consultoria	6,515	44,638	9,903	0	0	0	0	6,515	44,638	9,903	61,056
C. Viajes	55	14,716	2,301	0	0	0	0	55	14,716	2,301	17,072
D. Equipo	7,500	25,130	36,239	0	0	0	0	7,500	25,130	36,239	68,869
E. Otros Costos Directos	0	73,480	34,836	0	0	0	0	0	73,480	34,836	108,316
4. REFORESTACION	0	0	0	47,249	38,271	118,207	0	0	165,456	38,271	203,727
A. Salarios y Seg. Soc.	0	0	0	43,298	0	84,292	0	0	127,590	0	127,590
B. Consultoria	0	0	0	0	3,955	2,500	0	0	2,500	3,955	6,455
C. Viajes	0	0	0	1,571	15,271	9,815	0	0	11,386	15,271	26,657
D. Equipo	0	0	0	526	2,120	3,744	0	0	4,270	2,120	6,390
E. Otros Costos Directos	0	0	0	1,854	16,925	17,856	0	0	19,710	16,925	36,635
5.COSECHA y PROD.ANIM	0	0	0	28,076	0	64,778	8,092	0	92,854	8,092	100,946
A. Salarios y Seg. Soc.	0	0	0	22,933	0	43,466	8,092	0	66,399	8,092	74,491
B. Consultoria	0	0	0	0	0	0	0	0	0	0	0
C. Viajes	0	0	0	1,178	0	6,542	0	0	7,720	0	7,720
D. Equipo	0	0	0	525	0	3,776	0	0	4,301	0	4,301
E. Otros Costos Directos	0	0	0	3,440	0	10,994	0	0	14,434	0	14,434
6.TITULACION TIERRAS				50,742	0	52,673	17,919	0	103,415	17,919	121,334
A. Salarios y Seg. Soc.				23,201	0	27,495	8,976	0	50,696	8,976	59,672
B. Consultoria				25,330	0	20,897	8,943	0	46,227	8,943	55,170
C. Viajes				785	0	1,215	0	0	2,000	0	2,000
D. Equipo				0	0	0	0	0	0	0	0
E. Otros Costos Directos				1,426	0	3,066	0	0	4,492	0	4,492
7. MERCAD/ENTREN.				15,051	17,547	44,095	11,557	0	59,146	29,104	88,250
A. Salarios y Seg. Soc.				11,711	10,504	22,360	11,557	0	34,071	22,061	56,132
B. Consultoria				0	2,500	1,350	0	0	1,350	2,500	3,850
C. Viajes				1,492	364	7,008	0	0	8,500	364	8,864
D. Equipo				589	356	1,061	0	0	1,650	356	2,006
E. Otros Costos Directos				1,259	3,823	12,316	0	0	13,575	3,823	17,398
8.PROTECC.AMBIENTE	0	0	0	0	67,917	9,000	0	0	9,000	67,917	76,917
A. Salarios y Seg. Soc.	0	0	0	0	28,500	0	0	0	0	28,500	0
B. Consultoria	0	0	0	0	3,000	7,500	0	0	7,500	3,000	10,500
C. Viajes	0	0	0	0	5,900	0	0	0	0	5,900	5,900
D. Equipo	0	0	0	0	17,000	0	0	0	0	17,000	17,000
E. Otros Costos Directos	0	0	0	0	13,517	1,500	0	0	1,500	13,517	15,017
9.CONTINGENCIAS	0	0	0	40,352	10,619	59,712	16,796	0	100,064	27,415	127,479
10.FIPROSA	0	0	0	0	111,212	0	0	0	0	111,212	111,212
	0	0	0	0	61,212	0	0	0	0	61,212	61,212
	0	0	0	0	50,000	0	0	0	0	50,000	50,000
TOTAL PROJECT	97,572	902,428	352,885	300,000	245,566	600,000	132,673	97,572	1,802,428	731,124	2,631,124

REPORTE DE OBLIGANES PLANEADAS	A.I.D.	F.N.	TOTAL
OBLIGACION PREVIAS	1,000,000	352,885	1,352,885
OBLIGACION PRESENTE	300,000	245,566	545,566
OBLIGACIONES FUTURAS	600,000	132,673	732,673
TOTAL DE OBLIGACIONES PLANEADAS	1,900,000	731,124	2,631,124

(*) La Obligacion Presente cubrira aproximadamente 10 meses de operaciones.

Gavc/la/FNFP2.XL

ADJUNTO II

ENMIENDA
A LA DESCRIPCION DEL PROYECTO

Agregar a este adjunto la siguiente Descripción del Proyecto para esta Enmienda:

A. Antecedentes

La península de Osa, cuya extensión aproximada es de 175,000 hectáreas, localizada al suroeste de Costa Rica, resguarda el único remanente de bosque húmedo de tierra baja sobre la costa centroamericana del Pacífico. La península, que comenzó como una isla volcánica hace entre 65 y 135 millones de años, actualmente incluye dentro de sus límites al Parque Nacional Corcovado, la Reserva Forestal Golfo Dulce, La Reserva Indígena Guaymi, la Reserva Biológica Isla del Caño, la Reserva Forestal Manglares Sierpe-Térraba, el Refugio de Vida Silvestre Golfito, y otras tierras no protegidas. Las áreas protegidas de Osa son administradas por ACOSA, una unidad interinstitucional establecida por MIRENEM en 1989, para coordinar las actividades de las varias agencias interesadas (SNP, DGF, DGM, etc.) que tienen responsabilidades jurisdiccionales sobre los recursos naturales dentro del Area de Conservación de Osa. Hay escasos 50,000 habitantes en la península, de los cuales unos 10,000 viven dentro de los confines de la Reserva Forestal Golfo Dulce. Los bosques de Osa son muy diversos y dan refugio a más de 2,000 especies vegetales y 27 asociaciones vegetativas.

La historia reciente de la Península ha sido de "auge y fracaso." La economía local se ha basado siempre en la extracción de recursos, comenzando con el oro en los 1930s, banano durante los 1950s, madera en los 1960s y 1970s y exportaciones agroindustriales en los 1980s. Con las recientes mejoras en los caminos, la explotación maderable goza de un nuevo auge y las plantaciones de arroz y de palma africana se han expandido. En 1975 se declaró la primera

ATTACHMENT II

PROJECT DESCRIPTION AMENDMENT

Add to this attachment the following Project Description for this Grant Amendment:

A. Background

The Osa Peninsula, approximately 175,000 ha. in size and located in southwestern Costa Rica, contains the only remaining lowland wet forest on the Pacific coast of Central America. The Peninsula, which began as a volcanic island between 65 and 135 million years ago, now includes within its limits the Corcovado National Park, the Golfo Dulce Forest Reserve, the Guaymí Indigenous People's Reserve, the Isla del Caño Biological Reserve, the Sierpe-Terraba Mangrove Reserve, Golfito Wildlife Refuge, and other non-protected lands. The protected areas on the Osa are administered by ACOSA, an inter-institutional unit established by MIRENEM in 1989, to coordinate the activities of the various line agencies (SNP, DGF, DGM, etc.) with jurisdictional responsibilities over natural resources within the Osa Conservation Area. There are roughly 50,000 inhabitants on the Peninsula of which some 10,000 live within the confines of the Golfo Dulce Forest Reserve. The Osa forests are very diverse and home to more than 2000 plant species and 27 vegetative associations.

The Peninsula's recent economic history is one of "boom and bust". The local economy has always been based on resource extraction, beginning with gold in the 1930s, bananas through the 1950s, timber in the 1960s and 1970s, and agro-industrial exports in the 1980s. With recent road improvements, timber exploitation is enjoying a resurgence, and rice and African oil palm plantations are being expanded. The first protected area on the Osa was declared in 1975, and was

área protegida en la Osa, seguida de sucesivas expropiaciones de residentes locales. Estos acontecimientos fomentaron conflictos sociales durante varias décadas, dando lugar a la movilización de la población, a la tenencia fragmentada e insegura de la tierra, inestabilidad económica, una profunda desconfianza hacia el gobierno y deforestación desenfrenada.

B. Objetivo y Propósito del Proyecto

El objetivo de este Proyecto es mantener la cobertura forestal con propósitos productivos y de conservación de recursos naturales en la "zona amortiguadora" que rodea el Parque Nacional de Corcovado en la Península de Osa.

El propósito de este Proyecto es desarrollar y demostrar el manejo de bosques naturales, agricultura sostenida, ecoturismo y tecnologías de biodiversidad que sean económicamentae productivas y contribuyan al mantenimiento de la cobertura forestal.

C. Componentes del Proyecto

Conceptualmente, el proyecto abarca ocho componentes técnicos con el apoyo de una unidad directivo-administrativa. Los componentes técnicos son: 1. Area forestal; 2. Area agropecuaria; 3. Titulación de Tierras; 4. Capacitación y Comercialización; 5. Componente de Protección Ambiental; 6. FIPROSA (un fondo de garantías e incentivos para actividades productivas sostenibles y de manejo forestal; 7. Ecoturismo; 8 Educación Ambiental.

Esta donación dará apoyo parcial a la unidad administrativa, a los tres primeros componentes (Forestal, Agropecuario y Titulación de tierras) al elemento de capacitación del componente de Capacitación y comercialización y a las Medidas de Protección ambientales. Además, los fondos proporcionados por esta Donación deberán ser complementados en una base de 3:1, no

followed by successive expropriations of local residents' lands. These events fomented social conflict over several decades, resulting in a transient local population, fragmented and insecure land tenure, economic instability, a deep mistrust of government and rampant deforestation.

B. Project Goal and Purpose

The goal of this Project is to maintain forest cover for productive and natural resources conservation purposes in the "buffer zone" surrounding Corcovado National Park in the Osa Peninsula.

The purpose of this Project is to develop and demonstrate natural forest management, sustainable agriculture, ecotourism and biodiversity technologies which are economically productive and contribute towards the maintenance of forest cover.

C. Project Components

Conceptually the project encompasses eight technical components with the support of a directive-administrative unit. The technical components are: 1. Forestry; 2. Crop and Animal Production; 3. Land Titling; 4. Commercialization and Training; 5. Environmental Protection Component; 6. FIPROSA (a fund of collaterals and incentives for forest management and productive sustainable activities); 7. Eco-tourism; 8. Environmental Education.

This Grant will partially support the directive-administrative unit, the first three components (Forestry, Crop and Animal Production; and Land Titling), the training element of the Commercialization and Training component and the Environmental Protection Measures. Further, funds provided by this Grant ought to be matched on a 3:1 basis, yet funds will only be considered matching if they directly

obstante, los fondos solo serán aceptadós como contrapartida si complementan directamente los componentes que esta Donación apoya.

A continuación se da una descripción detallada de los componentes en los cuales la AID está involucrada.

1. Area forestal

Objetivo General Del Componente: promover opciones de conservación y producción sustentable del bosque, que permitan a las comunidades valorar sus beneficios sociales, económicos y ecológicos.

Debido a la aptitud de uso forestal que presenta la mayor parte de los suelos de la Península de Osa y al enorme potencial económico y ecológico de sus bosques, el programa BOSCOSA ha definido como prioridad el área forestal. Sin embargo, durante los primeros cinco años de implementación de actividades, se encontró con la negativa de la población local de sustituir su esquema agrícola de subsistencia de corto plazo, por la ctividad forestal, cuya retribución es de largo plazo.

A partir del otorgamiento de permisos tipo B-5 (árboles selectos en bosque) por parte de la DGF y la participación de algunos agricultores en los programas de reforestación con incentivos económicos provenientes del Fondo de Desarrollo Forestal (FDF), financiado por el gobierno de Holanda, se empezó a incluir al sector forestal dentro de la economía local. La venta de madera a comerciantes externos de la zona fue la característica durante el periodo de 1988 a 1991. La extracción practicada ha sido arbitraria, destructiva y poco planificada. Aunque los ingresos obtenidos por la comercialización de la madera, llegan a aliviar la crisis económica que viven los pobladores, no representa ni el 50% del valor real del producto en el mercado. Una y otra vez la madera fue entregada a muy bajo precio. El bosque residual, alterado y destrozado fue convertido por ignorancia y necesidad del campesino, en pastos y cultivos, con resultados apenas regulares durante tres o cuatro años.

supplement the components supported by this Grant.

A detailed description of the components in which AID is involved follows:

1. Forestry Component

Overall Component Objective: To promote forest conservation and sustainable production alternatives that enable the communities to value their social, economic and ecological benefits.

Due to the suitability of most soils in the Osa Península for forestry use and the enormous economic and ecological potential of its forests, forestry has been defined as a priority for the BOSCOSA Program. Nonetheless, during the first five years of program delivery, however, it had to contend with the refusal of the local people to trade their pattern of short-term subsistence agriculture for forestry activities, where the returns are long-term.

Following the granting of B-5 permits (selected trees in forest) by the DGF and the involvement of some small farmers in the reforestation programs with financial incentives from the Forestry Development Fund (FDF) provided by the Dutch Government, the forestry sector began to be regarded as part of the local economy. The sale of timber to dealers from outside the area was the normal practice during the period 1988-1991. Logging was arbitrary, damaging to the forest and poorly planned. Though the income obtained from the commercialization of wood goes some way to alleviating the economic crisis facing the local people, it represents less than 50% of the real value of the marketed output. Time and again, timber has been traded at very low prices. Due to the campesinos' ignorance and need, the residual forest, disturbed and destroyed, is turned into grazing lands and crops planted, providing no more than average returns for a three or four-year period.

Con este panorama, BOSCOSA se dio a la tarea de hacer concordar los intereses económicos de la población local (extraer madera) con los objetivos del programa de dar un uso sustentable al bosque. Así se plantearon y diseñaron planes de manejo forestal, abajo los siguientes criterios de sustentabilidad: a) ciclos de corta superiores a 10 años; b) períodos de recuperación para las áreas aprovechadas, superiores a 30 años; c) volúmenes de corta anual restringidos al 50% del volumen comercial mayor de 70 cm. de diámetro (DAP). Bajo este sistema se encuentran a la fecha unas 2900 hectáreas, distribuidas en tres organizaciones: ASOPRAQ, COCOPEAGROMUEBLES, y SIPRAICO.

It was against this backdrop that BOSCOSA set out to fuse the economic interest of the local people (logging) with the Program's objective of making the utilization of the forest sustainable. Accordingly, the idea of forest management was put forward and document plans designed with the following sustainability criteria: a) cutting cycles of ten years or more; b) recovery periods of 30 years or more for the areas harvested; c) annual felling volumes limited to 50% of the commercial volume over 70 cm in diameter (DBH). Thus far some 2900 hectares owned by three organizations (ASOPRAQ, COOPEAGROMUEBLES and SIPRAICO) have been incorporated into this system.

Se propone efectuar un análisis de costos del manejo forestal natural para determinar las principales ventajas y desventajas de los sistemas administrativos y de cosecha así como el tipo de asistencia, capacitación, etc. empleados hasta el momento. Este análisis será realizado con la ayuda de un especialista en economía forestal.

A cost analysis of natural forest management is proposed in order to determine the main advantages and disadvantages of the harvesting and management systems and the type of technical assistance, training, etc. employed at present. This analysis will be conducted with the help of a forestry economics specialist.

Uno de los problemas mayores que enfrentan los proyectos desarrollados por BOSCOSA, es la continuidad de la asistencia técnica a largo plazo. Preocupa que una vez que BOSCOSA termine sus actividadaes en la Península de Osa, los grupos no cuenten con una instancia confiable donde acudir para contratar el componente técnico que requiere el desarrollo de sus proyectos. Más aún, la asistencia técnica aportada por consultores privados, además de ser muy onerosa, presenta el problema del poco compromiso que adquieren éstos por el trabajo realizado, lo que podría influir en la sustentabilidad del proyecto y su impacto ambiental.

One of the biggest problems faced by the projects being executed by BOSCOSA is the ongoing, long-term technical assistance. It is a cause of some concern that once BOSCOSA has concluded its activities in the Osa Peninsula, the groups will not have a reliable organization to whom they can turn when they need to contract for the technical component of their projects. In addition to the financial burden involved, the lack of a personal commitment by private consultants in the technical assistance they provide could undermine the sustainability of the project and its environmental impact.

Ante esto, BOSCOSA propone la creacion y consolidación de una Corporación Forestal (denominada para fines de este documento como COFOSA) a nivel local, que en el futuro cercano se haga responsable de la supervisión y seguimiento de los proyectos. Este grupo técnico estará formado por profesionales

Accordingly, BOSCOSA proposes the creation and consolidation of a local Forestry Corporation which would take charge of project supervision and follow-up in the near term. This technical group would be made up of independent professionals. The organization would have a Board of Directors and a General Assembly of

independientes a BOSCOSA. La organización incluirá una Junta Directiva y una Asamblea General de Asociados que definirá sus líneas de acción.

Por sus servicios prestados, el grupo técnico, cobrará de acuerdo a precios que estén en concordancia con el mercado nacional. Así, las organizaciones locales e individuos que requieran un servicio técnico, deberán costearlo. Este sistema funciona en otras partes del país, con buen éxito en AGUADEFOR y CODEFORSA.

La consolidación de la Corporación permitirá, entre otras cosas, un mejor control del aprovechamiento forestal de la Península de Osa, (se proyecta que supervisará el 75% de los planes de manejo de la zona dentro de 5 años). Al igual que CODEFORSA, esta organización deberá tener el respaldo de la DGF y contar con mecanismos ágiles y confiables que regulen la extracción de madera de la zona. La participación de sus técnicos regentes como responsables del aprovechamiento de determinadas áreas permitirá a la DGF tener un mejor control de las cortas.

2. Componente agropecuario

Objetivo general del componente: Promover opciones agropecuarias que aumenten, el el corto plazo, los ingresos de los campesinos participantes y garanticen la conservación del suelo.

El Programa de BOSCOSA empezó como un programa de orientación forestal. Sin embargo, las condiciones sociales, económicas y culturales de la Península hicieron necesaria la creación de un componente agrícola. Este componente busca proporcionar beneficios a corto y mediano plazo mediante una mejor utilización de los recursos agrícolas disponibles. Las actividades que promueve el área de cultivos y de cría de animales están dirigidas a aliviar los problemas de disponibilidad de alimento y a generar ingresos para las comunidades. Ambos

Members which would define its lines of action.

The technical group would charge fees for its services in line with local going rates. Thus, local organizations and individuals who require a technical service would pay for it. This system has already been successfully introduced in other parts of the country, most notably in AGUADEFOR and CODEFORSA.

Among other things, the consolidation of the Corporation would make it possible to exercise greater control over forest utilization in the Osa Peninsula (it is anticipated that within five years it would monitor 75% of the area's management plans). As in the case of CODEFORSA, this organization would require the backing of the DGF and expedite and reliable mechanisms for regulating harvesting activities in the area. The fact that its senior technical experts would be in charge of the utilization of specific areas would enable the DGF to exercise greater control over logging activities.

2. Crop and Animal Production Component

Overall component objective: To promote agricultural alternatives that result in a short-term increase in the income of the campesinos involved and ensure soil conservation.

The BOSCOSA Program started out as a forestry-oriented program. However, social, economic and cultural conditions in the Osa Península made the creation of an agricultural component necessary. This component aims to provide short- and medium-term benefits by making better use of available agricultural resources. The activities promoted by the crop and animal husbandry area seek to alleviate the problems of availability of food and generate income for communities. Both these problems have been identified as contributing to the pressures exerted on the natural forests of the Osa Península.

problemas han sido identificados como causantes de las presiones que sufren los bosques naturales de la Península de Osa.

En este esfuerzo, la actividad agrícola se ha orientado hacia el ordenamiento de fincas, tomando como base su capacidad de uso. Para ello, el componente agrícola de BOSCOSA ha promovido cultivos perennes: pejibaye y guanábana, que sirven como ordenadores, intercalados en su fase inicial con cultivos anuales o temporales, principalmente granos básicos, plátano, raíces y tubérculos.

BOSCOSA considera la finca como la unidad ecológica y económica básica para el planeamiento de actividades. De conformidad, el trabajo que se emprenderá, será un esfuerzo para integrar los componentes que permitan resolver los problemas generales de cada pequeño finquero particular, tomando en cuenta el hecho de que viven en una zona de protección ambiental.

BOSCOSA promueve nuevas cosechas y actividades que absorban mano de obra y generen riqueza a fin de aliviar la presión sobre el uso tradicional del bosque. El mayor problema que se ha encontrado hasta ahora es el hecho de que los cultivos perennes sólo empiezan a producir varios años después de ser plantados. Esto requiere una inversión inicial alta que no siempre es fácil de financiar, y como resultado, un problema hace surgir otro. Por tanto, hay una necesidad urgente de crear una pequeña agroindustria local que procese y comercialice la fruta en forma de pulpa congelada lo cual hará posible aumentar el valor agregado del producto a nivel local, crear empleo y propiciar un mercado mucho más estable.

El componente agrícola de BOSCOSA complementará las actividades forestales. Ambos requieren que los pequeños finqueros participen en la toma y puesta en vigor de las decisiones. A grandes rasgos, la labor del Componente agrícola tendrá dos actividades principales: ganadería y cultivos en pequeña escala.

In this effort, agricultural activity has been geared toward land ordinance keyed to the land's capability. In doing so, the BOSCOSA agricultural component has promoted perennial crops - peach pal and soursop - as barrier crops interplanted in the initial stages with annual or temporary crops, mainly basic grains, plantains and roots.

BOSCOSA views the farm as the basic ecological and economic unit for the planning of activities. Accordingly, the work to be undertaken will endeavor to integrate components that enable it to resolve the general problems of each small farmer, and taking account of the fact they live inside a buffer zone.

BOSCOSA promotes new crops and activities that absorb manpower and generate wealth in order to alleviate pressure on the traditional use of the forest. The biggest problem encountered so far is the fact that perennials only begin to produce several years after planting. This calls for high initial investment which is not always easy to finance and, as a result, an activity intended to overcome one problem simply throws up another. Therefore, there is an urgent need to create a small local agroindustry to process and market the fruit in the form of frozen pulp which will make it possible to increase the product's value added at the local level, create jobs and lead to a much more stable market.

BOSCOSA's agricultural component will complement the forestry activities. Both call for small farmers to participate in the making and execution of decisions. Broadly speaking, the work of the Agricultural Component will have two main thrusts: livestock and small-scale cropping.

Una escogencia lógica para pequeños finqueros, la cría de ganado, tiene el inconveniente de la carencia de infraestructura y la calidad de las tierras disponibles para pastos debido al mal manejo y a lo extremo del clima. De acuerdo con esto, BOSCOSA promoverá programas de selección y manejo de pastos que se adapten bien al área. Igualmente, BOSCOSA apoyará el establecimiento de dos chiqueros modelo, en los cuales se usarán desperdicios de productos agrícolas para complementar las necesidades de alimentación.

Una de las preocupaciones más serias es el uso de productos químicos por parte de los pequeños finqueros en la Península de Osa. La asistencia de BOSCOSA se dirige a dotar a los pequeños terratenientes de una herramienta para controlar la maleza que no represente una amenaza para si mismos ni para el ambiente.

En los próximos tres años BOSCOSA buscará concluir la consolidación de 1,500 hectáreas de tierra con actividades de manejo sustentable y hará que 15 residentes locales se capaciten como extensionistas agrícolas.

3. Componente de Titulación de Tierras

Objetivo General del Componente: El enfoque de este componente se centra en el problema de la carencia de escrituras sobre las tierras forestales. En muchos casos estas tierras fueron ocupadas por precaristas hace unos 25 años, antes de que el área fuera declarada reserva forestal. La titulación es crucial para los residentes del área a fin de obtener cualquier tipo de financiamiento. Igualmente, ningún permiso legal de tala es emitido por la Dirección General Forestal (DGF) si no hay escrituras. Al manejar el bosque sin escrituras, los precaristas se ven forzados a deforestar y a cambiar la utilizacion de la tierra para dedicarla a pastos para ganado o a la agricultura.

A logical choice for small farmers, stock raising gets around the present problem of the lack of infrastructure and the quality of grazing land available, due to the extremes of climate and poor management. Accordingly, BOSCOSA will promote programs for the selection and management of grasses that adapt well to the area. Similarly, BOSCOSA will support the setting up of two swine modules, with waste agricultural products being used to complement their feed requirements.

One of the biggest concerns is the use of chemical products on agricultural plantations by small farmers in the Osa Península. BOSCOSA's assistance is geared toward providing smallholders with a tool for weed control that does not represent a threat to either themselves or the environment.

Over the next three years BOSCOSA aims to conclude the consolidation of 1,500 ha. of land with sustainable management activities and have 15 local residents be trained as agricultural extensionists.

3. Land Titling Component

Overall Component Objective: The focus of this component is on the problem of the lack of titles on forested land. In many cases these lands were first occupied by squatters over 25 years ago, before the area was declared forestry reserve. Titling is critical to residents of the area for obtaining any type of financing. Similarly, no legal logging permits can be issued by the Direccion General Forestal (DGF) for forest management without land titles. Managing the forest without title forces squatters to deforest and change the land use to pasture land for livestock or agriculture crop production.

A fin de contar con manejo sustentable a largo plazo en estos bosques, es imperativo que los problemas de tenencia de tierras se resuelvan y que las escrituras se otorguen a condición de que esta tierra de Reserva Forestal sea preservada para usos forestales.

USAID apoyará los esfuerzos de la ONG local CEDARENA para complementar los esfuerzos de BOSCOSA en este proyecto con miras a resolver los problemas de tenencia de tierra que son graves obstáculos para el manejo sustentable de una cubierta forestal productiva en la Península de Osa.

Esta situación, aunada a un temor generalizado ante medidas gubernamentales de ampliar las restricciones sobre el uso y tenencia de la tierra, ocasionan inseguridad en los ocupantes, por cuanto convierte en ilegal el manejo de bosques dentro dé la Reserva y obstruye el acceso a los créditos. En consecuencia, la promoción de actividades de manejo sustentable de recursos naturales y cualquier actividad de mediano y largo plazo es difícil.

Debido a estos problemas el Programa BOSCOSA y CEDARENA, han venido trabajando por más de un año en la búsqueda de mecanismos y soluciones integrales para los mismos. Durante este tiempo se diseñó una estrategia metodológica para un ordenamiento territorial de la Península de Osa y se han realizado múltiples esfuerzos de coordinación con las instituciones gubernamentales y privadas con presencia en la zona. Además, se realizó una campaña de información para la participación de comunidades y grupos en el diseño de soluciones.

Como resultado se tiene actualmente una visión clara de la situación legal de las tierras en Osa, lo que ha permitido la propuesta de soluciones muy concretas a los problemas de tenencia de tierra que existen.

In order to have long-term sustainable management in these forests, it is imperative that the land tenancy problems be solved and that the titles be granted with the condition that this Forest Reserve land be maintained for forest land use.

USAID will support the efforts of the LPVO CEDARENA in this Project to complement the efforts of BOSCOSA to resolve the land tenancy issues that are major constraints to the sustainable management of a productive forest cover in the Osa Peninsula.

Allied to the widespread fear of government measures that would further restrict land use and tenure, this situation is creating uncertainty among the occupiers as it would make forest management within the Reserve illegal and hamper access to credits. As a result, the promotion of the sustainable management of natural resources and any medium and long term activity is difficult.

For over a year the BOSCOSA program and CEDARENA have been engaged in identifying mechanisms and integrated solutions to these problems. During this period a methodological strategy was designed for a land ordinance project in the Osa Peninsula and numerous coordination efforts took place with government and private institutions active in the area. In addition, an information campaign was mounted to involve communities and groups in the design of solutions.

As a result, there is now a clear vision of the legal situation in regard to land in the Osa Peninsula, and this has made it possible to propose very specific solutions to existing land tenure problems.

Todo lo anterior será incorporado en una estrategia que contendrá un inventario de información, propuestas específicas y pautas para el diseño de una estrategia integrada de ordenamiento territorial para la Península. Las actuales condiciones políticas favorecen la resolución de esta situación de incertidumbre. El IDA y MIRENEM han expresado su voluntad de cooperar.

All of the above will be incorporated into a strategy that will contain an inventory of information, specific proposals and guidelines for the design of an integrated land ordinance strategy for the Península. Current political conditions favor the resolution of this situation of uncertainty. IDA and MIRENEM have expressed their willingness to cooperate.

4. Componente de Comercialización y Capacitación

Elemento de Capacitación:

Objetivo General del Componente: (a) Fortalecer la capacidad administrativa y organizativa de las agrupaciones de la Península de Osa, de forma tal que se logre la participación efectiva de sus miembros en el proceso de toma de decisiones y con ello su autosuficiencia. (b) Dotar al personal de las organizaciones, del conocimiento técnico y de las herramientas básicas necesarias para desarrollar proyectos sustentables.

Debido a su patrón cultural, la población local en la Península de Osa tiene muy poca experiencia en la participación activa en grupos organizados, y aún menos en el manejo administrativo de recursos y proyectos productivos. En el pasado esta situación a menudo impedía que los proyectos se llevaran a cabo eficientemente y condujo a que la gente perdiera la fe en sus organizaciones.

Consciente de esta situación, BOSCOSA ha enfocado su acción en la capacitación de sus agentes a todo nivel. Ha realizado un Programa de Capacitación entre las organizaciones locales para tratar asuntos tales como organización productiva, administración de empresas, contabilidad, mercadeo y desarrollo de proyectos.

Otra importante área de la capacitación es la comercialización y el desarrollo de proyectos por grupos organizados. En el pasado esta tarea

4. Training and Commercialization Component

Training Element:

Overall component objective: (a) Strengthen the administrative and organizational capability of groups in the Osa Península so as to involve their members actively in decision-making processes and thereby make them self-sufficient. (b) Equip the staff of said organizations with the expertise and basic skills necessary to execute sustainable projects.

Due to their cultural make-up the local population on the Osa Península has very little experience of active participation in organized groups, and even less of the administrative management of resources and productive projects. In the past this situation often prevented projects from being executed efficiently and led the people to lose faith in their organizations.

Mindful of this situation, BOSCOSA has focused its action on the training of its agents at every level. It has executed a Training Program among local organizations to deal with such issues as production organization, business administration, accounting, marketing and project development.

Another important area of the training is marketing and the identification and development of projects by organized groups. In the past this task has

ha recaído usualmente en personas e instituciones ajenas a la región que hacen poco, si es que hacen algo, para involucrar a los pobladores locales en el diseño, planeamiento y ejecución de los proyectos. En su programa de capacitación BOSCOSA persigue la meta de un esfuerzo continuado y cooperativo entre sus propios expertos técnicos y las comunidades interesadas.

La realización de proyectos productivos se ve obstaculizada por la carencia de personal capacitado para llevarlos a cabo a nivel local. El uso de individuos con poca capacitación resulta en un bajo nivel de utilización de los recursos, el cual se refleja inmediatamente en los costos de producción. Este problema surge en los campos forestal y agrícola, con el inconveniente adicional de que BOSCOSA tiene una limitada cantidad de personal técnico y el impacto de su trabajo es por tanto igualmente limitado. La incorporación de paratécnicos locales a sus esfuerzos significará que la capacitación tendrá un efecto multiplicador. Basándose en la experiencia positiva de los paraforestales, BOSCOSA busca capacitar más residentes de la zona en habilidades técnicas y prácticas.

La experiencia obtenida en la ejecución de los planes de capacitación sugiere que este debería ser considerado como un proceso educativo continuo con actividades de seguimiento para que aquellos ya capacitados fortalezcan las habilidades adquiridas.

Además de esto, se anticipa que BOSCOSA participará en y se beneficiará de las actividades contempladas bajo el Proyecto de Regulación Forestal para el Manejo Sostenido propuesto.

5. <u>Componente de Protección Ambiental</u>

<u>Objetivo General del Componente</u>:

Asegurarse de que las acciones tomadas sean apropiadas para minimizar el impacto del Estudio Ambiental de las actividades del Proyecto.

usually fallen to persons and institutions extraneous to the region who do little, if anything, to involve the local people in the design, planning and execution of projects. Under its training program, BOSCOSA pursues the goal of an ongoing and combined effort between its own technical experts and the communities concerned.

The execution of productive projects is handicapped by the lack of trained personnel to implement them at the local level. The use of poorly trained individuals results in a low level of resource utilization, which is immediately reflected in production costs. This problem arises in the forestry and agricultural fields, with the additional drawback that BOSCOSA has only limited technical staff and the impact of its work is therefore limited. The incorporation of local paratechnicians into its efforts means that the training has a multiplier effect. Building on the positive experience of the paraforesters, BOSCOSA aims to train more local residents in technical and practical skills.

The experience obtained in the implementation of training plans suggests that this should be viewed as an ongoing educational process with follow-up activities for those already trained to further strengthen the skills acquired.

In addition, it is anticipated that BOSCOSA will particiate in and benefit from activities under the proposed Forestry Regulation for Sustainable Management Project.

5. <u>Environmental Protection Component</u>

<u>Overall Component Objective</u>:

Insure appropriate actions are taken to minimize Environmental impact of Project Activities.

estará a cargo del impacto ambiental negativo de las actividades del proyecto en las tierras húmedas, forestales y biodiversidad y tomará las acciones necesarias para mitigar estos impactos. Los tipos de actividades y los resultados requeridos bajo este componente están descritos en la Sección D. 5 y F de este Anexo.

D. Resultados del Proyecto

1. Componente Forestal

- Promover al menos un nuevo proyecto de integración forestal-industrial y consolidar el que está en funcionamiento.

- Establecer o consolidar 5,000 hectáreas bajo manejo o conservación, dentro del sistema de bosque comunal.

- Establecer una red de al menos 20 terrenos permanentes de bosque natural que hagan posible el desarrollo de un sistema silvicultural para la Península de Osa.

- Promover la reforestación de un mínimo de 250 hectáreas, mayormente con especies nativas.

- Establecer, o dar seguimiento a una red de por lo menos 50 terrenos que hagan posible desarrollar modelos de crecimiento para las especies mayores usadas en reforestación

- Crear una organización local administrada en forma privada, para ofrecer, por una tarifa, algunos de los servicios técnicos forestales que BOSCOSA ha proporcionado hasta ahora.

2. Componente de Cultivos y Producción Animal

- Suministrar más asistencia técnica en el manejo de 50 hectáreas de guanábana y 18 hectáreas de palma melocotón.

will monitor potentially negative environmental impact of project activities on wetlands, forest and biodiversity, and take appropriate actions to mitigate these impacts. The types of activities and outputs required under this Component are described in Sections D. 5 and F of this Attachment.

D. Project Outputs

1. Forestry Component

- Promote at least one new forest-industry integration project and consolidate the one already in place.

- The establishment or consolidation of 5,000 ha under management or conservation, within the community forest system.

- Set up a network of at least 20 permanent plots of natural forest that will make it possible to develop a silvicultural system for the Osa Península.

- Promote the reforestation of a minimum of 250 ha., mostly with native species.

- Set up, or provide follow-up to, a network of at least 50 plots that will make it possible to develop growth models for the major species used in reforestation.

- The creation of a local privately-managed organization to provide, at a charge, some of the forestry technical services that BOSCOSA has provided until now.

2. Crop and Animal Production Component

- Provide further technical assistance in the management of 50 ha. of soursop and 18 ha. of peach palm.

- Apoyar a ASGUACA (asociación campesina) en la consolidación de su proyecto para el procesamiento de guanábana y otras frutas locales.

- Asesorar cinco organizaciones locales en la siembra y mantenimiento de 50 hectáreas de plátano.

- Promover la ejecución de un proyecto para que cuatro organizaciones siembren 100 hectáreas de cultivos de raíces. Esto incluye la siembra de 45 hectáreas de tiquisque, 30 hectáreas de ñampí, 5 hectáreas de ñame, 10 hectáreas de yuca, y 10 ha. de papa chiricana.

- Establecimiento de una proyecto de 5 hectáreas para demostrar el uso de la cubierta natural para controlar la maleza comúnmente encontrada entre cultivos perennes, y el mejoramiento de la fertilidad del suelo.

- Proporcionar asistencia técnica de asesoría en el manejo de dos proyectos porcinos con 10 animales de cría cada uno, complementando su alimentación con productos de desperdicio del cultivo de la palma melocotón, del plátano y de cultivos de raíces.

- Establecer un terreno de demostración para el mejoramiento de las tierras de pastos en San Juan de Sierpe (una comunidad con gran potencial para la cría de ganado); este terreno será usado para capacitar campesinos y también servirá como almácigo. El terreno tendrá una extensión de 1 hectárea.

- Apoyar la instalación de una planta empacadora de plátano y cultivos de raíces en el área.

- Support ASGUACA (campesino association) in the consolidation of its project for the processing of soursop and other local fruits.

- Provide advisory assistance to five local organizations in the planting and maintenance of 50 ha. of plantain.

- Promote the execution of a project for the planting of 100 ha. of root crops by four organizations. This includes the planting of 45 ha. of "tiquisque", 30 ha. of "ñampi, 5 ha. of "ñame", 10 ha. of cassava, and 10 ha. of "papa chiricana".

- Set up a 5 ha. project to demonstrate the use of natural cover to control weeds commonly found among perennial crops and the improvement of soil fertility.

- Provide advisory technical assistance in the management of two swine projects with 10 breeding animals each, supplementing their feed with waste products from the cultivation of peach palm, plantain and root crops.

- Set up a demonstration plot for the improvement of grazing land in San Juan de Sierpe (a community with great potential for stock raising); this will be used to traing campesinos and also serve as a nursery. The plot will be 1 ha. in size.

- Support the installation of a packing plant for plantains and root crops in the area.

- Dos parcelas modelo ordenadas de acuerdo a su capacidad de uso.

3. Componente de Capacitación y Comercialización

- Mejorar la capacidad de ocho organizaciones locales para planear proyectos económicamente factibles, basados en precios de mercado.

- Dar los pasos necesarios para facultar a los afiliados a seis organizaciones para aplicar los principios de autoadministración reflejados en la identificación de sus necesidades de capacitación, toma de decisiones y el análisis y ejecución de proyectos.

- Mejorar los sistemas contables de 5 organizaciones en la Península de Osa, de forma que las cifras obtenidas puedan ser usadas en la toma de decisiones.

- Mejorar la capacidad de cinco organizaciones locales de formular y llevar a cabo sus propios proyectos.

- Dar los pasos para asegurar que los paraforestales entrenados se conviertan en verdaderos líderes técnicos que apoyen la realización de actividades agroforestales y de conservación en sus comunidades.

- Establecer una red de información en mercadeo de productos.

- Capacitar al menos 20 personas locales en técnicas de mercadeo.

- Elaborar cinco estudios de mercado para productos nuevos a comercializar en Osa.

- Two model farms organized in accordance with the soil capacity study.

3. Training and Marketing Component

- Improve the capacity of eight local organizations to plan economically feasible projects based on a market prices.

- Take the steps necessary to empower the members of six organizations to apply self-management principles, reflected in the identification of their training needs, decision-making and the analysis and execution of projects.

- Improve the accounting systems of 5 organizations in the Osa Península, so that figures obtained can be used in decision-making.

- Improve the ability of five local organizations to formulate and execute their own projects.

- Take steps to ensure that the trained paraforesters become actual technical leaders who support the execution of agroforestry and conservation activities in their communities.

- Establish an information network on product marketing.

- Conduct five market studies for new products to be commercialized in Osa Peninsula.

- Train at least 20 local people in marketing techniques.

4. Componente de Titulación de Tierras

- Una estrategia global para un ejercicio de ordenamiento territorial en la Península de Osa, basada en el Plan de Manejo Forestal de la Reserva del Golfo Dulce, en la Valoración Ecológica Rápida de BOSCOSA, y en el Plan de Ordenamiento Territorial de la CCT.

- Un promedio de 10 consultas sobre tenencia de la tierra, por mes, para beneficiarios de BOSCOSA por medio de un servicio permanente de asistencia legal.

- Un inventario de tenencia de tierra para todos los beneficiarios del área de influencia de BOSCOSA. Este inventario incluirá ocupantes, dueños y otros tipos de tenencia.

- Aproximadamente 13 talleres (uno por comunidad o grupo beneficiario de BOSCOSA) para dar capacitación en derecho ambiental sobre la prevención y control de actos que violen los principios del buen manejo de los recursos naturales en la Península de Osa.

- 30 certificados de posesión tramitados para los campesinos beneficiarios de BOSCOSA.

- Constitución e inscripción de 10 gravámenes y limitaciones de conservación y manejo de recursos naturales en propiedad privada.

- 12 talleres de capacitación y coordinación para 120 empleados públicos, sobre aspectos legales del uso de la tierra.

5. Componente de la Proteccion Ambiental

- Clasificar, proteger o restaurar el restante de las tierras húmeras en las Areas del Proyecto.

4. Land Titling Component

- A global strategy for a land ordinance exercise in the Osa Península, based on the Golfo Dulce Forest Reserve Management Pian, BOSCOSA's Rapid Ecological Assessment, and the CCT's Land Ordinance Plan.

- An average of 10 consultations per month about land tenancy for beneficiaries of BOSCOSA by means of a permanent legal assistance service.

- A land tenure inventory for all of the beneficiaries within BOSCOSA's service area. This inventory will include occupiers, owners and other types of tenure.

- Approximately 13 workshops (one per community or BOSCOSA beneficiary group) for legal-environmental training on the prevention and control of actions that violate the principles of sound natural resource management in the Osa Península.

- 30 statements of possesion processed for BOSCOSA campesino beneficiaries.

- Drawing up and legal registration of 10 lega obligations for conservation and natural resource management limitations on private property.

- 12 training and coordination workshops for 120 public employees, about legal aspects of land use.

5. Environmental Protection Component

- Classify, protect or restore remaining wetlands in Project Areas.

- Un estudio base para determinar con exactitud un estimado de la extension y distribucion del bosque primario, bosque secundario y bosque manejable.

- Un estudio para determinar los tipos de comunidades en bosques primarios y un inventario de especies animales y vegetales.

- Un estudio base sobre el hábitat de la vida silvestre en áreas donde la visita humana tiende a aumentar como resultado de BOSCOSA.

- Dirigir MIP (Manejo Integrado de Plagas) cursos y dos demostraciones a los finqueros de la práctica del uso del MIP.

- Los planes de manejo forestal para el uso de las técnicas apropiadas de los cultivos para la protección de la biodiversidad.

E. Fin de la Situación del Proyecto.

Las actividades ya financiadas por AID continuarán operando con otras fuentes de financiamiento. Sin embargo,la intensidad de estas actividades bajará dramáticamente en las comunidades que han probado ser capaces de pagar por la asistencia técnica. Estas organizaciones pagarán a BOSCOSA o a cualquier otro proveedor de asesoría en el área.

A medida que BOSCOSA abandona ciertas comunidades, comenzará a acercarse a otras nuevas en zonas remotas de la Península de Osa en donde el uso de los recursos naturales está amenazado por la pobreza o la negligencia. BOSCOSA continuará laborando con estas comunidades con financiamiento asegurado por la venta servicios técnicos o nuevas donaciones.

- Baseline study to determine accurate estimate of acreage and distribute of primary, secondary and managed forests.

- Study to determine the primary forest community types and an inventory of forest, pland and animal species.

- Baseline study of wildlife habitat use in areas where human visitation is likely to increase as a result of BOSCOSA.

- Conduct IPM (Integrated Pest Management) courses and establish two demonstration farms using IPM practices.

- Forest management plans for appropriate harvest techniques to protect biodiversity.

E. End of Project Status

The activities already funded by AID will continue to operate with other funding sources. However, the intensity of these activities will decrease dramatically with the communities that proved to have the capacity to pay for technical assistance. These organizations will pay BOSCOSA, or any other source of technical advice in the area.

As BOSCOSA leaves certain communities, it will begin to approach new ones, in remote areas of the Osa Peninsula where the use of natural resources is threatened by poverty or negligence. BOSCOSA will continue to work with these communities with funding secured by the selling of technical services, or with new donations.

En general, se espera que en los próximos tres años, gracias a BOSCOSA y a otras iniciativas llevadas a cabo por organizaciones privadas y gubernamentales, la crítica situación que se encontró hace cuatro años habrá desaparecido por completo. Particularmente, en cuanto a la deforestación ilegal, la amenaza de los oreros y las condiciones socioeconómicas de las comunidades en la zona de protección que rodea al Parque Nacional de Corcovado.

A largo plazo, los esfuerzos de BOSCOSA y otros grupos en la Osa, contribuirán a la protección del Parque Nacional de Corcovado y sus alrededores, mediante el mejoramiento de las condiciones sociales y económicas de la gente que vive allí.

F. Consideraciones Ambientales

Como está especificado en el Anexo I, Sección E, párrafo 9, excepto que la AID convenga de otra forma por escrito, el Donatario acuerda implementar las siguientes medidas de mitigación originadas del Estudio Ambiental de la enmienda del Proyecto.

1. El Proyecto BOSCOSA deberá hacer un esfuerzo por clasificar, proteger, o restaurar las tierras húmedas remanentes que podrían perderse mediante el desarrollo de infraestructura. Las tierras húmedas pueden servir como importantes filtros para precipaciones de fincas, y como hábitat para especies acuáticas y otra vida silvestre. Las áreas de tierra húmeda no necesitan ser extensas en tamaño. Un terreno húmedo de 0.25 hectáreas puede filtrar adecuadamente precipitaciones de varias docenas de fincas, y al mismo tiempo favorecer una importante diversidad de especies silvestres. El Proyecto BOSCOSA deberá contratar los servicios a corto plazo de un ecologista especializado en la conservación de tierras húmedas, y con experiencia en la restauración de tierras húmedas

In general, it is expected that in the next three years, thanks to BOSCOSA, and other initiatives implemented by governmental and private organizations, the critical situation found four years ago will have completely disappeared. Particularly, regarding illegal deforestation, the threat of gold panners, and the general socio-economic conditions of the communities in the buffer zone of Corcovado National Park.

In the long run, the efforts made by BOSCOSA and other groups in the Osa, will contribute to the protection of Corcovado National Park and its surroundings by improving the social and economic conditions of the people who live there.

F. Environmental Considerations

As specified in Attachment I, Section E, paragraph 9, except as AID may otherwise agree in writing, the Grantee agrees to implement the following mitigation measures arising from the project amendment's Environmental Assessment.

1. The BOSCOSA Project should make an effort to classify, protect, or restore remaining wetlands which may be lost through infrastructure developments. These wetlands can serve as important filters for farm and homestead runoff, and as habitat for aquatic species and other wildlife. Wetland areas need not be large in area. A 0.25 hectare wetland can adequately filter runoff from several dozen homesteads, and still support an important diversity of wildlife species. The BOSCOSA Project should contract the short-term services of an ecologist specializing in the conservation of wetlands, and with experience in the restoration of natural wetlands. This specialist should conduct a rapid inventory of remaining wetland areas in

naturales. Este especialista deberá realizar un rápido inventario de tierras húmedas remanentes en zonas potenciales de desarrollo forestal o agrícola, así como identificar áreas que pueden ser restauradas sin afectar adversamente la producción o el desarrollo agrícola. El especialista deberá: (a) trazar un mapa de todas las áreas de tierras húmedas potencialmente efectadas cuyo tamaño vaya a influenciar significativamente los ecosistemasque estén alrededor; (b) identificar las tierras húmedas que brinden importantes contribuciones a los ecosistemas; (c) definir medidas apropiadas que pueden ejecutarse para asegurar la conservación o restauración de tierras húmedas remanentes identificadas como ecológicamente importantes; (d) dar instrucciones al personal de BOSCOSA u otros profesionales contratados para qu se implanten las medidas necesarias para la conservación o restauración de tierras húmedas. Finalmente, el especialista deberá llevar a cabo seminarios y charlas informales con organizaciones de agricultores locales y extensionistas agrícolas regionales para instruirlos en lo referente a los valores y estrategias para la conservación y desarrollo de tierras húmedas. Los servicios de este especialista se necesitarán por aproximadamente un mes.

potential forestry or agricultural development sites, as well as identifying areas that could be restored to wetlands without adversely affecting farm production or agricultural development. The specialist should: (a) map all potentially affected wetland areas that are of a size that would significantly influence surrounding ecosystem functions; (b) identify wetlands that provide important contributions to ecosystem functions; (c) define suitable measures which can be implemented to ensure conservation or restoration of the identified ecologically important remaining wetlands; (d) instruct BOSCOSA staff or other hired professionals in field implementation measures necessary to enact wetlands conservation or restoration. Finally, the specialist should conduct seminars and informal dialogues with local farm organizations and regional agricultural extensionists to instruct them in the values and strategies for wetlands conservation and development. The services of this wetland specialist would be required for approximately one month.

2. Una porción del financiamiento para la enmienda propuesta deberá asignarse para asegurar que los componentes específicos de las actividades de investigación y monitoreo sean llevados a cabo. Específicamente, se deberán asignar fondos para llevar a cabo lo siguiente:

   A) Un estudio base para determinar con exactitud un estimado de la extensión y distribución del bosque primario, bosque secundario y bosque manejable. Este estudio es necesario para

2. A portion of the financing from the proposed amendment should be allocated to ensure that specific components of the research and monitoring activities are carried out. Specifically, finances should be allocated to carry out the following:

   A) A baseline study to determine an accurate estimate of the acreage and distribution of the primary forest, secondary forest and managed forest. This study is needed to precisely define the existing

definir con precisión el bosque existente de modo que los esfuerzos por reducir la pérdida de cobertura forestal en Osa puedan ser evaluados adecuadamente;

B) Un estudio para determinar los tipos de comunidades en bosques primarios y un inventario de especies animales y vegetal. Este estudio es necesario para establecer un monitoreo que determine los efectos de los planes de manejo forestal de BOSCOSA en la diversidad biológica de Osa.

C) Un estudio base sobre el hábitat de la vida silvestre en áreas donde la visita humana tiende a aumentar como resultado de las intervenciones sobre manejo forestal recomendadas por BOSCOSA. Este estudio es necesario para ver el efecto que tiene el programa propuesto por BOSCOSA para el uso sostenible del bosque en especies silvestres más grandes y tomar decisiones sobre la capacidad de carga humana en los parques nacionales y la reserva forestal.

D) Comparar la vida acuática y la sedimentación bajo cosechas forestales no reguladas, bosques manejados y bosques primarios.

3. BOSCOSA deberá mantener una lista actualizada de la Agencia de Proteccción Ambiental (APA) de los EE. UU. de Pesticidas de Uso General (PUG) y Pesticidas de Uso Restringido (PUR) para todos los cultivos que serán promovidos mediante actividades de extensión agrícola. Los encargados de proyectos de extensión que presten asistencia técnica en actividades de producción agrícola deberán proporcionar asesoría a los agricultores en métodos de control biológico o en demostraciones y

forest so efforts to reduce loss of forest cover on the Osa can be adequately evaluated;

B) A study to determine the primary forest community types and an inventory of forest plant and animal species. This study is needed to set up monitoring to determine the effect of BOSCOSA's forest management plans on the biological diversity of the Osa.

C) A baseline study of wildlife habitat use in areas where human visitation is likely to increase as a result of BOSCOSA recommended forest management interventions. This study is needed to see what effect the proposed sustainable forest use program proposed by BOSCOSA is having on larger wildlife species and to make decisions about the human carrying capacity in the national parks and the forest reserve.

D) Compare aquatic life and sedimentation below unregulated forest harvest, managed forest, and primary forest.

3. BOSCOSA should maintain an updated U.S. Environmental Protection Agency (EPA) list of General Use Pesticides (GUP) and Restricted Use Pesticides (RUP) for all crops which will be promoted through agricultural extension activities. Project extension workers providing technical assistance in agricultural production activities should include advice to farmers on biological control methods or Integrated Pest Management (IPM) demonstrations and training courses. Advisory

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cursos de capacitación para el Manejo Integral de Plagas (MIP). Los servicios de asesoría en MIP deben incluir información sobre métodos seguros y apropiados para la aplicación de pesticidas, incluyendo el correcto uso del equipo deprotección por parte de los agricultores. Como mínimo, todas las áreas de demostración agrícola usadas por el Proyecto BOSCOSA deberán demostrar el uso adecuado de agroquímicos, y deberán estar libres de PUR establecidos por la APA de los EE.UU. para los cultivos que se están sembrando.

4. El Proyecto BOSCOSA deberá establecer como mínimo dos fincas modelos que usen exclusivamente prácticas de MIP en la producción de cultivos. Estas áreas de demostración deberán ser usadas por los extensionistas de BOSCOSA como base para la capacitación y prácticas extensionistas llevadas a cabo con agricultores locales. Como parte de esta práctica, el personal de BOSCOSA específicamente deberá medir y mostrar a los agricultores locales las diferencias del costo de prácticas de control de insecticidas químicos convencionales y del MIP.

5. El Proyecto BOSCOSA deberá contratar los servicios de un especialista en el manejo de la vida silvestre con experiencia en el monitoreo y control de las actividades de caza. Este especialista deberá trabajar con el personal de BOSCOSA para: (a) asegurar que el monitoreo del impacto de las cosechas en los bosques sea diseñado y llevado a cabo de forma tal que produzca los mayores beneficios en términos de recolección de datos y educación local; (b) evaluar las localidades geográficas y la intensidad de las actividades de caza en el área del proyecto; (c) identificar las áreas en las cuales las actividades de caza deberán ser cambiadas o eliminadas; (d) capacitar al personal de BOSCOSA o a los designados localmente como

services in IPM should include information on safe and appropriate methods for pesticide application, including correct use of protective gear by farm workers. At a minimum, all agricultural demonstration areas used by the BOSCOSA Project should be demonstrating safe agrochemical use, and should be free of any RUPs set by U.S. EPA for the crops being grown.

4. The BOSCOSA Project should establish a minimun of two demonstration farms that are exclusively using IPM practices for crop production. These demonstration areas should then be used by BOSCOSA extension workers as a base for training and extension exercises conducted with local farmers. As part of this demonstration work, BOSCOSA staff should specifically measure and show local farmers the cost differences between conventional chemical pest control practices and IPM practices.

5. The BOSCOSA Project should contract the services of a wildlife management specialist with experience in the monitoring and control of hunting pressures. This specialist will work with the BOSCOSA staff to: (a) ensure that monitoring of impacts from forest harvest plans is designed and carried out in a manner which yields the maximum benefits in terms of baseline data collection and local education; (b) evaluate the geographic locations and intensity of hunting activities in the project area; (c) identify areas in which hunting activities should be modified or discouraged; (d) train BOSCOSA personnel or locally designated "para-wildlife officers" in educational activities which can be conducted to encourage

de vida silvestre" en actividades educativas que puedan realizarse para promover el mínimo impacto de la caza por parte de pobladores locales; y (e) definir un programa para que el Proyecto BOSCOSA lleve a cabo un programa de Educación y Monitoreo delCazador. Se deberá dar ánfasis especial al establecimiento del diálogo con cazadores locales para que estos se conviertan en promotores efectivos de prácticas en favor de la conservación y el sostenimiento de la vida silvestre. Los servicios de este especialista serán necesarios durante aproximadamente dos meses.

minimal-impact hunting by the local population; and (e) define a schedule for the BOSCOSA Project to carry out a Hunter Education and Monitoring program. Particular emphasis should be placed on establishing a dialogue with local hunters to become effective promoters of conservation and sustainable wildlife harvesting practices. The services of this specialist would be required for approximately two months.

6. La enmienda y extensión al Proyecto BOSCOSA deberá asegurar la continuación de actividades valiosas que han sido iniciadas en tempranas fases del proyecto. En especial, BOSCOSA deberá continuar: (a) el programa de capacitación paraforestal y actividades extensionistas paraforestales; (b) todas las actividades de educación ambiental en ejecución; y (c) el monitoreo actual de: 1) crecimiento de árboles; 2) tasas de regeneración de árboles; 3) características de composición de especie vegetal; y 4) características de composición de especie animal en zonas forestales apoyadas por el proyecto. El Proyecto BOSCOSA deberá compilar un resumen anual de los resultados obtenidos del monitoreo contínuo en el campo para permitir que los participantes del proyecto e interesados particulares evaluen efectivamente los esfuerzos de monitoreo.

6. The amended and extended BOSCOSA Project should ensure the continuation of the valuable activities which have been initiated in earlier phases of the project. In particular, BOSCOSA should continue: (a) the para-forester training program and para-forester extension activities; (b) all on-going environmental education activities; and (c) present monitoring of: 1) tree growth; 2) tree regeneration rates; 3) plant species composition characteristics; and 4) animal species composition characteristics in project-assisted forest harvest sites. The BOSCOSA Project should compile an annual summary of results from this on-going field monitoring to enable project participants and outside interests to effectively evaluate monitoring efforts.

7. Los planes de manejo forestal futuros deberán ampliarse para incluir la siguiente información:

   A. Una delineación cartográfica de las áreas que no podrán ser cortadas en el futuro previsible. Este mapa deberá incluir una

7. Future forest management plans should be expanded to include the following information:

   A. A mapped delineation of areas which should not be cut in the foreseeable future. This map should include a

descripción de los incentivos sociales, biológicos o físicos para mantener estas áreas como bosques naturales intactos y no perturbados.

B. Un mapa delineando la secuencia en la cual se llevarán a cabo cortes a través de los años. Esta delineación secuencial deberá ser diseñada para asegurar que la fragmentación de los hábitats en bosques sea minimizada o evitada totalmente, y que los cortes no dañen ninguna cuenca.

C. Mapas topográficos para optimizar el trazado de caminos y minimizar: (1) daños al ganado de pasto; (2) disturbios en el suelo; y (3) pérdida de suelos erosionados. El mapa también deberá identificar áreas sensitivas que deberán ser protegidas de tala de árboles, es decir, pendientes pronunciadas y laderas a los lados de los ríos.

D. Un mapeo que suministre información específica referente a la composición y diseño de un plan de tala de árboles puede minimizar: (1) daños a otros árboles y su regeneración; y (2) exponer bosques a malezas y plantas dañinas.

8. Zonas donde la tierra es usada para la contrucción de caminos y donde el traslado de tucas deberá ser minitoreado por el personal de BOSCOSA u otras entidades contratadas para asegurar que estas actividades no produzcan pérdidas en bosques productivos o en tierras agrícolas y erosión en los suelos.

9. Cualquier construcción de caminos contratada por BOSCOSA deberá

description of the social, biological or physical incentives for keeping these areas as intact, undisturbed natural forest.

B. A mapped delineation of the sequence in which cuts should be carried out over time. This sequential delineation should be designed to ensure that fragmentation of forest habitats is minimized or avoided altogether, and that cutting does not damage any important watershed functions.

C. Topographic maps to optimize extraction road layout and minimize: (1) damage to the stand stock; (2) soil disturbance; and (3) erosional soil losses. Mapping should also identify sensitive areas that should be protected from logging, e.g., steep slopes and streamside corridors.

D. Stand mapping to provide sites-specific information on stand composition and to design a directional felling plan can minimize: (1) felling damage to surrounding tree and regeneration; and thus (2) forest opening and invasion by weedy trees and vines.

8. Borrow pits, where soil is collected for road construction and log removals should be monitored by BOSCOSA staff or other contracted entities to ensure that no significant loss of productive forest, agricultural lands or soil erosion results from the activities.

9. Any road construction contracted by BOSCOSA should include

incluir el drenaje que asegure que por los caminos puedan fluir torrentes durante un mínimo de 25 años. El drenaje en los caminos también deberá ser diseñado para minimizar la sedimentación o la contaminación de tierras húmedas, bosques o fincas que se encuentren intactos.

10. Las actividades de cultivos forestales, desarrollo agrícola, mejoramiento del drenaje en los caminos, o medidas para el desarrollo de las tierras no deben resultar en la eliminación de la vegetación adyacente a ríos. En lo posible, considerando los fondos disponibles, la asignación de tierras, y asuntos referentes a seguridad, se deberán efectuar esfuerzos para restaurar la vegetación adyacente a los ríos en un mínimo de dos cadenas (aproximadamente 40 metros) a ambos lados de ríos perennes, y unmínimo de una cadena (20 metros) a ambos lados de corrientes intermitentes. Podrían sembrarse tres cultivos a lo largo de las corrientes usando siembras que no den productos madereros.

drainage to ensure that roadways can pass flows from a minimum of a 25-year storm. Road drains should also be designed to minimize sedimentation or contamination of intact wetlands areas, forest areas, or farm fields.

10. Forest harvest operations, agricultural development, improved road drainage construction, or land development measures must not result in the removal of streamside vegetation. Wherever possible, given available funds, land allocation, and security concerns, efforts should be extended to restore streamside vegetation to a minimun of two chains (aproximately 40 meters) on both sides of perennial rivers, and a minimun of one chain (20 meters) on both sides of intermittent streams. It may be possible to establish tree crops along stream bank areas using species which yield important non-timber products.

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES (PIO/T)*

1. Cooperating Country Costa Rica	2. PIO/T No. 515-0255-3-30066	3. PIO/T Amend No.
4. Project/Activity No. and Title FOREST CONSERVATION AND MANAGEMENT PROJECT (BOSCOSA) 515-0255	5. Appropriation Symbol(s) 72-1131021 6. Budget Plan Code(s) LDVA9325515EG13 RCN N300037	
7. Pro Ag No. or Project Authorization/Date 515-0255	8. Obligation Status [X] Administrative Reservation [ ] Implementing Document	
9. Project Assistance Completion Date (Month, Day, Year) 05/19/96	10. Authorized Agent USAID/Costa Rica	

11. Type of Action and Governing A.I.D. Handbook: [ ]

A. A.I.D. Contract (HB 14)
B. A.I.D. Grant or Cooperative Agreement
XX (HB 13)
C. PASA/RSSA (HB 12)
D. Other

12. Contract/Grant/Cooperative Agreement/ PASA/RSSA Reference Number (If this PIO/T is for an order or a modification to an award)
N/A

13. A.I.D. Funding (Attach a detailed budget in support of column (2) as Attachment A.

	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
A. Dollars	$0.00	$300,000.00		$300,000.00
B. U.S.-Owned Local Currency				

14. Mission References In conjunction with PIO/T 515-0255-3-00041

15. Instructions to Authorized Agent

Please negotiate a grant extension with the Neotropica Foundation to carry out the activities described in the attached proposal

16. Address of Voucher Paying Office
Controller's Office, USAID/San José, Costa Rica

17. Clearances - Include typed name, office symbol, and date for all clearances.

A. The Project Officer certifies (1) that the specifications in the statement of work or program description are technically adequate, and (2) that (for contract actions only) all program personnel who are defined as procurement officials under 41 U.S.C. 423 have signed the Procurement Integrity Certification (OF-333).

Signature: E. Barrau, RDO JGómez, PPDO Date: 6/22/93 Phone No:

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

Signature: David Heesen, RDO Date: 6/24/93

C. M Maxey, APPDO Date: 6/22/93

D. Funds for the services requested are available.
FUNDS AVAILABLE
Signature: Thomas Clarkson, COR Date: 06/30/93

E. D Ostergaard, EXO
Signature: P Kranstover, ADDIR6 Date: 6/24/93

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

Signature: Title: Date:

19. For the Agency for International Development:

Signature: Douglas Tinsler, AMDIR Title: Date: 6/30/94

FOR CONTRACT ACTIONS ONLY: SOURCE SELECTION INFORMATION--SEE FAR 3.104. THIS DOCUMENT, OR PORTIONS THEREOF, CONTAINS PROPRIETARY OR SOURCE SELECTION INFORMATION RELATED TO THE CONDUCT OF A FEDERAL AGENCY ACQUISITION, THE DISCLOSURE OF WHICH IS RESTRICTED BY LAW (41 U.S.C. 423). UNAUTHORIZED DISCLOSURE OF THIS INFORMATION MAY SUBJECT BOTH THE DISCLOSER AND RECIPIENT TO CONTRACTUAL, CIVIL, AND/OR CRIMINAL PENALTIES AS PROVIDED BY LAW.
FOR OTHER ACTIONS: UNAUTHORIZED DISCLOSURE OF PROPRIETARY OR SOURCE SELECTION INFORMATION MAY SUBJECT AN EMPLOYEE TO DISCIPLINARY ACTION.

*SEE HB 3, SUPP. A, APP. C, ATT. B, FOR PREPARATION INSTRUCTIONS.

AGENCIA PARA EL DESARROLLO INTERNACIONAL
MISION ECONOMICA DE LOS ESTADOS UNIDOS EN COSTA RICA

USAID

Apartado Postal 825-1200
San José, Costa Rica
Teléfono: 20-4545
Telex 3550 AIDCR KR
Fax: (506) 20-3434

June 22, 1993

ACTION MEMORANDUM FOR THE MISSION DIRECTOR

THROUGH: Peter Kranstover, PPDO

FROM: Jaime A. Gómez, PPDO

SUBJECT: BOSCOSA's Project Amendment Authorization and Obligation (No. 515-0255)

Issue

Your approval is required to authorize a Grant Amendment in the amount of $900,000 to the Neotrópica Foundation (NF) for a period of three years. This amendment will support the activities of the consolidation phase of the BOSCOSA Project. The initial amount obligated here is $300,000.00. NF, an AID/W registered Costa Rican PVO, is contributing an additional $374,620 (more than 25% of the total budget) to A.I.D's financed activities as matching funds. It is also requested that you approve the selection of FN on a non-competitive basis in accordance with the rationale given below.

Background

The Osa Peninsula, approximately 175,000 ha in size located in southwestern Costa Rica, contains the only remaining lowland wet forest on the Pacific coast of Central America. The Peninsula, which began as a volcanic island between 65 and 135 million years ago, now includes within its limits the Corcovado National Park, the Golfo Dulce Forest Reserve, the Guaymí Indigenous Peoples's Reserve, the Isla del Caño Biological reserve, the Sierpe-Terraba Mangrove Reserve, Golfito Wildlife Refuge, and other non-protected lands.

The Peninsula's recent economic history is one of "boom and bust". The local economy has always been based on resource extraction, beginning with gold in the 1930s, bananas through the 1950s, timber in the 1960s and 1970s, and agro-industrial exports in the 1980s. With recent road improvements, timber exploitation is enjoying a resurgence, and rice and African oil palm plantations are being expanded. The first protected area on the Osa was declared in 1975, and was followed by successive expropriations of local residents' lands. These events fomented social conflict over several decades, resulting in a transient local population, fragmented and insecure land tenure, economic instability, a deep mistrust of government, and rampant deforestation.

NF, a non profit organization, has submitted a consolidation phase proposal which follows the recommendations arising from the Project Evaluation Report done by the Biodiversity Support Program (BSP). BSP recommended that the BOSCOSA Project Amendment must focus on three general directions deemed critical to achievement of the Project's goals: marketing analysis, staff training in technical fields and participatory methodologies, and strengthening of the agricultural and forestry programs.

This Project conforms to Agency policy to assist developing countries in solving their natural resources problems and to USAID/Costa Rica Strategic Objective 3: Maintenance of Natural Forest Habitat. This activity specifically will develop and demonstrate natural forest management, sustainable agriculture, ecotourism, and biodiversity technologies which are economically productive and contribute towards the maintenance of forest cover on the Osa Peninsula.

Discussion:

BOSCOSA's objective is to generate and transfer technology and expertise that ensure the sustainable use of the forest and soil, and to preserve the Osa Peninsula's biodiversity. BOSCOSA's work is geared toward offering technical assistance and training to communities in the Project area. The Program provides the mechanisms whereby the organizations can attain goals and objectives for themselves by developing a self-management capability.

BOSCOSA focuses on the identification of productive projects that make rational use of the resources available to the participating organizations. The commercialization of the products generated by these projects is a field in which BOSCOSA will become actively involved. In doing so, it proposes to strengthen the marketing component, focusing on the identification of marketing channels, training for local people and the compilation of information on the different markets available.

Virtually all of BOSCOSA's work will be directed toward consolidating a "connecting block" of areas under a more efficient management of one kind or another - be it for agriculture, forestry, or conservation. Improved in accordance with the recommendations of the BSP external evaluation report, BOSCOSA's organizational structure will provide for an effective separation of the productive areas of the Program, support actions, and the training activities.

Conceptually the project amendment as described in NF's proposal, encompasses eight technical components with the support of a directive-administrative unit. The technical components are: 1. Forestry; 2. Crop and Animal Production; 3. Land Titling; 4. Commercialization and Training; 5. Environmental Protection Component; 6. FIPROSA (a fund of collaterals and incentives for forest management and productive sustainable activities); 7. Eco-tourism and 8. Environmental Education.

This Grant Amendment will partially support the direction-administrative unit (BOSCOSA Center), the first three components (Forestry, Crop and Animal Production; Land Titling), the training element of the Commercialization and Training component and the Environmental Protection Component. Funds will only be considered matching if they directly supplement the components supported by this Grant.

By the end of the Project, the following outputs will have been accomplished:

1. Forestry Component

- Beginning of at least one new forest-industry integration project and consolidation of the one already in place.
- The establishment or consolidation of 5,000 ha under management or conservation, within the community forest system.
- A network established of at least 20 permanent plots of natural forest that will make it possible to develop a silvicultural system for the Osa Península.
- Promote the reforestation of a minimum of 250 ha., mostly with native species.
- Set up, or provide follow-up to, a network of at least 50 plots that will make it possible to develop growth models for the major species used in reforestation.
- The creation of a local privately-managed organization to provide, at a charge, some of the technical services that BOSCOSA has provided free until now.

2. Crop and Animal Production Component

- Provide further technical assistance in the management of 50 ha. of soursop and 18 ha. of peach palm.
- Support ASGUACA (campesino association) in the consolidation of its project for the processing of soursop and other local fruits.
- Provide advisory assistance to five local organizations in the planting and maintenance of 50 ha. of plantain.
- Promote the execution of a project for the planting of 100 ha. of root crops by four organizations. This includes the planting of 45 ha. of "tiquisque", 30 ha. of "ñampi, 5 ha. of "ñame" , 10 ha. of cassava, and 10 ha. of "papa chiricana".
- Set up a 5 ha. project to demonstrate the use of natural cover to control weeds commonly found among perennial crops and the improvement of soil fertility.
- Provide advisory technical assistance in the management of two swine projects with 10 breeding animals each, supplementing their feed with waste products from the cultivation of peach palm, plantain and root crops.
- Set up a demonstration plot for the improvement of grazing land in San Juan de Sierpe (a community with great potential for stock raising); this will be used to train campesinos and also serve as a nursery. The plot will be 1 ha. in size.
- Support the installation of a packing plant for plantains and root crops in the area.
- Two model farms organized in accordance with the soil capacity study

3. Commercialization and Training Component

- Improve the administrative and organizational systems of eight local organizations, making their structures more efficient.
- Take the steps necessary to empower the members of six organizations to apply self-management principles, reflected in the identification of their training needs, decision-making and the analysis and execution of projects.
- Improve the accounting systems of five organizations in the Osa Península, so that figures obtained can be used in financial decision-making.
- Improve the ability of five local organizations to formulate and execute their own projects.
- Take steps to ensure that the trained paraforesters become actual technical leaders who support the execution of agroforestry and conservation activities in their communities.
- Train 30 persons in the practical tasks involved in a forest utilization and management plan.
- Establish and information network on product marketing
- Train 20 local people in marketing techniques.

4. Land Titling Component

- A global strategy for a land ordinance exercise in the Osa Peninsula, based on the Golfo Dulce Forest Reserve Management Plan, BOSCOSA's Rapid Ecological Assessment, and the CCT's Land Ordinance Plan.
- An average of 10 consultations per month about land tenancy for beneficiaries of BOSCOSA by means of a permanent legal assistance service.
- A land tenure inventory for all of the beneficiaries within BOSCOSA's service area. This inventory will include occupiers, owners and other types of tenure.
- Approximately 13 workshops (one per community or BOSCOSA beneficiary group) for legal-environmental training on the prevention and control of actions that violate the principles of sound natural resource management in the Osa Peninsula.
- 30 statements of possesion and 60 legal charges and conservation and natural resource management limitations, on properties given over to forestry, agricultural and tourism development.
- Drawing up and legal registration of 10 legal obligations for conservation and natural resource management limitations on private property.
- 12 training and coordination workshops for 120 public employees about legal aspects of land use.

5. Environmental Protection Component

- Classify, protect or restore remaining wetlands in Project Area.

- Baseline study to determine accurate estimate of acreage and distribution of primary, secondary and managed forests.

- Study to determine the primary forest community types and an inventory of forest, plant and animal species.

- Baseline study of wildlife habitat use in areas where human visitation is likely to increase as a result of Boscosa.

- Conduct IPM (Integrated Pest Management) courses and establish two demonstration farms using IPM practices.

- Forest management plans for appropriate harvest techniques to protect biodiversity.

Selection of the Recipient

Both the Offices of Rural Development and Program and Project Development believe that NF is the appropriate organization to implement this activity. NF has already gained relevant experience in the implementation of the current BOSCOSA's Project with high standards of excellence and performance and thus has the capacity to perform the activities described in the Project Description section of the Grant Amendment. The recent evaluation report done by BSP confirms that NF has done a commendable job in launching the Project and maintaining its momentum despite very difficult circumstances.

The rationale of the justification of the selection of NF on a non-competitive basis is the exception provided in AID HB 13, Chapter 2, Section B.3.c which says that competition is not required for amendments to existing assistance awards.

The Controller's Office has determined that NF's accounting, recordkeeping and overall financial management systems meet the applicable standards set forth in HB-13, Chapter 4, Section 4D5c. Based on its review, the Controller's Office considers NF's system of internal control to be adequate for the purposes of the Grant.

The Controller's Office review was limited to the inspection and evaluation of: 1) the original report on the adequacy of the recipient's accounting, recordkeeping, financial management, property management, procurement, and overall internal control systems reports, performed by Peat Marwick, for the period ended 05/13/88, 2) FN's financial, internal control structure and compliance audits, performed by Peat Marwick, for the period ending 12/31/90-91-92.

Furthermore, and in accordance with HB-13 Chapter 4, Section D5b, the Program and Project Development Office hereby certifies that:

(1) It has reviewed the proposed program description and financial plan for sufficiency; and

(2) It has determined that the NF is responsible to the effect that it has:

(a) adequate financial resources, or the ability to obtain such resources as required during the performance of this Grant;

(b) the ability to comply with the Grant conditions taking into consideration all existing prospective recipient commitments, nongovernmental and governmental;

(c) a satisfactory record of performance, of integrity and business ethics;

(d) is qualified to receive a Grant under the applicable laws and regulations;

(e) adequate professional and technical experience and competence to succesfully carry out this Project, and;

(f) proposed a program consistent with the Foreign Assistance Act and A.I.D.'s program criteria.

In addition, the Neotrópica Foundation is a Costa Rican non-profit organization registered with FVA/PVC Bureau in A.I.D./W since 1988.

✓AID has agreed to reimburse properly documented project costs incurred by the Grantee from April 1, 1993 to the date of the signature of this amendment.

Authority

LAC Delegation of Authority No. 752 of December 16, 1988, in Section iii.A, General Implementation Authorities, provides in paragraph 2, authority for you to "negotiate, execute and implement ... loan, grant and guaranty (other than Housing Guaranty) agreements, and amendments and other agreements ancillary thereto ...", for projects up to $20,000,000.

Recommendation

That you approve this Action Memorandum to authorize an additional $900,000 to the life of project (new LOP $1,900,000); sign the attached two copies of the OPG Amendment with NF which obligates $300,000 for the Boscosa Project (No. 515-0255); sign the Grant Officer Determination hereafter included; and approve the selection of NF on a non-competitive basis in accordance with the above mentioned justification.

APPROVED: _____

DISAPPROVED: _____

DATE: 6/30/93

GRANT OFFICER DETERMINATION:

I hereby, as Grant Officer, determine that the recipient (NF) is able to meet the standards discussed in HB 13, Chapter 4, Section D as follows:

1. It has the ability to obtain the necessary management competence in planning and carrying out assistance programs and that it will practice mutually agreed upon methods of accountability for funds and other assets provided by AID.

2. It has demonstrated actual management ability and the capacity to plan and implement this program which is in the field of its' expertise.

3. The recipient's accounting, recordkeeping and overall financial management system meet the standards set forth in Paragraphs 1I, 1J, 1L and 1M of HB 13.

Douglas Tinsler
Director a.i.

CLEARANCE SHEET FOR ACTION MEMORANDUM AND HB 13 GRANT AMENDMENT FOR BOSCOSA PROJECT 515-0255.

Drafted by Jaime A. Gómez, PPDO, June 1993. MMaxey for

Clearances:

Michael Maxey, APPDO MMaxey, 6/22/93

Enrique Barrau, RDO EMB, 6/24/93

David Heesen, RDO for EMB, 6/24/93

Dallas Ostergaard, EXO DO, 6/24/93

Thomas Clarkson, CONT TC, 6/30/93 - needs RLA clearance per LAC HB 13 procedures guidance, June, 1989. Otherwise OK TC

Peter Kranstover, ADDIR PK for JO

Douglas Tinsler, AMDIR _____, _____

DE TRAB

El donatario certifica que mantendrá un lugar de trabajo libre de drogas por medio de las siguientes acciones:

(a) Publicando una estipulación notificando a los empleados que la elaboración, distribución, posesión o uso ilegal de una sustancia controlada es prohibida en el lugar de trabajo del donatario y especificando las acciones que se tomarán contra aquellos empleados que violen tales prohibiciones;

(b) Estableciendo un programa de concientización para informar a los empleados concerniente a:

(1) El peligro del abuso de drogas en el lugar de trabajo;
(2) La política del donatario de mantener un lugar de trabajo libre de drogas;
(3) Cualquier programa disponible de consejería, rehabilitación, y asistencia al empleado con relación a las drogas; y
(4) Las sanciones que pueden ser impuestas a los empleados por violaciones que ocurran en el lugar de trabajo con respecto al abuso de drogas;

(c) Estableciendo un requisito para que todos los empleados involucrados en la realización de la donación, les sea proporcionada una copia de lo estipulado en el párrafo (a);

(d) Notificando al empleado en lo estipulado en el párrafo (a) que, como una condición de trabajo bajo la donación, el empleado:

(1) Se regirá por los términos de la estipulación y
(2) Notificará al contratante de cualquier estatuto de condena criminal con relación a las drogas, en caso que ocurra una violación en el lugar de trabajo a más tardar cinco días después de tal condena;

(e) Notificando a la agencia 10 días después de recibir la notificación de violación de un empleado, tal como se establece en el sub-párrafo (d)(2), o al recibir la notificación por otro medio;

(f) Tomando una de las siguientes acciones, después de los 30 días de recibir la notificación bajo el sub-párrafo (d)(2), con relación a cualquier empleado que ha sido condenado:

(1) Tomar la acción personal apropiada contra tal empleado hasta e incluyendo terminación; o
(2) Solicitar a tal empleado que participe voluntariamente en un programa de asistencia o rehabilitación por abuso de drogas aprobado para tales fines por una agencia Federal, Estatal o local de aplicación legal o en salud o cualquier otra agencia apropiada;

(g) Realizando esfuerzos de buena fé para mantener un lugar de trabajo libre de drogas por medio de la implementación de los párrafos (a), (b), (c), (d), (e), y (f).

El donatario define el lugar de trabajo, que es el lugar para hacer el trabajo hecho en conección con la donación específica, según la localización geográfica específica que sigue:

_____

Fundación Neotrópica
Nombre de la Institución

Vera C. Varela, Directora Ejecutiva
Nombre y Cargo del Representante Autorizado

VVarela — 30 junio 1993
Firma — Fecha

(Certificación para donatarios institucionales)

CERTIFICATION RE(:E WORKPLACE RE(

The grantee certifies that it will provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing a drug-free awareness program to inform employees about --

(1) The dangers of drug abuse in the workplace;
(2) The grantee's policy of maintaining a drug-free workplace;
(3) Any available drug counseling, rehabilitation and employee assistance programs; and
(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will--

(1) Abide by the terms of the statement; and
(2) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;

(e) Notifying the agency within ten days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction;

(f) Taking one of the following actions, within 30 days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted--

(1) Taking appropriate personnel action against such an employee, up to and including termination; or
(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a),(b),(c),(d),(e), and (f).

The grantee defines the workplace, which is the site(s) for the performance of work done in connection with the specific grant, as the following specific geographical location:

_____.

Fundación Neotrópica
Name of Organization

Vera C. Varela, Executive Director
Name and Title of Authorized Representative

VVarela 30 junio 1993
Signature Date

(Certification for Grantees Other than Individuals)

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CERTIFICACION CONCERNIENTE A EXCLUSIONES, SUSPENSIONES, NO ELEGIBILIDAD Y EXCLUSION VOLUNTARIA

Transacciones Cubiertas Secundarias 2/

(1) El posible participante en una transacción secundaria certifica, mediante la presentación de esta propuesta, que ni éste ni ninguno de sus altos funcionarios se encuentran actualmente excluídos, suspendidos, propuestos a exclusión, declarados no elegibles, o voluntariamente excluídos a participar en una transacción secundaria por algún departamento o agencia Federal;

(2) Cuando el posible participante en una transacción secundaria no puede certificar alguno de los puntos anteriores, deberá adjuntar una justificación a esta propuesta.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

Lower Tier Covered Transactions 2/

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency;

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Fundación Neotrópica
Nombre de la Organización
Name of Organization

Vera C. Varela, Directora Ejecutiva
Nombre y Cargo del Representante Autorizado
Name and Title of Authorized Representative

VVarela 30 junio 1993

(Firma) Signature (Fecha) Date

2/ (a) Cualquier transacción entre el participante y una persona que no sea un contrato de adquisición de bienes y servicios, sin importar el tipo, al amparo de una transacción cubierta primaria.

CERTIFICACION CONCERNIENTE A EXCLUSIONES, SUSPENSIONES, Y OTROS ASUNTOS DE RESPONSABILIDAD

Transacciones Cubiertas Primarias 1/

(1) El posible participante en una transacción primaria certifica, a su leal saber y entender, que éste y sus ejecutivos:

(a) No se encuentran actualmente excluídos, suspendidos, propuestos a exclusión, declarados no elegibles, o voluntariamente excluídos en transacciones cubiertas por algún departamento o agencia Federal;

(b) No han sido en los tres años anteriores a esta propuesta condenados o sometidos a juicio civil por cometer fraude o algún delito criminal en relación con obtener, intentar obtener, o ejecutar una transacción o contrato con una entidad pública (Federal, Estatal o local) bajo una transacción pública; violar estatutos Federales o Estales antimonopolistas o cometer desfalco, robo, falsificación, soborno, falsificación o destrucción de registros, falso testimonio, o recibir propiedad robada;

(c) No están actualmente bajo acusación u otros cargos criminales o civiles por una entidad gubernamental (Federal, Estatal o local) por cometer alguna de las ofensas enumeradas en el párrafo (1)(b) de esta certificación; y

(d) No se les han cancelado en los tres años anteriores a esta solicitud/propuesta una o más transacciones públicas (Federal, Estatal o local) por litigio o incumplimiento.

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

Primary Covered Transactions 1/

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Cuando el posible participante en una transacción primaria no puede certificar alguno de los puntos anteriores, dicho participante deberá adjuntar una justificación a esta propuesta.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Fundación Neotrópica
Nombre de la Organización
Name of Organization

Vera C. Varela, Directora Ejecutiva
Nombre y Cargo del Representante Autorizado
Name and Title of Authorized Representative

VVarela 30 junio 1993
Firma Fecha
Signature Date

1/ Cualquier transacción de no adquisición de bienes y servicios sin considerar el tipo, incluyendo: donaciones, acuerdos de cooperación, becas, asociaciones, contratos de asistencia, préstamos, garantías, subsidios, seguros, pagos por usos especificados, convenios de donación u otros entre una agencia Federal y una persona.

1/ Any nonprocurement transaction between an agency and a person, regardless of type, including: grants, cooperative agreements, scholarships, fellowships, contracts of assistance, loans, guarantees, subsidies, insurance, payments for specified use, donation agreements and any other nonprocurement transactions between a Federal agency and a person.

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(b) Cualquier contrato de adquisición de bienes y servicios entre el participante y una persona, sin importar el tipo, que iguale o exceda el monto fijado para compras pequeñas al 10 U.S.C. 2304(g) y 41 U.S.C. 253 (g) (actualmente $25,000) para adquisiciones Federales, al amparo de una transacción cubierta primaria.

(c) Cualquier contrato de adquisición de bienes y servicios entre el participante y una persona, sin importar el monto, al amparo de una transacción cubierta primaria, bajo el cual esa persona tendrá una influencia crítica o un control substancial sobre la transacción cubierta. Dichas personas son: los investigadores principales y los que suministran servicios de auditoría que son requeridos federalmente.

2/ (a) Any transaction between a participant and a person other than a procurement contract for goods or services, regardless of type, under a primary covered transaction.

(b) Any procurement contract for goods or services between a participant and a person, regardless of type, expected to equal or exceed the Federal procurement small purchase threshold fixed at 10 U.S.C. 2304(g) y 41 U.S.C. 253 g (currently $25,000) under a primary covered transaction.

(c) Any procurement contract for goods or services between a participant and a person under a primary covered transaction, regardless of amount, under which that person will have a critical influence on or substantive control over that covered transaction. Such persons are: principal investigartors and providers of federally-required audit services.

AGENCIA PARA EL DESARROLLO INTERNACIONAL
MISION ECONOMICA DE LOS ESTADOS UNIDOS EN COSTA RICA

USAID

Apartado Postal 825-1200
San José, Costa Rica
Teléfono: 20-4545
Telex 3550 AIDCR KR
Fax: (506) 20-3434

June 22, 1993

MEMORANDUM

TO: The Files

THRU: Michael Maxey, A/PPDO

FROM: Jaime Gómez, PPDO

SUBJECT: Determination of Neotropica's Technical and Professional Competence for managing the $900,000 Grant for the extension of the BOSCOSA Project (No. 515-0255)

The Neotropica Foundation (NF), a non-profit organization, was founded in May 1985, due to an urgent need to conduct and foster the conservation of neotropical biodiversity. Through the promotion of rational, sustainable utilization of natural resources in Costa Rica, NF is seeking greater integration among human activities and the preservation of diverse ecosystems.

Although Costa Rica has had an impressive program of conservation over the past two decades, it has become increasingly clear that the Government alone can not do the job. Effective conservation and sustained development in the country require the participation of the public and private sectors. This is the reason NF participates in the definition, analysis, and consolidation of policies, programs, plans, and strategies dealing with the environment.

FN has attracted the international attention from the environmental concerns groups for its well-designed activities and programs in Costa Rica. FN has received donations from the Conservation Foundation-World Wildlife Fund, the John D. and Catherine T. MacArthur Foundation, the Nature Conservancy, as well as A.I.D. A great number of programs and activities has been successfully implemented by FN in areas like planning and execution of programs for sustainable development; environmental education; forestry management and promotion (BOSCOSA); and legislation, public administration, and policies in the environmental field.

Regarding FN's performance in the BOSCOSA project, the Project Evaluation Report prepared by the Biodiversity Support Program in November 1992, the evaluators stated that FN has done a commendable job in launching the project and maintaining its momentum despite very difficult circumstances. Given the obstacles to be overcome, substantial accomplishments have been realized in a relatively short time.

In addition FN has been registered with A.I.D. as a local PVO since September 8, 1988 keeping its registration status since that time.

Based on documented and personal knowledge of FN operations in Costa Rica, the good record of FN performance in their programs and activities, as well as the opinions showed in FN's last years audit reports sent to our Controllers Office, documents and information available in BOSCOSA's project files and FN's PVO registration files, PPDO has determined that FN has the professional and technical competence to manage the proposed HB-13 Grant Amendment.

AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES A.I.D. MISSION TO COSTA RICA

USAID Executive Office
Unit 2503
APO AA 34020
Telephone: 20-4545
Telex 3550 AIDCR KR
FAX: (506) 20-3434

CONTROLLER'S OFFICE REPORT

FAS-93/R-031

ISSUED BY THE FINANCIAL ANALYSIS SECTION

JUNE, 1993

REPORT ON THE ACCOUNTING, RECORDKEEPING, FINANCIAL MANAGEMENT AND INTERNAL CONTROL SYSTEM OF FUNDACION NEOTROPICA

Prepared by:

Alexander Arias, FA

REPORT ON THE ACCOUNTING, RECORDKEEPING, FINANCIAL MANAGEMENT AND INTERNAL CONTROL SYSTEM OF FUNDACION NEOTROPICA

I. BACKGROUND

The Osa Península, approximately 175,000 ha. in size and located in southwestern Costa Rica, contains the only remaining lowland wet forest on the Pacific coast of Central America. The Península which began as a volcanic island between 65 and 135 million years ago, now includes within its limits the Corcovado National Park, the Golfo Dulce Forest Reserve, the Guaymí Indigenous People's Reserve, the isla del Caño Biological Reserve, the Sierpe-terraba Mangrove Reserve, Golfito Wildlife Refuge, and other non-protected lands. The protected areas on the Osa are administered by ACOSA, an inter-institutional unit established by MIRENEM in 1989, to coordinate the activities of the various line agencies (SNP, DGF, DGM, etc.) with jurisdictional responsibilities over natural resources within the Osa Conservation Area. There are roughly 50,000 inhabitants on the Península of which some 10,000 live within the confines of the Golfo Dulce Forest Reserve. The Osa forests are very diverse and home to more than 2000 plant species and 27 vegetative associations.

The Península's recent economic history is one of "boon and bust". The local economy has always been based on resource extraction, beginning with gold in the 1930s, bananas through the 1950s, timber in the 1960s and 1970s, and agro-industrial exports in the 1980s. With recent road improvements, timber exploitation is enjoying a resurgence, and rice and African oil palm plantations are being expanded. The first protected area on the Osa was declared in 1975, and was followed by successive expropriations of local residents lands. These events fomented social conflict over several decades, resulting in a transient local population, fragmented and insecure land tenure, economic instability, a deep mistrust of government and rampant deforestation.

The goal of this Project amemdment is to maintain forest cover for productive and natural

resources conservation purposes in the "buffer zone" surrounding Corcovado National Park in the Osa Península.

The purpose of this Project amendment is to develop and demonstrate natural forest management, sustainable agriculture, ecotourism and biodiversity technologies which are economically productive and contribute towards the maintenance of forest cover.

Conceptually the project amendment encompasses nine technical components with the support of a directive-administrative unit. The technical components are: 1. Forestry., 2. Crop and Animal Production, 3. Land Titling, 4. Commercialization and Training, 5. Research and Information Management, 6. Eco-tourism, 7. Environmental Education, 8. Mitigating enviormental measures and 9. FIPROSA (a fund of collaterals and incentives for forest management and productive sustainable activities).

This Grant amendment will partially support the directive-administrative unit, the first three components (Forestry, Crop and Animal Production, and Land Titling), and the training element of the Commercialization and training component. Further, funds provided by this Grant ought to be matched on a 3:1 basis, yet funds will only be considered matching if they directly supplement the components supported by the Grant amendment.

II. OBJECTIVE

Determine whether: 1) to issue an updated opinion on the adequacy of FUNDACION NEOTROPICA's (FN) accounting, recordkeeping, financial management, property management, procurement and overall internal control systems for the proposes of the follow-on/new agreement or 2) to require a complete and new review of the recipient's systems.

III. SCOPE OF WORK (SOW)

The SOW will include the three items below, and any other areas FAS (Financial Analysis Section) deems necessary in order to achieve a complete and proper review:

1) By review of appropriate documentation and inquiry of appropriate personnel the FAS will:

a) Determine if the activities and responsibilities of the recipient under the proposed follow-on/new agreement are the same in all material respects as those under the prior agreement.

b) Determine if the amount of funds to be administered by the recipient under the proposed follow-on/new agreement are similar in amount to those administered under the prior agreement.

2) Having obtained negative results in step III.1) above FAS will proceed to:

Require a complete and new review of the recipient's accounting, recordkeeping, financial management, property management, procurement, and overall internal control systems for purposes of the proposed follow-on/new agreement.

3) Having obtained positive results in step III.1) above FAS will proceed to:

a) Obtain the original report on the adequacy of the recipient's accounting, recordkeeping, financial management, property management, procurement, and overall internal control systems for the purposes of the prior agreement.

b) Obtain all of FN's financial, internal control structure and compliance audit reports of the prior agreement issued subsequent to the report in a) above.

c) Review the reports in a) and b) above for material and/or important weaknesses

in FN's accounting, recordkeeping, financial management, property management, procurement, and overall internal control systems.

i) If material and/or important weaknesses are not indicted or if material and/or important weaknesses are indicated, but corrective actions have been taken in a timely manner, then FAS will issue, depending on the circumstances, an updated clean and/or qualified opinion on FN's accounting, recordkeeping, financial management, property management, procurement, and overall internal control systems for purposes of the proposed follow-on/new agreement.

ii) If material and/or important weaknesses are indicated and if corrective actions have not been taken in a timely manner, then FAS will require a complete and new review of FN's accounting, recordkeeping, financial management, property management, procurement, and overall internal control systems for purposes of the proposed follow-on/new agreement.

III. RESULTS

The following facts are the results of FAS' review regarding the subject survey:

1) FAS determined that the activities and responsibilities of FN are the same in all material respects as those under the prior agreement.

2) FAS determined that the amount of funds to be administered by the recipient under the proposed follow on/new agreement are similar in amount to those administered under the prior agreement. Original Grant = $1,000.000, this amendment = $900.000.

3) FAS obtained the original report on the adequacy of the recipient's accounting, recordkeeping, financial management, property management, procurement, and overall

internal control systems for the purposes of the prior agreement. This Peat Marwick report is dated May 13, 1988, and contains material findings.

The material findings were closed in the following years. We verified this situation by reviewing FN's audit reports for the year 1990, 91 and 92.

3)a)

4) FAS obtained FN's audit reports for the prior agreements issued subsequent to the report in 3) above.

See the following report in FAS' Library:

a-92/L045. Audit Report of accounting, recordkeeping, financial management, property management, procurement, and overall internal control systems as of May 13, 1988.

b-92/L074. Audits Report for the period ended December 31, 1990 and 1991.

c-93/L047. Draft Audit Report for the period ended December 31, 1992.

3)c)

d- FAS reviewed the reports in above for material and/or important weaknesses in FN's accounting, recordkeeping, financial management, property management, procurement, and overall internal control systems. Questioned Costs of $107,403, are indicated the report 93/L047, due to the fact that the agreement between FN and USAID/Costa Rica did not include an Indirect Cost Rate. These Questioned Costs do not result from a material weakness in FN's internal control systems and will be resolved in the near future.

IV. CONCLUSION

In our opinion, and according to the results of the above review, FAS should issue an updated opinion on FN's accounting, recordkeeping, financial management, property management, procurement, and overall internal control systems for purposes of the

proposed follow-on/new agreement. This opinion is displayed in the following Section (V.).

V. OPINION

We have made a review of FN's accounting, recordkeeping and financial management systems. Our review was limited to the inspection and evaluation of: 1) the original report on the adequacy of the recipient's accounting, recordkeeping, financial management, property management, procurement, and overall internal control systems reports, performed by Peat Marwick, for the period ended 05/13/88, 2) FN's financial, internal control structure and compliance audit, performed by Peat Marwick, for the period ending 12/31/90/91/92.

In addition, our review included the following: 1) a determination that the activities and responsibilities of FN under the proposed follow-on/new amendment agreement are the same in all material respects as those under its prior agreement.

Based on the results of our review, and in reliance on the reports of Peat Marwick, as detailed in Section III of this report, we consider FN's accounting, recordkeeping, financial management, property management, procurement, and overall internal control systems to be adequate for the purposes of the proposed follow-on/new amendment agreement.

However we estimated the resolution of this Questioned Cost will close in the next months, because we are in the process of hiring a CPA firm to calculated a correct overhead to FN.

Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk procedures may become inadequate

because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

APPROVED BY _____

DATE 6/4/93

CP