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A.I.D. Project Number 505-0048

PROJECT GRANT AGREEMENT
between
BELIZE
and the
UNITED STATES OF AMERICA
acting through the
AGENCY FOR INTERNATIONAL DEVELOPMENT
for the
CIVIC ACTION AGAINST DRUG ABUSE PROJECT

Dated : August 27, 1993

Appropriation : 72-1131021.1
BPC : LDVA-93-25505-KG13
Control No. : B930331
This Obligation : \$333,300
Total Obligation: \$333,300

Project Grant Agreement

Dated: August 27, 1993

Between

Belize ("Grantee")

And

the United States of America, acting through the
Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of financial and technical assistance to the Grantee to establish an integrated national drug prevention program that is undertaking and being supported by community action throughout the country to reduce drug prevalence among youth. Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.3, without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of the Project

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1 of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed the equivalent of Three Hundred Thirty-three Thousand Three Hundred United States ("U.S.") Dollars (\$333,300) ("Grant").

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project.

SECTION 3.2. Grantee Resources for the Project

(a) The Grantee agrees to provide or cause to provide for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Grantee for the Project will be not less than the equivalent of Four Hundred and Twenty-three Thousand U.S. Dollars (\$423,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date

(a) The "Project Assistance Completion Date" (PACD), which is June 30, 1996, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) an opinion of the Solicitor General of the Government of Belize that this Agreement has been duly authorized and/or ratified by, and executed on behalf of the Government of Belize, and that it constitutes a valid and legally binding obligation of the Government of Belize in accordance with all of its terms;

(b) a statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.3., and of any additional representatives, together with a specimen signature of each person specified in such statement.

SECTION 4.2. Terminal Dates for Conditions Precedent

(a) If all of the conditions specified in Section 4.1 have not been met within sixty days from the date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

(a) evaluation of progress toward attainment of the objectives of the Project;

(b) identification and evaluation of problem areas or constraints which may inhibit such attainment;

(c) assessment of how such information may be used to help overcome such problems; and

(d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Other Covenants. The Grantee covenants that, except as A.I.D. may otherwise agree in writing:

(a) the Grantee will, during the first year of the Project, arrange to make available adequate office space to be shared by the

National Drug Abuse Control Council and Pride Belize, and enter into a written agreement with Pride Belize (or the non-governmental successor to Pride Belize), in form and substance satisfactory to A.I.D., to conduct an integrated national drug prevention program;

(b) financial resources and personnel will be made available to the National Drug Abuse Control Council to maintain its District Coordinators throughout the life of the Project, and to create and fill, by January 1996, at least an additional Coordinator position to assume responsibility for coordinating national programs such as School Assistance Programs or youth and media activities; and

(c) the Grantee will include A.I.D. in its annual planning, programming and budget discussions related to the Project and will submit, in form and substance satisfactory to A.I.D., annual implementation plans and budgets and semi-annual reports on cash and in-kind contributions to the Project.

Article 6: Procurement Source

SECTION 6.1 Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having, with respect to goods, their source and origin, and with respect to services their nationality in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance. Ocean transportation costs will be financed under the Grant only on vessels under flag registry of the United States, except as A.I.D. may otherwise agree in writing.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Belize ("Local Currency Costs"). To the extent provided for under this Agreement, "Local Currency Costs" may also include the provision of local currency resources required for the Project.

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (a) requests for reimbursement for such goods or services, or, (b) requests for A.I.D. to procure commodities or services in the Grantee's behalf for the Project; or,

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (a) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (b) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless the Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained:

(1) by acquisition by A.I.D. with U.S. dollars by purchase; or

(2) by A.I.D. (a) requesting the Grantee to make available the local currency for such costs, and (b) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b)(1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b)(2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

SECTION 7.4. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into Belize by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Belize at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Belize.

Article 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Mail Address: Permanent Secretary
Ministry of Home Affairs
Belmopan, Belize

Alternate address for fax communication: Permanent Secretary
Ministry of Home Affairs
TELEFAX NO. 08-22615

To A.I.D.:

Mail Address: USAID/Belize
Gabourel Lane at Queen Street
P.O. Box 817
Belize City

Alternate address for fax communication: USAID/Belize
Belize City, Belize
Telefax No. 02-30215

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Permanent Secretary, Ministry of Home Affairs and Defence, and A.I.D. will be represented by the individual holding or acting in the office of A.I.D. Representative, each of whom, by written notice, may designate additional representatives for all purposes other than exercising

the power under Section 2.1 to revise elements of the amplified project description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

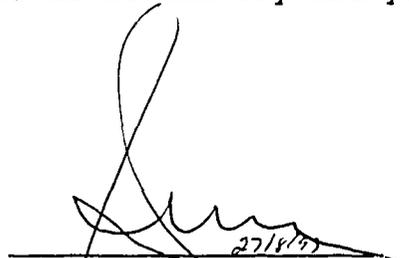
SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

BELIZE

UNITED STATES OF AMERICA

BY:



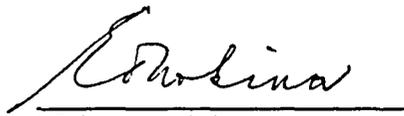
BY:



Bernard Bevans
Title Permanent Secretary
Ministry of Home Affairs

Robert T. Dakan
Title Acting A.I.D.
Representative

BY:



Elito Urbina
Title Minister of Home Affairs

Attachments

AMPLIFIED PROJECT DESCRIPTION

I. GENERAL PROJECT DESCRIPTION

A. Goal and Purpose

The **goal** of the Project is to increase the economic and social well being and individual health of Belizeans. The assumption underlying this goal is that drug use has a detrimental impact on economic, educational, health and welfare of a nation, producing high social and economic costs.

The **purpose** of the Project is to establish an integrated national drug prevention program that is undertaking and being supported by community action throughout the country to reduce drug prevalence among youth. Two assumptions inform this purpose: effective prevention programs require, first, a sustainable institutional base and, second, broad-based community participation and support.

B. End of Project Status

Fulfilling the purpose of this Project will result in the establishment of an integrated functioning drug prevention program (with a public/private sector institutional base). Sustainable implementation of that program would require the ability to draw from a variety of funding sources including the Government of Belize (GOB), private host country donors, the sale of services to other organizations in Belize, external private donors as well as external public donors such as the United Nations Drug Control Programme (UNDCP), the European Community (EC), the Organization of American States (OAS) and the United Nations Development Programme (UNDP).

An integrated, functioning drug prevention program would consist of the combined services and activities of two agencies, the present National Drug Abuse Control Council (NDACC) and its private affiliate, the National Drug Abuse Control Foundation (NDACF). The former would administer a range of national prevention activities. The latter would also implement some prevention activities and would focus on fundraising through grants and the sale of support services to the private sector. The Foundation would take the necessary legal steps to establish an endowment fund to assist in supporting the efforts of the two entities. Together, the combined entities would have a staff with the necessary technical, administrative, financial management and fundraising skills to develop and implement a national prevention effort.

C. Description of Project Components

During the first year of project implementation, the two existing agencies, NDACC and Pride Belize would enter into an understanding that would be the framework for integration and development of the resultant public/private program. Within the framework of that agreement, key project components would be NDACC and Pride Belize, renamed and redefined as NDACF.

NDACC would bring to the project its core staff, equipment, other material resources and funding support through the GOB. It would also bring to the project its district coordinators and their respective material resources supported through the UNDCP. Pride Belize would bring to the project its staff, equipment and other material resources, supported to date by USAID/Belize.

To achieve the project purpose and produce the outputs described, NDACC and NDACF will undertake the following activities:

- Using training and technical assistance provided through the Project or from other donors and opportunities, a major concern of the Project will be to improve the skills of the combined staffs of NDACC and NDACF. Important areas for skills enhancement will be in institutional administration and management, cost recovery and revenue generation, research and evaluation techniques (directly related to the requirements of a management information system (MIS)), social marketing design and implementation skills, computer skills (above all those related to MIS requirements), trainer of trainer (TOT) skills, counseling skills and counseling management skills and community outreach and mobilization skills.

An additional critical task in the early stages of the Project will be development of team-building skills as the staffs of NDACC and NDACF (formerly Pride Belize) are integrated into a single operational team.

- Using data generated from the MIS, generation of an annual strategy for prevention activities that targets youth, that uses community based activities and community support as a critical component, and that links those activities to appropriate training and technical assistance activities, the use of mass media and other communication vehicles.

- Implementing training and technical assistance programs directed at community leaders, youth leaders, teachers, parents, counselors using a TOT model. NDACC and NDACF will rely on a small core technical staff to implement a national program. This means that training and technical assistance must have a multiplier effect: training will promote skills so that those trained can expand the skill levels of those that they in turn train.

- Implementing outreach activities that target the community and is in turn supported by the community through local events, the use of local electronic media, and the use of the school and parents groups as channels for delivering prevention messages.
- Design of skills training and other alternative activity programs to be implemented by other groups, agencies, both public and private, using resources drawn from other donors as well as seed money provided through this Project.
- Contacting and securing the cooperation of other agencies with related roles such as the Ministry of Education, the Ministry of Youth Affairs, local town councils, youth groups and other possible allies in developing community focused and supported activities.
- Undertaking feasibility studies and developing Employee Assistance Programs (EAPs) for businesses and other organizations (public agencies).
- Providing training and providing technical assistance in support of the development of counseling services in schools (through SAPs) as well as in the development of follow-on counseling services to meet the needs generated by SAPs.
- Conducting national surveys targeted to youth both in and out of schools; more systematic observations of drug use at the community level, using the NDACC District Coordinators and other participant observers to spot drug use trends and understand the social context of drug use; development and maintenance of data archives that provide the necessary tracking data regarding community activities, networking and other relevant areas for the MIS. (This activity is defined in the Management Information System Program Design and Workplan in an annex to this Amplified Project Description.)

D. Project Outputs and Inputs

1. Outputs

To achieve the proposed project purpose, NDACC and NDACF (ex-Pride Belize) will have to generate the following outputs:

Develop a Coordinated National Prevention Strategy. NDACC and the NDAC Foundation will use a social marketing framework to organize prevention efforts over the three year term of the Project and to develop an operational approach that will assure effective programs beyond the length of the Project.

Develop Community Youth Action Programs. The NDACC District Coordinators will work in each of the six districts of Belize to

generate community support for youth oriented action programs. These programs will be guided by the objectives of the overall prevention strategy of NDACC and NDACF. They will concentrate on generating support from the ground up within the community for activities that could include establishment of skills training programs, sports and other alternative activities, creation of drug-free zones or drug-free leisure activities and other actions appropriate to each of the districts.

Develop Youth Counseling Programs. A key element of school-based prevention is the continuing effort to establish Student Assistance Programs (SAPs) in secondary schools throughout the country. These programs have proved to be an entry point into the school and through the school to parents groups and to the community and these efforts need to be continued. Additionally, school based counseling programs create the need for follow-up counseling services. While the Project within the scope of its proposed resources can generate the required level of follow-up, it should also provide the impetus to generate the resources needed for follow-on counseling from other donors and agencies.

Capacity to Acquire and Manage Resources from Private and Public Donors and the Sale of Services. The future survival of NDACF rests on its ability to develop its revenue generating capacity. As the agency demonstrates continued value in undertaking effective prevention activities directed at youth, it also needs to demonstrate that it is generating additional resources to help solve more general problems confronting youth -- an area of vital concern to the GOB. Successful agency performance also can be used as a key selling point with external donor agencies such as UNDCP as well as private international and local funding sources. NDACF revenue generation should be directed toward the creation of a long term financial base for the agency, an endowment which would be held and managed by NDACF. Sources of the endowment would include direct donations and fees from the sale of technical services.

In short, NDACF needs to examine how its activities and its support from other donors may contribute to creating the endowment. To assist in the development of the endowment fund, the Board of Directors of NDACF will be reconstituted to include representatives from industry and the business community. An important role for these representatives will be to generate contributions from industry and the business community to support NDACF activities as the social and economic costs of drug abuse become more apparent.

Develop a Management Information System. For purposes of generating an appropriate strategy, assisting in the process of national planning in the area of drug prevention, monitoring and evaluating program performance, NDACC and NDACF will need an appropriate MIS. The MIS will be based on data from periodic national surveys of

target populations (e.g., school children, school dropouts, the young adult population), registers of project activities, and the routine collection and analysis of project relevant statistics. The MIS will record drug use prevalence rates, attitudes toward use, shifts in drug use patterns, results of networking and community action activities as well as the relevant expenditures of funds. This will permit more effective efforts at program planning.

2. Inputs

Basic inputs for the Project will consist of technical assistance, training and program support. Program needs may require the procurement of a small amount of commodities, but in general the two agencies have the basic materials (e.g. computer hardware and software, vehicles, copiers) they need to support the proposed level of activities.

Through this Project, USAID/Belize will provide support for technical assistance and training, support for technical and administrative staff salaries, marketing and community outreach costs, MIS costs and technical materials (books, monographs, journals, audiovisual materials). The GOB will continue to maintain the NDACC core and district coordinator staff as well as providing NDACC operating costs. During the first year, the GOB will arrange to provide adequate office space and utilities to be shared by NDACC and NDACF. The GOB FY 1995/96 budget will also include provisions for the addition of a coordinator to assume some national program coordination functions previously undertaken by Pride Belize/NDACF. The GOB will also continue at least its current level of support for program activities.

UNDCP is expected to maintain its support throughout the life of the Project for the community outreach as well as related research costs. Additional donors will be generated as part of the outputs of this Project to expand counseling services, and fund additional programs to be undertaken by NDACC and NDACF.

Other donors will be encouraged to provide technical assistance and training opportunities.

II. IMPLEMENTATION PLAN

NDACC will be the GOB institution responsible for implementing the Project. Day to day management of NDACC activities will rest with the NDACC Coordinator. The Executive Director of Pride Belize will serve as Executive Director of NDACF. He will have responsibility for institutional development and fundraising activities as well as normal oversight functions of the integrated program.

After initial signing of this Agreement, A.I.D. will execute a direct grant agreement with Pride Belize to provide funds for the

first year. Once the two agreements are signed, both parties (NDACC and Pride Belize/NDACF) will work together to develop an integrated workplan. The workplan will set out an approach to implementing the project activities. Its focus will be to integrate the activities of the two entities so that a truly national prevention strategy is developed. This integrated workplan will address key areas for community youth action, youth counseling, establishment of the endowment fund, development of the MIS, to be achieved through community mobilization, outreach activities, social marketing, school-based assistance, youth activities and data collection and analysis. Staff will be assigned specific responsibilities and lines of authority will be defined. The workplan will also describe the steps required to bring together the two organizations under a common roof, locating an office site that facilitates integration of functions and equipment as well as staff interaction.

The first set of project responsibilities will be for NDACC and NDACF to develop a framework for integrating their activities. That framework needs to define the respective functions of the public and private components, the respective roles of the staffs of both organizations and the appropriate use of the joint pool of technical resources and equipment. The development of this memorandum of understanding (MOU) and all related and required legal consultations regarding the change in status of Pride Belize, will take place during the first year of implementation under the Grant Agreement. Ideally, the reconstitution of Pride Belize as NDACF and the signing of the MOU should occur as soon as possible after the signing of the Grant Agreement.

With the respective management and staff in agreement, and an agreement between NDACC and Pride Belize (reconstituted as NDACF) signed and accepted by USAID/Belize by the end of the first year, USAID support for the program under the Grant Agreement between GOB and USAID can be provided based on that agreement rather than a direct agreement between USAID and Pride Belize.

The newly integrated program will be responsible for undertaking the full range of project activities described earlier: development of a strategy for drug prevention that focuses on youth; implementation of that strategy through a process of networking, community mobilization and use of other media as appropriate; development of counseling and related follow-on programs; fundraising, income generation and other measures to diversify support and promote financial sustainability; and development of a management information system and data collection for purposes of project monitoring and evaluation.

The NDACC Coordinator and the NDACF Executive Director will maintain a constant coordination with the USAID/Belize Project Officer as well as providing the required semiannual and annual reports and audits. The reporting requirements consist of the

three annual implementation reports, semi-annual programmatic and financial reports and a final project completion report. USAID funds are provided for annual audit of Pride Belize/NDACF by a private audit firm. The GOB Auditor General will be responsible for audit of GOB funds provided to NDACC; this cost is not included in the project budget.

Planned First Year Implementation Schedule

Date	Activity	Responsible Entity
1993		
July 1	Project starts Grant Agreement with Pride signed	USAID/Pride
Aug 31	ProAg signed	GOB USAID
Sept 30	NDACC & NDACF implementation plan for 1st year drawn up, reviewed, approved	NDACC NDACF USAID
Sept - Dec. '93	Team-building exercises Reconstitution of Pride Belize as NDACF	NDACC/Pride Pride
Aug. '93 - June '94	Implementation of project activities <ul style="list-style-type: none"> o At the community level: needs assessment; training of trainers; networking; undertaking community action; evaluation. o With SAPs: needs assessment; training; evaluation; networking with counseling agencies. o With EAPs: feasibility studies; identification of clients; development, sale, implementation of programs; evaluation. o With mass media: conceptualization; testing; implementation; dissemination; evaluation. o Materials development: needs assessment; design; testing; production; dissemination; evaluation. 	NDACC NDACF

Planned First Year Implementation Schedule

Date	Activity	Responsible Entity
1994		
January	NDACC and NDACF in shared quarters provided by GOB	NDACC
June 30	Annual strategic plan developed, reviewed and approved	NDACC NDACF
	Memorandum of Understanding on integration signed	NDACC NDACF
	ProAG with GOB amended for year two funding and support to program based on NDACC/NDACF agreement	USAID GOB

III. ILLUSTRATIVE FINANCIAL PLAN

The total estimated cost of the Project is US\$1,098,000, with planned A.I.D. contributions totaling US\$675,000 (Attachments I(A), I(B) and I(C)). The Illustrative Financial Plan is shown in Attachment I(A) to this Annex. Changes to the Plan may be made by the representatives of the parties named in the Agreement provided that the changes do not cause (1) A.I.D.'s contribution to exceed the amount specified in the text of the Agreement, and (2) the Grantee's contribution to be less than the amount specified in the text of the Agreement.

The Project is to be incrementally funded by A.I.D. and future obligations are subject to availability of funds and mutual agreement by the parties to proceed.

IV. FINANCING METHODS

A.I.D. funds for the first year's activities will be provided through a direct grant agreement between A.I.D. and Pride Belize. Subject to negotiation of a satisfactory written agreement between Pride Belize/NDACF and the Government of Belize/NDACC, A.I.D. funds for subsequent activities may be provided based on that agreement.

The financial administration of USAID funds will employ the management systems and procedures already established by Pride Belize and available to the newly integrated program through NDACF (formerly, Pride Belize) staff. Pride Belize has a financial

management structure that has proven itself in past USAID/Belize grants. Since NDACC has not established a record of its capability to manage USAID inputs, NDACF will be responsible for the financial administration of all USAID project funds, beginning from the project start date. The Foundation will administer USAID project funds in accordance with the same systems and procedures followed by Pride Belize in administering previous USAID grants. During the first year of the Project, USAID funding will be provided to Pride Belize/NDACF under a direct Grant Agreement. For the remaining two years, funding will be provided to the Foundation through a Grant Agreement with the GOB.

V. EVALUATION AND AUDIT

A. Monitoring and Evaluation

Project monitoring will be based on annual implementation plans and semi-annual reports of Project activities. These reports will contain the data generated by the Project's MIS regarding both process and impact. There will be two relatively modest evaluations, one at approximately the midpoint in the Project (between 16 and 19 months) and one at the end of the Project. The midterm evaluation will focus on the critical questions of the administrative, financial and programmatic integration of the two organizations. It should provide the basis for any mid-course adjustments and corrections required to assure that this process of integration is successful. It should also focus on the functioning of the MIS as a means of providing useful management information. The final evaluation will review lessons learned from this Project with a view toward contributing to the Agency for International Development's experience in the building of sustainable drug use prevention programs. Annual internal evaluations will be undertaken by NDACC and NDACF using local technical assistance if necessary.

B. Audit Arrangements

USAID funds will be provided through direct procurement or direct reimbursement or to Pride Belize/NDACF, which has established adequate accounting capability and procedures. Funds are included in the budget for audit of Pride Belize/NDACF by a private audit firm in accordance with the USAID Recipient Contracted Audit Program. The GOB Auditor General will be responsible for audit of GOB funds provided to NDACC.

VI. SPECIAL PROVISIONS

The A.I.D. funds included in the Illustrative Financial Plan for the first year's activities will be provided through a direct Grant Agreement between A.I.D. and Pride Belize.

Civic Action Against Drug Abuse
Attachment 1(A) Annex I

ILLUSTRATIVE FINANCIAL PLAN

(In U.S.\$)

BUDGET CATEGORY	THIS OBLIGATION	FUTURE OBLIGATIONS	LIFE OF PROJECT	LIFE OF PROJECT
	A.I.D.	A.I.D.	A.I.D.	GOB
Salaries				
NDACC	Nil		Nil	298,000
NDACF	120,000	190,000	310,000	Nil
Staff Development (Training & T.A.)	45,000	Nil	45,000	Nil
Operating Expenses (rent, utilities, office supplies, local travel, etc.)	61,000	80,000	141,000	86,000
Program Costs	45,000	60,000	105,000	39,000
Equipment/Supplies	30,000	Nil	30,000	Nil
Audit	6,000	Nil	6,000	Nil
Evaluation	20,000	Nil	20,000	Nil
Inflation & Contingencies	6,300	11,700	18,000	Nil
TOTAL	333,300	341,700	675,000	423,000

**ANNEX I
ATTACHMENT 1(B)**

**SUMMARY OF PROJECT FINANCIAL PLAN
(US\$ 000s)**

BUDGET ITEM	USAID FX	USAID LC	USAID TOTAL	GOB LC	PROJECT TOTAL
SALARIES					
NDACC				298	298
NDACF		310	310		310
STAFF DEVELOPMENT (Training & Technical Assistance)	30	15	45		45
OPERATING EXPENSE (Rent, Utilities, Office Supplies, Local Travel)		141	141	86	227
PROGRAM COSTS (Community Outreach, Mass Media, TOT & TA)	55	50	105	39	144
AUDIT		6	6		6
EVALUATION	20		20		20
EQUIPMENT	15	15	30		30
INFLATION	18		18		18
TOTAL	138	537	675	423	1,098

**PROJECTED EXPENDITURES BY FISCAL YEAR
(US\$000)**

EXPENSES	JULY - SEPTEMBER			OCTOBER - SEPTEMBER			OCTOBER - SEPTEMBER			OCTOBER - JUNE			LIFE OF PROJECT		
	FY 1993			FY 1994			FY 1995			FY 1996			FY 1993 - 1996		
	USAID	HCC	TOTAL	USAID	HCC	TOTAL	USAID	HCC	TOTAL	USAID	HCC	TOTAL	USAID	HCC	TOTAL
SALARIES															
NDACC		8	8		100	100		111	111		79	79	0	298	298
NDACF	30		30	120		120	110		110	80		80	340	0	340
STAFF DEV'T. (Trng. & TA)	10	0	10	30	0	30	20	0	20	0	0	0	60	0	60
OPERATING EXP. (Rent, Util., Off. Supplies, Local Travel)	16	1	17	52	28	80	48	32	80	35	25	60	151	86	237
PROGRAM COSTS (Community Outreach, Mass Media, TOT, TA)	16	1	17	44	14	58	37	14	51	23	10	33	120	39	159
AUDIT	0	0	0	3	0	0	3	0	3	3	0	3	9	0	9
EVALUATION	0	0	0	0	0	0	20	0	20		0	0	20	0	20
EQUIPMENT	0	0	0	20	0	20	10	0	10	0	0	0	30	0	30
INFLATION	0	0	0	8	0	8	7	0	7	5	0	5	20	0	20
TOTAL	72	10	82	277	142	416	255	157	412	146	114	260	750	423	1,173

N.B.

1. This budget does not include additional support for staff development and program costs anticipated from other donors.
2. Host country contributions for operating expenses include the cost of partially supporting NDACF by providing office facilities and utilities for NDACF from January 1994 onwards.
3. USAID contributions (US\$75,000) in support of expenditures for the July to September 1993 period are being provided through a direct grant agreement with Pride Belize signed on June 30, 1993.