

PD-ABI-728

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

89 (22)

DOCUMENT CODE

3

COUNTRY/ENTITY

EL SALVADOR

3. PROJECT NUMBER

519-0411

4. BUREAU/OFFICE

LATIN AMERICA AND
CARIBBEAN

5. PROJECT TITLE (maximum 60 characters)

CENTRO DEMOS

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
01 9 31 0 9 4

7. ESTIMATED DATE OF OBLIGATION

(Under "B" items, enter 1, 2, 3, or 4)

A. Initial FY 93

B. Quarter 4

C. Final FY 94

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(1,000)	()	(1,000)	(1,000)	()	(1,000)
(Loan)	()	()	()	()	()	()
Other						
U.S.						
Host Country						
Other Donor(s)						
TOTALS	1,000		1,000	1,000		1,000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPRO. PRIORITATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ESF						1,000		1,000	
(2)									
(3)									
(4)									
TOTALS						1,000		1,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

TO SUPPORT NATIONAL RECONCILIATION THROUGH THE ESTABLISHMENT OF A DEMOCRATIC LEADERSHIP TRAINING PROGRAM.

BEST AVAILABLE COPY

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final 0 8 9 4

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP. Amendment.)

Method of Implementation and Financing are hereby concurred with

Thomas Clarkson

Thomas Clarkson, CONT

17. APPROVED BY

Signature

CE Costello

Name Charles E. Costello
Director, USAID/El Salvador

Date Signed MM DD YY

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY



AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES OF AMERICA A. I. D. MISSION
TO EL SALVADOR
C/O AMERICAN EMBASSY.
SAN SALVADOR, EL SALVADOR, C. A.

PROJECT AUTHORIZATION

Name of Country: El Salvador
Name of Entity: Institute for Central American Studies (ICAS)
Number of Project: 519-0411
Name of Project: Centro Demos

1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Centro Demos Project, entailing a Cooperative Agreement with the Institute for Central American Studies (ICAS) and involving a total planned obligation of not to exceed **One Million United States Dollars (US\$1,000,000)** in grant funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project. The planned life of the Project is **one year** from the date of initial obligation.

2. The Centro Demos Project ("the Project") consists of assistance to ICAS to support national reconciliation through the establishment of a democratic leadership training program.

3. The Cooperative Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following terms and conditions, together with such terms and conditions as A.I.D. may deem appropriate.

A. Source, Origin and Nationality of Procurement of Commodities and Services.

Except as USAID otherwise agrees in writing, commodities and services financed by USAID under this Project shall have their source, origin and nationality in the United States. Local cost financing is authorized to the extent permitted by the Agency's Buy America guidance.

B. Conditions Precedent to Disbursement.

Prior to initial disbursement of funds to ICAS under this

2

Cooperative Agreement, the Recipient will, except as the Parties may otherwise agree in writing, furnish to USAID in form and substance satisfactory to USAID:

- 1) A statement by the President of ICAS in which it names the person(s) empowered to receive the funds provided under this Agreement, and of any additional representatives, together with a specimen signature of each person so designated; and
- 2) Evidence that the Recipient has established a separate bank account to control the receipt and disbursement of funds, including the name of the bank and complete bank account number.
- 3) Evidence that adequate progress in rectifying the deficiencies identified in the Price Waterhouse institutional review has been made.

Charles E. Costello
Mission Director

9/20/93
Date

Office of the Controller
REVIEWED
SS 9/28/93
DATE

Drafted by: NVelásquez-Castro de Mata, PRJ
 Cleared by: MDeal, PRJ Mel date 9/28
 DKiraheta, ODI DICE date 9/28
 CSteele, DPP CS date 9/28
 PMiller, CO Pm date 9/29
 TClarkson, CONT TC date 9/28/93
 MWilliams, RLA MW date 9-28-93
 JLLovaas, DIR JL date 9/29/93

MACH\ICASAG



AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES OF AMERICA A. I. D. MISSION
TO EL SALVADOR
C/O AMERICAN EMBASSY,
SAN SALVADOR, EL SALVADOR, C. A.

ACTION MEMORANDUM FOR THE DIRECTOR

FROM: Deborah K. de Iraqueta, ODI, and Michael Deal, PRJ

SUBJECT: Cooperative Agreement with the Institute for Central American Studies (ICAS), for the CENTRO DEMOS Project No. 519-0411

ACTION REQUESTED: Your approval is requested to authorize and enter into a Cooperative Agreement with ICAS for the Centro Demos Project No. 519-0411. The total Project funding required for the life of the Project is \$1,000,000 in ESF funds.

BACKGROUND: Between May 1992 and January 1993, a team of three individuals mobilized by International Advisory Services (IAS) assisted a group of Salvadoran leaders to develop an institutional framework for the foundation of a Salvadoran non-profit organization modeled after the Centro ESTNA of Guatemala. Although a consensus on a pluralistic composition of the founders and Board of Directors for the Foundation has not been reached, IAS' work and the conference on Reconciliation in Times of Transition has laid the groundwork for broad-based political acceptance and support for the Centro DEMOS by some sectors of Salvadoran society.

On February 10, 1993, the Institute for Central American Studies (ICAS), a U.S. non-profit organization based in Washington, D.C., presented an unsolicited proposal to AID/Washington, for the establishment of a Salvadoran leadership foundation and the establishment of an International Center for Pluralism, Tolerance and Democracy. Following a discussion of the proposal, AID informed ICAS that AID funding for an International Center, as proposed, would be premature and that it was necessary to first consolidate the El Salvador experience. The ICAS proposal for El Salvador was, thus, referred to the USAID Mission for action.

Through previous contracts with ICAS and IAS, USAID has supported efforts to foster the establishment of a non-profit Salvadoran foundation. ICAS has been working since May 1993 in several activities, which include definition of the profile of the Foundation founding board and Board of Directors, identification and preparation of a complete list of the participating institutions, development of a curriculum for the first training program, etc. Although a consensus has not been reached on a pluralistic Board of Directors for the Foundation, ICAS efforts have resulted in a commitment of Government, FMLN, labor,

4

business, military, church and other Salvadoran leaders to participate in the first training program.

DETERMINATION OF RESPONSIBILITY: ICAS is a first time recipient of A.I.D. funding and neither the Grant Officer nor Project Officer has complete knowledge of its capacity to perform the Project technically or financially (HB 13, 4.F.(a)). Since the organization has never received government funding, one of the recommendations made by the USAID Project Design Committee, before approval of the ICAS unsolicited proposal, was to contract for a pre-grant award survey. The institutional review carried out in May, 1993 by Price Waterhouse, was performed in accordance with generally accepted auditing standards, the U.S. Comptroller General "Government Auditing Standards" and used USAID "Guidelines for Financial Audits Contracted for Foreign Recipients" as a guide. The major objectives of the financial review were: to determine whether the organization possesses, or has the ability to obtain, management competence necessary to plan and carry out the activities proposed in their unsolicited Proposal of February 1993, and whether ICAS can practice acceptable methods of accountability for funds and other assets to be provided by A.I.D.

The institutional review comments, based on a draft final report submitted on August 17, 1993, states that in general ICAS: 1) lacks an internal control structure capable of providing reasonable assurance that resource use complies with applicable laws, regulations, and policies; 2) lacks adequate safeguards against waste; and 3) may not possess sufficient management capability. ICAS has hired a full-time experienced financial administrator to develop the manuals and control systems recommended by the Price Waterhouse institutional review. The Controller's Office further recommended that USAID contract to provide ICAS technical assistance to assist implementing recommendations made by Price Waterhouse. The technical assistance is expected to begin by September 30, 1993, and within four weeks to have assisted ICAS to make significant progress in implementing the recommendations. Disbursement of Project resources for the training program under the Project will be conditioned on satisfactory progress in rectifying deficiencies disclosed by the institutional review.

JUSTIFICATION FOR LESS THAN FULL AND OPEN COMPETITION: Handbook 13, Chapter 2, Section 2B, provides that the requirement for competition in the award of grants or cooperative agreements is considered to be met when assistance awards are based on eligibility requirements for special assistance programs, including "e. Mission funded grants and cooperative agreements to registered PVOs for field programs." Additionally, Section 3 provides that competition is not required for "assistance awards for which one recipient is considered to have exclusive or predominant capability, based on experience, technical competence

predominant capability, based on experience, technical competence or based on an existing relationship with the cooperating country." The ICAS award meets both of these criteria. First, ICAS is a registered PVO which has met all eligibility requirements of the Mission. Second, the award is based on an unsolicited proposal by ICAS, whose technical staff have unique technical competence and an established relationship in the creation of a training program such as that proposed for El Salvador.

DISCUSSION: On February 19, 1993, ICAS submitted an unsolicited proposal to the Mission focussed on creating a non-profit, nonpartisan center dedicated to strengthening Salvadoran leadership in democracy and providing a pluralistic forum for the interchange of opinions. After several Project Design Committee (PDC) meetings and negotiations surrounding the content of the proposal and its funding level, ICAS submitted a revised proposal on August 2, 1993, responding to USAID's recommendations to reduce the life of project and funding required. During this interim, ICAS registered with A.I.D. as a PVO, and USAID completed the institutional review described above. Based on the revised "PP-like" unsolicited proposal, the PDC recommended funding the activities proposed by ICAS.

The Goal to which this Project contributes is the promotion of enduring democratic institutions and practices in El Salvador. The Purpose of the Project is to support national reconciliation through the establishment of a democratic leadership training program. This Project conforms to the Mission strategic objective of promoting enduring democratic institutions and practices in El Salvador, in conformance with the regional program objectives.

The Project consists of two components: 1) Leadership Training Program, and 2) Organizational Technical Assistance. Under the Leadership Training Program Component, the Project will finance the costs of the first "Centro Demos" training program, including travel and per diem for guest speakers, stipends for trainees, and all operational costs of the training. The training program will be of approximately eight months duration, involving participation of all segments of Salvadoran society, including the FMLN, military leaders, labor unions and professional associations among others. Under the Organizational Technical Assistance Component, the Project will finance activities designed to facilitate the establishment of a Salvadoran foundation to sponsor "Centro Demos" and a permanent democratic leadership training program. In addition, dissemination of the Guatemala Centro ESTNA experience will be financed.

USAID INVOLVEMENT: The Cooperative Agreement will include substantial involvement clauses which clearly express the grantee's commitment to: a) work toward establishment of a local

foundation which reflects both a broad representation of the key sectors of Salvadoran society and seeks the active support of the Salvadoran private sector; b) develop a diversified financial base and thus ensure organizational independence from any one sector of Salvadoran society. Technical assistance under the Project will be provided to help the foundation on this matter; and c) ICAS will implement recommendations made during the Grantee's Institutional Review to resolve deficiencies in the Recipient internal control structure and Project management capabilities. USAID will provide technical assistance through an IQC Delivery Order to facilitate compliance with this recommendation.

AUTHORITY: Delegation of Authority No. 752, as amended on September 14, 1992, permits you to authorize projects which do not exceed \$30 million over the life of the project. This Project fulfills these conditions. A Congressional Notification for this Project was sent to Congress on July 19, 1993. The waiting period expired on August 19, 1993. The New Project Description was reviewed and approved by LAC on August 11, 1993 (State 257514 dated August 24, 1993.) The Agreement Officer, is prepared to sign the Cooperative Agreement following your approval of this Action Memorandum and attached documentation.

RECOMMENDATION: The Mission Review Committee recommends that you approve the Centro DEMOS Project No. 519-0411 with the Institute for Central American Studies by signing this Action Memorandum, the Project Data Sheet, the Project Authorization, the PIO/T, and the Cooperative Agreement, attached hereto. The Cooperative Agreement has a Project Assistance Completion Date of September 30, 1994.

APPROVED: _____ 

DISAPPROVED: _____

DATE: 9-20-93

Attachments:

- 1. Project Data Sheet
- 2. Project Authorization
- 3. PIO/T
- 4. Cooperative Agreement

Drafted by: MRadmann, ODI/NVelásquez-CastroMata, PRJ

Cleared by:	DKIraheta, ODI	<i>[Signature]</i>	Date	9/15/93
	MDeal, PRJ	<i>[Signature]</i>	Date	9/13/93
	PMiller, CO	<i>[Signature]</i>	Date	9/21/93
	CSteele, DPP	<i>[Signature]</i>	Date	9/16/93
	TClarkson, CONT	<i>[Signature]</i>	Date	9/22/93
	MWilliams, RLA	<i>[Signature]</i>	Date	9-24-93
	JLovaas, DDIR	<i>[Signature]</i>	Date	9/24/93

CU, 09/22

→ NO FUNDS AVAILABLE YET
 SUBSTANCE ONLY
 ✓ 9/22/93