



U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
La Paz, Bolivia

July 15, 1993

Mr. Jose Barrientos de Ugarte
National Director
Caritas Boliviana
La Paz

Subject: Grant No.511-0938-G-00-3115
Support for Title II Program

Dear Mr. Barrientos

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to CARITAS BOLIVIANA (herein after referred to as "CARITAS" or "Grantee"), the sum of \$516,000.00 to provide support for Title II Program in Bolivia, as described in the Schedule of this Grant and the Attachment 2, entitled "Program Description."

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period as set forth in the Schedule in paragraph B.

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

Please sign the original and seven (7) copies of this letter to acknowledge your acceptance of the terms and conditions established and return the original and six (6) copies to the Grant Officer, Regional Contracts Office, USAID/Bolivia.

Sincerely yours,

Margaret Kidd
Grant Officer
USAID/Bolivia

BEST AVAILABLE DOCUMENT

ACKNOWLEDGED BY:

SIGNATURE: _____

NAME: _____

TITLE: _____

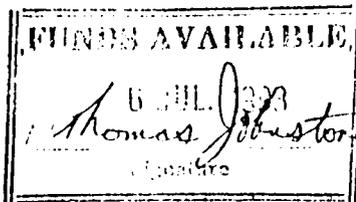
DATE: _____

ATTACHMENTS:

1. Schedule
2. Program Description
3. Standard Provisions

FISCAL DATA

Appropriation	: 72-12X4336
Budget Plan Code	: ECCX-93 16840 KG3E
PIO/T Number	: 511-0938-0802-3688032
Project Number	: 511-0938
Total Estimated Amount	: \$516,000.00
Total Obligated Amount	: \$516,000.00
Funding Source	: USAID/Bolivia



BEST AVAILABLE DOCUMENT

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for the Title II Program in Bolivia, as more specifically described in Attachment 2 to this Grant entitled "Program Description."

B. Period of Grant

The effective date of this Grant is the date of the cover letter. The period covered by this Grant is from April 1, 1,993 through August 31, 1994.

C. Amount of Grant and Payment

1. USAID/B hereby obligates the amount of \$516,000.00 for purposes of this Grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, Standard Provision, entitled "Payment - Periodic Advance."

D. Financial Plan

The following is the Grant Budget, including local cost financing items, if authorized. Revisions to this Budget shall be made in accordance with Standard Provision of this Grant, entitled "Revision of Grant Budget."

Grant Budget

Cost element

1. Salaries	\$ 193,723
2. Fringe Benefits	\$ 67,157
3. Travel and Per Diem	\$ 8,438
4. Inland Transportation of Title II Commodities	\$ 92,415
5. Contract for design and implementation of Accounting and Reporting System	\$ 20,000
6. Construcccion of warehouses	\$ 100,000
7. Audits	\$ 30,000
8. Communication expenses	\$ 2,245
9. Desk Supplies	\$ 376
10. Other direct costs (electricity, etc)	\$ 1,646
TOTAL	\$ 516,000

Disbursements will be made to finance the costs of this project. A.I.D. will disburse to the Grantee in dollars and the Grantee will be responsible for opening a dollar bank account acceptable to A.I.D. The Grantee will procure local currency from the dollar account at the maximum legal exchange rate in Bolivia and maintain separate dollar and Bolivianos records.

The Grantee may adjust individual line items by a factor not to exceed 10% provided it does not exceed the total amount obligated. Any adjustment exceeding 10% per line item, or any increase in the total Grant amount, requires the prior written approval of the Grant Officer.

Pre-Grant expenses under this Grant have been reviewed and approved in the amount of \$117,000 for costs incurred during the effective period of this grant, but prior to grant signature.

E. Reporting and Evaluation

1. The Grantee is required to coordinate and submit fiscal reports and supporting documentation for all expenditures to the USAID/Bolivia Controller's Office.
2. The Grantee is required to submit a financial report as detailed in Attachment 3, Standard Provision entitled "Payment - Periodic Advance" together with original receipts for all disbursements. A final fiscal report is required at the completion of the agreement.
3. The Grantee also will coordinate a final audit with the USAID/Bolivia controller's Office as described in Attachment 3, Standard Provision entitled "Accounting, Audit, and Records."
4. The Grantee is required to coordinate and submit performance reports (technical report) to the USAID/Bolivia Agriculture and Rural Development Office.
5. The Grantee shall be responsible for the performance under the Grant and, where appropriate, ensure that times schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved. This review shall be made for each program, function, or activity of the Grant as set forth in the award document.

6. The Grantee shall submit a technical performance report for the Grant that briefly presents the following information for each program, function, or activity involved:

a. A comparison of actual accomplishments with the goals established for the period, the findings of the investigation or both. If the output of programs can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

b. Reasons why established goals were not met.

c. Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

7. Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the grantee shall inform A.I.D. as soon as the following types of conditions become known:

a. Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, to resolve the situation.

b. Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

8. The Grantee agrees to prepare and submit any and all special reports which USAID/Bolivian may request.

F. Special Provisions

Employee Salary Level, Benefits, Allowances and Conditions of Employment

a. It is mutually agreed that the Grantee shall hire all non-U.S. agreement employees with salary payments in local currency, in accordance with all applicable Bolivian labor law regarding benefits, allowances and conditions of employment, and the Grantee's labor policies. Salary levels shall be in accordance with the employees's salary history and the established compensation plan of the Grantee and shall be agreed to in writing by the USAID Local Salary Committee

and/or the Grant Officer.

b. The Grantee shall provide to USAID/Bolivia a list of all personnel with full or part-time project responsibilities, including name, professional qualifications, salary and a brief scope of work for each.

G. Indirect Cost Rate

No indirect cost rate agreement has been proposed by the Grantee.

H. Title to Property

Title to all property financed under this Grant shall vest in the Grantee until termination of program activities, subject to the conditions set forth in Attachment 3, Standard Provision entitled "Title to and Use of Property (Grantee Title)."

PROGRAM DESCRIPTION

I. BACKGROUND AND PURPOSE

Cáritas Boliviana became a Title II Cooperating Sponsor in October, 1992 and presently manages a Title II program reaching 206,000 beneficiaries and importing 21,000 metric tons of food with a commodity and transportation cost of \$8.6 million dollars. Cáritas Boliviana works with 16 diocesan regional offices throughout Bolivia and carries out a Municipal Urban Food Work, School Feeding, Other Child Feeding and General Relief Programs. Cáritas Boliviana also implements rural development and other projects to enhance the food security needs of the poorest population groups.

Under Section 202(e) of the 1990 Amendment to the Agricultural Development and Trade Act, funds are available to any cooperating sponsor of PL-480 Title II food assistance programs. This funding is available to establish new programs under this Title; meeting specific administrative, management, personnel and internal transportation costs for carrying out the program in foreign countries under this Title.

The purpose of this Section 202(e) grant is to strengthen Cáritas Boliviana's administrative, logistical, monitoring, evaluation, technical and accounting capability in order to ensure adequate management of its Title II program.

II. PROGRAM ACTIVITIES

A. Inland Transport of Commodities

Cáritas Boliviana will provide its offices of Corocoro, Aiquile, Cuevo, Chiquitos, and Ñuflo de Cháves with funding for the inland transportation of Title II commodities from approved points of entry in Bolivia to the warehouses of these regional offices. These offices do not receive inland transportation support from other U.S. or Bolivian sources and the provision of these resources will ensure the timely delivery of Title II commodities to beneficiaries under the program.

B. Warehouses

Cáritas Boliviana will build two warehouses to serve the regional offices of Chiquitos and Aiquile. The property on which these warehouses will be built will be purchased with funds provided exclusively by Cáritas Boliviana or will be donated property for the exclusive use of the Title II program. Prior to construction and disbursement of funds for this purpose by USAID, Cáritas Boliviana will provide evidence that it has clear title to the land and provide construction plans to be approved by USAID. In addition, the warehouses will be built through direct administration of Cáritas Boliviana with the supervision of USAID.

C. Administration

One of the major weaknesses of Cáritas Boliviana and its the 16 diocesan offices is the lack of qualified technical staff to assume the responsibilities of adequately managing and carry out Title II feeding programs and development activities. In order to improve the planning, evaluation, monitoring, logistical, administration and management of the Title II program, the national office of Cáritas Boliviana will employ the following personnel:

- Chief of Planning
- Two Logistical Supervisors
- Agronomist
- Economist
- Internal Controller
- Accounting Bookkeeper
- Bilingual Secretary

In addition, the sixteen regional offices of Cáritas Boliviana will be strengthened by adding to their staff 16 agronomists, economists and/or civil engineers and 16 auditors/accountants.

D. Accounting technical Assistance

Recent audits have shown that Cáritas Boliviana and its regional offices have antiquated and complicated accounting and reporting systems, which require to be simplified and adapted to the needs of the Title II program. In order to improve this system, Cáritas Boliviana will contract and accountant of a CPA firm, with the prior written approval of USAID, to design a new accounting and reporting system, develop accounting manuals and train regional and national accountants to utilize the new system. The consultant or accounting firm will visit each of the diocesan offices to do a diagnosis of the existing system to be used as a base for developing the new system.

Training courses will be organized to implement the new accounting and reporting systems.

E. Audit

Cáritas Boliviana will hire an external accounting firm, acceptable to USAID to undertake an audit of the FY 1992 Title II program. A second audit firm will be contracted by Cáritas to audit this section 202(e) Grant. The scopes of Work for both contracts will require the written approval of USAID.

F. Food International Conference

At the request of AID/Washington, the Director of Cáritas Boliviana will travel to the United States to attend the Food Aid Consultative Group meeting in 1993 in order to become familiarized with Title II regulations and policy.

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ATTACHMENT NO. 2

ESTIMATED BUDGET

(In US dollars)

<u>A. National Office</u>	<u>Salary</u>	<u>Total</u>
1. Salaries		
Chief Planning (\$489 x 14 mos.)	6,846.-	
Logistics Supervisors (\$371 x 14 mos.)	5,194.-	
Logistics Supervisor (\$362 x 14 mos.)	5,068.-	
Agronomist (\$472 x 14 mos.)	5,908.-	
Economist (\$422 x 14 mos.)	5,908.-	
Internal Controller (\$371 x 14 mos.)	5,194.-	
Accounting Bookkeeper (\$320 x 14 mos.)	4,480.-	
1/2 Time Bilingual Secretary (\$446 x 14 mos.)	<u>3,122.-</u>	41,720
Fringe Benefits (18% of salaries)		7,509
2. Travel & Per Diem		
International		
RT ticket to the Wash., D.C.	1,812.-	
4 days Per Diem & Lodging \$148 x 4-9	<u>592.-</u>	
	2,404.-	
In-Country		
Attendance to annual conference	<u>596.-</u>	3,020
3. Technical Assistance Contract for:		
a) Accounting & Reporting System		20,000
b) Training course to implant accounting & reporting system		5,000
4. Audit		
External Audit cost of Section 202(e) Program	10,000.-	
External Audit cost of Title II Program	<u>20,000.-</u>	<u>30,000</u>
Subtotal		107,229

<u>B. Caritas Diocesan Offices</u>	<u>Salary</u>	<u>Total</u>
1. Inland Transportation Cost of Title II Commodities		87,197 ✓
2. Construction of two warehouses ^{450,000} each in Aiquile and Chiquitos		100,000 ✓
3. a) Salaries for 16 Agronomists (\$400 x 16 x 14 mos.)	89,600.-	
b) Salaries for 16 Accountants (\$400 x 16 x 14 mos.)	<u>89,600.-</u>	179,200 ✓
c) Fringe Benefits (18% of salaries)		<u>32,256</u> ✓
Contingency Expenses		398,653
		<u>10,118</u>
GRAND TOTAL		516,000 =====

