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**UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT**

USAID KAMPALA.  
Agency for International Development  
Washington D.C. 20521 - 2190.

UGANDA ADDRESS:  
USAID Mission to Uganda  
P. O. Box 7007, Kampala, Uganda

13 OCT 1995

Mr. Nicholas Ritchie  
Country Director  
CARE International in Uganda  
P.O. Box 7280  
Kampala, Uganda

Subject: Agreement Number 617-0135-G-00-6001-00

Dear Mr. Ritchie:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (hereinafter referred to as "USAID" or "Grantor") hereby awards to CARE International in Uganda (hereinafter referred to as "CARE" or "Recipient"), the sum of \$100,000 to provide support for a program to assist in the socio-economic reintegration of veteran households in the districts of Arua, Nebbi and Moyo as described in Attachment 1, entitled "Schedule" and Attachment 2, entitled "Program Description."

This agreement is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning October 1, 1995 and ending on March 31, 1996. USAID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

This agreement is made to CARE, on condition that the funds will be administered in accordance with the terms and conditions as set forth in 22 CFR 226, entitled "Administration of Assistance Awards to U.S. Non-Governmental Organizations;" Attachment 1, entitled "Schedule;" Attachment 2, entitled "Program Description;" and Attachment 3 entitled "Standard Provisions."

Please sign the original and each copy of this letter to acknowledge your receipt of this agreement, and return the original and all but one copy to the Agreement Officer.

Sincerely yours,

  
Leticia Diaz  
Agreement Officer

Attachments:

1. Schedule
2. Program Description - CARE Proposal
3. Mandatory Standard Provisions
4. Optional Standard Provisions

ACKNOWLEDGED:

By: \_\_\_\_\_

*N. Rui*

Title: \_\_\_\_\_

*COUNTRY DIRECTOR, CARE*

Date: \_\_\_\_\_

*16.10.95*

FISCAL DATA

A. GENERAL

1. Total Estimated USAID Amount: \$ 100,000
2. Total Obligated USAID Amount: \$ 100,000
3. Cost-Sharing Amount (Non-Federal): \$ \_\_\_\_\_
4. Project Number: 617-0135
5. USAID Project Office: Agricultural Natural Resources
6. Tax I.D. Number: \_\_\_\_\_
7. CEC Number: \_\_\_\_\_
8. LOC Number: \_\_\_\_\_

B. SPECIFIC

5. PIO/T Number: 617-0135.00-03-40083 - E/M U945103
6. Appropriation: 724/51014
7. Allocation: \_\_\_\_\_
8. BPC: GSS4-94-21617-KG13 - Element No. 02

Funding Source: USAID

## SCHEDULE

**A. PURPOSE OF Agreement**

The purpose of this Agreement is to provide support for the program described in Attachment 2 to this Agreement entitled "Program Description."

**B. PERIOD OF Agreement**

The effective date of this Agreement is October 1, 1995. The estimated completion date of this Agreement is March 31, 1996.

**C. AMOUNT OF AWARD AND PAYMENT**

1. USAID hereby obligates the amount of \$100,000 for purposes of this Agreement.
2. Payment shall be made to the Recipient in accordance with procedures set forth in 22 CFR, Section 226.22 - Payments - advance payments (Letter of Credit).

**D. BUDGET**

The following is the Agreement Budget, including local cost financing items, if authorized. Revisions to this budget shall be made in accordance with 22 CFR 226.25.

<u>Cost Element</u>	<u>U.S. Dollars</u> <u>Total</u>
1. Personnel	34,793
2. Materials and Equipment	18,924
3. Operation Costs	20,256
4. Consultancy, training, meetings, workshops	<u>18,800</u>
<b>Subtotal Direct Costs</b>	<b>92,773</b>
5. Indirect Costs (CARE HQ)	<u>7,227</u>
<b>TOTAL USAID COST</b>	<b>100,000</b>

**E. REPORTING AND EVALUATION****1. Financial Reporting**

The Recipient shall submit an original and two copies of "Financial Status Report" (SF-269) along with a copy of a comprehensive financial report on a quarterly basis.

The above reports shall be submitted to the Controller, USAID/Uganda, P.O. Box 7007, Kampala, Uganda. Financial reports shall be in keeping with 22 CFR 226.52.

## 2. Program Reporting

The Recipient shall submit an original and one copy of performance reports to the Demobilization Coordinator, USAID/Uganda, P.O. Box 7007, Kampala, Uganda on a quarterly basis. Program reports shall include the information requested in 22 CFR 226.51. The final report will assess the overall achievement of the program objectives and will include the implementation mechanisms utilized, problems encountered and results achieved.

### **F. SPECIAL PROVISIONS**

None.

### **G. INDIRECT COST RATE**

The Negotiated Indirect Cost Rate Agreement is 7.79% applied to total direct costs.

### **H. TITLE TO PROPERTY**

Title to real property and equipment, as per 22 CFR 226.32 and 22 CFR 226.34 respectively, shall vest in the Recipient.

### **I. AUTHORIZED GEOGRAPHIC CODE**

The authorized geographic code for procurement of goods and services under this Agreement is 935.

**PROGRAM DESCRIPTION**

The Recipient's proposal entitled "Veterans Integration Through Extension of New Development Opportunities (VITENDO) Project: Project Initiation Phase" and dated September 13, 1995 is incorporated by reference hereto as the Program Description and is made a part of this Agreement.

# **CARE INTERNATIONAL IN UGANDA**

**VETERANS INTEGRATION THROUGH EXTENSION OF NEW DEVELOPMENT OPPORTUNITIES  
(VITENDO) PROJECT**

**PROJECT INITIATION PHASE**

## **CONTACT PERSONS**

**Nicholas Ritchie, Country Director  
Geoffrey Chege, Assistant Country Director  
Mark Dypiango, Project Manager**

**13th September 1995**

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# VETERANS INTEGRATION THROUGH EXTENSION OF NEW DEVELOPMENT OPPORTUNITIES

## VITENDO PROJECT -INITIATION PHASE

### INTRODUCTION

CARE International in Uganda has been operational in the West Nile region since 1986 and has established very good working relationships with government ministries and communities in Arua , Nebbi and Moyo. CARE was in the region to assist the communities undertake their agricultural rehabilitation for the first few years after their return from exile in Sudan and Zaire. Since 1991 CARE has been working with the communities on sustainable development initiatives including providing training in improved agricultural practices, access to improved seeds, continued agricultural extension services, access to safe water and health and sanitation education through the West Nile Community Self-reliance project funded by USAID. Funded by United Nations Capital Development Fund (UNCDF) CARE has also implemented the West Nile Savings and Credit Project since 1993 . This project offers access to credit not only to those that qualify for traditional credit but also to those who would otherwise not have the access due to lack of collateral, especially women.

### PROBLEM

The government of Uganda is currently implementing a demobilization program to reduce the number of soldiers by 42,500 by the end of 1995. Since 1992, 32,211 soldiers have already been demobilized throughout the country. Demobilized soldiers need be involved in economically productive activities to assist them in socio-economic integration into their host communities. If they do not achieve successful socio-economic reintegration, they may become involved in activities which may increase insecurity in the region, and retard development. Arua and Nebbi districts were among the first five districts that received the largest number of demobilized soldiers during the last demobilization phase. Since the West Nile region, which has a total of 3,552 veterans, already suffers greater insecurity from anti-social activities than most of the rest of the country, it is important that the integration of the demobilized soldier be done as quickly and as effectively as possible.

### NEED FOR A VITENDO-INITIATION PHASE

CARE is currently in the process of finalizing a project proposal , Veterans Integration Through Extension of New Development Opportunities (VITENDO). VITENDO as a project name will appeal to the communities because it is a Kiswahili word that means *Actions or Deeds. The word promotes self reliance, and encourages individuals to get involved as opposed to being dependent, begging or complaining.* The VITENDO initiation phase will be implemented in the districts of Arua, Nebbi and Moyo, under the management structure of the West Nile Community self reliance project (WNCSR) (Grant No. 617-0129). WNCSR project currently operates in Arua and Moyo districts only and so a new office will be established in Moyo within the initiation phase of VITENDO.

VITENDO, when fully operational, will absorb most of the WNCSR staff when WNCSR concludes in February 1996.

VITENDO will work with the Uganda Veterans Assistance Boards (UVAB) at the district and county levels to identify opportunities that will encourage the veterans to get integrated into their host communities and actively participate in viable economic activities that enhance their household livelihoods. The project will also collaborate with the Ministry of Agriculture, Animal Industries and Fisheries through its new Agricultural Extension Program (AEP) to improve the opportunities for the veterans and their host communities to increase their income through improved agriculture practices and viable agribusinesses. VITENDO will also coordinate with the CARE assisted West Nile Savings and Credit Project and the Centenary Rural Development Bank (CERUDEB) to extend credit through both the traditional lending and the Mutual Guarantee Fund mechanisms to veterans and other members of their host communities. The project will training the veterans and their host communities how to identify viable income generating activities.

The project strategy is to build the capacity of the MAAIF and UVAB to offer effective sustainable extension and support services, and these institutions will in turn train the veterans and their host communities to identify and effectively manage their viable on-farm and off-farm income generation activities. The project will also link the veterans and their host communities to the CERUDEB bank from where they will be able to access credit individually or through Mutual Guarantee Fund groups.

The preparation of the VITENDO project proposal has so far been participatory, involving both the UVAB and the MAAIF officials at the district and county levels. However, there is need for more detailed consultations that would lead to more accurate /updated identification of the veterans, their current activities, their economic interests for the future, and their reactions to the interventions envisaged for VITENDO. This improved understanding of the veteran situation will be used to prepare an operations plan that will indicate which communities will be served first. It will also assist in the preparation for the baseline survey that will be conducted within the first few months of VITENDO's full operation. It has become clear that identification of viable Income Generation Activities (IGAs) and training of veterans and other members of their host communities in Rural Enterprise management are going to be major components of the VITENDO project. Participatory identification of viable IGAs and the development appropriate training curricula, (including consultation, drafting, testing and finalizing) will take a long time. It is therefore important that these activities be initiated now before VITENDO project implementation commences fully.

### **Purpose of the initiation project**

This VITENDO-initiation phase will start off the implementation of the development of VITENDO project proposal and begin effective collaboration and coordination among (CARE, UVAB, MAAIF, CERUDEB, Cooperative bank) through more thorough formalized consultations that will lead to identification of roles, and establishment of consultation fora for all involved. Within this phase the process of identifying viable IGAs and developing curriculum and training materials will be initiated. Involvement of the veterans in these initiation activities will serve as an important indicator to them that VITENDO is imminent.

## **Outputs and activities of the initiation project**

The outputs and activities of this initiation project will include the following:

(i) ***Agreements among the collaborators on roles, responsibilities and ways and means of regulating their collaboration***

**Activities:**

- Project staff meet with the GOU extension services, district veterans officials and leaders, West Nile Savings and Credit Project/Centenary Rural Development Bank staff and other identified collaborators to explain the project.
- Various collaborators commit resources, particularly manpower and time, to VITENDO activities.
- Collaborating organizations make agreements on regular consultation and coordination.
- Intervention appraisal committees are formed in each district.
- A Project Coordination Committee is established and quarterly meetings are held.

(ii) ***A database of veteran households, their current occupations and their economic interests, which will be used in the preparation of the baseline survey***

**Activities:**

- Project staff, particularly the Veterans Integration Coordinator/Training Officer, review records of the District Veterans Offices to develop an accurate understanding of the distribution and situation of veterans throughout West Nile.
- With the assistance of veterans officials and Veteran Association Board leaders, staff interview and survey a cross-section of veterans households to determine their economic interests.
- A database of veteran groups and their current economic interests and activities is established.

(iii) ***Identification of viable IGAs in participating veteran host communities***

**Activities:**

- Hire Rural Enterprise Advisors (REAs)
- REAs will review various reports on economic trends in the project area.
- The REAs and field coordinators will meet with households in veteran-concentrated areas to review economic interests expressed by veterans, and assess households' aptitudes and potential for various on- and off-farm income generating activities.
- The REAs with field coordinators' assistance will undertake viability/feasibility studies of various IGAs to determine those with the potential to produce the greatest benefit.
- REAs develop tools, such as computer spreadsheets, to assist in IGA appraisal.

(iv) ***Training courses developed***

Activities:

- Hire a consultant to offer Training of Trainers Course to Project Staff and collaborators
- Conduct training needs assessments for veterans and members of their communities interested in IGAs.
- Conduct training needs assessments for GOU extension workers on communications techniques and appraisal of interventions.
- With assistance from a consultant and in consultation with GOU extension services and district veterans officials, the Training Officer will develop training courses including the following subjects:
  - Extension methods
  - Identification of IGAs
  - Business planning and management
- The project offers training to personnel of the collaborating agencies in the above topics.

(v) ***Identify and use local expertise in, testing and updating curricula, training and extension materials***

Activity:

- Identify trainers within the communities that could be involved in the project
- Training Officer involves local trainers, trainees, collaborators and district officials in reviewing and modifying training and extension materials.

(vi) ***Established a project office in Moyo district where CARE does not have offices at the moment***

Activity:

- Additional staff to work in Moyo are hired.
- Activities:
  - Project management develop agreements with Moyo district officials to operate in their region.
  - A new project office is opened in Moyo town and is capable of providing support to activities in the district.

(vii) ***Awareness raising about the VITENDO project and the way it will work with communities; project activities commenced.***

Activities:

- In conjunction with collaborating agencies, project management selects specific sub-counties with high veterans concentrations to focus its initial work.

- With the appropriate field staff identified in output (i) the project begins sensitization sessions explaining its objectives and procedures in target areas.
- Develop an operations plan indicating in which communities and activities the project will start with.
- Start implementation in sub-counties as they get ready.

**Inputs to the initiation project**

1. Personnel	US\$ 34,793
2. Materials and Equipment	US\$ 18,924
3. Operation Costs	US\$ 20,256
4. Consultancy, training , consultation-meetings and workshops	US\$ 18,800
<b>Subtotal</b>	<b>US\$ 92,773</b>
CARE HQ Indirect Cost Recovery	US\$ 7,227
<b>GRAND TOTAL (Including CARE Indirect Cost Recovery @ 7.79%)</b>	<b><u>US\$ 100,000</u></b>

CARE's direct financial contribution to VITENDO will be 5% of the USAID grant. However, given that another CARE project, West Nile Savings and Credit, is funded by CARE and UNCDF and is integral to the VITENDO design, we propose that approximately 50% of this project's annual budget including the loan fund, or \$290,000, should be viewed as an additional contribution from CARE and other donors to VITENDO.

**ACTION MEMORANDUM FOR THE ACTING MISSION DIRECTOR, USAID/UGANDA**

**FROM:** Susan Fine, Project Development Officer *S Fine*

**SUBJECT:** Grant to CARE under Uganda Demobilization and Reintegration Project, 617-0135

**Problem:** You are requested to approve a \$100,000 grant to CARE to initiate veteran reintegration activities in the West Nile region.

**Discussion:**

The reintegration component of the Uganda Demobilization and Reintegration (UDR) Project is currently being implemented through grants to two U.S. PVOs, World Learning, Inc. and Appropriate Technology International. The project was amended on September 6, 1995 to increase Life-of-Project (LOP) funding by \$3.65 million and expand the geographic and implementation scope of the project. The Mission anticipates using the resources provided under this amendment to make grants to several more U.S. PVOs for reintegration programs. CARE International in Uganda has submitted two proposals for assisting demobilized soldier households in the districts of Arua, Nebbi and Moyo. These three districts have received more than 10% of all demobilized soldiers. The first proposal, and the subject of this proposed grant, is for a six-month, \$100,000 initiation phase to overlap with and take advantage of the presence of CARE's West Nile Community Self Reliance (WNCSR) Project. The second proposal, which has not yet been reviewed by the Mission, is for a two-year effort in the same area.

The purpose of the Veterans Integration Through Extension of New Development Opportunities (VITENDO) Project Initiation Phase is to begin activities which will lay the groundwork for the larger VITENDO project. These include conducting a needs assessment and establishing a database of veteran households, identifying viable income generating activities, agreeing on roles and responsibilities of the various collaborators in the project, developing training courses and materials and establishing a project office in Moyo. This grant will allow CARE to move ahead with activities now and to capitalize on the program and administrative structures of the WNCSR project. The WNCSR project ends in February 1996. Since USAID continues to be concerned about the relatively lower level of economic development in the West Nile region and northern Uganda in general, it is likely that USAID will decide to give CARE a larger grant for the 2-year VITENDO project.

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CARE is a registered U.S. PVO. According to the most recent data available to the Mission, CARE meets the "privateness test," i.e., it receives at least 20% of its funding from non-U.S. Government sources. CARE has a good track record in Uganda. In addition to the WNCSR project, CARE has a USAID-funded grant for the Development Through Conservation (DTC) project (under the Action Program for the Environment). On the basis of our experience with CARE, USAID is confident that CARE has the programmatic and financial management capability to successfully undertake the activities proposed in this grant.

While the Mission has indicated to CARE that reintegration would probably be a fruitful area for collaboration, CARE developed its own program, building on its experience working in West Nile. A grant is therefore the most appropriate instrument, and substantial involvement by USAID is not necessary. CARE understands USAID's interest in closely monitoring this activity and has an appropriate plan for establishing baseline data.

According to Handbook 13, competition is not required for PVO initiated and designed activities (i.e., unsolicited proposals).

According to the new USAID policy on partnership with PVOs (USAID General Notice dated 6/20/95), cost sharing is an important element of the USAID-PVO relationship but its application should be flexible and case-specific. Decisions on specific financial participation requirements are to be made by the Agency officer authorizing the assistance activity. In this case, CARE has requested that USAID waive the cost-sharing requirement. There are two reasons for this: 1) CARE has not budgeted for a financial contribution to this initiation phase grant and has no flexibility in their current budget cycle; 2) the project will benefit from linkages to the West Nile Credit and Savings Project funded by CARE and the United Nations Capital Development Fund. This project works with the Centenary Rural Development Bank to provide savings and credit facilities to people in West Nile and has already assisted some veterans. In a meeting between CARE and USAID staff, it was agreed that CARE would make a financial contribution to the full VITENDO project, if USAID agrees to fund it. CARE will have sufficient time to incorporate this in its future budgets. It is therefore proposed that there be no financial contribution from CARE for this initial grant.

Mission staff have reviewed the technical and financial aspects of CARE's proposal and believe them to be sound. The proposed costs are fair and reasonable. In order to reduce costs, some staff of the WNCSR project will also support the VITENDO Initiation Phase.

**Authority:** Under Redelelegation of Authority 452 you have the authority to negotiate, execute, amend and administer grants and cooperative agreements in an amount not exceeding \$100,000.

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Recommendation: That you approve this non-competitive grant to CARE for \$100,000 by signing this Action Memorandum and the grant letter.

Approved: *Sylvia King*

Disapproved: \_\_\_\_\_

Date: 10/13/95

Attachments: Grant letter and attachments

Clearances:

PO/CAAS:GFarino JF Date 9/29/95  
A/C/ANR:JDunn JD Date 9/27/95  
PRM:LDouris LD Date 10-2-95  
C/PPD:Nolsen NLS Date 10/1/95  
D/CONT:KLizwelicha KL Date 10/2/95  
RLA:SPage by email Date 10/5/95  
A/D/DIR:KLeBlanc KL Date 10/2/95