

COUNTRY AGREEMENT

OFFICIAL PROJECT
DOCUMENT

Between

THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT/MAURITANIA

And

THE UNITED STATES PEACE CORPS/MAURITANIA

For the

SMALL PROJECT ASSISTANCE PROGRAM (SPA)

(USAID/Mauritania Project Number: 682-0232)

Purpose: The USAID/Mauritania agrees to finance and the Peace Corps/Mauritania agrees to develop and manage small village level activities, thereby encouraging and supporting self-help efforts by local communities.

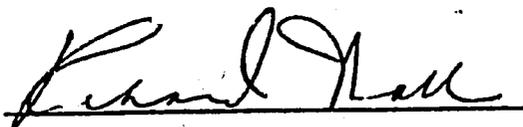
Governing Provisions: The Peace Corps/Mauritania agrees to provide services outlined in Appendix A pursuant to the Memorandum of Understanding between the USAID and the PC on the use of SPA Funds, dated January 28, 1983, (Appendix B), and to the SPA Program Guidance and Procedures (Appendix C). Initial notice of this program was provided to the Government of the Islamic Republic of Mauritania in March 1983 (see Appendix D). Additional guidance on procurement matters is provided in Appendix E. This program is authorized by the Foreign Assistance Act of 1961, as amended.

Amount: Not to Exceed United States dollars
Forty Thousand (\$40,000)

Project Assistance: September 30, 1986
Completion Date

Appropriation: 72-11X1012

Budget Allowance: GSHX-83-21682-KG13



Richard Wall
Director, Peace Corps/Mauritania



Peter Benedict
Director, USAID/Mauritania

June 29, 1983

Date

June 29, 1983

Date

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SMALL PROJECT ASSISTANCE (SPA)
APPROVAL PROCESS AND FINANCIAL PROCEDURES

A. APPROVAL PROCESS

1. Approval Authority

Approval authority for individual activities to be financed under this agreement is delegated to the Peace Corps Country Director in Mauritania. Approval authority may be redelegated to one of the Country Assistant Peace Corps Directors, at the discretion of the Peace Corps Director in his/her absence.

2. Activity Proposals

Proposals for each activity to be financed will be developed by Peace Corps Volunteers (PCVs) in conjunction with the recipient Mauritanian organization in the form of an Individual Activity Agreement (see example in Annex C, Attachment C). The Individual Activity Agreement (IAA) will be submitted initially in draft by the Volunteer to the Peace Corps Director for review and initial approval, comment, and/or modification as necessary in order to comply with criteria established below or to ensure the technical, financial, or organizational viability of the activity. The Peace Corps Director will respond within one week in writing with either approval or disapproval of the activity, with suggested modifications if appropriate. When possible, suggested modifications will be discussed in detail with the PCV.

Subsequent to approval in draft of a particular activity, the PCV will submit a final copy of the approved IAA (including disbursement request to the USAID Controller and any other necessary purchase order or requisition, to the Peace Corps Director) signed by both the PCV and the authorized representative of the individual group. The Peace Corps Country Director will sign the IAA within one week, thereby subobligating the approved U.S. contribution.

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Signature of the PCV and the group representative(s) may be withheld by advance agreement of all parties until a signing ceremony with the Peace Corps Director or his/her designee can be arranged. Signed copies of each IAA shall be forwarded, one each, to the USAID Controller and the Program, Design and Evaluation (PDE) Division.

3. Eligibility and Approval Criteria

- a) Each activity must be scheduled for completion within one year of the date of signature of the IAA.
- b) Each activity must be budgeted for a contribution of SPA funds not exceeding U.S.\$10,000.
- c) Each activity must involve development in at least one of the broad areas of food and agriculture, water resources management, energy, competitive enterprise and income generating activities.
- d) Each activity must be designed to avoid recipient reliance on U.S. assistance.
- e) Each activity must be conceived and implemented in conjunction with a local community organization or group. The individual activity might, in some cases, constitute an element in the program of a public organization assisting segments of the USAID or Peace Corps target populations. However, the IAA must precisely identify in all cases the purpose, composition, and responsibilities of the recipient group, including, where appropriate, the names of key individuals with which the volunteer or volunteers will collaborate most closely in implementation.
- f) Each activity must be designed to result in a quantifiable benefit to the recipient group in terms of improved economic and/or social condition.

- g) Each activity must be designed to be profitable within a reasonable period of time (one to three years) in the case of competitive enterprise development, and financially viable through user fees or other means of covering recurrent costs to the maximum extent possible in the case of non-profit making or public activities. Where appropriate, evidence to demonstrate that the individual activity meets this criterion will take the form of a cash flow analysis which will show viability within a determined period of time (less than three years).
- h) Each activity must stipulate that the recipient group use either its pre-existing management capacity for implementation or that a PCV be scheduled to remain long enough to train a management structure to take over upon completion of PCV participation. Where necessary, assistance of a technical, organizational, administrative, or other nature may be requested to help meet this criterion. (See Appendix C, Section III).
- i) Each activity must target a recipient group that fits within the generally accepted characteristics of the U.S. AID or Peace Corps target groups.
- j) Each activity design must take into account the funding limitations and restrictions outlined in Appendix C, Sections II D and E; the PCV and the Director of the Peace Corps must consider these limits and restrictions in designing, reviewing and approving each IAA.
- k) Each activity's procurement provisions must conform with USAID procurement regulations. Commodities procured under SPA sub-projects will most likely be obtained from local sources and will fall under the attached AID's Local Financing Procedures No. 01-83 and Local Procurement Guidelines Procedures No. 02-83 (Appendix E).

The USAID/Mauritania Supply Management Office will provide guidance to Peace Corps on compliance with these criteria, and, to the extent that workload and staffing level permit, will assist in individual activity procurement actions.

- 1) Each activity must stipulate that all non-expendible commodities valued at greater than \$500 or the ouguiya equivalent must be visibly marked with the AID insignia. The USAID/Mauritania Supply Management Office will assist Peace Corps in meeting this requirement. Also, see the attached USAID Mission Order No. 30 concerning "AID Financed Project Commodities: Accountability and Disposal".

4. Activity Completion Notification (ACN)

When each activity is completed, the designated Peace Corps Volunteer should submit an ACN to the Peace Corps Director. This report should include a brief description of project attainments, notification of the project's completion, and an assessment of the degree to which the project attained its objectives. If the PCV is unable to submit such a report, then it will be the responsibility of the Peace Corps Director to provide it based on whatever information is available (preferably including the results of a site visit). This memo will be forwarded to the USAID Mission's Program and Controller's Offices.

B. FINANCIAL PROCEDURES

1. Obligations

This agreement constitutes the obligating document between USAID/Mauritania and Peace Corps/Mauritania of \$40,000 in FY '83 U.S. assistance for the Small Project Assistance Program in Mauritania. The Project Assistance Completion Date (PACD) is September 30, 1986.

2. Sub-Obligations for Specific Activities

The Peace Corps Director's signature on the cover sheet of the Individual Activity Agreement (IAA) will sub-obligate the entire amount of the U.S. contribution approved for that activity. All such sub-obligations

under the terms of this agreement must be made by September 30, 1985. Under each sub-obligation, services will be provided and goods furnished within a period of one year unless the IAA specifies a shorter period for activity completion. The terminal disbursement date for each sub-activity will be established in each IAA as six months after the activity completion date in each IAA.

3. Disbursement Procedures

Subsequent to the signing of an Individual Activity Agreement, the Peace Corps will prepare a disbursement request in the form of a memorandum to the USAID which may be for an amount up to the entire amount of the sub-obligation in question. The request will specify the form and estimated schedule of disbursements.

a) Forms of Disbursement

(i) Direct Payment. For major purchases, direct payment to vendors or suppliers based on issuance of a purchase order may be made by check by the USAID.

(ii) Disbursements to Peace Corps. This method may be used for purchases of goods or services where direct payment by the USAID is not practical. Peace Corps will make local currency disbursements in this case in cash to either the PCV or the group in the form of advances (to an imprest fund), or on a reimbursement basis. Most activities will be disbursed in this manner.

b) Approval of Disbursements

All disbursements will be approved by the Peace Corps Director.

c) Vouchers and Receipts

Receipts should be obtained from vendors containing the name of vendor, the name of purchases, date, each item purchased, cost per item, total amount, and the number of the IAA. For goods

and services where vouchers are not traditionally used, the PCV will prepare receipts containing the necessary information which will be signed by the vendor (if practical), by the PCV and by a Peace Corps staff member (to be designated for each project by the PC Director). Replenishment to Peace Corps will be made by USAID on the basis of imprest fund submissions.

d) Disbursements Reports

The Peace Corps will submit interim reports of disbursements on each activity quarterly to the USAID and a final report on each activity together with vouchers and receipts. These reports will be based on an Activity Log (see Appendix C, Attachment D) which will be maintained for each activity at the Peace Corps Office. The final report will indicate the amount of funds being deobligated from that particular sub-project.

e) Rate of Exchange

The rate of exchange will be that which will result in the maximum amount of ouguiyas per dollar permitted by law.

4. Accounting Procedures

Accounting procedures are specified in Section II G of Appendix C to this agreement. Peace Corps will be responsible for accountability of funds and proper documentation required to substantiate procurements. Procedures and documentation required for proper accountability will be developed by Peace Corps and approved by USAID. These may be changed from time to time by mutual agreement in writing in response to local conditions.

C. HOST GOVERNMENT CONCURRENCE

It shall be the responsibility of the Peace Corps Country Director to inform the Ministry of Plan and Regional Development of operational procedures necessary for the implementation of this project.

D. OTHER CONSIDERATIONS

1. With respect to all other considerations related to administration of this project, the provisions of Appendices B and C will apply.

2. This agreement may be modified from time to time by amendment signed by both the USAID and Peace Corps Country Directors.

MEMORANDUM OF UNDERSTANDING
BETWEEN THE AGENCY FOR INTERNATIONAL DEVELOPMENT (AID)
AND THE PEACE CORPS
ON THE
USE OF THE SMALL PROJECT ASSISTANCE (SPA) FUNDS

I. PURPOSE

The purpose of this Memorandum of Understanding (MOU) between the Peace Corps (PC) and the Agency for International Development (AID) is to define the procedures under which SPA funds will be provided by AID to finance small village-level activities developed by Peace Corps Volunteers and selected by PC Principal Country Representatives in countries where PC & AID both have programs. The program is designed to encourage and support self-help efforts by local communities by funding projects directly.

II. AUTHORITY

SPA projects are authorized by and must be conducted within the terms of the Foreign Assistance Act of 1961, as amended (the "FAA"). AID/W has re delegated this authority to each AID principal officer in the participating countries to obligate up to \$40,000 in any given fiscal year for SPA activities. Individual activities must meet the criteria set forth in this document and have an estimated cost of no more than \$10,000 within the \$40,000 per year limit.

III. RESPONSIBILITY

Responsibility for the selection of SPA activities is vested in the principal Peace Corps officer in the country. A process for approval of SPA activities is to be determined jointly by the principal AID officer and the principal Peace Corps officer in each country. The extent of involvement of the AID Mission in the approval process is left to the mutual agreement of the principal AID and PC officers in each country. AID and PC Washington are prepared to accept delegation of the approval authority to the principal PC officer in each country if this is deemed appropriate. In keeping with the intent of this program, all efforts should be made to keep the period between selection by the

principal Peace Corps officer and final approval of any given SPA activity to less than one month.

No SPA funds may be used to finance any administrative costs or overhead expenses of the Peace Corps or AID.

IV. SCOPE

The SPA program is experimental in nature and consists of two parts:

A. AID will make available in FY '83 and FY '84, subject to availability of funds and the mutual agreement of the parties to proceed, a Special Project Fund of \$40,000 to each of a number of designated countries in which Peace Corps and AID currently operate. From this Fund, amounts, not to exceed \$10,000 for any single activity, will be used to fund development efforts in the broad areas of food, energy, competitive enterprise development, and/or income-generating activities.

B. Through an AID/Washington funded PASA, AID will reimburse the Peace Corps/Washington in amounts up to \$395,000 to enable Peace Corps to provide technical and programming assistance to activities supporting the SPA Fund.

V. IMPLEMENTATION

A. General Authority: The SPA program will be undertaken pursuant to existing AID Bilateral Agreements or Country Agreements with cooperating governments. However, to ensure that recipient country governments have adequate notice of the program, the principal AID officer will be responsible for informing the appropriate host government officials about the program. If individual activity approval by the host government is necessary, the principal AID officer and the principal PC representative shall make arrangements to expeditiously discharge this responsibility.

B. SPA Program Country Agreement: Each AID principal officer should undertake to negotiate a SPA Program Country Agreement with the PC representative which will serve as the obligating document of the total \$40,000 fund. The SPA Program Country Agreement will establish operating and financial procedures required to implement the SPA program. The SPA Program Country Agreement should be cleared by the USAID Controller designated for the particular country to ensure that provisions are made to comply with cash management procedures, proper documentation of expenditures, etc.

C. Activity Identification: Activity may be identified by Peace Corps Volunteers, PC or AID overseas staff, or the staffs of

PC's Office of Program Development and its' three regions or AID's Office of Multisectoral Development, Science & Technology Bureau.

D. Activity Proposals: Activity proposals shall in all cases be developed by Peace Corps Volunteers in conjunction with local groups and will be selected by the PC principal officer.

E. Approval Criteria: Activities selected by the PC principal officer must meet the following requirements:

1. The activity must be scheduled for completion within one year of its commencement.
2. The estimated contribution of SPA Funds toward completion of the activity must not exceed \$10,000.
3. It must involve development in the broad areas of food, energy, competitive enterprise development, and/or income-generating activities.
4. It must not encourage reliance on U.S. assistance.
5. The activity must be conceived and implemented in conjunction with a local community organization or group.

F. Individual Activity Agreement (IAA): The Peace Corps will provide the AID Mission with an IAA for each activity which will incorporate the activity proposal. The IAA will be signed by the representative of the local organization benefiting from the activity who will be responsible for receipt and expenditure of the funds and the Peace Corps Volunteer.

G. Technical Assistance: PC/W, through a PASA with AID/W, will provide programming and technical assistance to PC Volunteers to facilitate the development and implementation of community-based projects supported by the SPA fund.

H. Reporting Requirements: PC will provide AID with such program and financial reports at such intervals as are agreed upon by the parties. Such reports shall include a completion report for each IAA and quarterly reports summarizing the status of SPA programs in participating countries. At the end of each fiscal year the principal Peace Corps officer will brief the appropriate local USAID staff regarding the experiences and lessons learned from the SPA activities funded during the previous fiscal year. A summary of this briefing should be forwarded to the Technical Assistance Coordinator and the appropriate PC Regional Director. The purpose of this briefing is to ensure that the information obtained from SPA activities is available to the USAID for new project development.

I. Evaluation: AID in conjunction with PC shall perform an evaluation of the effectiveness of the SPA program during the

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second quarter of FY 1984. The evaluation team shall include staff representatives from each agency.

VI. ESTIMATED COSTS

The estimated cost of the MOU to AID is \$2.05 million per year in FY '83 and FY '84. Continuation of the program in FY '84 is subject to the appropriation of funds and the mutual agreement of both parties to continue. Subject to the appropriation of funds and the mutual agreement of both parties to continue the SPA Program beyond FY '84, the Peace Corps agrees to assume the costs of the provision of technical assistance and coordination.

VII. PERIOD OF PERFORMANCE

This MOU shall be effective upon signature and shall continue in effect until terminated upon thirty (30) days written notice of one party to the other.

Loret M. Ruppe
Loret Miller Ruppe
Peace Corps Director

M. Peter McPherson
M. Peter McPherson
AID Administrator

January 28, 1983
Date

Jan 28, 1983
Date

Handwritten mark

SMALL PROJECT ASSISTANCE PROGRAM
Guidance and Procedures

1/28/83

B

SMALL PROJECT ASSISTANCE (SPA) PROGRAM:
GUIDANCE AND PROCEDURES

I. Overview

The SPA Program consists of two parts: a Small Project Assistance Fund of up to \$40,000 for each selected country in which both AID and Peace Corps operate (see Attachment A), and a \$395,000 Participating Agency Service Agreement (PASA) with Peace Corps to provide technical and programming assistance in support of the SPA Fund.

The SPA Program is similar in concept to the Special Development Activities Program which has operated in Latin America and Caribbean countries since 1964, the Special Self-Help Program which has operated since 1965 in African countries, and the Accelerated Impact Program which has operated in Asia since 1979.

The intent of this funding mechanism is to finance quickly with a minimum of red tape, small "self-help" activities which will have immediate impact at the community level. The SPA Program will utilize Peace Corps Volunteers (PCVs) working in conjunction with community groups in the identification and the implementation of these activities. This approach will facilitate the local self-help efforts by combining the PCVs' knowledge of local conditions and established working relationships at the community level with AID resources. The activities funded under this program will be in the broad areas of food, energy and competitive enterprise and/or support a productive income generating activity.

II. Small Project Assistance Fund

A. Authority

SPA projects are authorized by and must be conducted within the terms of the Foreign Assistance Act of 1961, as amended (the "FAA"). AID/W has re delegated this authority to each AID Principal Officer, in the participating countries to obligate up to \$40,000 in any given fiscal year for SPA activities. Individual activities must meet the criteria set forth in this document and have an estimated cost of no more than \$10,000.

B. Responsibility

1. Selection. Responsibility for the selection of SPA activities is vested in the principal Peace Corps officer in the country.
2. Approval. A process for approval of SPA activities is to be determined jointly by the principal AID officer and the principal Peace Corps officer in each country. The process is left to the mutual agreement of the principal AID and PC officers in each country. In keeping with the intent of the program, all efforts should be made to keep the period between selection by the principal Peace Corps officer and final approval of any given SPA activity to less than one month.
3. Obligation. Funds will be obligated by the AID Mission.

In order to reduce administrative burden and address implementation procedures an annual SPA Program Country Agreement will be executed between the principal AID and PC officials. This agreement will serve as the obligating document for AID for the total annual program and outline to the extent feasible the administrative and financial procedures to be used during the implementation of the SPA program. The Agreement must be cleared by the designated Controller for fund availability and to ensure that provisions are included to comply with cash management procedures, disbursement arrangements, proper documentation for expenditures, reporting, etc. The agreement should provide for an implementation period of not more than two years. A sample SPA Program Country Agreement is found at Attachment B.

No SPA funds may be used to finance any administrative costs or overhead expenses of the Peace Corps or AID.

C. Criteria for Selection of SPA Activities

The Criteria set forth below are to assist the principal Peace Corps officer in selecting suitable SPA activities for implementation.

1. The activity must be scheduled for completion within one year of its commencement.
2. The estimated contribution of SPA Funds toward completion of the activity must not exceed \$10,000.

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3. It must involve development in the broad areas of food, energy, competitive enterprise development, and/or income generating activities.
4. It must not encourage reliance on U.S. assistance.
5. The project must be conceived and implemented in conjunction with a local community organization or group.

D. Limitations on SPA Funds

Although considerable effort has been made to minimize the administrative burden, it should be recognized that legislative and regulatory requirements govern the use of foreign assistance funds and cannot be disregarded. SPA funds are subject to the same restrictions as other appropriated funds. While it is not possible to list all of those activities for which SPA funds may not be used, experience has shown that the most common types of activities for which SPA funds cannot be used are as follows:

1. costs associated with administration of SPA activities incurred by Peace Corps, AID or the cooperating community organization or group;
2. assistance to organizations to promote or conduct religious activities or construct religious facilities; however, many religious organizations sponsor and supervise local community activities which serve community needs rather than religious purposes. Such activities may receive SPA assistance provided they meet SPA criteria;
3. financing of police, military activities or prison programs;
4. purchase of ineligible commodities set forth in Handbook 15, Chapter 286; and
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5. support of educational or other facilities used in significant part by U.S. employees or their dependents.

E. Funding Restrictions

Between the criteria and limitations on the use of SPA funds, there are several types of activities which may or may not be undertaken, depending on the nature of the activity. Those arising most often are as follows:

1. Training: Training would not normally meet the SPA criteria because only a very limited number of people benefit directly from such training. However, providing or financing the practical training costs of a local official, of a community member or of a PCV SPA project manager as an integral part of an overall local community development program could be a legitimate SPA activity. In such cases, the potential multiplier effect is to be the determining factor in deciding whether or not such proposal generally meets the SPA criteria.
2. Personal Services: The financing of personal services is normally discouraged. However, financing the personal services of a local artisan or a local professional in certain cases may enhance the success of a SPA activity. The securing of such personal services must be restricted to a local source or, at most, must be from within the cooperating country. These services are to be short-term normally, for example, 90 days or less.
3. Vehicles: Under most conditions, SPA funds are not to be used to purchase vehicles. However, there may be times when a SPA activity may legitimately require the purchase of a vehicle (e.g., a vehicle to enhance a small farm to market activity). All activity proposals involving the purchase of a vehicle must be submitted to AID/ST/MD for approval.
4. Transportation Costs: SPA funds may be used to finance all transportation costs connected with commodities procured for uses in SPA activities, except costs for ineligible transportation media (e.g., Soviet Bloc and proscribed ships). Inland transportation costs are considered to be a legitimate cost component of commodity procurement.
5. Procurement: Most procurement source requirements are waived as set forth in AID Handbook 1, Chapter 16 - Supplement B.

Activity Selection, Approval and Reporting

1. Individual Activity Agreement

The Peace Corps Volunteer, in conjunction with a local group, submits to the principal Peace Corps Officer a proposal following the format of an Individual Activity Agreement (see Attachment C). The proposed IAA should provide sufficient information to assess project suitability and include the following elements:

a. Cover Sheet which includes:

1. Simple budget.
2. AID accounting data: appropriation, budget allowance, IAA and project numbers.
3. Maximum dollar amount of the U.S. grant.
4. Activity implementation period.
5. Terminal date for issuing implementing documents.
6. Authority under which the IAA is executed, i.e., the date of the Bilateral or Country Agreement between USG and host country and the FAA 1961, as amended, and the SPA Program Country Agreement.
7. Authorized local organization and USG signatures and concurrences as required.

b. The Agreement text which includes:

1. A brief description of the activity.
2. The expected specific impact and how the impact will be observed and measured, including estimated number of beneficiaries.
3. The amount of financing from the U.S. government expressed in dollars and a description of what the funds will finance. A simple budget, in local currency, showing items to be purchased should be attached as part of the Cover Sheet.
4. A statement of the contribution from the local community or organization in terms of work, commodities or funds.

5. A statement of technical assistance requested under the Peace Corps PASA, where applicable.
6. The dates on which implementation is expected to begin and end.
7. The name of the Peace Corps Volunteer and/or the individual in the local organization or community either of whom will monitor project implementation and expenditure of funds.

If the proposal is selected for funding by the principal Peace Corps officer it is his/her responsibility to obtain concurrence of the principal AID officer as required. An IAA bearing the signatures of authorized representatives of the local group, and on behalf of the USG, the principal AID or PC Officer, or their designees as required will constitute authority to begin implementation unless the cooperating government requires specific additional local clearance or authorization. If IAA approval by the host government is necessary, the principal AID and PC officers shall make arrangements to expeditiously discharge this responsibility.

2. Activity Completion Notification (ACN)

When the activity is completed the Peace Corps Volunteer submits an ACN to the principal Peace Corps officer. The ACN is a brief written notification indicating that the activity has been completed and the extent to which the activity's purpose was fulfilled. In those cases when the PCV fails to provide such notification, the principal Peace Corps officer him/herself is to provide a memo to the file stating these circumstances and indicating completion of the activity on the basis of whatever information is available (e.g., a visit to the activity by a U.S. official, etc.).

3. Distribution of IAA and ACN

Copies of the executed IAA and ACN should be distributed as follows:

- a. USAID Mission
- b. Local Peace Corps Office

- c. Implementing Organization
 - d. Peace Corps/Washington, Office of Program Development and Regional Directors
 - e. Cooperating Government - when required by protocol
4. Reporting: Based on the submissions of the IAAs and ACNs, the Technical Assistance Coordinator in Peace Corps' Office of Program Development will prepare SPA quarterly reports summarizing activities funded and completed to be forwarded to AID/Washington, S&T/MD in order to meet both program and Congressional Presentation requirements.

At the end of each fiscal year the principal Peace Corps Officer will provide a complete briefing to the appropriate local USAID staff regarding the experiences and lessons learned from the SPA activities funded during the previous fiscal year. The purpose of the briefing is to ensure that the information obtained from SPA activities is available to the USAID for new project development. A summary of this briefing should be forwarded to the Technical Assistance Coordinator and the appropriate PC Regional Director. The Technical Assistance Coordinator will provide copies of the annual SPA country briefing to AID S&T/MD.

G. Financial Accounting

1. Obligational Authority

The Assistant Administrator of each AID Regional Bureau or his designee advises the local AID Representative of the funding limitations established for each fiscal year. An advice of Budget Allowance will be issued to the principal AID official in the country in accordance with these limitations. After issuance of the advice of Budget Allowance and within funding limitations an AID/PC agreement may be negotiated.

2. Accounting Station

The official accounting station for the SPA funds is the Controller's Office of the local AID Mission. Budget Allowance and project accounting records are to be maintained by the local AID Mission to meet regulatory accounting and reporting needs. See attached list of designated official accounting stations for each country.

3. Project Number

The project number is composed of a three-digit country code and a four digit sequential serial number. (See attached list of designated Project Numbers, Attachment E.)

4. Individual Activity Agreement Number

Each activity financed with SPA funds must be assigned a serial control number that will identify the fiscal year in which the activity is financed, the three digit country code, and a sequential IAA control number assigned from 001 through 999 for agreement executed during the fiscal year. The system of numbering is as follows:

Fiscal Year Indicator	3
Country Code per HB 18, Attachment C to Appendix D	879
Sequential Control Number Assigned by Post to each IAA issued during the Fiscal Year	001

5. Implementation Action Documents

To implement the provisions of each IAA, the PC will prepare and/or process appropriate documents (purchase orders, requisitions, vouchers, etc.) to procure commodities and services or disburse funds. Normally, such implementation documents are prepared when the IAA is signed. Each document is assigned a number consisting of the IAA number and a sequential IAA control number from A to Z.

6. Activity Log

Upon execution of an IAA, the Activity Log, a sample of which is given as Attachment D, is established and filed in the appropriate SPA Activity folder located at the PC Office. Initially the Activity Log shows the IAA number, activity title, amount, and date. As funds are disbursed and implementation action documents prepared, they are recorded in this record showing the date of issuance, assigned document control number, dollar amount of the document, and computed balance of the agreement remaining to be implemented. A brief note as to the purpose of the implementation action document may be included.

7. Budget Allowance and Project Accounting

The Controller's Office in the local AID Mission maintains an account of the Budget Allowance made to SPA activities. Funds used for SPA activities, which are encompassed under AID's technical assistance program, are subject to project accounting requirements as an integral element of control in the Agency's financial management program.

The local AID Mission will be responsible for instructing the project representative as to accountability for funds, proper documentation required to substantiate procurements, and accounting procedures.

AID and Peace Corps in the field should establish a simple, mutually acceptable accountability procedures.

A. Types of disbursements that might be provided for could include:

1. Direct Payment. For major project purchases, direct payment to vendors or suppliers should be made by check by the local USAID whenever practicable.

2. Grants to Local Organizations. If the local organization has the necessary financial management capability, grant funds may be disbursed directly to the local organization either on an advance or reimbursement basis. In many cases, an advance may be necessary. It may be necessary to establish a project account at a local bank to provide a suitable accounting mechanism. It may also be necessary to require the Peace Corps Volunteer to approve all disbursements from account.

3. Disbursement to Peace Corps Volunteers. This method should only be used where the local organization has no financial management capability.

B. In all cases the following simple procedures should be followed:

1. Vouchers should be obtained from vendors whenever possible. Vouchers should be legible and preferably in English and contain name of vendor, name of purchaser, date, each item purchased, cost per item and total amount.
2. For goods and services where vouchers are traditionally not used, e.g., day laborers, receipts should be made containing the same information as the voucher, signed by a PCV and countersigned by vendor/laborer if possible.
3. The PCV and/or recipient group should submit interim reports of disbursements at specific intervals (monthly, quarterly) and a final report together with vouchers and receipts. Final report should contain total amount of vouchers/receipts, and amount of funds being returned.

III. Technical Assistance PASA

A. Objective

To ensure maximum benefit from the Small Project Assistance Fund through PASA # _____ between AID and Peace Corps, the AID Office of Multisectoral Development, Science and Technology Bureau (S&T/MD) is providing \$395,000 to the Peace Corps Office of Program Development (OPD) to deliver programming and technical assistance to the Peace Corps field staff in support of village-based development efforts supported by the SPA Fund. The AID Office of Multisectoral Development (S&T/MD) in the Science and Technology Bureau will provide guidance to OPD in the use of the PASA grant funds.

B. Scope of Work

1. Technical Assistance will be provided by OPD through two complementary avenues:
 - a. Project Consultation - OPD Sector Specialists or designated consultants will respond to proposed initiatives by offering assistance in the identification and focus of small village-based projects; and/or

- b. Technical Training - OPD Sector Specialists or designated training consultants will offer short-term targeted training to PCVs and host country counterparts as needed to move a small project from the design stage to implementation.
2. Identification of the need for technical assistance may emanate from the following sources:
 - a. Field Requests - Peace Corps overseas staff may request project consultation or technical training assistance. AID field staff should make requests for technical assistance for SPA projects through the local Peace Corps staff.
 - b. OPD Initiative - As a result of its ongoing function as Peace Corps' program development unit, OPD Sector Specialists may recommend and deliver programming and training assistance in order to stimulate and/or support field-based small project development.
 - c. AID Office of Multisectoral Development Initiative - As a result of its ongoing function within AID, OMD staff may recommend to OPD, field projects involving PCVs. Such projects may require OPD programming and/or technical training assistance in conjunction with the use of small project funds.

Technical assistance will be given to those projects which fall under the broad categories of Food, Energy or Competitive Enterprise Development, consistent with the current focus of both agencies' development efforts.

3. Evaluation

Recognizing the experimental nature of this collaborative mechanism, AID in conjunction with Peace Corps will perform a preliminary evaluation of the effectiveness of the SPA program during the 2nd quarter of FY 1984. This evaluation will determine the value of and subsequent emphasis, if any to be placed on this activity. The evaluation team will include staff representation from both agencies. The evaluation will:

- a. Examine the scope and effectiveness of small projects funded;

- b. Examine the scope and effectiveness of technical assistance delivered to the field;
- c. Examine the cost-effectiveness and management efficiency of the collaborative funding mechanism;
- d. Examine the expected specific impacts of individual activities in terms of their actual, measured impacts; and
- e. Recommend a subsequent funding level and any changes in the approval process for the funding mechanism.

C. Reporting

The Technical Assistance Coordinator in Peace Corps' Office of Program Development will provide a summary of technical assistance delivered under the SPA program and a copy of the SPA Quarterly Report at the end of each quarter to the AID Office of Multisectoral Development which will provide copies to the AID Regional Bureaus and the PC Coordinator.

D. Estimated Cost

The estimated cost of this Technical Assistance PASA to AID is \$395 thousand per year in FY '83 and FY '84. Subject to the appropriation of funds and the mutual agreement of both parties to continue the program beyond FY '84, the Peace Corps agrees to assume the costs for the provision of technical assistance and coordination.

AID-Peace Corps
Small Project Assistance Program
FY 1983

COUNTRY LISTING/ACCOUNTING STATIONS

<u>ASIA</u>	<u>AFRICA</u>	<u>LAC</u>	<u>NE</u>
Fiji/ Manila	Botswana/ Gaborone	Belize/ Tegucigalpa	Morocco/ Rabat
Kiribati (Gilbert)/ Manila	Cameroon/ Yaounde	Costa Rica/ San Jose	Tunisia/ Tunis
Nepal/ Kathmandu	CAR/ Yaounde	Dominican Rep./ Santo Domingo	Yemen/ Sana'a
Papua New Guinea/ Manila	Gambia/ Banjul	Eastern Caribbean/ Bridgetown	
Philippines/ Manila	Ghana/ Accra	Ecuador/ Quito	
Solomon Islands/ Manila	Kenya/ RFMC-Nairobi	Guatemala/ Guatemala City	
Thailand/ Bangkok	Leostho/ RFMC-Nairobi	Honduras/ Tegucigalpa	
Tonga/ Manila	Liberia/ Monrovia	Jamaica/ Kingston	
Western Samoa/ Manila	Malawi/ RFMC-Nairobi	Paraguay/ Asuncion	
	Mali/ Bamako		
	Mauritania/ Nouakchott		
	Niger/ Niamey		
	Senegal/ Dakar		
	Sierra Leone/ Abidjan	<u>AFR Cont.</u> Togo/ Abidjan	
	Swaziland/ RFMC-Nairobi	Upper Volta/ Ouagadougou	
	Tanzania/ RFMC-Nairobi	Zaire/ Kinshasa	

1. Initial Starting Date (Mo., Day, Yr.)	SAMPLE: SPA Program Country Agreement PASA PARTICIPATING AGENCY SERVICE AGREEMENT BETWEEN THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND Peace Corps/ (Country)	6. ATTACHMENT B <input type="checkbox"/> PASA ORIGINAL <input type="checkbox"/> PASA AMENDMENT
2. Projected Completion Date (Mo., Day, Yr.) 2 yrs from start date		7. PASA Number
3. Category <input type="checkbox"/> TDY <input type="checkbox"/> ASSIGNED		8. Country/AID/W Office
4. Duration of Funding <input type="checkbox"/> CURRENT YEAR <input checked="" type="checkbox"/> FORWARD FUNDING	5. Project Number and Title	9. Type <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> COUNTRY FINANCED
10. Year FY 19 _____		

11. FUNDING

A. CITATIONS	(1) Appropriation Number 72-	(2) Allotment Number	(3) PIO/T/Obligation Number
B. FOR PARTICIPATING AGENCY	(1) Initial or Current NA	(2) Change (+ or -) NA	(3) New Total NA
C. RETAINED FOR AID DIRECT DISBURSEMENT	(1) Initial or Current 40,000	(2) Change (+ or -) NA	(3) New Total 40,000
D. TOTAL AMOUNT OBLIGATED (Blocks B + C)	(1) Initial or Current 40,000	(2) Change (+ or -) NA	(3) New Total 40,000
E. PRINCIPAL COST COMPONENTS OF (Block B)	(1) Salaries, Differential and Benefits NA	(2) Transportation Including Per Diem NA	(3) Miscellaneous 40,000
			(4) Overhead NA

12. Statement of Purpose

A. Small Project Assistance (SPA) Program. The purpose of the SPA Program is to finance small village level activities by Peace Corps ("PC") Volunteers and selected by the PC Principal Country Representative in (country). The program is designed to encourage and support self-help efforts by local communities by funding projects directly.

B. Governing Provisions. The Peace Corps agrees to provide the services outlined in block 12 in accordance with Appendix A, the "Memorandum of Understanding between AID and the PC on the Use of Small Project Assistance ("SPA") Funds," dated, January 28, 1983, (Appendix (B) and "SPA Program Guidance and Procedures" (Appendix C).

13. GOVERNING PROVISIONS: Pursuant to the General Agreement dated See Block 12, B between AID and the Peace Corps, the Agency named above agrees to provide the services outlined in Block 12 amplified as needed by Appendix A, unless otherwise authorized by AID, all services shall be of U.S. origin. Any appendices attached hereto are considered part of this PASA.

14. Signatures

NAME _____
TITLE/OFFICE Peace Corps Country Director
DATE _____

NAME _____
TITLE/OFFICE Principal AID Representative
DATE _____

15. Appendices

- APPENDIX A - SCOPE OF WORK
- APPENDIX B - BUDGET PLAN
- APPENDIX C - USE OF AID PERSONNEL/FACILITIES
- APPENDIX D - SUBCONTRACTING
- OTHER/REFERENCE See Block 12, B

16. Negotiating Officers

AID: CM/SOD/IIA
AGENCY: _____

SAMPLE: SPA Program Country Agreement

APPENDIX A

Approval Process and Financial Procedures

A. Approval Process

To be determined at country level.

B. Financial Procedures

To be determined at country level consistent with USAID and PC financial management guidelines for such projects.

APPENDIX B

Attach the MOU between AID and PC on the Use of the Small Project Assistance ("SPA") Funds dated January 28, 1983.

APPENDIX C

Attach the SPA Program Guidance and Procedures.

S A M P L E I A A

Cover Sheet

A. Total Budget Request (Detailed budget is attached as annex 2) U.S. \$ 2,018 = Local Currency 2,099 \$ F

B. A.I.D. Accounting Data:

Appropriation: 72-1181021 Project No. : 879-0256
Budget Allowance: 846-52-879-00-75-82 IAA Number : 2688010

C. Maximum dollar amount of U.S. grant: \$1,500
Note: The maximum dollar amount of the grant can be more or less than the amount requested.

D. Activity implementation period: July 1, 1978 to May 19, 1979

E. Terminal date for issuance of implementing documents such as purchase orders (no later than 12 months after date of agreement) April 1, 1979

F. Authority: This Individual Activity Agreement is executed pursuant to the authority of the Bilateral Agreement between the Government of Fiji dated April 2, 1978, the SPA Program Country Agreement between A.I.D. and Peace Corps dated May 1, 1978, and in accordance with the Foreign Assistance Act of 1961, as amended.

G. IN WITNESS WHEREOF, the Manoa Agriculture Council and Peace Corps, pursuant to the terms and conditions of the Bilateral Agreement mentioned above, each acting through its respective duly authorized representative, have caused this Individual Activity Agreement to be signed in their names and delivered as of this date and year.

Signature _____
A.E. Prestonie Typed Name John J. Doe
Chairman, Manoa Agriculture Title Authorized Peace Corps or AID
Council Officer
Date _____

H. Concurrences (where applicable)

Name _____
Title _____
Organization _____
Date _____

S A M P L E I A A

AGREEMENT

between

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

and

MANOA AGRICULTURE COUNCIL

Title: Fiji Regional Vegetable
and Rice Development

Individual Activity
Agreement No. 2688010

Location: Fiji Valley

1. Description of Activity: Mr. Tang of the Manoa Agriculture Council has presented a self-help project proposal to the Peace Corps Country Director calling for the development of the Fiji Valley in the Province of Manoa. The Council plans to grow rice during the rainy season and vegetables during the dry season. The people of the Province of Manoa will do all the manual labor necessary to develop the valley. The Council desires the United States to assist in the self-help project by contributing grant funds to purchase fencing, seed, fertilizers, and insecticides and hire a tractor and bulldozer. A part of the profit from the sale of the first year's crop will be set aside to pay next year's production costs and to continue the activity.

2. Expected Impact and how the specific impact will be observed and measured: The activity will increase rice and vegetable production in the Fiji Valley. On preselected plots the rice and vegetable harvests will be compared to the previous year's harvest to determine the amount of increased production.

3. U.S. Contribution: The United States will grant to the Manoa Agriculture Council the equivalent in local currency of up to One Thousand Five Hundred United States dollars (\$1,500) to purchase fencing materials, seed, fertilizers, and insecticides for the development of the Fiji Valley as proposed by the Manoa Agriculture Council.

4. Fiji Valley Contribution: The people of the Province of Manoa will supply all labor to develop the Fiji Valley. The Manoa Agriculture Council will arrange for delivery of all items purchased by the grant funds and agrees that these items will be used only for completing the activity. The Council agrees that it is responsible for completing the activity. The Council also agrees to the special provisions which are attached and made part of this Individual Activity Agreement.

5. Technical Assistance: The Manoa Agriculture Council will not need technical assistance from Peace Corps' Office of Program Development to complete the project.

6. Activity Period: 12 months (July 1, 1978 - June 30, 1979).

7. Name of the Peace Corps Volunteer and/or of the individual in the local organization or community who will monitor project implementation and disbursement of funds.

Mr. J.C. Tang
Activity Supervisor,
Manoa Agriculture Council

Name Buffy A. Greaves
Peace Corps Volunteer

Annex 1

STANDARD PROVISIONS FOR
SPECIAL DEVELOPMENT ASSISTANCE

Article I. The United States will extend funds to Manoa Agriculture Council and will carry on operations to implement this agreement in accordance with the applicable laws and regulations of the United States Government.

Article II. The United States and the Manoa Agriculture Council (the "parties") have the right at any time to observe operations carried out under this agreement. During the term of an activity under this agreement and until three years after the completion of the activity either party shall also have the right (1) to examine any property through financing by that party under this agreement, wherever such property is located, and (2) to inspect and audit any records and accounts with respect to funds provided by, or any properties and contract services procured through financing by, that party under this agreement, wherever such records may be located and maintained. In arranging for any disposition of any property procured through financing by the other party under this agreement, each party shall assure that the rights of examination, inspection, and audit described in the preceding sentence are reserved to the party which did the financing.

Article III. Any property furnished through financing under this agreement shall be used only for the Activity until the Activity is completed and thereafter shall be used only to promote the objectives of the Activity, unless otherwise agreed by the United States Government. Manoa Agriculture Council shall offer to return to the United States Government, or to reimburse the United States for, any property which it obtains by grant funds given by the United States Government under this agreement and which is not used for the Activity as agreed to in the preceding sentence.

Article IV. The Individual Activity Agreement (the "IAA") will enter into force when signed. All or any part of the assistance provided herein may be terminated by either party by giving the other party 30 days written notice of intention to terminate the agreement. Termination of the IAA shall terminate any obligations of the two parties, except for payments which they are committed to make pursuant to noncancellable commitments entered into with third parties prior to termination of the IAA. It is expressly understood that all implementing documents, such as purchase orders, requisitions, and procurement actions, must be initiated under this agreement by the agreed upon terminal date, but not later than one month from the effective date of the agreement, otherwise the cancellation provision stated in the preceding sentence will automatically become effective without the necessity of a written advance notice of intent to cancel.

Article V. This agreement may be amended in writing at any time by joint agreement of the parties.

Annex 2

Detailed Budget

	Local Currency		
	<u>Requested</u>	<u>Approved</u>	<u>US\$</u>
1. Fencing	780	780	
2. Seed	156	156	
3. Fertilizer	234	234	
4. Insecticides	390	390	
5. Rent	<u>539</u>	<u>0*</u>	
	\$2,099	\$1,560 =	\$1,500

*Provided by local community

Exchange rate: US \$1.00 = 1.04 Fijian dollar

ACTIVITY LOG

IAA Number: 2688010

Activity Title: Fiji Regional Vegetable and Rice Development

Date of Obligation: 7/1/78

Date Implementation Documents Must be Completed: 4/1/79

Date	Implementation Document Number	Amount Implemented	\$1,500.00 Balance to be Implemented	Obligation Remarks
7/1/78	2688010A	300.00	1,200.00	Seed
7/1/78	2688010B	400.00	800.00	Fertilizer
7/1/78	2688010C	230.00	570.00	Insecticide
7/10/78	2688010D	553.00	-0-	Fertilizer
7/10/78	2688010D	-(17.00)	17.00	Cost Reduction

REMARKS:

(File in Post folder with copy of IAA, all Purchase Orders, etc.)

Small Project Assistance Program
(Dollars)

S&T

\$410,000 931-1096 Field Services & Program Support

AFR

Small Project Assistance Program -
Peace Corps:

\$520,000	}	698-0506	Africa Regional
		686-0259	Upper Volta
		683-0249	Niger
		682-0232	Mauritania
\$240,000		685-0270	Senegal
		635-0221	Gambia
		688-0234	Mali

ASIA

\$360,000 498-0279 Small Project Assistance Program -
Peace Corps

LAC

\$360,000 598-0625 Small Project Assistance Program -
Peace Corps

NE

\$160,000 298-0052 Small Project Assistance Program -
Peace Corps

\$2,050,000 TOTAL

Appendix D
SPA Program Agreement

15 MAR 1983

M'Babih Rabou Ould Cheikh Bounena
Director of Projects
Ministry of Plan and Territorial Development
Nouakchott, Mauritania

Mr. Director:

I have the pleasure of drawing your attention to two proposed activities of the United States Mission in Mauritania which will be of interest to your ministry and other offices of the Government of the Islamic Republic of Mauritania. These activities include:

- (A) A proposed USAID-Peace Corps Small Project Assistance Program, and
- (B) The Sahel Regional Financial Management Project.

We would like to take this opportunity to briefly describe each of the above projects:

A. Small Project Assistance Program (N° 682-0232)

The purpose of this program will be to encourage and support self-help efforts of local communities through direct grants to local community organizations or community designated representatives. These grants, which would amount to no more than US \$10,000 (UM 500,000) each, would fund community projects in the broad areas of food production, energy production or conservation, private enterprise development and income generation. The goal of each project would be to permit the community after one year of assistance, to manage a successful and self sustaining activity without further AID or Peace Corps participation.

Each project would be designed and implemented with the assistance of a Peace Corps Volunteer who would work closely with the community and coordinate the financial and logistical aspects of the project. The volunteer could also draw on limited technical assistance from the United States during the course of the project. USAID/Mauritania has already been allocated a total of US \$40,000 which can be utilized to fund small projects under this program following the establishment of required operating procedures.

We look forward to meeting with you, or other officials which you may designate, to discuss the details of this program.

B. Sahel Regional Financial Management Project (N° 625-0950)

USAID/Mauritania has also been advised that the Sahel Regional Financial Management Project team, consisting of Mr. Williams (Project Coordinator) and Dr. Harris (Virginia Polytechnical Institute Advisor), plans to arrive in Nouakchott during the week of March 7, 1983, to consult on the development of a future program of training and technical advice to assist both USAID/Mauritania and interested officials of your government in strengthening accounting and management procedures for USAID-funded projects.

We will contact you upon the team's arrival to arrange an initial meeting. Please feel free, however, to address any questions you may have to our office at any time.

We look forward to close and fruitful collaboration with your Ministry and other interested government offices on these two activities in the months to come.



Barry MacDonald
Acting Program Officer
USAID/Mauritania

Clear: RWall, PC/DIR: (Draft)

Translator: N Taillandier

15 MAR 1983

Monsieur M'Rabih Rabou Ould Cheikh Bounens
Directeur des Projets
Ministère du Plan et de l'Aménagement du
Territoire
Nouakchott, Mauritanie

Monsieur,

J'ai le plaisir d'attirer votre attention sur deux activités de la Mission des Etats-Unis proposées en Mauritanie qui seront intéressantes pour votre Ministère et pour d'autres bureaux du Gouvernement de la République Islamique de Mauritanie. Ces activités comprennent :

- (A) un Programme proposé par l'USAID et le Corps de la Paix d'Aide des Petits Projets, et
- (B) le Projet Régional de Gestion Financière dans les Pays du Sahel.

Nous aimerions profiter de cette occasion pour vous décrire brièvement chacun des projets susmentionnés :

A. Programme d'Aide aux Petits Projets (N° 682-0232)

Ce programme aura pour but d'encourager et de soutenir les efforts d'auto-assistance des communautés locales par l'intermédiaire de dons directs aux organisations communautaires locales ou aux représentants désignés par les communautés. Ces dons, qui ne s'élèveraient pas à plus de 10.000 \$ U.S (500.000 UM) chacun, financeraient des projets communautaires dans les vastes domaines de la production alimentaire, de la production ou de la conservation d'énergie, du développement des entreprises privées et, de la création de revenus. Le but de chaque projet serait de permettre à la communauté, après une année d'aide, de gérer une activité réussie et auto-suffisante sans une plus ample participation de l'AID ou du Corps de la Paix.

Chaque projet serait élaboré et exécuté avec l'aide d'un Volontaire du Corps de la Paix qui travaillerait en étroite liaison avec la communauté et, coordonnerait les aspects financiers et logistiques du projet. Le volontaire pourrait également être à l'origine d'une assistance technique limitée des Etats-Unis au cours du projet. L'on a déjà alloué un total de 40.000 \$ U.S à l'USAID/Mauritanie pour le financement des petits projets dans le cadre de ce programme dès l'établissement des procédures opérationnelles.

Nous aimerions avoir le plaisir de vous rencontrer en personne, ou de rencontrer d'autres officiels que vous désignerez dès qu'il conviendra, afin de discuter des détails de ce programme.

B. Projet Régional de Gestion Financière dans les Pays du Sahel (N° 625-0950)

L'USAID/Mauritanie a été également informée que l'équipe du Projet Régional de Gestion Financière dans les Pays du Sahel, consistant en M. Williams (Coordinateur de Projet) et Dr. Harris (Conseiller de l'Institut Polytechnique de Virginie), prévoit son arrivée à Nouakchott au cours de la semaine du 7 Mars 1983, et une consultation sur le développement d'un futur programme de formation et de conseil technique afin d'aider à la fois l'USAID/Mauritanie et les officiels intéressés de votre gouvernement à renforcer les procédures de comptabilité et de gestion pour les projets financés par l'USAID.

Nous vous contacterons lors de l'arrivée de l'équipe afin d'aménager une première réunion. Cependant, sachez que vous pouvez à tout moment adresser à notre bureau vos questions à ce sujet.

Nous espérons que, dans les mois à venir, notre collaboration avec votre Ministère et avec les autres bureaux intéressés du gouvernement, à propos de ces deux activités, sera étroite et productive.

Veillez croire, Monsieur, en l'expression de mes salutations distinguées.



Barry MacDonald
Responsable de la Programmation, p.i.
USAID, Mauritanie

Traductrice : N Taillandier 

USAID/MAURITANIA
SUPPLY MANAGEMENT OFFICE

January 6, 1983

SUPPLY MANAGEMENT PROCEDURE

Number 01-83

SUBJECT ; LOCAL COST FINACING. (Grant Projects).

DISTRIBUTION: ALL USAID Division and Office Heads and Project Managers.

The following is a guide for USAID Project Managers governing procurement under local cost financing in accordance with AID HANDBOOK 1 Supplement B, Chapter 18.

1. Definitions

- a. Indigeneous commodities - Those mined, grown or produced in the cooperating country.
- b. Shelf items - Those items imported and stocked to meet a general public demand in the cooperating country. They are not goods specifically imported to support an AID financed project.

NOTE: Both indigeneous goods and shelf items must meet eligibility criteria. They are subject to the statutory and policy restrictions found in Handbook 1 Supplement B, Chapter 14.

2. Financing Support.

- a. Indigeneous goods can be financed by AID project funds without limitation other than the total local currency limit of the project.
- b. Shelf items are eligible for local financing in unlimited quantities if they have their source(*) and origin in the United States.