

DDBR-836

DATE: 12/04/89

NOTICE OF RECORD

CORRECT PROJECT NUMBER IS: 6580003

CORRECT PROJECT TITLE IS: Food Crop Prod & MKTC. Improvement

VERIFIED BY: [Signature]
AFR/PD/IPS

DATE: 12/04/89

CLEARED BY: [Signature] for Bruce Campbell
CHIEF, AFR/PD/IPS

DATE: 12/04/89

AMENDMENT OF AGREEMENT

1. Amendment No. one (01)	2. Effective Date August 22, 1989	3. Agreement No. 658-0003-3-9001 00-9040-00	4. Effective Date August 9, 1989
5. Recipient (Name and Address) The Cooperative League of the U.S.A. 1401 New York Avenue, N.W. Suite 1100 Washington, D.C. 20005-2160 Duns No.: 07-482-5878		6. Administered by Agreement Officer Office of Procurement REDSO/WCA, c/o American Embassy 01 BP 1712, Abidjan 01 Cote d'Ivoire	
7. PIO/T No. N/A Appropriation No. 72-1191014 Allotment Symbol: GSSA-89-21658-KGI3 Amt. Obligated Prior to this Am. \$300,000 Amt. Oblig. by this Amendment \$ -0- Total Obligated Amount \$300,000		8. Previous PIO/T's 658-0003-3-90001 and amendment #1	

9. The above numbered Agreement is hereby modified as follows:

REFERENCE: THE GRANT: THE SCHEDULE:
VII. SUBSTANTIAL INVOLVEMENT UNDERSTANDING:

In item 2, in the sentence "review and approval of a five-year operational plan for implementing the project and a five-year participant-training plan to be submitted to REDSO/WCA/PDO within 90 days after execution of the cooperative agreement," delete the phrase "within 90 days after the execution of the cooperative agreement," and substitute the phrase "by December 31, 1989," in its place.

10. This Amendment is entered into pursuant to the authority of the Foreign Assistance Act of 1961, as amended. Except as herein provided, all terms and conditions of the Agreement referenced in Block #3 remain unchanged and in full force and effect.

11. Recipient is required to sign this document and return 7 copies to issuing office.

12. A. RECIPIENT

BY: 
Richard Westling
(Name typed or printed)

TITLE: Controller

DATE: 8/31/89

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT

BY: 
Gerald C. Render
(Name typed or printed)

TITLE: Agreement Officer

DATE: 8/22/89



2214

UNITED STATES OF AMERICA

AGENCY FOR INTERNATIONAL DEVELOPMENT
REGIONAL ECONOMIC DEVELOPMENT SERVICES OFFICE, WEST AND CENTRAL AFRICA



UNITED STATES ADDRESS
ABIDJAN (REDSO)
DEPARTMENT OF STATE
WASHINGTON, D. C. 20520

INTERNATIONAL ADDRESS
REDSO/WCA
C/O AMERICAN EMBASSY
01 B P 1712 ABIDJAN 01
COTE D'IVOIRE

August 9, 1989

Mr. L. James Alrutz
Regional Director for African Projects
Cooperative League of the USA
1401 New York Avenue, N.W.
Suite 1100
Washington, D.C. 20005-2160

Subject: Cooperative Agreement No. [REDACTED] 4-00-9040-00

Dear Mr. Alrutz:

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.") hereby enters into a Cooperative Agreement with the Cooperative League of the USA (hereinafter referred to as "CLUSA" or "Recipient") for the estimated amount of \$1,500,00, of which \$300,000 is hereby obligated and made available to provide for a food crop production and marketing project in Sao Tome & Principe, as fully described in Attachment 1 of this Agreement, entitled "Schedule," and Attachment 2, entitled "Program Description."

This Cooperative 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 project objectives during the period beginning with the effective date of this letter and ending not later than August 8, 1994.

This Cooperative Agreement is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in this Cover Letter, Attachment 1 entitled "Schedule", Attachment 2 entitled "Program Description", and Attachment 3 entitled "Mandatory Standard Provisions" and Attachment 4 entitled "Optional Standard Provisions for U.S., Non-governmental Grantees."

Please sign the original and seven (7) copies of this letter to acknowledge your acceptance of the Cooperative Agreement, and return the original and six (6) copies to the A.I.D. Agreement Officer indicated below.

Sincerely,


Gerald C. Render
Agreement Officer
REDSO/WCA

Attachments:

1. Schedule
2. Program Description
3. Mandatory Standard Provisions
4. Optional Standard Provisions for U.S., Non-governmental Grantees

ACKNOWLEDGED:

The Cooperative League of the USA

By : 
Title : Controller
Date : 1989

FISCAL DATA

Appropriation	:	72-1191014
Budget Plan Code	:	GSSA-89-21658-KG13
RCN	:	H920004
PIO/T No.	:	658-0003-3-90001
Project No.	:	658-0003
Total Estimated Amount:	:	\$1,500,000
Total Obligated Amount:	:	\$300,000
DUNS Number:	:	07-482-5878
Letter of Credit No.	:	7200-1423
Paying Office	:	Aid/Washington/PFM/FM/CPD/LC
	:	PFM/FM/CPD/LC Room 636, SA-12
	:	Room 636, SA-12
	:	Washington, D.C. 20523
Technical Office	:	REDSO/WCA/PDO; J. Schulman

ATTACHMENT 1

SCHEDULE

I. AUTHORITY, PURPOSE AND PROGRAM DESCRIPTION

This Cooperative Agreement is entered into pursuant to the Foreign Assistance Act of 1961, as amended, and the Federal Grant and Cooperative Agreement Act of 1977 (P.L. 95-224). The purpose of this Agreement is to provide support for a food crop production and marketing improvement program and a general participant training program in Sao Tome & Principe. This program is outlined in Attachment 2 of this Agreement (entitled "Program Description") and more fully described in the Recipient's proposal (dated May 26, 1989), which is hereby incorporated into and made a part hereof this Agreement.

II. FUNDS OBLIGATED, PAYMENT, AND ESTIMATED COSTS

A. The total estimated amount of this Agreement for the period shown in Article III below is \$1,500,000, and as shown in the Financial Plan found in Article IV of this Schedule.

B. A.I.D. hereby obligates the amount of \$300,000 for program expenditures during the period shown in Article III below.

C. Payment shall be made to the Recipient in accordance with procedures set forth in the Optional Standard Provisions of this Agreement, entitled "Payment - Letter of Credit," as shown in Attachment 3.

D. Additional funds up to the total amount of the Agreement shown in II.A. above may be obligated by A.I.D. subject to the availability of funds, and to the requirements of the Mandatory Standard Provisions of the Cooperative Agreement, entitled "Revision of Grant Budget."

III. PERIOD OF AGREEMENT

A. The effective date of this Cooperative Agreement is August 9, 1989. The estimated completion date is August 8, 1994

B. Funds obligated hereunder are available for program expenditures for the estimated period beginning August 9, 1989, and ending December 31, 1991, as shown in the Grant budget below.

IV. FINANCIAL PLAN

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

BUDGET

<u>CATEGORY</u>		EST.	EST.	EST.	EST.	EST.	<u>T O T A L</u>
	from	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	
	to	8/9/89	8/9/90	8/9/91	8/9/92	8/9/93	
		8/8/90	8/8/91	8/8/92	8/8/93	9/9/94	
Salaries		\$5,808	\$52,620	\$64,842	\$70,366	\$76,443	\$270,079
Fringe benefits		1,385	11,195	12,906	14,118	15,330	54,935
Consultants		0	5,280	11,088	11,642	6,112	34,122
Travel		21,900	28,767	39,429	60,053	39,776	189,925
Allowances		5,877	59,172	26,853	52,198	27,394	171,493
Partic. training		0	0	12,150	0	0	12,150
Other direct costs		525	7,700	8,250	9,075	9,984	35,534
Overhead (37%)		13,133	60,951	64,942	80,457	64,764	284,764
Subcontract: CPA firm		0	10,000	0	0	12,000	22,000
Loan fund		0	85,360	45,194	0	0	130,554
Commodities & Equipmt.		96,200	80,000	20,000	0	0	196,200
In-country Training		0	14,350	16,000	17,000	16,000	63,350
G & A		<u>3,951</u>	<u>10,633</u>	<u>7,701</u>	<u>7,034</u>	<u>6,091</u>	<u>35,410</u>
Total Estimated Cost		\$148,779	\$426,028	\$329,333	\$321,943	\$273,894	\$1,500,000

The itemized budget above sets forth the estimates for reimbursement of dollar costs for individual line items of cost. Without the prior written approval of the Contracting Officer, the Recipient may not exceed the total estimated cost set forth in the budget hereunder or the obligated amount, whichever is less. Without the prior written approval of the cognizant A.I.D. Agreement Officer, the Recipient may not exceed the estimated dollar cost for any individual line item of cost shown below by more than fifteen (15) percent of such line item, except for indirect costs (e.g. overhead, G&A), which are governed by article VI, below.

V. REPORTS AND EVALUATION

A. Program Performance Reporting

1. Quarterly Reports

The Recipient shall monitor the project performance under the Agreement and ensure that time schedules are being met, projected implementation action by time period are being accomplished and other performance goals are being achieved. To this end, the Recipient shall submit a performance report (technical report) on a quarterly basis that presents the following information for each project activity.

a. A comparison of actual accomplishments with the implementation goals established for the period.

b. Reasons why established implementation goals were not met.

c. Other pertinent information related to project monitoring indicators and implementation progress.

2. Other Reports

The Recipient also agrees to share with REDSO/WCA/PDO any reports which have a bearing on the successful implementation of the project.

B. Financial Reporting

This paragraph describes uniform reporting procedures for Recipients to: summarize expenditures made and A.I.D. funds unexpended, report the status of A.I.D. cash advanced, and promulgates standard forms incident thereto.

1. Financial Status Report

(a) The Recipient shall use the standardized Financial Status Report, SF 269, to report the status of funds for all nonconstruction programs.

(b) The report shall be on an accrual basis. If the Recipient's accounting records are not normally kept on the accrual basis, the Recipient shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand.

(c) The report shall be required quarterly only. A final report shall be required at the completion of the Cooperative Agreement.

(d) The Recipient shall submit the Financial Status Report (original and two copies) no later than 30 days after the completion of the design phase under this Cooperative Agreement.

2. Federal Cash Transactions Report

(a) The Recipient shall submit a Federal Cash Transactions Report and its continuation form (SF 272 and 272A) for all funds advanced to the Recipient through a letter of credit or periodic Treasury check. A.I.D. will use this report to monitor cash advanced to the Recipient and to obtain disbursement information for the Agreement from the Recipient.

(b) The Recipient shall forecast Federal cash requirements in the "Remarks" section of the report.

(c) The Recipient shall report in the "Remarks" section the amount of cash advances in excess of three days' requirements in the hands of subrecipients and the amount of cash advances in excess of 30 days' requirements in the hands of non-U.S. subrecipients. The Recipient shall provide short narrative explanations of actions taken by the Recipient to reduce the excess balances.

(d) Recipients shall submit not more than an original and one copy of the Federal Cash Transactions Report within 15 working days following the end of each quarter.

3. The Recipient shall submit copies of all documents sent to PFM/FM/CMPD/LC, AID/Washington, 20523-0209 to:

Controller		Project Officer
REDSO/WCA/WAAC	&	REDSO/WCA/PDO
01 B.P. 1712		01 B.P. 1712
Abidjan 01, Cote d'Ivoire		Abidjan 01, Cote d'Ivoire

VI. NEGOTIATED OVERHEAD RATES

Pursuant to Clause No. 13 entitled, "Negotiated Indirect Cost Rates - Provisional," of the Optional Standard Provisions of this Agreement, an indirect cost rate or rates shall be established for each of the Recipient's accounting periods which apply to this agreement. Pending establishment of revised provisional or final indirect cost rates for each of the Recipient's accounting periods which apply to this Agreement, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rates applied to the bases which are set forth below:

Type: Provisional

Period: From 1-1-88 - Until Amended

Overhead rate: 37% (a)

General and Administrative (G & A): 3% (b)
(note: G and A is defined as "Contract Administration Pool")

Bases of application:

(a) Total direct costs excluding equipment, nonexpendable property, subcontracts and subgrants and in-country training costs.

(b) Total direct cost for contracts and grants.

VII. SUBSTANTIAL INVOLVEMENT UNDERSTANDINGS

REDSO/WCA/PDO shall be substantially involved and the Assistant Director/PDO, or his designee, shall be the primary point of contact for the review and approval of the following items:

1. Review and approval of the protocol negotiated with the host government to be submitted to REDSO/WCA/PDO within 90 days after execution of the cooperative agreement;
2. Review and approval of a five-year operational plan for implementing the project and a five-year participant training plan to be submitted to REDSO/WCA/PDO within 90 days after execution of the cooperative agreement;
3. Review and approval of annual operational plans and annual training plans;
4. Review and approval of any personnel assigned to the project who were not included in the application;
5. Review and approval of candidates selected for third-country and U.S. training.
6. Participation in periodic evaluations of project progress and project impact and participation in a final evaluation of the project after termination.

VIII. SPECIAL PROVISIONS

A. Protocol Statement with GOSTP

The Recipient is required to negotiate an agreement with the Government of Sao Tome and Principe to provide a legal basis for its operations in the host country.

B. Title to and Use of Property

Title to all equipment and property purchased under agreement shall be vested in the Recipient. Standards provisions related to title to and use of property are included in Attachment 3, Optional Standard Provisions: "Title to and Use of Property (Grantee Title)" (November 1985).

C. Authorized Geographic Code For Procurement

The Recipient shall procure goods and services financed by this Agreement in accordance with Attachment 3, Optional Standard Provisions: "Procurement of Goods and Services" (November 1985) and "A.I.D. Eligibility Rules for Goods and Services" (November 1985). All goods and services shall have their source origin and nationality only in "Special Free World Countries" (A.I.D. Geographic Code 935), except as specifically approved by the A.I.D. Agreement Officer or as A.I.D. may otherwise agree in writing.

D. Logistical Support

The following logistical support will be provided by the Cooperating Country:

- Office Space
- Housing

The Government of Sao Tome and Principe will provide a large building and grounds which will serve as a project headquarters. Space should be adequate for offices, training rooms, living quarters, etc. The Recipient is responsible for overseeing the rehabilitation of the building. Currently this renovation, including materials and labor, is estimated at less than \$100,000, this, however, does not include the cost of supervision which is the responsibility of the Recipient and is to be funded under this Cooperative Agreement.

All other logistical support shall be provided or arranged for by the Recipient.

E. Relationship and Responsibilities

The Recipient will be responsible to the Assistant Director, Project Development Office, REDSO/WCA, or his designee. The Recipient will also keep the U.S. Embassy, Libreville, Gabon, apprised of the movement of personnel and project progress. The Minister of Agriculture or his designee shall be the liason official for the Government of Sao Tome and Principe.

F. Language Requirements: Portuguese speaking and reading capability is absolutely essential and A.I.D. will not accept project personnel proposed for residence or as short-term personnel without appropriate language skills at S3-R3.

IX. STANDARD PROVISIONS

A. Mandatory Standard Provisions

The Mandatory Standard Provisions applicable to this Cooperative Agreement are those included as Attachment 3 entitled "Mandatory Standard Provisions."

B. Optional Standard provisions

The Optional Standard Provisions of this Agreement are those included in Attachment 3 entitled "Optional Standard Provisions". The following Optional Standard Provisions in Attachment 3 are hereby deleted as being inapplicable to this Agreement:

- a) 2. Payment - Periodic Advance
- b) 3. Payment - Cost Reimbursement
- c) 12. Negotiated Indirect Cost Rates - Predetermined
- d) 16. Voluntary Population Planning
- e) 17. Protection of the Individual as a Research Subject
- f) 18. Care of Laboratory Animals
- g) 19. Government Furnished Excess Personal Property
- h) 21. Title to and Care of Property (U.S. Government Title)
- i) 22. Title to and Care of Property (Cooperating Country Title)
- j) 23. Cost Sharing (Matching)

When the Standard Provisions are applicable for Cooperative Agreements, the following terms apply:

"Grantee means "Recipient"

"Grant" means "Cooperative Agreement"

"A.I.D. Grant Officer" means "A.I.D. Agreement Officer"

"Subgrant" means "Sub-cooperative Agreement"

"Subgrantee" means "Sub-recipient"

End of Attachment 1

11

ATTACHMENT 2

PROGRAM DESCRIPTION

I. GENERAL

The Agency for International Development, acting through REDSO/WCA, intends to develop a food crop production and marketing program, and a participant training program in Sao Tome and Principe (STP).

II. BACKGROUND

A. The Country

The Democratic Republic of Sao Tome and Principe consists of two islands located in the Gulf of Guinea, about 300 km west of Gabon, covering a total area of 1,200 km². The islands were discovered in the late 15th century and colonized by the Portuguese. The country achieved its independence in 1975.

The island of Sao Tome contains about 95 percent of the total population, estimated at 100,000 in 1981. The population is fairly urbanized (39 percent) and encompasses three main groups: indigenous Sao Tomeans (85 percent), Cape Verdeans and Angolians (15 percent). The country is endowed with good agricultural resources, such as soils and microclimates suitable for the cultivation of almost all tropical products. Arable land totals 40,000 ha. Microclimates make production conditions vary widely from one area to another. Rainfall varies from 990 mm in the northeast to 7,000 mm in the southeast.

The country is struggling to cope with a severe economic crisis. As a result of declining cocoa production and declining cocoa prices which represents 90 percent of export revenues, the government deficit has been growing, the debt service ratio increasing and real per capita income diminishing. The GOSTP is trying to deal with the country's economic crisis by taking measures which raise per capita income by liberalizing and diversifying the economy.

More specifically, it is trying to promote increased incomes, initially by rehabilitating cocoa production and then through progressive diversification by developing other cash and food crops. The GOSTP began the process of progressively liberalizing the economy in 1984. Recently, a new investment code has been adopted and the GOSTP has been seeking foreign private investment. It has also indicated a willingness to undertake sweeping macroeconomic reforms such as devaluation of its currency.

Agricultural production derives from state enterprises, empresas (Empresas Estatais Agro-Pecuarias) created at independence by consolidating abandoned plantations. As part of its efforts to liberalize the economy, the GOSTP is moving toward private management of these state enterprises. In addition to plantation production of cash crops, the workers living on empresas are allocated plots of land on which they grow vegetables. As is often the case, these small plots can be more productive than plantation lands. There are also a small number of small farmers growing vegetables. The GOSTP is implementing a policy under which it is distributing land to individuals and actively encouraging food crop production by workers on the empresas.

B. The A.I.D. Strategy and Program in Sao Tome and Principe

A.I.D.'s strategy in STP is to assist the GOSTP in its efforts to increase the productivity of the agricultural labor force by providing training.

The major instrument for implementing this strategy is the Trilateral Agricultural Training Project. This project was authorized in 1986 and is being implemented by the GOSTP, Portugal and the U.S. The objective of the project is to train first line supervisors and managers on several cacao growing empresas. To support and encourage the GOSTP in its efforts to privatize and decentralize the management of the empresas, the empresas selected for support under the project are those with private management. The training provided by the project is largely in-country training though some training has been provided in Portugal. Recently two new activities have been added. Training will be broadened to include the production of pepper. In addition, a technical assistance team from the Tennessee Valley Authority will implement a training program for municipalities in conservation of water and energy. This project is fully funded at its authorized level of \$1,100,000.

The second major instrument of U.S. assistance is an annual grant of \$100,000 from the regional Human Resources Development - Africa Project. Under this activity, \$57,500 has been provided to train 6 Tomeans in the U.S./Portugal, etc.

A.I.D. would like to broaden its support for the Governments efforts to liberalize and diversify the economy. While retaining an emphasis on training those involved in agriculture, A.I.D. proposes to broaden the scope of its involvement to include food crop production.

C. The Proposed Project

The GOSTP is interested in a project which would provide training and support in the production of vegetables and fruit to small farmers on their own land or on empresa plots. The project would be designed to up-grade agronomic and technical skills needed by such farmers to increase and improve production, as well as training extension-related supervisory and management personnel. In preparing the proposed project, which the Recipient will research and design, consideration should be given to the role of forestry and tree crop production along with vegetable and fruit production, so as to include the possibility of using coppicing, shade forestry, medicinal plants (e.g. quinine and spices), alley cropping and rehabilitation of fruit trees (e.g. breadfruit).

The Recipient may also take into consideration the need to assist farmers through a modest, small credit facility and in processing and marketing their production. In this connection, the Recipient may consider how the project could improve private sector marketing of food crops and assist farmers in developing both domestic and export outlets such as nearby Gabon for their production. Some form of cooperative organization may be appropriate in this connection. In-country training should play an important role in the project.

In addition to the above, the Recipient will assume responsibility for a general participant training program. The Recipient must be prepared to process and place participants abroad as appropriate. The third country and U.S. training needs of the food crop production activity can be met under this component of the project.

D. Living Conditions in Sao Tome

As discussed, the GOSTP has agreed to donate a building and land for a project headquarters. After rehabilitation of this facility, which is to be accomplished by the Recipient, adequate living quarters for project personnel will exist.

Support to the Project by A.I.D. and the U.S. Embassy

The Recipient should realize that there will be minimal support from A.I.D. and the U.S. Embassy in Libreville. There is no A.I.D. Mission in STP. The Regional Economic Development Services Office (REDSO) serves as the A.I.D. Mission for STP. The U.S. Embassy is small and will not be able to render assistance. The GOSTP has, however, agreed to provide a building which can be used as a project headquarters. The building will need to be rehabilitated and the Recipient will be involved in the process. The GOSTP has also agreed to provide counterparts.

III. STATEMENT OF WORK

A. Agriculture Sector Assessment

The Recipient will be expected to conduct a detailed assessment of the agricultural sector as a prerequisite to designing the project. This assessment will consist of a description of the sector as it currently exists with particular attention to the institutions, governmental and non-governmental, which are active in the sector. Within the area of food crop production, and based on this description, the recipient will prepare a general analysis of the constraints on agricultural productivity and a detailed analysis of constraints related to the dissemination of technology and the training of agricultural personnel at all levels. The recipient may also take a close look at market identification and development, and credit. In addition, the recipient should become familiar with USAID funded participant training activities.

B. Parameters

The program will be developed within the following parameters:

1. Total funding level of \$1,500,000, to be allocated as follows:
 - (a) Participant training activities in support of A.I.D.'s strategy in Sao Tome: \$250,000 to \$500,000 over life of project;
 - (b) Food production improvement activities \$1,000,000 to \$1,150,000 over life of project;
 - (c) Rehabilitation of the donated building and land: estimated at \$100,000 over the life of the project;
2. The Recipient will be required to have a representative resident in STP for the duration of the grant;
3. Project to last five years;
4. Participant training requirements to be established between A.I.D. and the GOSTP following guidance contained in A.I.D. Handbook 10, Participant Training;
5. Annual training plans must be submitted to A.I.D. for approval;
6. Project must be implemented in coordination with the Ministry of Agriculture, the GOSTP entity responsible for coordinating PVO activities in STP;
7. The U.S. PVO implementing project must sign a protocol statement with the GOSTP in order to operate legally in STP.
8. Within the total availability of funds shown in paragraph 1.(b) above, the project budget should include a provision to fund an independent audit by a qualified certified public accounting firm at the end of the second and fifth years.

End of Attachment 2