

MDLBC 991

1. Initial Starting Date (Mo., Day, Yr.) Date of Signature Block 14	Small Project Assistance Program Country Agreement BETWEEN THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND Peace Corps/ Morocco	6. <input checked="" type="checkbox"/> PCA ORIGINAL <input checked="" type="checkbox"/> PCA AMENDMENT
2. Project Completion Date (Mo., Day, Yr.) 9/30/90		7. Number PCA 1989
3. Category <input type="checkbox"/> TOY <input type="checkbox"/> ASSIGNED	5. Project Number and Title Small Project Assistance (SPA) Program 608-0181	8. Country/AID/W/Office USAID/Morocco
4. Duration of Funding <input type="checkbox"/> CURRENT YEAR <input checked="" type="checkbox"/> FORWARD FUNDING		9. Type <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> LOAN <input type="checkbox"/> COUNTRY FINANCED

11. FUNDING

A. CITATIONS	(1) Appropriation Number 72-1191021.6	(2) Allotment Number ODSA-89-27608-KG-13	(3) PIOT/Obligation Number N/A
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 170,000	(2) Change (+ or -) 40,000	(3) New Total 210,000
D. TOTAL AMOUNT OBLIGATED (Blocks B + C)	(1) Initial or Current 170,000	(2) Change (+ or -) 40,000	(3) New Total 210,000
E. PRINCIPAL COST COMPONENTS OF (Block B)	(1) Salaries, Differential and Benefits NA	(2) Transportation Including Per Diem NA	(3) Miscellaneous 210,000
			(4) Overhead NA

12. Statement of Purpose

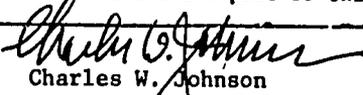
A. **Small Project Assistance (SPA) Program:** The purpose of the SPA Program is to finance small village level activities by Peace Corps ("PC") Volunteers selected by the PC Principal Country Representative in Morocco. The program is designed to encourage and support self-help efforts by local communities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

B. **Governing Provisions.** The Peace Corps agrees to provide the services outlined in Paragraph A above in accordance with "SPA Approval Process and Financial Procedures" (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). (Appendices are attached by reference only and are available from A.I.D. or Peace Corps.)

C. **Present Amendment.** This amendment (1) adds \$40,000 to the SPA, for a total of \$210,000; and (2) extends the Projected Completion Date (PCD) from September 30, 1989 to September 30, 1990.

13. **GOVERNING PROVISIONS:** Pursuant to the General Agreement Dated See Block 12, B between AID and Peace Corps, the Agency named above agrees to provide the services outlined in Block 12 amplified as needed by Appendix A. Any appendices attached hereto are considered part of this Agreement.

14. Signatures

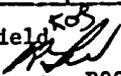
 NAME <u>Dave Fredrick</u>	 NAME <u>Charles W. Johnson</u>
TITLE/OFFICE <u>Peace Corps Director</u>	TITLE/OFFICE <u>Director, USAID/Morocco</u>
DATE _____	DATE _____

15. REFERENCES
- APPENDIX A - SCOPE OF WORK
 - APPENDIX B - BUDGET PLAN
 - APPENDIX C - USE OF AID PERSONNEL/FACILITIES
 - APPENDIX D - CONTRACTING
- See Block 12, B

16. Negotiating Officers

USAID/Morocco John J. Wiebler 

Peace Corps/Morocco Dave Fredrick

Clearances: USAID/PROG:KSchofield  USAID/RLA:BBarrington 
 USAID/CONT:RWarin 
 USAID/DDIR:LMorbe  P990009 

AID 2-2 (12-80)

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 has been delegated jointly to the Peace Corps Country Director or Country Co-Directors in Morocco and to the Program Officer of the United States Agency for International Development Mission in Morocco or their designee.

2. Activity Proposals:

Proposals for each activity to be financed will be developed by Peace Corps Volunteers (PCVs) in conjunction with the recipient Moroccan organization in the form of an Individual Activity Agreement (see example in Attachments A and B.) 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. After receipt of a draft proposal, the Peace Corps Director, in consultation with the USAID Program Officer, 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 before final approval.

Subsequent to approval in draft of a particular activity, the PCV will submit a final copy of the approved IAA to the Peace Corps Director, signed by both the PCV and the authorized representative of the individual group. Within one week the Peace Corps Country Director will sign the IAA. Submission of the approved IAA to the USAID Program Officer.

Best Available Document

Depending on the nature of the activity and the recipient group, it may be appropriate for more than just the chief representative of the recipient group to sign the agreement. Concurrence, where applicable, by other members of the group or by third parties may be required in order to formalize and confirm necessary additional contributions or commitments. It may also be appropriate under certain circumstances to carry out signing ceremonies where all appropriate parties would sign the agreement together. In such cases, signatures of the PCV and group representative may be delayed until the ceremony based on assurances by the PCV and the group representative that all parties are in accord concerning content of the agreement and required commitments and contributions on the part of all parties.

3. Eligibility and Approval Criteria

Activities selected for financing under this agreement must meet the following requirements:

- a. The activity must be scheduled for completion within one year of the date of signature of the IAA.
- b. The estimated contribution of SPA funds toward completion of the activity must not exceed \$ 10,000.
- c. The activity must involve development in the broad areas of food, energy, competitive enterprise development, and/or income generating activities.
- d. The activity must not encourage reliance on US assistance.
- e. The activity must be conceived and implemented in conjunction with a local community organization or group. The group may be profit or non-profit making. It may have legal status (personeria juridica) or not under Moroccan law. If the group does not have legal status,

evidence will be presented that the group consists of certain specific individuals who have committed themselves to implementation of the project and provisions will be made to control the departure of existing members and the entrance of new members of the group with respect to their shares of the investment and proceeds of the activity to be financed. In most cases, departing members will forfeit their share of assets or income held in common by the group from the investment and incoming members will make a contribution corresponding to an equal share of the activity relative to other original bonafide participants. It is recognized that arrangements of this nature may take a variety of forms and that no standard model is possible.

- f. The activity must result in a quantifiable benefit to the recipient group in terms of improved economic and/or social conditions.
- g. The activity must be shown to be profitable within a reasonable period of time (one to three years), in the case of competitive enterprise development, and financially viable in the case of non-profit making activities through user fees or some other means of covering recurring costs for the indefinite future. In most cases, evidence to demonstrate the meeting of 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. Management Capacity. It must be shown that either the group has the pre-existing management capacity effectively to implement the activity or that the volunteer will remain with the activity long enough to train a management structure to take over responsibility for the on-going management of the activity upon departure of the volunteer. Where necessary, assistance of a technical, organizational or administrative or other nature may be requested to help meet this criteria.
- i. The design of the activity must involve development i.e., respond to real or "felt needs" and represent an "appropriate" solution or response, in a lasting sense, to a problem, constraint, or opportunity in the areas of food, energy, competitive enterprise development, and/or income generating activities.

- j. The recipient group must fit within the generally accepted characteristics of the AID-PC target group, i.e., economically and socially disadvantaged and without access to resources provided by other commercial or governmental sources of assistance

B. FINANCIAL PROCEDURES

1. Obligations

This agreement constitutes the obligating document between AID and Peace Corps of \$ 40,000 for the Small Project Assistance Program in Morocco during Fiscal Year 1983. The Project Activity Completion Date (PACD) is 30 September 1984.

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 US contribution approved for that activity. The sub-obligation will be valid for a maximum period of one year unless the IAA specifies a shorter period for activity implementation. In no case, however, will sub-obligations be valid after 30 September 1984.

3. Disbursement Procedures

Subsequent to the signing of an individual activity agreement 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

Direct Payment: For major purchases, direct payment to vendors or suppliers may be by check by the USAID.

Grants to Local Organizations: If the local organization, in the judgement of Peace Corps, has the necessary financial management capability, funds may be disbursed directly to the local organization on either an advance or reimbursement basis. The advance may be

up to 80% of total activity costs. In cases where advances are made to the recipient organization, standard imprest fund procedures will be utilized to replenish the advance in subsequent vouchers until the total of the advance and replenishment vouchers equals the total amount of the grant after which "no-pay" voucher will be processed to liquidate the advance.

Disbursements to Peace Corps: This method may be utilized for purchases of goods or services where direct payment by the USAID is not practical. In this case Peace Corps will then make direct disbursements in cash to either the PCV or the group either in the form of advances (to an imprest fund) or on a reimbursement basis. As a practical matter, most activities will be disbursed in this manner. In some cases, Peace Corps disbursements will be deposited in a joint bank account from which funds may be withdrawn by check with the signature of both the PCV and the group representative.

b. Approval of Disbursements

All disbursements will be approved by the Peace Corps Director.

c. Vouchers and Receipts

Vouchers should be obtained from vendors whenever possible 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).

d. Disbursements Reports

Peace Corps will submit interim reports of disbursements on each project quarterly to the USAID and a final report on each activity together with vouchers and receipts. The final report will indicate the amount of funds being de-subobligated (returned).

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e. Rate of Exchange

The official rate of exchange of the day will be used in all transactions.

4. Accounting Procedures

Accounting procedures will be 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 the USAID. These may be changed from time to time by mutual agreement in writing in response to local conditions.

C. OTHER CONSIDERATIONS

1. With respect to all other considerations related to administration of this project, the provisions of Appendix 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 Director.

S A M P L E I A A

Cover Sheet

- A. Total Budget Request U.S. Dollars Local Currency
 (Detailed budget is attached as annex 1) 1,560.00 Dirhams 10,140.00
- B. A.I.D. Accounting Date
 Appropriation: Project Number: 298-0052
 Budget Allowance: IAA Number : 3608001
- C. Maximum dollar amount of U.S. grant: \$ 1,560
 Note: The maximum dollar amount of the grant can be more or less than the amount requested.
- D. Activity implementation period: July 1, 1983 to June 30, 1984
- E. Terminal date for issuance of implementing documents -such as purchase orders (no later than 12 months after date of agreement) June 1, 1984
- F. Authority: This Individual Activity Agreement is executed pursuant to the authority of the Bilateral Agreement between the Government of Morocco and the Agency for International Development dated April 2, 1957, the SPA Program Country Agreement between A.I.D. and Peace Corps dated April , 1983, and in accordance with the Foreign Assistance Act of 1961, as amended.
- G. IN WITNESS WHEREOF, the Rif Agricultural Council, the Peace Corps and AID, 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.

Mohamed Alami Chairman, Rif Agricultural Council	<u>Signature</u> <u>Typed Name</u> <u>Title</u>	Baudouin de Marcken Peace Corps Director
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_____ _____	<u>Date</u>	_____ _____
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William Erdahl
 Program Officer, Agenc. for
 International Development

Date

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S A M P L E I A AAGREEMENT

Between

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

and

RIF AGRICULTURAL COUNCILTitle : Rif Regional Wheat DevelopmentIndividual Activity Agreement
N° 3608001Location: Chaouen

1. Description of Activity: Mr. Alami of the Rif Agricultural Council has presented a self-help project proposal to the Peace Corps Country Director calling for the development of the Bouhalla Valley in the Province of Chaouen. The Council plans to grow wheat during the rainy season and vegetables during the dry season. The people of the Province of Chaouen 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 impact will be observed and measured: The activity will increase wheat and vegetable production in the Bouhalla Valley. On pre-selected plots the wheat 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 Rif Agricultural Council the equivalent in local currency of up to One Thousand Five Hundred and Sixty United States Dollars (\$ 1,560) to purchase fencing materials, seeds, fertilizers, and insecticides for the development of the Bouhalla Valley as proposed by the Rif Agricultural Council.
4. Bouhalla Valley Contribution: The people of the Province of Chaouen will supply all labor to develop the Bouhalla Valley. The Rif Agricultural 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 Rif Agricultural Council will not need technical assistance from Peace Corps' Office of Program Development to complete the project.

6. Activity Period: 12 months (July 1, 1983 - June 30, 1984).
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:

<u>Name</u>	
Mohamed Alami Activity Supervisor Rif Agricultural Council	E.Z. Toquette Peace Corps Volunteer

STANDARD PROVISIONS FOR
SMALL PROJECT ASSISTANCE

- ARTICLE I. The United States will extend funds to the Rif Agricultural 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 Rif Agricultural 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. Rif Agricultural 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

ILLUSTRATIVE BUDGET 1/

<u>Item Financed</u>	<u>USAID</u>	<u>Rif Agricultural Council</u>
1. Fencing	DH 5070.00	
2. Seed	DH 1014.00	
3. Fertilizer	DH 1521.00	
4. Insecticides	DH 2535.50	
5. Rent		<u>DH 3,113.50 *</u>
Sub-Total	DH10,140.50	DH 3,113.50
Total \$ Equiv.	<u>\$ 1,560.00</u>	<u>\$ 479.00</u>
Percent of Total	76%	24%

* US \$1.00 = _____ Moroccan Dirhams

1/ This is an illustrative budget for planning purposes. Actual expenditures will vary to some extent from the figures shown. Calculations are intended to be conservative.

2/ Those items indicated by * are proposed for financing by the Rif Agricultural Council.

SAMPLE ACTIVITY LOGIAA Number : 3608001Activity Title : Rif Regional Wheat DevelopmentDate of Obligation : 7/1/83Date Implementation Documents Must be Completed : 6/30/84

Date	Implementation Document Number	Amount Implemented	\$1,560.00 Balance to be Implemented	Obligation Remarks
7/05/83	3608001A	780.00	780.00	Fencing
7/05/83	3608001B	156.00	624.00	Seed
7/05/83	3608001C	234.00	390.00	Fertilizer
7/16/83	3608001D	390.00	-0-	Insecticides

REMARKS :

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

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 redelegate 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 "ultisectoral 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

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

Date January 28, 1983

Date Jan 28, 1983

SMALL PROJECT ASSISTANCE PROGRAM
Guidance and Procedures

1/28/83

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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 redelegated 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.

Best Available Document

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.

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
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.

F. 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:

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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

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- 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.