

DEC 3 1985

PART ONE: COMPLETE EACH BLOCK FOR BOTH NEW ASSISTANCE/ACQUISITION AND MODIFICATION ACTIONS

3. Contract/Agreement Number: DFI 15180 DFE-0209-4-55-5042-00 Lead. for Veli

4. Contract/Agreement Recipient Name: Cooperative League of the USA

5. Organization Symbol: CLUSA / LIC / 9/30/85

6. Project Title: Cooperative-to-Cooperative Grant (w/LIC)

7. Project Officer's Name: W. Holcomb

8. Organization Symbol: PRE/PPR/CSBD

9. Requisitioning Document ID No: 940-0209-534-2417

19. Budget Plan Code: PDA-85-13480-AG-11
App. 72-1151021.3, All. 543-34-099-00-69-51

10. TYPE OF ACTION:
A. New Acquisition/Assistance **A**
B. Continuation of activities set forth in a contractual document
C. Revision of work scope/purpose of award

20. Country or Region of Performance: "SELECTED LAC COUNTRIES"

21. a. This Action Increases TEC by \$ 0
b. Total Est. Cost of Contractual Document \$ 491,000

11. Amount of this PIO/T: Obl. U.S. \$ 150,000 (inc.)

12. Amount Obligated/Subobligated/Deobligated by this Action: U.S. \$ 150,000

22. Amount of Non-Federal Funds Pledged to the Project: U.S. \$ 341,000

13. Cumulative Obligation: U.S. \$ 150,000

23. Effective Date of this Action: 9/1/85

14. This Action Funded Through: 8/31/86

24. Estimated Completion/Expiration Date: 8/31/86

15. Date Contractual Documents Signed by AID Official: 9/22/85

25. Contractor DUNS Number: 074825878

16. Incrementally Funded Contract: NO

26. Consultant Type Award: NO

17. Host Country/Counterpart Inst.: (Univ. Contracts) N/A

27. Number of Person Months: (PASA/RSSA only) N/A

18. Campus Coordinator: (Univ. Contracts) N/A

28. Number of Persons: (PASA/RSSA only) N/A

29. Negotiator's Typed Name: T. Piceno

30. Negotiator's Signature: T. Piceno

31. Date Signed: 8/8/85

32. Contract/Grant Officer's Organization Symbol: COL/PE

33. Contract/Grant Officer's Signature: [Signature]

34. Date Signed: 9/4/85

PART TWO: COMPLETE EACH BLOCK FOR NEW ASSISTANCE/ACQUISITION ACTIONS ONLY

35. SELECTION PROCEDURES:

A. Formally Advertised

B. Negotiated Price Competition, General Procedure ENTERED

C. A&E OCT 10 1985

D. Ed. Inst. and/or Int'l. Research STAT. Section

E. Collaborative Assistance

F. Predominant Capability

G. Unsolicited Proposal

H. Procurement to be Performed by the Contractor in Person **M**

I. Sole Source

J. Impairment of Foreign Policy Objectives

K. 8(a) Selection

L. Competitive

M. Noncompetitive

N. Small Business Set Aside

O. Overseas Procuring Activities

LB Advance

OCT 2 1985

36. CONTRACT TYPE: D

A. Fixed Price (Specify: FFP, FPRD, FPEPA, FPI)

B. Cost Reimbursement (Specify: CR, CPFF, CS, CPAF, CPIF)

C. IQC & Requirements Contracts

D. Other

*CR ANT: tie
COP: tie
for tie*

37. ADVANCE: C

A. No Advance

B. Advance Non-FRLC

C. Advance FRLC

38. SUBJECT TO STATUTORY REQUIREMENT: E

A. Walsh-Healey Act, Manufacturer*

B. Walsh-Healey Act, Regular Dealer*

C. Service Contract Act (U.S. ONLY - Guards, Maintenance, Laborers)

D. Davis-Bacon Act (Construction)

E. Not subject to Walsh-Healey; Service Contract or Davis-Bacon Act (Most AID Contracts)

* Equipment, Supplies, Materials, and Commodities

39. Country of Manufacture (Specify) N/A

40. CURRENCY INDICATOR: A

A. U.S. Dollar

B. Local Currency

C. Combination

D. Unfunded

41. SUBCONTRACTS: N/A

Is There a Provision for a Subcontract? (Contracts only)

42. TYPE SERVICE: F

A. Training of Participants

B. Technical Assistance to Host Country (Program, Project related except A&E Services)

C. A&E Services

D. Construction

E. Research

F. Technical Services to AID (other than training; usually operating expense)

G. Training Service for AID

H. Equipment, Materials, Supplies, Commodities

I. Translation Service

43. CONTRACT/AGREEMENT SOURCE: A

A. U.S. Contractor/Grantee

B. Non-U.S. Contractor/Grantee

C. Combination of A & B

44. TYPE OF AMERICAN OWNERSHIP: G

● Minority

A. Asian/Pacific Islander

B. Black American

C. American Aleuts or Eskimos

D. American Indian

E. Hispanic

F. Other (Specify) _____

G. Non-Minority

45. LABOR SURPLUS AREA PREFERENCE: D

● Labor Surplus Area

A. No Preference

B. Tie Bid Preference

C. Total Set Aside

D. Not a Labor Surplus Area Preference Award

46. Number of Bidders Offering Items or Services of Foreign Content: N/A

47. TYPE OF BUSINESS: H

A. Source: Non-U.S. and Used Outside U.S. & Possessions

B. Source: Non-U.S. and Possessions (Foreign Purchases Used Inside U.S.) (If U.S. Source, complete C through Q)

C. Firm - Profit Making & PSC's

● Non-Profit Organizations

D. Private Educational Organizations

E. Hospitals

F. Research Institutions, Foundations, and Laboratories

G. Other

● Private Voluntary Organizations

H. U.S. Registered

I. U.S. Non-Registered

J. Foreign

● State/Local Government

K. Educational Institutions

L. Hospitals

M. Research Organizations

N. Other

O. International Agricultural Research Organizations

P. Public International Organizations

Q. U.S. Cooperatives

48. Women Owned Business? NO

49. TYPE AWARD: H

● Small Business

A. Not Set Aside

B. Partial Set Aside

C. Total Set Aside

D. Personal Service Contract

E. Individual Non-Personal Service Contract

F. U.S. Government

G. University

H. Other Non-Profit Organizations

I. Large Businesses

50. Paying Office: Payment will be made by AID/W

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

9/27/85

Mr. E. Morgan Williams
President and Chief Executive Officer
Cooperative League of the USA
1828 L Street, N.W., Suite 1100
Washington, D.C. 20036

Subject: Grant No. DPE-0209-G-SS-5042-00

Dear Mr. Williams:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or the "Government") hereby grants to the Cooperative League of the USA (hereinafter referred to as "CLUSA," "CUSA/LIC" or "Grantee"), the sum of \$150,000 to provide partial support of its program to assist cooperatives of selected Latin American/Caribbean countries through League Insurance Companies (LIC), a CLUSA member organization, in the establishment and operation of financially viable and self-sustaining private cooperative insurers and in the expansion of the benefits of cooperative insurance services to individual cooperative members -- particularly low income persons and other groups who are not served by the commercial insurance sector, as more specifically described in the Schedule of this grant and the Attachment 2, entitled "Statement of Work."

This grant is effective and obligation is made as of the date September 1, 1985 and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending August 31, 1986.

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

ORIGINAL

Please sign the original and seven (7) copies of this letter to acknowledge your receipt of the grant, and return the original and six (6) copies to the Office of Contract Management.

Sincerely yours,



Judith D. Johnson
Grant Officer
Chief, PE Branch
Central Operations Division
Office of Contract Management

Attachments:

1. Schedule
2. Statement of Work
3. Standard Provisions

ACKNOWLEDGMENT:

COOPERATIVE LEAGUE OF THE USA

BY: Stewart A. Kohl
TITLE: Executive Vice President
DATE: October 18, 1985

FUNDS AVAILABLE
PROGRAM ACCTG. & FIN DIVISION
DATE 9/30/85
OFFICE OF CONTRACT MANAGEMENT

0/c 4190

FISCAL DATA

Appropriation : 72-1151021.3
Allotment : 543-34-099-00-69-51
Budget Plan Code: PDAA-85-13480-AG-11
PIO/T No. : 534-2417
Project No. : 940-0209
Total Est. Cost : \$491,000
Tot. Oblig. Amt.: \$150,000 (Full AID share)
DUNS No. : 07-482-5878
Funding Source : AID/W USAID

SCHEDULEA. Purpose of Grant

The purpose of this Grant is to provide support of a program in the following:

1. The establishment and operation of financially viable and self-sustaining private cooperative insurers and
2. The expansion of the benefits of cooperative insurance services to individual cooperative members -- particularly low income persons and other groups who are not served by the commercial insurance sector.

B. Period of Grant

The effective date of this Grant is September 1, 1985. The expiration date of this Grant is August 31, 1986.

C. Amount of Grant and Payment

1. AID hereby obligates the amount of \$150,000 for purposes of this Grant.
2. Payment shall be made to the Grantee in accordance with procedures set in the Attachment 3 supplement entitled "Alterations in Grant" with the new Standard Provision 7A entitled "Payment - Letter of Credit (August 1984)."

D. Negotiated Overhead Rate

1. Pursuant to the Grantee's letter, dated August 6, 1985, regarding indirect cost, the Grantee's current Provisional overhead rate of 39.99 % on burdenable direct costs will not apply to this grant.
2. Fringe benefits will be reimbursed as direct costs in accordance with the Grantee's established policy and procedure.

E. Financial Plan

1. The following is the Financial Plan for this Grant. Revisions to this Plan shall be made in accordance with Standard Provision of this Grant, entitled "Revision of Financial Plans."

FINANCIAL PLAN

<u>Cost Element</u>	<u>Provided By Cooperative Insurers</u>	<u>Provided By AID</u>	<u>Total</u>
Salaries and Fringe			
Benefits:	\$250,000	\$ 45,700	\$295,700
Consultants:	- 0 -	26,400	26,400
Travel & Allowances:	30,000	69,500	99,500
Office Rent, Furnishings and Utilities:	20,000	- 0 -	20,000
Telephone, Telex & Postage:	6,000	2,400	8,400
Supplies, Printing, Reproduction and Accounting::	5,000	1,700	6,000
Contract Administration Pool @ 2.95%	<u>30,000</u>	<u>4,300</u>	<u>35,000</u>
TOTALS:	\$341,000	\$150,000	\$491,000

2. The funds provided by this grant represent partial support of the program as described in the Schedule of this grant, and may be used to support the costs of the program as specified in the Financial Plan above.
3. The restrictions on the use of AID grant funds hereunder set forth in the Standard Provisions of this grant are applicable to expenditures incurred with AID funds provided under this grant. The Standard Provisions are not applicable to expenditures incurred with funds provided from non-Federal sources. The grantee will account for the AID funds in accordance with the Standard Provisions of this grant entitled "Accounting, Audit and Records."
4. Notwithstanding paragraph (b) of the Standard Provision of this grant entitled "Refunds," the parties agree that in the event of any disallowance of expenditures from AID grant funds provided hereunder, the Grantee may substitute for

such disallowance expenditures made with funds provided from non-Federal sources provided they are otherwise incurred for the purpose of this Grant. At the expiration or termination of this grant, amounts of disallowance of expenditures from AID grant funds for which a substitution with expenditures from non-Federal funds cannot be made will be refunded to AID.

5. Travel and subsistence expenditures for individuals shall be limited to personnel approved by the cognizant project officer. Expenditures of AID funds will not be approved for citizens of ineligible countries as defined in Standard Provision No. 24.
6. It is understood that the Grantee shall absorb any indirect costs associated with the program described in the Grantee's proposal. (Refer to Article D., subparagraph 1., this Schedule) Accordingly, no expenditure of AID funds shall be allowed for such indirect costs.

F. Reporting and Evaluation

1. The Grantee will provide quarterly reports using an agreed upon format between the Grantee and the AID cognizant technical office (CTO) PRE/PPR/CSBD. These reports will be provided within 30 days following the end of the three month period (each quarter) covered by the report. Four (4) copies of those reports shall be submitted to the AID CTO as follows:

Agency for International Development
Attn: Herb Wegner
(PRE/PPR/CSBD, SA-14, Rm 633)
Washington, D.C. 20523

2. One (1) copy of the report shall be submitted to the AID Grant Office, as follows:

Agency for International Development
Office of Contract Management
Central Operating Division/Population and
Education Branch
Washington, D.C. 20523

3. All financial documents submitted by the Grantee shall contain the following identification data on the face sheet:

Grant No. : DPE-0209-G-SS-5042-00
Project-PIO/T : 940-0209-5342417
Project Office: PRE/PPR/CSBD, H. Wegner

G. Special Provisions

1. The following Standard Provisions are deleted:
5A, 7B, 7C, 10B, 13B, and 13C.
2. The use of consultants is authorized under this Grant subject to the technical concurrence of the CTO that the proposed individual is suitable for the task assigned. Fees paid to consultants and reimbursed hereunder shall be reasonable in accordance with the applicable cost principles, OMB Circular A-122, Paragraph 34, Professional Service Costs, and shall not exceed, without specific approval of the Grant Officer, the maximum daily rate of a Foreign Service 1 (FS-1).
3. Direct compensation of personnel will be reimbursable in accordance with the established policies, procedures and practices of the Grantee and in accordance with the applicable cost principles of OMB Circular A-122, Paragraph 6, Compensation for Personal Services, and shall not exceed, without specific approval of the Grant Officer, the maximum daily rate of a Foreign Service 1 (FS-1).
4. The funds provided to CLUSA will be subgranted to LIC to carry out the activities of this grant program under a subordinate agreement. The specific terms and budget of that subagreement require the prior written approval of the Grant Officer.

H. Standard Provisions

The Standard Provisions applicable to this Grant are set forth in AID Form No. 1420-52 (2-82), appended hereto including the supplements "November 1984 Attachment to AID Forms 1420-51, and -52," entitled "Alterations in Grant," and an alteration in Grant Form AID 1420-51 (2-82) and 1420-52(2-82) entitled "Voluntary Population Planning (July 1985)."

Statement of Work

I. Objective

The objectives of this program are (1) the establishment and operation of financially viable and self-sustaining private cooperative insurers and (2) the expansion of the benefits of cooperative insurance services to individual cooperative members-particularly low income persons and other groups who are not served by the commercial insurance sector.

II. Scope of Work

- A. Purpose: The purpose of this partial support grant to CLUSA is for LIC, in conjunction with other participating U.S. insurers, to provide technical assistance on a more systematic, sustained basis to selected LAC countries. This will enable these organizations to make more intelligent choices and rationalize their insurance development programs more effectively.
- B. Background : The program, for this one grant year , will assist in the establishment and operation of financially viable and self-sustaining corporate cooperative insurers offering a broad line of insurance services which meets the needs of individuals and institutions within the cooperative movement. LIC, in conjunction with the other participating U.S. insurers will provide technical assistance on a systematic, sustained basis to enable LAC cooperative organizations and insurers to make more intelligent choices and rationalize their insurance development programs more effectively. LIC will implement and coordinate the project under agreement with CLUSA, project grantee.

Achieving sound cooperative insurance programs will produce a series of benefits, some quantifiable and others not. These include:

1. Capital formation of cooperative development: Financially successful insurance cooperatives, owned by credit unions and other cooperative sector federations, will provide funds from segregated profits to stimulate further cooperative sector development.
2. Insurance for cooperative assets and activities: Insurance will be provided for physical assets to protect against loss for goods traded (e.g., exports), for fidelity bonding, for boards of directors and management staff, etc.

3. Insurance protection: Insurance for life, accident, property, etc. reaching low-income and rural people who otherwise would not have access to such insurance services through such techniques of inexpensive group insurance mechanisms and other marketing efficiencies. The elimination of risk and uncertainty through insurance can lead to greater investment and consumption.
 4. Institutional development: Creation of self-sufficient cooperative insurance business.
 5. Support to federations: Generation of surplus by the insurance institution which in turn can finance the activity of sponsoring cooperative federations.
- C. Countries: Indirectly, this program will enhance cooperative development in most of the LAC region. During this grant period, however, LIC will focus primarily on eight countries. In all of the countries, LIC will work with cooperatives and insurers to assess needs, define strategies, and implement work plans to develop self-sufficient cooperative insurers. In some of the countries (Bolivia, Peru, Ecuador and Columbia) a financial strengthening approach will be necessary for existing but struggling cooperative insurers. In other countries (Guatemala, Honduras, Costa Rica, and Jamaica) an institution building approach is required, working with cooperative federations to establish new, independent insurance operations.
- D. Market Study and Implementation Seminar: A major project activity to be carried out during this grant program's year is the design and implementation of a model market study. The study will include such elements as:
- historical data on the insurance industry's performance,
 - industry levels of penetration in different lines of insurance,
 - claims and expense experience,
 - a detailed measurement of cooperative markets and identification of insurance needs and other important economic and financial variables.

The study will be implemented in Guatemala by project consultants working jointly with FENACOAC and under the supervision of LIC. The market study will accomplish several objectives:

(a) it will reveal more precisely the market conditions in which a new cooperative insurer will operate in Guatemala,

(b) it will include recommendations of the kinds of products and markets which should be developed by the new cooperative insurer,

(c) it will reveal further specific technical assistance requirements which may be needed for the operations of the new company, and

(d) will develop case materials to serve as a model to be implemented in other assistance recipient countries.

The market study model implemented in Guatemala will serve as a basis for a seminar to be held shortly thereafter for assistance recipients in Honduras, Costa Rica, and the South American cooperative insurers.

The model will be discussed and refined at the seminar for adoption and implementation in each country. LIC expects the recipient organizations to implement the market study at their own expense but under the supervision and guidance of LIC.

III. Benchmarks: The following are overall project benchmarks which LIC will use in evaluating accomplishments for the project year, as a part of meeting the long-term objectives cited in the LIC proposal for building cooperative insurance in Latin America and the Caribbean.

Intermediate benchmark:

1. Completion of a market study in Guatemala. This study will provide the input for the refinement of strategies, identification of potential new markets and products for a new cooperative insurer and for the planning for the developing of a new cooperative insurer:

Year End Project Benchmarks:

1. Completion of a market study model based on the market study exercise in Guatemala.
2. Implementation of a market study seminar for participants from other beneficiary countries. (Honduras, Costa Rica, Jamaica, Bolivia, Ecuador, Peru and Colombia).

Guatemala:

Interim targets:

1. Completion of a written "memorandum of understanding" between LIC and FENACOAC detailing steps needed to meet agreed upon objectives and assistance and obligations of both parties required to meet such objectives:
2. Completion of planning documents based on the results of the market study; and

Interim benchmark:

1. Completion of a market study in Guatemala. This study will provide the input for the refinement of strategies, identification of potential new markets and products for a new cooperative insurer and for the planning for the development of a new cooperative insurer.

Year End Project Benchmark:

1. Fulfilling requirements and filing application for incorporation of a cooperative insurance corporation.

Honduras:

Interim targets:

1. Completion of a written "memorandum of understanding" between LIC and FACACH detailing steps required to meet such objectives,
2. Completion of a market study in Honduras based on model developed in Guatemala. Study will provide input for identification of potential new markets and products for a new cooperative insurer and for the planning of the organization of a new cooperative insurer.
3. completion of strategic planning documents by FACACH based on results of market study.

Year End Project Benchmark:

1. Completion of feasibility study for a cooperative insurance agency or corporate cooperative insurers.

Costa Rica:

Interim targets:

1. Initiation of feasibility study by UNACOOB when enactment of rules or legislation "privatizing" government insurance monopoly is achieved.

Jamaica

Interim targets:

1. Completion of a written "memorandum of understanding" between LIC and National Union of Cooperative Societies (NUCS) detailing agreed upon objectives and assistance and obligations of both parties required to meet such objectives.
2. Completion of written management and marketing plan for NUCS insurance agency.

South America (Bolivia, Ecuador, Peru, Colombia):

Interim targets:

1. Participation of top management officials of Coopseguros, Seguroscoop, La Crucena and La Equidad in market study implementation seminar.

IV. Required Reports: LIC will provide quarterly reports using an agreed upon format between LIC and PRE. These reports will be provided within 30 days following the end of the three month period covered by the report.

AID 1350-1
(10-79)

1. Cooperating Country
Centrally Funded

2. PIO/T No. 534-2417

Page 2 of 3 Pages

PIO/T

4. Project/Activity No. and Title

SCOPE OF WORK

18. THE SCOPE OF TECHNICAL SERVICES REQUIRED FOR THIS PROJECT ARE DESCRIBED IN ATTACHMENT NUMBER _____
HERETO ENTITLED "STATEMENT OF WORK".

19. SPECIAL PROVISIONS

N/A

- A. LANGUAGE REQUIREMENTS (SPECIFY) _____
(IF MARKED, TESTING MUST BE ACCOMPLISHED BY AID TO ASSURE DESIRED LEVEL OF PROFICIENCY)
- B. ACCESS TO CLASSIFIED INFORMATION WILL WILL NOT BE REQUIRED BY TECHNICIAN(S).
- C. DUTY POST(S) AND DURATION OF TECHNICIANS' SERVICES AT POST(S) (MONTHS)
- D. DEPENDENTS WILL WILL NOT BE PERMITTED TO ACCOMPANY TECHNICIAN.
- E. WAIVER(S) HAVE BEEN APPROVED TO ALLOW THE PURCHASE OF THE FOLLOWING ITEM(S) (COPY OF APPROVED WAIVER IS ATTACHED)
- F. COOPERATING COUNTRY ACCEPTANCE OF THIS PROJECT (APPLICABLE TO AID/W PROJECTS ONLY)
 HAS BEEN OBTAINED HAS NOT BEEN OBTAINED
 IS NOT APPLICABLE TO SERVICES REQUIRED BY PIO/T
- G. OTHER (SPECIFY)

20. BACKGROUND INFORMATION (ADDITIONAL INFORMATION USEFUL TO AUTHORIZED AGENT)

21. SUMMARY OF ATTACHMENTS ACCOMPANY THE PIO/T (INDICATE ATTACHMENT NUMBER IN BLANK)

- 2 DETAILED BUDGET IN SUPPORT OF INCREASED FUNDING (BLOCK 12)
- _____ EVALUATION CRITERIA FOR COMPETITIVE PROCUREMENT (BLOCK 14)
- _____ JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT (BLOCK 14)
- 1 STATEMENT OF WORK (BLOCK 18)
- _____ WAIVER(S) (BLOCK 19) (SPECIFY NUMBER)

AID 1350-1
(10-79)

1. Cooperating Country
Centrally Funded

2. PIO/T No. 534-2417

Page 3 of 3 Pages

PIO/T

4. Project/Activity No. and Title
940-0209

22. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities

AID Project officer will be Herb Wegner, PRE/PPR/CSBD, Room 633, SA-14, tel:235-2274.

B. Cooperating Country Liaison Official

The grantee organization is responsible for obtaining appropriate country clearances for its personnel and maintenance liaison with cooperating country officials as appropriate.

C. AID Liaison Officials

LOGISTIC SUPPORT

23. Provisions for Logistic Support

N/A

A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments")

	IN KIND SUPPLIED BY		FROM LOCAL CURRENCY SUPPLIED BY		TO BE PROVIDED OR ARRANGED BY SUPPLIER
	AID	COOPERATING COUNTRY	AID	COOPERATING COUNTRY	
(1) Office Space					
(2) Office Equipment					
(3) Housing and Utilities					
(4) Furniture					
(5) Household Equipment (Stoves, Refrig., etc.)					
(6) Transportation in Cooperating Country					
(7) Transportation To and From Country					
(8) Interpreter Services/Secretarial					
(9) Medical Facilities					
(10) Vehicles (official)					
(11) Travel Arrangements/Tickets					
(OTHER SPECIFY)					
(12)					
(13)					
(14)					
(15)					

B. Additional Facilities Available From Other Sources

APO/FPO

PX

COMMISSARY

OTHER (Specify, e.g., duty free entry, tax exemption)