

PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES (PIO/T)*

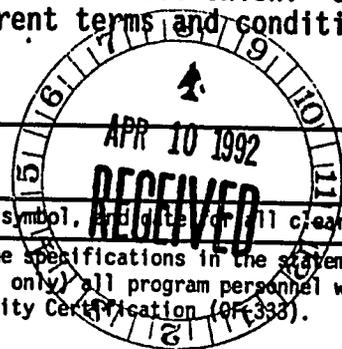
1. Cooperating Country Centrally Funded		2. PIO/T No. 2687502	3. PIO/T Amend No. ORIGINAL
4. Project/Activity No. and Title 938-0705* Volunteers in Overseas Cooperative Assistance (VOCA)		5. Appropriation Symbol(s) 72-12X4336	
7. Pro Ag No. or Project Authorization Date		6. Budget Plan Code(s) ECCX-92-16840-KG3B 782-38-099-00-53-21	
9. Project Assistance Completion Date (Month, Day, Year) 9/30/94		8. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document	
11. Type of Action and Governing A.I.D. Handbook [B] A. A.I.D. Contract (HB14) C. PASA/RSSA (HB 12) B. A.I.D. Grant or Cooperative Agreement (HB 13) D. Other		12. Contract/Grant/Cooperative Agreement/ Reference Number (if this PIO/T is for an order or a modification to an award) PDC-0000-G-SS-6204	

13. A.I.D. Funding (Attach a detailed budget in support of column (2) as Attachment A.

	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
A. Dollars	-0-	2,000,000	-0-	2,000,000
B. U.S.-Owned Local Currency	-0-	-0-	-0-	-0-

14. Mission References

15. Instructions to Authorized Agent FA/OP/A/FAO is requested to amend Coop.Agr. No. PDC-0000-G-SS-6204 with VOCA to increase the amount obligated by \$2.0 million for the period January 31, 1992 through January 30, 1993. Additional funding of \$2.0 million will be provided to VOCA in FY 1993 under this instrument or a successor instrument. The purpose of the funding is to support Phase One of the Special Initiative under the Farmer-to-Farmer Program in the New Independent States of the former Soviet Union. OP/A/FAO is also requested to update VOCA's Coop.Agr. to add the current terms and conditions applicable to this instrument.



PRIORITY

16. Address of Voucher Paying Office

17. Clearances - Include typed name, office symbol, and date of all clearances

A. The Project Officer certifies (1) that the specifications in the statement of work or program description are technically adequate, and (2) that (for contract actions only) all program personnel who are defined as procurement officials under 41 U.S.C 423 have signed the Procurement Integrity Certification (PIC).

Signature: FHA/PVC:LWilliams *LW* Date: 3/23/92 Phone No:351-0218

B. The statement of work or program description lies within the purview of the initiating office and approved agency programs.
Signature: FHA/PVC:LWatlington *LW* Date: 4/1/92

C. Signature: DD/FHA/PVC:HWing *HWing* Date: 3/26/92

D. Funds for the services requested are available
Signature: Date:

E. Signature: FHA/PPE:EJefferson *ej* Date: 4.2.92

18. For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to:
Signature: Title: Date:

19. For the Agency for International Development:
Signature: Carlos Quiros *Carlos Quiros* Title: Director, FHA/PPE Date: 4-6-92

FOR CONTRACT ACTIONS ONLY: SOURCE SELECTION INFORMATION--SEE FAR 3.104. THIS DOCUMENT, OR PORTIONS THEREOF, CONTAINS PROPRIETARY OR SOURCE SELECTION INFORMATION RELATED TO THE CONDUCT OF A FEDERAL AGENCY ACQUISITION, THE DISCLOSURE OF WHICH IS RESTRICTED BY LAW (41 U.S.C. 423). UNAUTHORIZED DISCLOSURE OF THIS INFORMATION MAY SUBJECT BOTH THE DISCLOSER AND RECIPIENT TO CONTRACTUAL, CIVIL, AND/OR CRIMINAL PENALTIES AS PROVIDED BY LAW. FA/OP/A/FAO & PA

FOR OTHER ACTIONS: UNAUTHORIZED DISCLOSURE OF PROPRIETARY OR SOURCE SELECTION INFORMATION MAY SUBJECT AN EMPLOYEE TO DISCIPLINARY ACTION.

OFFICE OF FINANCIAL MANAGEMENT

ACTION: Reserved
DATE: 4/10/92 INITIALED: HW



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

JUN 19 1992

Mr. Donald D. Cohen, President
Volunteers in Overseas Cooperative Assistance
50 F Street, N.W., Suite 1075
Washington, DC 20001

Subject: Cooperative Agreement #PDC-0000-G-SS-6204-00
Amendment #9

Dear Mr. Cohen:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the Grant and Cooperative Agreement Act of 1982, as amended, the Agency for International Development hereby amends the subject agreement. The purpose of this amendment is to (1) add the program description for Phase One of the Special Initiative under the Farmer-to-Farmer program in the Newly Independent States of the former Soviet Union, (2) increase the total estimated amount of the agreement by \$3,999,463, (3) provide additional funding of \$2,000,000 to support Phase One of the Special Initiative, (4) adjust the budget accordingly, and (5) add substantial involvement language applicable to this special initiative.

The specific changes are as follows:

Cover Letter, Paragraph 1, as amended in Amendment #8, dated July 29, 1991: DELETE "\$10,072,167" and in lieu thereof INSERT "\$14,071,630."

Cover Letter, Paragraph 3, as amended in Amendment #8, dated July 29, 1991: DELETE "\$10,072,167, of which \$8,782,167" and in lieu thereof INSERT "14,071,630, of which \$10,782,167."

Under Schedule, Section A. Purpose of Agreement, as amended in Amendment #7, dated July 23, 1991: ADD the following:

"The Program Description for the Farmer to Farmer program for the Newly Independent States of the former Soviet Union, as specifically described in Attachment #1A with the budget itemized as Attachment #2A, is incorporated herein by reference."

Under Schedule, Section C. Amount of Agreement and Payment, as amended in Amendment #8, dated July 29, 1991: DELETE subparagraph 1, in its entirety and in lieu thereof substitute the following:

"The total estimated amount of this Cooperative Agreement is \$14,071,630. Of this amount \$8,572,167 represents central budget funding and \$5,499,463 represents Mission/Bureau Support budget funding. The Mission/Bureau Support budget funding is shown as an estimate which may be decreased in the event the total estimated amount is not obligated by the expiration date of this agreement.

The total amount obligated under this agreement is \$10,782,167. This amount shall be used for expenditures during the period set forth in B.1. Obligated funds in the amount of \$8,572,167 shall be used as shown in the Central Budget set forth below."

Under Section D. Budget, as amended by Amendment #8, dated July 29, 1991: DELETE the budget in its entirety and INSERT in lieu thereof the following:

"CENTRAL BUDGET
9/23/86 to 9/30/94

<u>Category</u>	<u>Amount</u>
Program Costs	\$6,152,102
Subagreements	2,367,751
Evaluation	<u>52,314</u>
Total	\$8,572,167

MISSION/BUREAU SUPPORT BUDGET
9/30/89 TO 9/30/94

	<u>A.I.D.</u> <u>Obligated</u> <u>Amount</u>	<u>Future</u> <u>Funding</u>	<u>Total</u> <u>Estimated</u> <u>Amount</u>
N.I.S.	\$2,000,000	\$1,999,463	\$3,999,463
Bolivia	210,000	153,511	363,511
Mission/ Bureau Support	<u>-0-</u>	<u>1,136,489</u>	<u>\$1,136,489</u>
Total Miss Support Budget	\$2,210,000	\$3,289,463	\$5,499,463
 GRAND TOTAL			
	TOTAL A.I.D. SUPPORT		\$14,071,630 =====

Under "Notes to Budget", ADD the following: "The effective date of Amendment #9 is January 31, 1992."

Under Section F, Substantial Involvement, as amended by Amendment #1 dated August 24, 1987: ADD the following to be applicable to the NIS portion of this Cooperative Agreement;

2. Target States and Sites:

To accomplish an immediate, quick start Farmer-to-Farmer Program in the New Independent States of the former Soviet Union, A.I.D. has determined that Phase I will be implemented solely in the following states: Armenia, Kazakhstan, Russia and Ukraine.

Within the above-mentioned states, the program activities should give priority attention to the target sites where the United States Government plans to concentrate its efforts. These sites are more fully described in Attachment A of the Program Description. In the event that VOCA seeks to implement activities in other areas, it must provide a strong rationale for selecting other target sites and submit this request for approval by the A.I.D./FHA/PVC Farmer-to-Farmer Program Manager.

3. Review and Approval of Detailed Implementation Plan (DIP)

A Detailed Implementation Plan for the life of the two-year program will be due three months following signature of the amendment to the Cooperative Agreement, and approval in writing from the A.I.D./FHA/PVC Farmer-to-Farmer Program Manager is required before project implementation can continue.

4. Baseline Data and Critical Indicators:

The Recipient is required to develop the appropriate quantified critical indicators six months following the execution of the amendment. These critical indicators will enable A.I.D. to measure the effectiveness and results of the quick-start program in relation to the goals and purpose of the Special Initiative. The corresponding baseline data must also be submitted to evaluate the effectiveness and results of the program.

5. Approval of Volunteer and Staff Travel:

The Standard Provision "Air Travel and Transportation" requires the Recipient to obtain written approval from the Project Officer for each planned international trip financed by this program.

To obviate obtaining approval for individual staff and volunteer travel, VOCA will submit as an attachment to its Quarterly Report two travel reports: (1) a projected staff and volunteer travel report and (2) an actual staff and volunteer travel report. The projection for the upcoming quarter will cover the anticipated quarter plus one additional month to allow for the 30-day period following the end of that quarter. The actual staff and volunteer travel report will reflect the completed assignments.

Volunteer and staff travel not anticipated by the projected quarterly report may also be submitted in batch format, either on a semimonthly or monthly basis. The format for these volunteer travel reports will be provided to VOCA by the A.I.D./FHA/PVC Farmer-to-Farmer Program Manager.

6. Monitoring and Evaluation:

As shall be described in its proposal, VOCA will implement its methodology for monitoring and self-evaluation in accordance with its stated evaluation program. In addition, from time-to-time, A.I.D. Officers will, with prior notification to VOCA's headquarters, visit selected project sites.

FHA/PVC will conduct an external evaluation of first-year activities to determine the progress to date and any need for mid-course corrections, and to assess lessons learned and difficulties encountered. This external evaluation will be carried out in collaboration with VOCA and in consultation with the A.I.D./FHA/PVC Farmer-to-Farmer Program Manager."

Except as expressly amended herein, the subject Agreement is in all respects ratified, confirmed and continued in full force and effect in accordance with its terms.

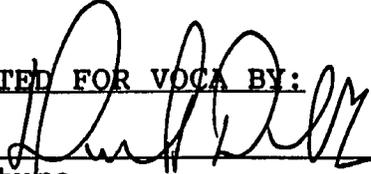
Please acknowledge your receipt of this amendment by having an authorized official sign all copies in the space provided below, retain one copy for your files, and return the remaining copies to this office.

Sincerely,



Diane M. Miller
Acting Division Chief
A Division
Office of Procurement

ACCEPTED FOR VOCA BY:



Signature

DONALD D. COHEN

Typed Name

PRESIDENT

Title

June 22, 1992

Date

FISCAL DATA

Source of Funds:	A.I.D./FHA/PVC
PIO/T No.:	938-0705-2687502
Project No.:	938-0705
Appropriation No.:	72-12x4336
Budget Plan Code:	ECCX-92-16840-KG3B
Allotment Code:	782-38-099-00-53-21
Amount Previously Obligated:	\$ 8,782,167
Amount Obligated This Action:	\$ 2,000,000
Total Amount Obligated:	\$10,782,167
Total Agreement Amount:	\$14,071,630
Technical Office/Officer:	FHA/PVC, L. Williams
Contract Negotiator:	FA/OP/A/FAO, M. Atsalinos
DUNS No.:	07-778-9394
TIN NO.:	52-0902805
Effective Date of Amendment:	January 31, 1992

FA/OP/A/FAO:MAtsalinos:eea:9903d:05/28/92

PROGRAM DESCRIPTION

I. Program Goals

The goals of the Special Initiative under the Farmer-to-Farmer Program are (1) in the near term, to increase food availability to the consumers so that in 1993 the peoples of the former Soviet Union will not suffer severe food shortages; and (2) for the longer term, to take steps which would have long-range impacts to ensure that existing food shortages and distribution problems do not continue. To achieve these goals, the Agency for International Development (A.I.D.) will implement a two-phase program consisting of a quick-start element and a longer-range element. This Program Description relates only to Phase One.

II. Program Purpose

The purpose of Phase One of the A.I.D. Special Initiative is to provide support for Volunteers in Overseas Cooperative Assistance (VOCA) to implement a two-year immediate, quick-start Farmer-to-Farmer Program by employing the existing VOCA infrastructure to respond to visible, immediately known needs of local farm organizations in Armenia, Kazakhstan, Russia and Ukraine.

This program recognizes that technical assistance is necessary to deal with the extraordinary dynamics during the transition from a state-controlled to a free-market economy, and to accelerate the formation of private agricultural enterprises. The focus will be on such commodities as meat, grains, dairy, cotton, vegetables, and fruits. Funding for these activities will finance the placement of 200 volunteer specialists.

III. Project Description

In pursuit of the goals and purpose of the Special Initiative under the Farmer-to-Farmer Program, the major thrust of the VOCA program will be directed at creating commercial opportunities. This program, to the extent feasible, will target its activities to the specific sites set out in Attachment A. If VOCA determines that other sites are equally critical, VOCA must provide a clear rationale for the program site or area selected.

The program will have five major components:

A. Private Processing and Marketing Systems

These must be created from the ground up as farmer-owned, farmer-controlled enterprises that would resemble private agricultural cooperatives or other private agribusinesses, as we know them in the West. VOCA volunteers will assist in the development and early implementation of business plans for emerging agribusinesses.

Producer groups will be interested in processing and marketing their own production, thereby putting the value-added income in their own pockets and not those of the state. These projects are very doable, but only after the groups structure production based on market demand rather than on tonnage quotas set by the state. Early efforts in this technical area will have to be directed at giving the local people a solid grounding in agricultural marketing realities and techniques, including assessment of consumer demand, identification of distributors, and transportation systems. Ultimately, systems would be built from this network of local producer/processor groups.

B. Market Information Systems

In support of the activity outlined above and of the agricultural sector in general, a parallel effort would work on establish a framework for providing market information to all interested parties on a timely basis. Such a system can be very basic at the beginning and built up over time as new private and public institutions take shape. In addition to information of potential markets for their agricultural projects, producers must receive accurate information on input and wholesale prices. Technical assistance will be required to help agribusiness, as they make the transition to a market economy, determine how to use available market price information. VOCA will focus its activities at the local enterprise level, creating an awareness at the grassroots of the marketing requirements and connecting them to emerging national market information systems.

C. Management of Private Agricultural Enterprises

As new enterprises enter into commercial operations, all types of business practices will be addressed with managers and board members or owners: financial planning, recordkeeping, reporting and analysis; business and cash flow projections and budgeting; processing operations and marketing; contractual agreements with members/owners and clients; cost controls and cost-center management; short-, medium- and long-term planning, etc.

D. Production

All of the business will flow from agricultural production. It is not a secret that production of most crops and livestock in the states in question, until now a function of the state, can be improved across the board. Higher tonnages can be achieved, losses to disease and pests can be reduced, production costs can be lowered, post-harvest losses in handling, storage and distribution can be cut drastically.

Improvements on these fronts will result in higher efficiencies, sales and profits for the producers/processors. This area will offer opportunities for the most immediate positive impacts, mainly because the problems are so evident and many solutions are low-cost or no-cost.

E. Creation of Democratic Institutions/Enhancement of Democratic Processes

VOCA will assist thousands of agricultural sector individuals in the creation and organization of producer-owned and producer-controlled enterprises such as cooperatives, guided by the vote of the membership, as distinguished from government direction. In the process, VOCA volunteers will also transfer their experience of how the agricultural community in the United States lobbies to secure appropriate agricultural policy, legislation, programs and other actions and services that support private agriculture and private agribusiness.

IV. Program Activities

To accomplish the goal and purpose, VOCA will utilize the budget resources, operational staff, office facilities and program direction available to it to obtain the delivery of volunteer technical assistance activities.

The first activity will occur in early February 1992 when VOCA will participate in an all-republic conference on private agribusiness systems in Yalta. Several hundred agricultural entrepreneurs, emerging private farmers, leaders, officials, and scientists will attend. This will provide a strong start on targeting specific project activity and recommended focus regions.

The second activity will follow immediately. VOCA will proceed directly from the conference to visit the four target republics to begin developing specific volunteer assignments over a ten-day period.

The placement of senior volunteer specialists would commence in the March-April 1992 period. Volunteers with the following expertise will be selected: agricultural cooperative organization, operations and management specialists; management

specialists; food processing, feedmilling and other value-added industry specialists; marketing specialists; farmers of all types of relevant crops and livestock, who will also advise on private farm management.

An adjunct to the placement of the volunteers will be to design a program component aimed at the promotion of the democratic process. This "consciousness-raising" training will enable the volunteers to interact with host country organizations and farmers to better illustrate the democratic principle at work.

The volunteer specialists, working at the local enterprise level at the written request of local agricultural sector leadership, will carry out technical assistance assignments of up to three months' duration. Follow-up assignments with the same enterprises as they encounter new opportunities and challenges would take place in the context of a multi-year effort. This is necessary to have a sustained impact.

During the term of this project, VOCA will develop critical indicators to measure the effectiveness and impact of the program. These indicators will include measurements of improvement in farmer income, farmer production and organizational capability, and a methodology for visualizing the multiplier effect. VOCA will monitor the program on an ongoing basis, including self-evaluation, and will provide reports to A.I.D./FHA/PVC as specified under the Reporting Provisions of the Cooperative Agreement.

To maximize impact and facilitate efficient program management, the placements in each state will have a geographic focus, thereby creating a critical mass of technical assistance interventions. This methodology has been very successful in Poland: scarce resources are targeted on regions where good development opportunities exist, and intensive, multi-phased interventions take place over time, with very positive results.

Program activities will be organized, coordinated and supervised by small VOCA offices established in the states being assisted.

V. Program Management

Mr. Donald D. Cohen, President, Volunteers in Overseas Cooperative Assistance, will have oversight responsibility for the activities under this Special Initiative. Mr. Charles Cox, Director for European Programs, will have responsibility for the implementation and coordination of all project activities.

SECTORAL AND GEOGRAPHICAL FOCI

In designing and implementing the assistance program for the new independent states of the former Soviet Union, the United States government has selected specific sites where it intends to concentrate its efforts. These sites, with few exceptions, will represent those areas where all U.S. programs will be implemented. In addition, we have attempted to create sectoral foci within each country.

The attached listing of eligible states illustrates the primary sectoral foci of the proposed assistance to each state as well as the desired geographical foci. Applicants should consider these lists carefully in designing programs. Nevertheless, even if agriculture is not the primary focus or one of the primary foci for a particular country, we would consider applications for farmer-to-farmer activities in that country if the applicant presents adequate rationale for such activities there. Similarly, if an applicant wishes to locate its activities outside the geographical foci identified below, it should provide the appropriate rationale for doing so.

The focal points within each country are meant to be the city listed or the immediate surrounding area.

ARMENIA Primary Focus: Housing, Small farmer assistance,
Health

Focal points within Armenia: Yerevan and Gumri

AZERBAIJAN

Primary Focus: Small
business and privatization,
democracy training. Energy
production is very
important.

Focal points within Azerbaijan: Baku, Gyandzha, and,
conditions permitting, Nagorno-Karabakh

BYELARUS

Primary Focus: Health

Focal points within Byelarus: Minsk and Gomel

GEORGIA

Primary Focus: Health

Focal points within Georgia: Tbilisi and Batumi

KAZAKHSTAN

Primary Focus: Agriculture

Focal points within Kazakhstan: Alma Ata, Karaganda, and Kyzl Orda

KYRGYZSTAN

Primary Focus: Health

Focal points within Kyrgyzstan: Bishkek and Osh

MOLDOVA

Primary Focus: Agriculture

Focal points within Moldova: Kishinev and Bendery

RUSSIA

Focal points within Russia: St. Petersburg, Moscow, Nizhny Novogorod, Yekaterinburg, Novosibirsk, Vladivostok

TAJIKISTAN

Primary Focus: Agriculture

Focal points for Tajikistan: Dushanbe and Khudzhand

TURKMENISTAN

Primary Focus: Democracy programs and humanitarian assistance

Focal point within Turkmenistan: Ashkhabad

UKRAINE

Primary Focus: Defense conversion and Medical assistance

Focal point within Ukraine: Kiev, Kharkov, and L'Viv

UZBEKISTAN

Primary Focus: Agriculture

Focal points within Uzbekistan: Tashkent and Namagan

**COMMONWEALTH OF INDEPENDENT STATES
PRIVATE AGRIBUSINESS DEVELOPMENT**

	YEAR 1	YEAR 2	TOTAL	PERCENT
VOLUNTEER COSTS:				
Volunteer Travel	462,458	485,591	948,049	
Volunteer Living Costs	363,935	382,131	746,066	
Interpreter Services	7,140	7,371	14,511	
Volunteer Insurance	17,850	6,236	24,086	
Vol Passports, Visas, Immunizations, etc.	28,560	29,988	58,548	
Total Volunteer Costs	879,943	911,317	1,791,260	44.0%
VOCA STAFF COSTS:				
Salaries				
Recruiters	17,169	31,832	49,001	
Asst. Recruiters	11,309	20,967	32,276	
Fringe Benefits	13,766	25,523	39,289	
Other Direct costs	6,337	11,748	18,085	
Staff Travel				
Airfare	5,277	5,540	10,817	
Per Diem	3,860	4,053	7,913	
Misc. Exp.	1,000	1,050	2,050	
Total Staff Costs	58,718	100,713	159,432	4.3%
IN COUNTRY COSTS:				
American Rep. Sal. & Ben.	112,193	201,944	314,137	
Local Staff Sal. & Ben.	36,120	57,456	93,576	
Travel:				
International	17,702	18,606	36,308	
Local	56,758	113,296	170,054	
Rental:				
Housing	36,167	56,700	92,867	
Offices	69,533	115,580	185,113	
Operations & Supplies	39,200	70,560	109,760	
Total In Country Costs	367,673	634,142	1,001,815	25.5%
Total Direct Costs	1,306,334	1,646,173	2,952,507	
OVERHEAD	378,837	477,390	856,227	21.4%
Direct Purchases over \$10k	190,729	0	190,729	4.8%
Total Costs	1,875,899	2,123,563	3,999,463	100.0%