

P.D. # 11-13
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AIFLD

519-0259

MAY 02 1980

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

Mr. William C. Doherty, Jr.
Executive Director
American Institute for Free
Labor Development
1015 20th Street, N.W.
Washington, D.C. 20036

Subject: Grant No. AID/LAC-G-1392

Dear Mr. Doherty:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the American Institute for Free Labor Development (hereinafter referred to as "AIFLD" or "Grantee") the sum of \$1,000,000 to provide financial assistance for a program to support land reform in El Salvador, as more fully described in the attachment hereto entitled "Program Description."

This Grant is effective and obligation is made as of February 1, 1980 and shall apply to commitments made by the Grantee in furtherance of program objectives through June 30, 1980.

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 "Program Description" and Attachment 2 entitled "Standard Provisions" which have been agreed to by your organization.

Please sign the Statement of Assurance of Compliance, enclosed herein, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Please return the Statement of Assurance of Compliance and the original and six (6) copies of this Grant.

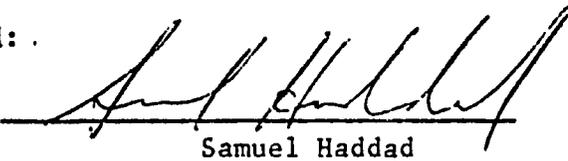
Sincerely yours,



Wesley L. Hawley
Grants Officer
Regional Operations Division-LAC
Office of Contract Management

Accepted: .

By:



Samuel Haddad

Title: Deputy Executive Director

Date: May 7, 1980

- Attachments: 1. Program Description
2. Standard Provisions,
3. Statement of Assurance of Compliance

FISCAL DATA

Appropriation: 72-1101037
Allotment: 037-50-519-00-69-01
PIO/T No: 519-0259-3-00021 and A-1
Project No: 519-0259
Total Grant Amount: \$1,000,000

PROGRAM DESCRIPTION

I Purpose of Grant

The purpose of this grant is to assist the AIFLD in the financing of a special three-month program to support land reform in El Salvador. Most of this assistance will be provided thru the agrarian union, the Union Comunal Salvadoreno (UCS).

II Implementation

The principal components of the grant are as follows:

A. Land Reform Implementation

Funding to assist the UCS in the organization and servicing of the beneficiaries of the recently promulgated land reform decree. The program includes funds to cover costs of technical teams of coop specialists, agronomists and promoters to help bring the expropriated land back to full productivity. Also included is a rotating fund to provide emergency bridge loans of agricultural credits to UCS coops while the national Agricultural Bank is in the process of resuming normal operations.

B. Food Distribution/Community Centers

Funding to establish the first three community centers in rural El Salvador to provide food and basic commodities to the UCS membership and immediate community in areas affected by the land reform. The funds shall be used to finance starting inventories, pay salaries of project personnel and defray other start-up costs. The centers, once established, will be available as infrastructure for PL-480 food distribution programs, such as the "Food for Work" program.

C. Legal Services Program

Funding for an expansion of the existing UCS Legal Services program to assist it to handle the increased volume of land titling, credit contract and other rural legal work associated with the new agrarian reform decree.

D. Organizer Program

Funding for the UCS team of 75 activists to assist them in organizing the beneficiaries of the land reform into strong, functional grass-roots groups.

The details of the above implementation plan are illustrative, based on the progress of the land reform effort to date. Therefore, maximum flexibility will be allowed to the Grantee to make changes in the elements of the implementation plan and related budgets provided they remain within the overall purposes of the project.

III Reports

The AIFLD shall submit the following reports in English at the time and in the quantities specified.

A. Technical Reports

1. Monthly program progress reports shall be in narrative form and submitted no later than fifteen (15) days after the end of each month.
2. A final report shall be in narrative form, and submitted no later than thirty (30) days after the Grant termination date.

Coverage and detail of the technical reports shall be as required by the project officer in USAID/El Salvador.

B. Financial Reports

In addition to the financial reporting requirements of Standard Provision No. 7A, entitled "Payment-Federal Reserve Letter of Credit (FRLC) Advance," the AIFLD shall submit monthly fiscal reports, which follow formats and practices established by the Grantee in connection with its other ongoing Grants and Cooperative Agreements with A.I.D.

C. The AIFLD shall provide special reports as requested by the AID Grant Officer, the AID/W Regional Project Officer or the USAID/El Salvador Project Officer.

D. Number of Copies and Distribution of Reports

<u>Reports</u>	<u>Aid Grant Officer</u>	<u>AID/W Regional Project Officer</u>	<u>USAID/El Salvador Project Officer</u>
Technical Reports	1	3	3
Financial Reports	1	3	3
Special Reports	1	3	3

IV Budget

A. The funds provided herein shall be used to finance the following:

1. Land Reform Implementation	
a) Technical Team	422,005
b) Rotating Fund (Production Credit)	400,000
c) Consulting	51,000
2. Activist/Organizer Program	33,750
3. Legal Services Program	60,140
4. Food Distribution Centers	33,105
	<hr/>
Total	\$1,000,000

B. The Grantee may not exceed the total obligated amount of \$1,000,000. Adjustments among obligated line items is unrestricted.

V Special Provisions

A. Per Diem

Notwithstanding any other provision to the contrary, per diem will be calculated as follows:

"For travel outside the conterminous United States, reimbursement for each per diem locality will be the average cost of lodging rounded to the next whole dollar plus 50 percent of the maximum locality rate. Total reimbursement shall not exceed the maximum per diem for each locality, unless specific approval is given in advance for actual expenses. Maximum locality rates shall be those established by the Department of Defense for non-foreign areas and by the Department of State for foreign areas.

"When staff house or other free or low cost facilities are used the reduced rates indicated by footnote 1 on the per diem supplement (section 925) to the Standardized Regulations (Government Civilians, Foreign rates) will be used directly as per diem. These low rates have already been computed on a basis similar to lodging plus and no further computation is necessary".

B. Travel

Notwithstanding any other provision to the contrary, the AIFLD shall obtain clearance for travel between countries by submitting a request to the USAID El Salvador project officer at least five working days prior to the traveller's departure date. Such travel shall be deemed approved unless USAID gives notice of disapproval prior to the proposed departure date.

C. Taxes and Custom Duties

It is understood that all salary payments made by the AIFLD to its employees, other than the Cooperating Country's Nationals, shall be exempted from taxation by the Government of the Cooperating Country or any political subdivision thereof, to the extent permitted by the laws of the Cooperating Country or by relevant agreements between the cooperating Government and the Government of the United States now in existence or hereafter coming into existence.

The foregoing principle shall also apply, with respect to employees of the AIFLD, other than Cooperating Country's Nationals, in regard to any import, export or other duties, taxes or levies imposed on items imported for their own use or consumption by the Government of the Cooperating Country or any political subdivisions thereof.

USAID/El Salvador shall use its best efforts to obtain from the cooperating Government the same treatment with respect to taxes and custom duties as has been accorded by that cooperating Government to the AIFLD in the past. In no event shall AID reimburse the AIFLD for any identifiable taxes or customs duties.

D. The AID/Washington Regional Project Officer is Mr. George Phillips, LAC/DP/SD. The USAID/El Salvador Project Officer is Mr. Charles Stockman, or his designated representative.

E. Delete the following Standard Provisions:

1. "5. Negotiated Overhead Rates - Other Than Educational Institutions."
2. "6. Limitation of Funds."
3. "7B. Payment - Periodic Advance."
4. "7C. Payment - Reimbursement."
5. "12B. Title to and Care of Property (U.S. Government Title)."
6. "12C. Title to and Care of Property (Cooperating Country Title)."

U.S. Grantees and U.S. Subgrantees:
OTHER THAN EDUCATIONAL INSTITUTIONS
INDEX OF
STANDARD PROVISIONS

- | | |
|--|---|
| 1. Allowable Costs and Payment (Other Than Educational Institutions) | 13. Conversion of United States Dollars to Local Currency |
| 2. Accounting, Records, and Audit | 14. Termination |
| 3. Refunds | 15. Voluntary Participation |
| 4. Equal Opportunity in Employment | 16. Prohibition on Abortion-Related Activities |
| 5. Negotiated Overhead Rates - Other Than Educational Institutions | 17. Voluntary Participation Requirements for Sterilization Programs |
| 6. Limitation of Funds | 18. Publications |
| *7A. Payment - Federal Reserve Letter of Credit (FRL) Advance | 19. Patents |
| *7B. Payment - Periodic Advance | 20. Regulations Governing Employees Outside the United States |
| *7C. Payment - Reimbursement | 21. Subordinate Agreements |
| 8. Travel and Transportation | 22. U.S. Officials Not to Benefit |
| 9. Ocean Shipment of Goods | 23. Covenant Against Contingent Fees |
| 10. Procurement of Goods and Services Under \$250,000 | 24. Nonliability |
| 11. Government Furnished Excess Personal Property | 25. Amendment |
| **12A. Title to and Use of Property (Grantee Title) | 26. The Grant |
| **12B. Title to and Care of Property (U.S. Government Title) | 27. Notices |
| **12C. Title to and Care of Property (Cooperating Country Title) | |
- * Select only 1 payment provision from Group 7.
 ** Select only 1 property provision from Group 12. If title to all property is to vest in one entity; however, if title is to be split by categories among two or more entities, select the appropriate provisions from Group 12 and identify the categories and entities in Attachment 1 of the Grant.

1. ALLOWABLE COSTS AND PAYMENT (OTHER THAN EDUCATIONAL INSTITUTIONS)

(This provision is applicable to other than educational institutions.)
 The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this Grant which are determined by the Grant Officer to be allowable in accordance with the terms of this Grant and Subpart 15.2 (Contracts with Commercial Organizations) of the Federal Procurement Regulations (41 CFR 1-15.2) in effect on the date of this Grant. Payment of allowable costs shall be in accordance with the payment provision of this Grant.

2. ACCOUNTING, RECORDS, AND AUDIT

The Grantee shall maintain books, records, documents, and other evidence in accordance with the Grantee's usual accounting procedures to sufficiently substantiate charges to the Grant. The Grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives (a) until the expiration of three years from the date of termination of the program and (b) for such longer period, if any, as is required to complete an audit and to resolve all questions concerning expenditures unless written approval has been obtained from the AID Grant Officer to dispose of the records. AID follows generally accepted auditing practices in determining that there is proper accounting and use of Grant funds. The Grantee agrees to include the requirements of this clause in any subordinate agreement hereunder.

3. REFUNDS

- (a) If use of the Grant funds results in accrual of interest to the Grantee or to any other person to whom Grantee makes such funds available in carrying out the purposes of this Grant, the Grantee shall refund to AID an amount equivalent to the amount of interest accrued.
- (b) Funds obligated hereunder but not disbursed to the Grantee at the time the Grant expires or is terminated, shall revert to AID, except for funds encumbered by the Grant by a legally binding transaction applicable to this Grant. Any funds disbursed to but not expended by the Grantee at the time of expiration or termination of the Grant shall be refunded to AID.
- (c) If, at any time during the life of the Grant, it is determined by AID that funds provided under the Grant have been expended for purposes not in accordance with the terms of the Grant, the Grantee shall refund such amounts to AID.

4. EQUAL OPPORTUNITY IN EMPLOYMENT

(This provision is applicable to all grantees and subgrantees who either perform work in the United States or who recruit personnel in the United States to do work abroad.)
 (a) With regard to the employment of persons in the U.S. under this Grant, the Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to race, color or

national origin of such persons and, in accordance with Title VI of the Civil Rights Act of 1964, when work funded by this Grant is performed in the U.S., no person shall, on the grounds of race, color or national origin, be excluded from participation, be denied benefits, or be subjected to discrimination. In addition, the Grantee agrees to comply, in accordance with its written assurance of compliance, with the provisions of Part 209 of Chapter II, Title 22 of the Code of Federal Regulations, entitled "Non-Discrimination in Federally Assisted Programs of the Agency for International Development - Effectuation of Title VI of the Civil Rights Act of 1964."

(b) In addition, the Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to sex, religion, age and handicap, in accordance with P.L. 92-261, P.L. 93-259, P.L. 93-112 and P.L. 93-508. When work funded by AID under this Grant is performed in either the U. S. or overseas no person shall, on the grounds of sex, religion, age or handicap, be excluded from participation, be denied benefits, or be subjected to discrimination.

5. NEGOTIATED OVERHEAD RATES - OTHER THAN EDUCATIONAL INSTITUTIONS

(This provision is applicable to other than educational institutions.)

- (a) Pursuant to this provision, an overhead rate shall be established for each of the Grantee's accounting periods during the term of this Grant. Pending establishment of a final rate, the parties have agreed that provisional payments on account of allowable indirect costs shall be at the rate(s), on the base(s), and for the period shown in Attachment 1 to this Grant.
- (b) The Grantee, as soon as possible but not later than 90 days after the close of each of its accounting periods during the term of this Grant, shall submit to the Grant Officer with copies to the Overhead and Special Cost Branch, Special Operations Division, Office of Contract Management, AID, Washington, D.C. and to the Office of the Auditor General, AID, Washington, D.C., proposed final rate(s) for the period, together with supporting cost data. Negotiation of final overhead rates by the Grantee and the Grant Officer shall be undertaken as promptly as practicable after receipt of the Grantee's proposal.
- (c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with Subpart 1-15.2 (Contracts with Commercial Organizations) of the Federal Procurement Regulations as in effect on the date of this Grant.
- (d) The results of each negotiation shall be set forth in a written overhead rate agreement executed by both parties. Such agreement shall specify (1) the agreed final rate(s), (2) the base(s) to which the rate(s) applies, and (3) the period(s) for which the rate(s) applies. The overhead rate agreement shall not change any monetary ceiling, Grant obligation, or specific cost allowance or disallowance provided for in this Grant.
- (e) Pending establishment of the final overhead rate(s) for any

period, the Grantee shall be reimbursed either at the negotiated provisional rate(s) as provided above or at a billing rate(s) acceptable to the Grant Officer, subject to appropriate adjustment when the final rate(s) for that period is established. To prevent substantial over or under payment, the provisional or billing rate(s) may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of the negotiated provisional rate(s) provided in this provision shall be set forth in a modification to this Grant.

6. LIMITATION OF FUNDS

(This provision is applicable to all incrementally or partially funded grants; it becomes inapplicable when the grant is fully funded.)

- (a) It is estimated that the cost to the Government for the performance of this Grant will not exceed the estimated cost set forth in Attachment 1 (hereinafter referred to as "the Schedule") to this Grant, and the Grantee agrees to perform the work specified in the Schedule and all obligations under this Grant within such estimated cost.
- (b) The amount presently available for payment and obligated under the Grant, the items covered thereby, and the period of performance which it is estimated the obligated amount will cover, are specified in the Schedule. It is contemplated that from time to time additional funds will be obligated under this Grant up to the full estimated cost set forth in the Schedule. The Grantee agrees to perform or have performed work on this Grant up to the point at which the total amount paid and payable by the Government pursuant to the terms of this Grant approximates but does not exceed the total amount actually obligated under the Grant.
- (c) If at any time the Grantee has reason to believe that the costs which it expects to incur in the performance of this Grant in the next succeeding 30 days, when added to all costs previously incurred, will exceed 75 percent of the total amount then obligated under the Grant, the Grantee shall notify the Grant Officer in writing to that effect. The notice shall state the estimated amount of additional funds required to continue performance for the period set forth in the Schedule. Thirty days prior to the end of the period specified in the Schedule, the Grantee will advise the Grant Officer in writing as to the estimated amount of additional funds, if any, that will be required for the timely performance of the work under the Grant or for such further period as may be specified in the Schedule or otherwise agreed to by the parties. If, after such notification, additional funds are not obligated by the end of the period set forth in the Schedule or an agreed date substituted therefor, the Grant Officer will, upon written request by the Grantee, terminate this Grant pursuant to the "Termination" provision of this Grant on such a date. If the Grantee, in the exercise of its reasonable judgment, estimates that the funds available will allow it to continue to discharge its obligations hereunder for a period extending beyond such date, it shall specify the later date in its request and the Grant Officer, in his discretion, may terminate this Grant on that later date.
- (d) Except as required by other provisions of this Grant specifically citing and stated to be an exception from this provision, the Government shall not be obligated to reimburse the Grantee for costs incurred in excess of the total amount obligated under the Grant, and the Grantee shall not be obligated to continue performance under the Grant (including actions under the "Termination" provision) or otherwise to incur costs in excess of the amount obligated under the Grant, unless and until the Grant Officer has notified the Grantee in writing that such obligated amount has been increased and has specified in such notice an increased amount constituting the total amount then obligated under the Grant. To the extent the amount obligated exceeds the estimated cost set forth in the Schedule, such estimated cost shall be correspondingly increased. No notice, communication or representation in any other form or from any person other than the Grant Officer shall affect the amount obligated under this Grant. In the absence of the specified notice, the Government shall not be obligated to reimburse the Grantee for any costs in excess of the

total amount then obligated under the Grant, whether those excess costs were incurred during the course of the Grant or as a result of termination. When and to the extent that the amount obligated under the Grant has been increased, any costs incurred by the Grantee in excess of the amount previously obligated shall be allowable to the same extent as if such costs had been incurred after such increase in the amount obligated; unless the Grant Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

(e) Nothing in this provision shall affect the right of the Government to terminate this Grant. In the event this Grant is terminated, the Government and the Grantee shall negotiate an equitable distribution of all property produced or purchased under the Grant based upon the share of cost incurred by each.

7A. PAYMENT - FEDERAL RESERVE LETTER OF CREDIT (FRLC) ADVANCE

(This provision is applicable when the Grantee's total AID grants and cost-reimbursement contracts exceed \$250,000 per annum and AID has, or expects to have a continuing relationship with the Grantee for at least one year.)

(a) AID shall open a Federal Reserve Letter of Credit (hereinafter referred to as an "FRLC") in the amount of this Grant, against which the Grantee may present payment vouchers (i.e., TUS 5401). The payment vouchers shall not ordinarily be submitted more frequently than daily and shall not be less than \$10,000 or more than \$1,000,000. Since the FRLC method enables the recipient organization to obtain funds from the U.S. Treasury concurrently with and as frequently as disbursements are made by the recipient, there need be no time lag between disbursements by the recipient organization and drawdowns from the U.S. Treasury by FRLC. Therefore, there is no necessity for the recipient to maintain balances of Federal cash other than small balances.

(b) In no event shall the accumulated total of all such payment vouchers exceed the amount of the FRLC.

(c) If at any time, SER/FM determines that the Grantee has presented payment vouchers in excess of the amount or amounts allowable in (a) and (b) above, SER/FM shall advise the Grant Officer who may: (1) cause the FRLC to be suspended or revoked; or (2) direct the Grantee to withhold submission of payment vouchers until such time as, in the judgment of SER/FM, an appropriate level of actual, necessary and allowable expenditures has occurred or will occur under this Grant, and/or (3) request the Grantee to repay to AID the amount of such excess. Upon receipt of the Grant Officer's request for repayment of excess advance payments, the Grantee shall promptly contact SER/FM to make suitable arrangements for the repayment of such excess funds. Advances made by primary recipient organizations (those which receive payments directly from the Government) to secondary recipients shall conform to the same standards outlined above applicable to advances made by the Government to primary recipient organizations.

(d) Procedure for Grantee

(1) After arranging with a commercial bank of its choice for operation under the FRLC and obtaining the name and address of the Federal Reserve Bank or branch serving the commercial bank, the Grantee shall deliver to the AID Controller 3 originals of Standard Form 119, "Authorized Signature Card for Payment Vouchers on Letters of Credit" signed by those official(s) authorized to sign payment vouchers against the FRLC and by an official of the Grantee who has authorized them to sign.

(2) The Grantee shall subsequently receive one certified copy of the FRLC.

(3) The Grantee shall confirm with his commercial bank that the FRLC has been opened and is available when funds are needed.

(4) To receive payment, the Grantee shall:

(A) Periodically, although normally not during the last five days of the month, prepare payment vouchers (Form TUS 5401) in an original and three copies.

(B) Have the original and two copies of the voucher

BEST AVAILABLE DOCUMENT

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signed by the authorized official(s) whose signature(s) appear on the Standard Form 1194.

(C) Present the original, duplicate and triplicate copy of the Form TUS 5401 to his commercial bank.

(D) Retain the quadruplicate copy of the voucher.

(5) After the first payment voucher (Form TUS 5401) has been processed, succeeding payment vouchers shall not be presented until the existing balance of previous payments has been expended or is insufficient to meet current needs.

(6) In preparing the payment voucher, the Grantee assigns a voucher number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the FRLC.

(7) A report of expenditures (i.e., SF 269, "Financial Status Report") shall be prepared and submitted not less than quarterly within 30 days of the end of the period to the Office of Financial Management, AID, Washington, D. C. 20523. This SF 269 Report, submitted with Standard Form 1034, "Public Voucher for Purchases and Services Other Than Personal", shall be in an original and 2 copies.

(8) The SF 269 report is reviewed against the Grant provisions, and any improper disbursement is disallowed. The Grantee is notified of the reason for the disallowance and is directed to adjust the next periodic report of expenditures to reflect the disallowance and to reduce its next payment voucher against the FRLC by the amount of the disallowance.

(9) In addition to the submission of the SF 269 and the SF 1034, the Grantee shall submit an original and 2 copies of SF 272, "Federal Cash Transaction Report" as follows:

(A) For advances totaling less than \$1 million per year, the Grantee shall submit the SF 272 within 15 working days after the end of the reporting quarter.

(B) For advances totaling more than \$1 million per year, the Grantee shall submit the SF 272 within 15 working days after the end of each month, and

(C) The Grantee's cash needs for the ensuing period (i.e., quarter or month) shall be explained under the "Remarks" section of the SF 272.

(e) Refund of Excess Funds

(1) If all costs have been settled under the Grant and the Grantee fails to comply with the Grant Officer's request for repayment of excess FRLC funds, the Government shall have the right, on other contracts or grants held with the Grantee, to withhold reimbursements due to the Grantee in the amount of the excess being held by the Grantee.

(2) If the Grantee is still holding excess FRLC funds on a grant, contract, or similar instrument under which work has been completed or terminated but all costs have not been settled, the Grantee agrees to:

(A) Provide within 30 days after requested to do so by the Grant Officer, a breakdown of the dollar amounts which have not been settled between the Government and the Grantee. (The Grant Officer will assume no costs are in dispute if the Grantee fails to reply within 30 days.)

(B) Upon written request of the Grant Officer, return to the Government the sum of dollars, if any, which represents the difference between (i) the Grantee's maximum position on claimed costs which have not been reimbursed and (ii) the total amount of unexpended funds which have been advanced under the Grant; and

(C) If the Grantee fails to comply with the Grant Officer's request for repayment of excess FRLC funds, the Government shall have the right, on other contracts, grants or similar instruments held with the Grantee, to withhold payment of FRLC or other advances and/or withhold reimbursements due the Grantee in the amount of the excess being held by the Grantee.

78. PAYMENT--PERIODIC ADVANCE
(This provision is applicable when the Grantee's total AID grants and cost-reimbursement contracts do not exceed \$250,000 per annum or if the advance to the Grantee aggregates more than \$750,000 per annum but there is not a continuing relationship of at least one year.)

(a) Each month (or quarter, if the Grantee is on a quarterly basis) after the initial advance, the Grantee shall submit to the AID Controller an original and 2 copies of SF 272, "Federal Cash Transactions Report" as

follows:

(1) The Grantee shall submit the SF 272 within 15 working days after the end of the reporting period, and

(2) The Grantee's cash needs for the ensuing period (i.e., quarter or month) shall be explained under the "Remarks" section of the SF 272.

(b) Along with each SF 272 submission, the Grantee shall submit an original and 3 copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal"; each voucher shall be identified by the Grant number and shall state the total actual expenditures for the reporting period.

(c) Each quarterly voucher (i.e., SF 1034) or third monthly voucher, if the Grantee is on a monthly basis, shall also be supported by an original and 2 copies of a SF 269, "Financial Status Report". The SF 269 shall be submitted within 30 days after the end of the reporting quarter and may be submitted separately from the SF 1034 and the SF 272; however, the SF 269 shall cover the same quarterly period as the SF 1034(s) and the SF 272(s).

(d) Refund of Excess Funds

(1) If all costs have been settled under the Grant and the Grantee fails to comply with the Grant Officer's request for repayment of excess advance funds, the Government shall have the right, on other contracts or grants held with the Grantee, to withhold reimbursements due to the Grantee in the amount of the excess being held by the Grantee.

(2) If the Grantee is still holding excess advance funds on a grant, contract, or similar instrument under which the work has been completed or terminated but all costs have not been settled, the Grantee agrees to:

(A) Provide within 30 days after requested to do so by the Grant Officer, a breakdown of the dollar amounts which have not been settled between the Government and the Grantee. (The Grant Officer will assume no costs are in dispute if the Grantee fails to reply within 30 days.)

(B) Upon written request of the Grant Officer, return to the Government the sum of dollars, if any, which represents the difference between (i) the Grantee's maximum position on claimed costs which have not been reimbursed and (ii) the total amount of unexpended funds which have been advanced under the Grant; and

(C) If the Grantee fails to comply with the Grant Officer's request for repayment of excess advance funds, the Government shall have the right, on other contracts, grants or similar instruments held with the Grantee, to withhold payment of other advances and/or withhold reimbursements due the Grantee in the amount of the excess being held by the Grantee.

79. PAYMENT--REIMBURSEMENT

(This provision is applicable to grants for construction, or to grants which do not provide for either a periodic advance or an FRLC in accordance with AID Handbook 13, paragraph 10.5.)

(a) Each month the Grantee shall submit to the AID Controller an original and 3 copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal"; each voucher shall be identified by the Grant number and shall state the total amount of costs incurred for which reimbursement is being requested.

(b) In addition to the SF 1034, each non-construction grant voucher shall be supported by an original and 2 copies of SF 270, "Request for Advance or Reimbursement", and each construction grant voucher shall be supported by an original and 2 copies of SF 271, "Outlay Report and Request for Reimbursement for Construction Programs".

(c) Each quarterly voucher (or each third monthly voucher) shall also be supported by an original and 2 copies of a SF 269, "Financial Status Report". The SF 269 shall be submitted within 30 days after the end of the reporting quarter and may be submitted separately from the SF 1034; however, the SF 269 shall cover the same quarterly period as the SF 1034(s).

80. TRAVEL AND TRANSPORTATION

(This provision is applicable when domestic or international air travel or shipment costs are reimbursable under the Grant.)

(a) The Grant Officer hereby approves international air travel hereunder provided that the Grantee shall obtain

written concurrence from the cognizant Project Officer in AID prior to sending any individual outside the United States to perform work under the Grant, the Grantee shall advise the Project Officer at least 30 days in advance of any travel to be undertaken outside the United States. After concurrence is received the Grantee shall provide the cognizant Mission or U.S. Embassy advance notification (with a copy to the Project Officer) of the arrival date and flight identification of Grant financed travellers.

(b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, it will so notify the Grantee after receipt of advice of intent to travel required above. AID will issue a Government Transportation Request (GTR) which the Grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this Grant.

(c) All international air travel and all international air shipments under this Grant shall be made on United States flag carriers. Exceptions to this rule will be allowed in the following situations, provided that the Grantee certifies to the facts in the voucher and other documents retained as part of his Grant records to support his claim for reimbursement and for post audit:

- (1) Where the traveler, while enroute, has to wait 6 hours or more to transfer to a U.S. flag air carrier to proceed to the intended destination, or
- (2) Where a flight by a U.S. flag air carrier is interrupted by a stop anticipated to be 6 hours or more for refueling, reloading, repairs, etc. and no other flight by a U.S. flag air carrier is available during the 6 hour period, or
- (3) Where by itself or in combination with other U.S. flag air carriers (if U.S. flag air carriers are "unavailable") it takes 12 hours or longer from the original airport to the destination airport to accomplish the Grantee's program than would service by a non-U.S. flag air carrier or carriers, or

(4) When the elapsed traveltime on a scheduled flight from origin to destination airports by non-U.S. flag air carrier(s) is 3 hours or less, and services by U.S. flag air carrier(s) would involve twice such traveltime.

NOTE: Where U.S. Government funds are used to reimburse Grantee's use of other than U.S. flag air carriers for international transportation, the Grantee will include a certification on vouchers involving such transportation which is essentially as follows:

CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS
I hereby certify that the transportation service for personnel (and their personal effects) or property by U.S. flag air carrier was unavailable for the following reason(s): (State appropriate reason(s) as set forth above; see 41 CFR 1-1.323-3 for further guidance).

(d) Travel allowances shall be reimbursed in accordance with the Federal Travel Regulations (FTR); however, if the Grantee's domestic and international travel allowance policies and procedures have been reviewed and approved by AID or another Federal department or agency pursuant to the applicable Federal cost principles, the Grantee may use its travel allowance system in lieu of the FTRs after it has furnished the Grant Officer with a copy of such approval.

9. OCEAN SHIPMENT OF GOODS

(This provision is applicable when ocean shipment costs are reimbursable under the Grant.)

(a) 50% of all international ocean shipments made by the Grantee, to be financed hereunder, shall be made on U.S. flag vessels. Where U.S. flag vessels are not available, or their use would result in a significant delay, the Grantee may request a release from this requirement from the Transportation Support Division, Office of Commodity Management, AID, Washington, D.C. 20523, giving the basis for the request.

(b) When the AID Transportation Support Division makes and issues a determination to the Grantee that U.S. flag vessels are not available, the ocean shipment costs on foreign flag vessels, as named in the determination, will be eligible for reimbursement under the Grant. In all instances Grantee vouchers submitted for reimbursement under the Grant which include ocean shipment costs will include a certification essentially as follows: "I

hereby certify that a copy of each ocean bill of lading concerned has been submitted to the Maritime Administration, Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bill(s) of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement, and indicate the applicable AID Grant Number."

(c) Shipments by voluntary non-profit relief agencies (i.e., PVO's) shall be governed by paragraphs (a) and (b) above and by AID Regulation 2, "Overseas Shipments of Supplies by Voluntary Non-Profit Relief Agencies" (22 CFR 202).

10. PROCUREMENT OF GOODS AND SERVICES UNDER \$250,000
(This provision is applicable when the total procurement element (i.e., the sum of all purchase orders and contracts for goods and services) of this Grant does not exceed \$250,000.)

(a) Geographic Source and Order of Preference

Except as may be specifically approved or directed in advance by the Grant Officer, all goods (e.g., equipment, vehicles, materials, and supplies) and services, the costs of which are to be reimbursable under this Grant and which will be financed with United States dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference:

- (1) the United States (AID Geographic Code 000),
- (2) "Selected Free World" countries (AID Geographic Code 941);
- (3) the cooperating country,
- (4) "Special Free World" countries (AID Geographic Code 935).

(b) Application of Order of Preference

When the Grantee procures goods and services from other than U.S. sources, under the order of preference in (a) above, it shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the Grantee's documentation:

- (1) the procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (2) the price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
- (3) impelling local political considerations precluded consideration of U.S. sources,
- (4) the goods or services were not available from U.S. sources, or
- (5) procurement of locally available goods or services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance Program under the Grant.

(c) Ineligible Goods and Services

Under no circumstances shall the Grantee procure any of the following under this Grant:

- (1) military equipment,
- (2) surveillance equipment;
- (3) commodities and services for support of police or other law enforcement activities,
- (4) abortion equipment and services,
- (5) luxury goods and gambling equipment, or
- (6) weather modification equipment.

(For a more detailed discussion of the subject, see AID Handbook 1, Supplement B, paragraph 4D.)

If AID determines that the Grantee has procured any of the ineligible goods and services specified above under this Grant, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the purchase.

(d) Restricted Goods

The Grantee shall not procure any of the following goods or services from a non-U.S. source (i.e., other than AID Geographic Code 000) without the prior written authorization of the Grant Officer:

- (1) agricultural commodities,
- (2) motor vehicles,
- (3) pharmaceuticals,
- (4) pesticides,
- (5) plasticizers,
- (6) used equipment, or

(7) U.S. Government-owned excess property.
(For a detailed discussion of the subject, see AID Handbook 1, Supplement B, paragraph 4C.)

If AID determines that the grantee has procured any of the restricted goods specified above under this Grant, without the prior written authorization of the Grant Officer, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the purchase.

(a) The Grantee's Procurement System

(1) The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and order of preference requirements of this provision and paragraphs 3. and 4., Attachment O of OMB Circular No. A-110.

(2) If the Grantee's procurement policies and procedures have been reviewed against the procurement requirements of paragraphs 3. and 4. of Attachment O to OMB Circular No. A-110 and have been approved by AID or another Federal department or agency, the Grantee shall furnish the Grant Officer with a copy of such approval; otherwise the Grantee's procurement policies and procedures shall conform to the specified requirements of OMB Circular No. A-110. (See AID Handbook 13, Chapter 1, paragraph 1U.)

(f) Small Business

To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this Grant, the Grantee, shall, to the maximum extent possible, provide the following information to the Small Business Office, AID, Washington, D.C. 20523 at least 45 days prior (except where a shorter time is requested of, and granted by the Small Business Office) to placing any order or contract in excess of \$25,000:

- (1) Brief general description and quantity of goods or services;
- (2) Closing date for receiving quotations, proposals, or bids; and
- (3) Address where invitations or specifications can be obtained.

(g) Ineligible Suppliers

Funds provided under this Grant shall not be used to procure any commodity or commodity-related services furnished by any supplier whose name appears on the List of Ineligible Suppliers under AID Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing" (22 CFR 209). The Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be reimbursable under this Grant. AID will provide the Grantee with this list.

11. GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY

(This provision applies when personal property is furnished under the Grant.)

The policies and procedures of AID Handbook 16, "Excess Property", and the appropriate provisions of 41 CFR 101-43 apply to the government furnished excess personal property under this Grant.

12A. TITLE TO AND USE OF PROPERTY (GRANTEE TITLE)

(This provision is applicable when the Government vests title in the Grantee only.)

Title to all property financed under this Grant shall vest in the Grantee, subject to the following conditions:

- (a) The Grantee shall not charge for any depreciation, amortization, or use of any property, title to which remains in the Grantee under this provision under this Grant or any other U.S. Government grant, subgrant, contract or subcontract.
- (b) The Grantee agrees to use and maintain the property for the purpose of the Grant in accordance with the requirements of paragraph 1T of Chapter 1, AID Handbook 13.
- (c) With respect to nonexpendable property having an acquisition cost of \$1,000 or more, title to which vests in the Grantee, the Grantee agrees:

- (1) To report such items to the Grant Officer from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.

- (2) To transfer title to any such items to the Government in accordance with any written request therefor issued by the Grant Officer at any time prior to final payment under this Grant.

12B. TITLE TO AND CARE OF PROPERTY (U.S. GOVERNMENT)

(This provision is applicable when title to property is vested in the U.S. Government.)

(a) Property, title to which vests in the Government under this Grant, whether furnished by the Government or acquired by the Grantee, is subject to this provision and is hereinafter collectively referred to as "Government property." Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty.

(b) Use of Government Property

Government property shall, unless otherwise provided herein or approved by the Grant Officer, be used only for the performance of this Grant.

(c) Control, Maintenance and Repair of Government Property

The Grantee shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this Grant. The Grantee shall take all reasonable steps to comply with all appropriate directions or instructions which the Grant Officer may prescribe as reasonably necessary for the protection of the Government property.

The Grantee shall submit, for review and written approval of the Grant Officer, a records system for property control and a program for orderly maintenance of Government property; however, if the Grantee's property control and maintenance system has been reviewed and approved by another Federal department or agency pursuant to Attachment N of OMB Circular No. A-110 (see paragraph 1T of Chapter 1, AID Handbook 13), the Grantee shall furnish the Grant Officer proof of such approval in lieu of another approval submission.

(1) Property Control

The property control system shall include but not be limited to the following:

- (A) Identification of each item of Government property acquired or furnished under the Grant by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of U.S. Government."
- (B) The price of each item of property acquired or furnished under the Grant.
- (C) The location of each item of property acquired or furnished under the Grant.
- (D) A record of any usable components which are permanently removed from items of Government property as a result of modification or otherwise.
- (E) A record of disposition of each item acquired or furnished under the Grant.
- (F) Date of order and receipt of any item acquired or furnished under the Grant.

The official property control records shall be kept in such condition that at any stage of completion of the work under this Grant, the status of property acquired or furnished under this Grant may be readily ascertained. A report of current status of all items of property acquired or furnished under the Grant shall be submitted yearly concurrently with the annual report.

(2) Maintenance Program

The Grantee's maintenance program shall be such as to provide for, consistent with sound business practice and the terms of the Grant: (i) disclosure of need for and the performance of preventive maintenance, (ii) disclosure and reporting of need for capital type rehabilitation, and (iii) recording of work accomplished under the program.

(A) Preventive maintenance - Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences.

(B) Records of maintenance - The Grantee's maintenance

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program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.

A report of status of maintenance of Government property shall be submitted annually concurrently with the annual report.

(d) Risk of Loss

(1) The Grantee shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage except that the Grantee shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the Grantee's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of all or substantially all of the Grantee's business, or all or substantially all of the Grantee's operations at any one plant, laboratory, or separate location in which this Grant is being performed;

(ii) Which results from a failure on the part of the Grantee, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above, (A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of Government property as required by (1) above, or (B) to take all reasonable steps to comply with any appropriate written directions of the Grant Officer under (c) above;

(iii) For which the Grantee is otherwise responsible under the express terms of the article or articles designated in Attachment i to this Grant.

(iv) Which results from a risk expressly required to be insured under some other provision of this Grant, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the Grantee is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

Provided, that, if more than one of the above exceptions shall be applicable in any case, the Grantee's liability under any one exception shall not be limited by any other exception.

(2) The Grantee shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the Grantee to carry such insurance under any other provision of this Grant.

(3) Upon the happening of loss or destruction of or damage to the Government property, the Grantee shall notify the Grant Officer thereof, shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Grant Officer a statement of:

(i) The lost, destroyed, and damaged Government property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the Government property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

The Grantee shall make repairs and renovations of the damaged Government property or take such other action as the Grant Officer directs.

(4) In the event the Grantee is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, it shall use the proceeds to repair, renovate or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the Grant, or shall otherwise reimburse the Government, as directed by the Grant Officer. The Grantee shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the Grant Officer, shall, at the Government's expense, furnish to the Government all reasonable

assistance and cooperation (including assistance in the prosecution of suit and the execution of instruments of assignments in favor of the Government) in obtaining recovery.

(e) Access

The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.

(f) Final Accounting and Disposition of Government Property

Upon completion of this Grant, or at such earlier dates as may be fixed by the Grant Officer, the Grantee shall submit, in a form acceptable to the Grant Officer, inventory schedules covering all items of Government property not consumed in the performance of this Grant or not theretofore delivered to the Government, and shall prepare deliver, or make such other disposal of the Government property as may be directed or authorized by the Grant Officer.

(g) Communications

All communications issued pursuant to this provision shall be in writing.

12C. TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE)

(This provision is applicable to property titled in the name of the cooperating country or such public or private agency as the Cooperating Government may designate.)

(a) Except as modified by Attachment 1 of this Grant, title to all equipment, materials and supplies, the cost of which is reimbursable to the Grantee by AID or by the Cooperating Government, shall at all times be in the name of the Cooperating Government or such public or private Agency as the Cooperating Government may designate, unless title to specified types or classes of equipment is reserved to AID under provisions set forth in Attachment 1 of this Grant; but all such property shall be under the custody and control of the Grantee until the owner of title directs otherwise or completion of work under this Grant or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.

(b) The Grantee shall prepare and establish a program, to be approved by the Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The Grantee shall be guided by the requirements of paragraph 11 of Chapter 1, AID Handbook 13.

(c) Within 90 days after completion of this Grant, or at such other date as may be fixed by the Grant Officer, the Grantee shall submit an inventory schedule covering all items of equipment, materials and supplies under his custody, title to which is in the Cooperating Government or public or private agency designated by the Cooperating Government, which have not been consumed in the performance of this Grant. The Grantee shall also indicate what disposition has been made of such property.

13. CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY
Upon arrival in the Cooperating Country, and from time to time as appropriate, the Grantee's Chief of Party shall consult with the Mission Director who shall provide, in writing, the procedure the Grantee and its employees shall follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of said currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

14. TERMINATION
(a) For Cause. This Grant may be terminated for cause at any time, in whole or in part, by the Grant Officer upon written notice to the Grantee, whenever for any reason he/she shall determine that such termination is in the best interest of the Government.
(b) For Convenience. This Grant may be terminated for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the Grant would not produce beneficial results commensurate

with the further expenditure of funds. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the Grant Officer to the Grantee.

(c) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the Grantee shall forthwith take immediate action to minimize all expenditures and obligations financed by this Grant, and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination, and the Grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended portions of funds heretofore paid by the Government to the Grantee which are not otherwise obligated by a legally binding transaction applicable to this Grant. Should the funds paid by the Government to the Grantee prior to the effective date of the termination of this Grant, be insufficient to cover the Grantee's obligations pursuant to the aforementioned legally binding transaction, the Grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations, and subject to the limitations contained in this Grant, the Grant Officer shall determine the amount or amounts to be paid by the Government to the Grantee under such claim in accordance with the applicable Federal cost principles.

15. VOLUNTARY PARTICIPATION

(This provision is applicable to all grants involving any aspect of family or population assistance activities, and all Title X grants in particular.)

(a) The Grantee agrees to take any steps necessary to ensure that funds made available under this Grant will not be used to coerce any individual to practice methods of family planning inconsistent with such individual's moral, philosophical, or religious beliefs. Further, the Grantee agrees to conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.

(b) The Grantee shall insert paragraphs (a) and (b) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder.

16. PROHIBITION ON ABORTION-RELATED ACTIVITIES

(This provision is applicable to all grants involving any aspect of family or population assistance activities, and all Title X grants in particular.)

(a) No funds made available under this Grant will be used to finance, support, or be attributed to the following activities: (1) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (2) special fees or incentives to women to coerce or motivate them to have abortions; (3) payments to persons to perform abortions or to solicit persons to undergo abortions; (4) information, education, training, or communication programs that seek to promote abortion as a method of family planning.

(b) The Grantee shall insert paragraphs (a) and (b) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder.

17. VOLUNTARY PARTICIPATION REQUIREMENTS FOR STERILIZATION PROGRAMS

(This provision is applicable when any surgical sterilization will be supported in whole or in part from funds under this Grant.)

(a) None of the funds made available under this grant shall be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to practice sterilization.

(b) The Grantee shall insure that any surgical sterilization procedures supported in whole or in part by funds from this Grant are performed only after the individual has

voluntarily presented himself or herself at the treatment facility and has given his or her informed consent to the sterilization procedure. Informed consent means the voluntary, knowing assent from the individual after he or she has been advised of the surgical procedures to be followed, the attendant discomforts and risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and his or her option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress or other forms of coercion or misrepresentation.

(c) Further, the Grantee shall document the patient's informed consent by (1) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (2) when a patient is unable to read adequately, a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of the oral explanation shall be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall be of the same sex and speak the same language as the patient.

(d) Copies of informed consent forms and certification documents for each voluntary sterilization (VS) procedure must be retained by the Grantee for a period of three years after performance of the sterilization procedure.

(e) The Grantee shall insert paragraphs (a), (b), (c), (d) and (e) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder involving the performance of any sterilization which will be supported in whole or in part from funds under this Grant.

18. PUBLICATIONS

(This provision is applicable to any grant which produces any book, publication, or other copyrightable materials.)

(a) If it is the Grantee's intention to identify AID's contribution to any publication resulting from this grant, the Grantee shall consult with AID on the nature of the acknowledgement prior to publication.

(b) The Grantee shall provide the Project Manager with one copy of all published works developed under the Grant. The Grantee shall provide the Project Manager with lists of other written work produced under the Grant.

(c) In the event Grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the Grant.

(d) The Grantee is permitted to secure copyright to any publication produced or composed under the Grant in accordance with paragraph 118.b. of Chapter 1, AID Handbook 13. Provided, the Grantee agrees to and does hereby grant to the Government a royalty-free, non-exclusive and irrevocable license throughout the world to use, duplicate, disclose, or dispose of such publications in any manner and for any purpose to permit others to do so.

19. PATENTS

(This provision is applicable to any Grant which produces patentable items, patent rights, processes, or inventions.)

(a) Grantee agrees to notify the Grant Officer, in writing, of any invention or discovery conceived or first actually reduced to practice in the course of or under this Grant. The Grant Officer will determine the patent rights to be afforded the Grantee in accordance with the Presidential Memorandum and Statement of Government Patent Policy (36 FR 16889) and paragraph 118.a. of Chapter 1, AID Handbook 13.

(b) Nothing contained in this provision shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right other-

wise granted to the Government under any patent.

20. REGULATIONS GOVERNING EMPLOYEES OUTSIDE THE UNITED STATES

(This provision is applicable only to the Grantee's U.S. and third country national employees; it is not applicable to the Grantee's cooperating country national employees.)

(a) The Grantee's employees, when employed in work overseas, shall maintain private status and may not rely on local U.S. Government offices of facilities for support while so engaged.

(b) The sale of personal property or automobiles by Grantee employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire AID personnel employed by the Mission, except as this may conflict with host government regulations.

(c) Other than work to be performed under this Grant for which an employee or consultant is assigned by the Grantee, no regular or short term employee or consultant of the Grantee shall engage directly or indirectly, either in his own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which he is assigned, nor shall he make loans or investments to or in any business, profession or occupation in the foreign countries to which he is assigned.

(d) The Grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.

(e) In the event the conduct of any Grantee employee is not in accordance with the preceding paragraphs, the Grantee's chief of party shall consult with the Mission Director and the employee involved and shall recommend to the Grantee a course of action with regard to such employee.

(f) The parties recognize the right of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this Grant of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.

(g) If it is determined, under either (e) or (f) above, that the services of such employee shall be terminated, the Grantee shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

21. SUBORDINATE AGREEMENTS

The placement of subordinate agreements (e.g., leases, options, etc.), grants, or contracts with other organizations, firms or institutions and the provisions of such subordinate agreements are subject to prior written consent of the Grant Officer if they will be funded hereunder, unless the Grantee's procurement system has been reviewed and approved pursuant to the appropriate section(s) of paragraph 10, Chapter 1 of AID Handbook 13. In no event shall any such subordinate agreement, grant, or contract be on a cost-plus-a-percentage-of-cost basis. Subordinate contractors (including suppliers) shall be selected on a competitive basis to the maximum practicable extent consistent with the obligations and requirements of this Grant.

22. U.S. OFFICIALS NOT TO BENEFIT

No member of or delegate to the U.S. Congress or resident U.S. commissioner shall be admitted to any share or part of this Grant or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Grant if made with a corporation for its general benefit.

23. COVENANT AGAINST CONTINGENT FEES

The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure this Grant upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial or selling agencies maintained by the Grantee for the purpose of securing business. For breach or violation of this warranty, AID shall have the right to cancel this Grant

without liability or, in its discretion, to deduct from the Grant amount, or otherwise recover, the full amount of each commission, percentage, brokerage, or contingent fee.

24. NONLIABILITY

AID does not assume liability with respect to any third party claims for damages arising out of work supported by this Grant.

25. AMENDMENT

The Grant may be amended by formal modifications to the basic grant document or by means of an exchange of letters between the Grant Officer and an appropriate official of the Grantee.

26. THE GRANT

The letter to the Grantee signed by the Grant Officer, the Program Description and the Standard Provisions which have been reviewed and agreed to by the Grantee, constitute the Grant.

27. NOTICES

Any notice given by any of the parties hereunder, shall be sufficient only if in writing and delivered in person or sent by telegraph, cable, registered or regular mail as follows:

To the AID Grant Officer at the address specified in the Grant

To Grantee - At Grantee's address shown in the Grant, or to such other address as either of such parties shall designate by notice given as herein required. Notices hereunder, shall be effective when delivered in accordance with this provision or on the effective date of the notice, whichever is later.

U.S. Grantees and U.S. Subgrantees
(BOTH EDUCATIONAL INSTITUTIONS AND OTHER THAN EDUCATIONAL INSTITUTIONS)

28. ALTERATIONS IN STANDARD PROVISIONS

The Standard Provision of the September 1977 Edition have been changed as follows:

a. Standard Provision 7A. PAYMENT - FEDERAL RESERVE LETTER OF CREDIT (FRLC) ADVANCE

(1) Delete the applicability statement and substitute the following therefor:

(This provision is applicable when the sum of all advances under the Grantee's contracts and grants with AID exceeds \$120,000 per annum and AID has, or expects to have, a continuing relationship with the Grantee for at least a year.)

(2) Delete the term "TUS" in paras. (a), (d)(4)(A), (d)(4)(C), and (j)(5) and substitute the term "TFS" therefor.

(3) Delete the term "SER/FM" wherever it appears in para. (c) and substitute the term "the AID Controller" therefor; also delete the term "Office of Financial Management" in para. (d)(7) and substitute the term "the AID Controller" therefor.

(4) Delete the figures "\$10,000" and "\$1,000,000" in para. (a) and substitute the figures "\$5,000" and "\$5,000,000", respectively, therefor.

(5) Delete the words "less than" in para. (d)(7) and substitute the words "more than" therefor.

b. Standard Provision 7B. PAYMENT-PERIODIC ADVANCE
Delete the applicability statement and substitute the following therefor:

(This provision is applicable when (1) the sum of all advances under the Grantee's contracts and grants with AID does not exceed \$120,000 per annum, or (2) when the sum of all such advances does exceed \$120,000 per annum, but there is not a continuing relationship with the Grantee of at least one year.)

c. Standard Provision 10. PROCUREMENT OF GOODS AND SERVICES UNDER \$250,000
Delete the entire provision and substitute the following therefor:

10. PROCUREMENT OF GOODS AND SERVICES UNDER \$250,000
(This provision is applicable when the total procurement element (i.e., the sum of all purchase orders and contracts for goods and services) of this Grant does not exceed \$250,000.)

(a) Ineligible Goods and Services

Under no circumstances shall the Grantee procure any of the following under this Grant:

- (1) military equipment,
- (2) surveillance equipment,
- (3) commodities and services for support of police or other law enforcement activities,
- (4) abortion equipment and services,
- (5) luxury goods and gambling equipment, or
- (6) weather modification equipment.

(For a more detailed discussion of the subject, see AID Handbook 1, Supplement B, paragraph 4D.)

If AID determines that the Grantee has procured any of the ineligible goods and services specified above under this Grant, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the purchase.

(b) Restricted Goods
The Grantee shall not procure any of the following goods or services from a non-U.S. source (i.e., other than AID Geographic Code 000) without the prior written authorization of the Grant Officer:

- (1) agricultural commodities,
- (2) motor vehicles,
- (3) pharmaceuticals,
- (4) pesticides,
- (5) plasticizers,
- (6) used equipment, or
- (7) U.S. Government-owned excess property.

(For a detailed discussion of the subject, see AID Handbook 1, Supplement B, paragraph 4C.)

If AID determines that the Grantee has procured any of the restricted goods specified above under this Grant, without the prior written authorization of the Grant Officer, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the purchase.

(c) Geographic Source and Order of Preference

Except as may be specifically approved or directed in advance by the Grant Officer under paragraph 10(b) above, all other goods (e.g., equipment, materials, and supplies) and services, the costs of which are to be reimbursable under this Grant and which will be financed with United States dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference:

- (1) the United States (AID Geographic Code 000)
- (2) "Selected Free World" countries (AID Geographic Code 941),
- (3) the cooperating country,
- (4) "Special Free World" countries (AID Geographic Code 935).

(d) Application of Order of Preference

When the Grantee procures goods and services from other than U.S. sources, under the order of preference in 10(c) above, it shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the Grantee's documentation:

- (1) the procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (2) the price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
- (3) impelling local political considerations precluded consideration of U.S. sources,
- (4) the goods or services were not available from U.S. sources, or
- (5) procurement of locally available goods or services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance Program under the Grant.

(e) The Grantee's Procurement System

(1) The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and order of preference requirements of this provision and paragraphs 3 and 4, Attachment 0 of OMB Circular No. A-110.

(2) If the Grantee's procurement policies and procedures have been reviewed against the procurement requirements of paragraphs 3 and 4 of Attachment 0 to OMB Circular No. A-110 and have been approved by AID or another Federal department or agency, the Grantee shall furnish the Grant Officer a copy of such approval; otherwise the Grantee's procurement policies and procedures shall conform to the specified requirements of OMB Circular No. A-110. (See AID Handbook 13, Chapter 1, paragraph 1U.)

(f) Small Business

To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this Grant, the Grantee, shall, to the maximum extent possible, provide the following information to the Small Business Office, AID, Washington D.C. 20523 at least 45 days prior (except where a shorter time is requested of, and granted by the Small Business Office) to placing any order or contract in excess of \$25,000:

- (1) Brief general description and quantity of goods or services;
- (2) Closing date for receiving quotations, proposals, or bids; and
- (3) Address where invitations or specifications can be obtained.

(g) Ineligible Suppliers

Funds provided under this Grant shall not be used to procure any commodity or commodity-related services furnished by any supplier whose name appears on the List of Ineligible Suppliers under AID Regulation B, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing" (22 CFR 208). The Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be reimbursable under this Grant. AID will provide the Grantee with this list.

ltr Coy. to Doherty

Dear Bill:

I am writing in connection with the special AID/AIFLD program in support of land reform in El Salvador.

I think both of us share a common ~~interest~~ special interest in that program, because of the heavy investment of time and resources that have been put into it ^{already,} and because of the importance of the outcome to our mutual interests, not only in El Salvador, but also in other parts of the hemisphere.

The AIFLD component alone, I realize, constitutes a very significant effort. From our standpoint, however, it represents only one element in a program of larger scope. The overall goal, as we have described it in our official project papers, reads this way:

The ~~sector~~ goal is to increase agricultural production, incomes, and employment in the agrarian reform sector. This goal has many ramifications and

summarizes a whole set of objectives which are explained in the Agrarian Reform Sector Strategy Paper. Its purpose is to initiate the agrarian reform's farmer organization and training activities, reinforce its implementation, and strengthen its planning and evaluation capabilities. By the end of the eighteen month project, we expect the following conditions to have been achieved.

— The Ministry of Agriculture and Livestock will be more effective at developing agrarian reform policies and procedures, for implementing them, and evaluating their effects.

— Producer associations will be carrying out sound accounting on 238 intervened farms;

— Agricultural production in the reform sector will not decrease significantly;

— The ~~ag~~ ^{ag bank} will have strengthened its on-going Special Line of Credit for Phase I and Phase II farms and will have institutionalized a multipurpose credit program for democratic campesino unions.

— The ~~ag~~ ^{Agriculture Ministry} will have finished provisional titling of "tiller" beneficiaries;

— A functioning mortgage banking and land payment system will have been established.

As you can ^{imagine,} ~~see~~, the task of coordinating all the elements of this program would be difficult for any AID Mission under the best of circumstances, and the working conditions in El Salvador at this time are very far from ideal, as you know.

For this reason I would appreciate your very best efforts, and those of all of your people, in working ^{with us. To set} ~~set~~ ^{close} up and carrying out a set of working arrangements between AIFLD and the AID Mission in El Salvador which will permit both of our organizations to get our jobs done with the ^{greatest possible degree} ~~of~~ coordination ~~and complementarity~~. Our purpose, as I am sure you understand, is not to set up new or unnecessary controls upon AIFLD which might set a precedent for your other programs, but rather to ~~ensure~~ do everything possible to secure the successful, fully coordinated implementation of very special and important objectives of mutual interest in El Salvador.

I know we can count on ^{The} ~~the~~ fullest cooperation from you and all of your people.

draft GP
clear CEN
DR
Hill

PROGRAM DESCRIPTION

I Purpose of Grant

?+8 The purpose of this grant is to assist the AIFLD in the financing of a special three-month program to support land reform in El Salvador. Most of this assistance will be provided thru the agrarian union, the Union Comunal Salvadoreno (UCS).

II Implementation

The principal components of the grant are as follows:

A. Land Reform Implementation

Funding to assist the UCS in the organization and servicing of the beneficiaries of the recently promulgated land reform decree. The program includes funds to cover costs of technical teams of coop specialists, agronomists and promoters to help bring the expropriated land back to full productivity. Also included is a rotating fund to provide emergency bridge loans of agricultural credits to UCS coops while the national Agricultural Bank is in the process of resuming normal operations.

B. Food Distribution/Community Centers

Funding to establish the first three community centers in rural El Salvador to provide food and basic commodities to the UCS membership and immediate community in areas affected by the land reform. The funds shall be used to finance starting inventories, pay salaries of project personnel and defray other start-up costs. The centers, once established, will be available as infrastructure for PL-480 food distribution programs, such as the "Food for Work" program.

C. Legal Services Program

Funding for an expansion of the existing UCS Legal Services program to assist it to handle the increased volume of land titling, credit contract and other rural legal work associated with the new agrarian reform decree.

D. Organizer Program

500 Funding for the UCS team of 75 activists to assist them in organizing the beneficiaries of the land reform into strong, functional grass-roots groups.

The details of the above implementation plan are illustrative, based on the progress of the land reform effort to date. Therefore, maximum flexibility will be allowed to the Grantee to make changes in the elements of the implementation plan and related budgets provided they remain within the overall purposes of the project.

III. Reports

The AIFLD shall submit the following reports in English at the time and in the quantities specified.

A. Technical Reports

1. Monthly program progress reports shall be in narrative form and submitted no later than fifteen (15) days after the end of each month.
2. A final report shall be in narrative form, and submitted no later than thirty (30) days after the Grant termination date.

Coverage and detail of the technical reports shall be as required by the project officer in USAID/El Salvador.

B. Financial Reports

In addition to the financial reporting requirements of Standard Provision No. 7A, entitled "Payment-Federal Reserve Letter of Credit (FRLC) Advance," the AIFLD shall submit monthly fiscal reports, which follow formats and practices established by the Grantee in connection with its other ongoing Grants and Cooperative Agreements with A.I.D.

C. The AIFLD shall provide special reports as requested by the AID Grant Officer, the AID/W Regional Project Officer or the USAID/El Salvador Project Officer.

D. Number of Copies and Distribution of Reports

<u>Reports</u>	<u>Aid Grant Officer</u>	<u>AID/W Regional Project Officer</u>	<u>USAID/El Salvador Project Officer</u>
Technical Reports	1	3	3
Financial Reports	1	3	3
Special Reports	1	3	3

IV Budget

A. The funds provided herein shall be used to finance the following:

1. Land Reform Implementation	
a) Technical Team	422,005
b) Rotating Fund (Production Credit)	400,000
c) Consulting	51,000
2. Activist/Organizer Program	33,750
3. Legal Services Program	60,140
4. Food Distribution Centers	33,105
Total	<u>\$1,000,000</u>

B. The Grantee may not exceed the total obligated amount of \$1,000,000. Adjustments among obligated line items is unrestricted.

V Special Provisions

A. Per Diem

Notwithstanding any other provision to the contrary, per diem will be calculated as follows:

"For travel outside the conterminous United States, reimbursement for each per diem locality will be the average cost of lodging rounded to the next whole dollar plus 50 percent of the maximum locality rate. Total reimbursement shall not exceed the maximum per diem for each locality, unless specific approval is given in advance for actual expenses. Maximum locality rates shall be those established by the Department of Defense for non-foreign areas and by the Department of State for foreign areas.

"When staff house or other free or low cost facilities are used the reduced rates indicated by footnote 1 on the per diem supplement (section 925) to the Standardized Regulations (Government Civilians, Foreign rates) will be used directly as per diem. These low rates have already been computed on a basis similar to lodging plus and no further computation is necessary".

B. Travel

Notwithstanding any other provision to the contrary, the AIFLD shall obtain clearance for travel between countries by submitting a request to the USAID El Salvador project officer at least five working days prior to the traveller's departure date. Such travel shall be deemed approved unless USAID gives notice of disapproval prior to the proposed departure date.

C. Taxes and Custom Duties

It is understood that all salary payments made by the AIFLD to its employees, other than the Cooperating Country's Nationals, shall be exempted from taxation by the Government of the Cooperating Country or any political subdivision thereof, to the extent permitted by the laws of the Cooperating Country or by relevant agreements between the cooperating Government and the Government of the United States now in existence or hereafter coming into existence.

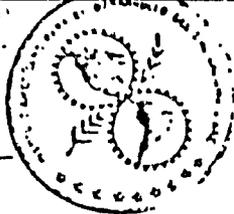
The foregoing principle shall also apply, with respect to employees of the AIFLD, other than Cooperating Country's Nationals, in regard to any import, export or other duties, taxes or levies imposed on items imported for their own use or consumption by the Government of the Cooperating Country or any political subdivisions thereof.

USAID/El Salvador shall use its best efforts to obtain from the cooperating Government the same treatment with respect to taxes and custom duties as has been accorded by that cooperating Government to the AIFLD in the past. In no event shall AID reimburse the AIFLD for any identifiable taxes or customs duties.

D. The AID/Washington Regional Project Officer is Mr. George Phillips, LAC/DP/SD. The USAID/El Salvador Project Officer is Mr. Charles Stockman, or his designated representative.

E. Delete the following Standard Provisions:

1. "5. Negotiated Overhead Rates - Other Than Educational Institutions."
2. "6. Limitation of Funds."
3. "7B. Payment - Periodic Advance."
4. "7C. Payment - Reimbursement."
5. "12B. Title to and Care of Property (U.S. Government Title)."
6. "12C. Title to and Care of Property (Cooperating Country Title)."



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Paseo Gral. Escalón y 89 Av.
San Salvador, El Salvador, C.

MEMORANDUM

June 30th., 1980

TO: Mr. Dan Chaij
FROM: Richard V. Oulahan *Richard V. Oulahan*
SUBJECT: Response to Questionnaire on AIFLD Program for future and discussions with

I) The long-term objectives are:

1. Implementation of a far reaching agrarian reform for the development of a political atmosphere where a democratic campesino movement can exist and provide meaningful services to its membership.
2. Campesino groups led by UCS will have a meaningful input into the agrarian reform and agricultural development schemes within the country.
3. UCS will continue to develop a strong internal structure capable of providing needed services to its membership. Various economic activities will begin to generate income for UCS.
4. UCS will provide a mechanism towards creating increased functioning of and cooperation between existing democratic campesino groups, and in some cases splinter groups of UCS will rejoin UCS.

II) Strategies or mix of strategies for reaching objectives:

1. Implementation of Land Reform

- a) AIFLD will assist the GOES to review and draft agrarian reform and in regards to legislation and implementation problems, to look for solutions to these problems and provide technical assistance concerning agrarian reform whenever asked.

Primary responsibility for this will be that of the CPD, a resident agrarian reform expert (Mark Pearlman), and outside experts (for example Prof. Roy Prosterman).

The resident agrarian reform expert assisted by a consultant investigator/statistician will monitor the reform process and pin-point problems of implementation.

AIFLD will maintain close working relations with the Junta Revolucionaria de Gobierno and ministers and agencies involved in agrarian reform.

- b) Through advice on agrarian reform issues, the strengthening of UCS internal structures and assistance to increased cooperation between campesino groups under the leadership of UCS, AIFLD will strengthen the role of UCS, and indirectly other campesino groups in the implementation process.

Programs such as promoters, education, publications, publicity, special land reform seminars with Israeli and Taiwanese experts, establishment of a land reform training institute and the UCS legal affairs department, will be developed to make UCS more responsible to its membership and to campesinos in general vis-a-vis the agrarian reform process.

- c) AIFLD experts will work closely with the Embassy and AID on land reform issues to insure better coordination and unity of purpose.
- d) In its contacts with urban trade unions, notable FESINCONSTRANS, AIFLD will assist this leadership in understanding the necessity, implications and process of agrarian reform.

2. Campesino input into Agrarian Reform and Agricultural Development.

It is well known that UCS is the campesino organization which, by its support of agrarian reform and especially its active promotion of Decree 207, has lent a greater air of legitimacy and leadership to the agrarian reform.

Without UCS support, this agrarian reform would not have the legitimacy with campesinos to the Decree it presently enjoys, putting the whole reform program in more serious jeopardy.

The promoters will continue their promotion of Decree 207 and will assist in the implementation of the titling process. As the situation stabilizes in the area of Decree 207, promoters will be assigned to the newly formed cooperatives and help in their development.

Two special land reform training programs using experts from Taiwan and Israel, among other places, will focus on techniques used to deliver the necessary financial, agriculture and other services, once land has been passed to the campesinos. Taiwanese experts will focus on the ways to make small individual owners more productive while the Israelis can concentrate on the techniques of running larger farms and the establishment of farmer-owned marketing systems.

These seminars will be part of a program to establish a Land Reform Training Institute to be managed by private organizations and be directed toward educating key leaders of important private groups, labor unions, campesino organizations, industrial, commercial and banking associations, etc., on important and timely issues of land reform. The funds allotted for this activity would pay for a study on how to establish said institute and the beginning stages of setting up said institute. There will be considerable efforts to attract the support of private foundations.

All of these activities will help avoid the emergence of a new "state-farm" paternalism by ISTA,

3. UCS will build a strong internal structure. This will be done by assisting:

- a) The newly established Legal Department which will resolve agrarian reform related problems, advice UCS on legislation, assist in agrarian reform training, and be UCS legal council.

Support for salaries, legal oriented seminars, commodities and other expenses will be forthcoming. At present the Legal Department is preparing a list of fees to be charged to campesino groups for its services. The monies from these charges will be deposited in a special bank account so as to build a legal reserve fund.

As a result of closer cooperation between UCS and other campesino groups, the Legal Department will open its doors to help members of these groups. It will also participate in training programs designed for the different democratic campesino organizations.

- b) Support for the accounting program will continue. Attached please find a list of the accounting personnel and names of cooperatives they are presently serving. Soon, 20 or more new cooperatives will be asking for services.

At the present time, five cooperatives are contributing from between 100 to 150 colones per month to UCS for the accounting service. This is not enough and a revision of the program is

planned to take place within 20 days after the arrival of the Rural Development Officer who will be working directly with cooperatives enterprises. Part of the revision will include a plan for the older existing cooperatives, to take over various functions and larger and larger share of the costs. A copy of said plan will be sent to AID.

- c) The present agrarian reform process should take from 3 to 5 years to be carried out, especially as the reform is programmed to take place in states. Throughout this 5 year period, UCS will have to maintain an active education program directed at resolving implementation problems, cooperative and production development, organization development and leadership training. This will necessitate a staff of 4 to 6 persons.

Given the large costs involved in this type of program, AIFLD will have to maintain its subsidy for the education department, seminars and training materials. At the same time, UCS seminars are inexpensive compare to those of other institutions and costs are kept to the minimum by not paying lost time, by the use of available UCS facilities and those lent by municipalities, where possible, preparation of food by UCS women members, use of UCS transportation owned by the cooperatives and the campesinos' acceptance of frugality.

✓ (Special courses for leaders of different campesino groups (UCS, ALDES, ANIS, CCS and ACOPAI) are scheduled. Other than just UCS members will be invited to UCS seminars. The seminars will be used to build cooperation and, possibly amalgamation in the case of UCS, ANIS and ACOPAI coops.

In the future, due to the immanent establishment of many new UCS cooperatives (plus those of other campesino groups), UCS will undertake a series of courses and activities to strengthen the administrative, accounting, financial structure and service delivery capability of the coops. This will be a large effort supervised by an AIFLD Rural Development Officer.

- d) Support for central and regional office administrator will help insure coordination between the multiple activities envisioned in this proposal.
- ✓ e) As transport is always a problem for a national oriented movement, the donation of 5 cars is planned to alleviate transportation problems.
- f) An increase in the size of the production credit rotating fund, whose function will be go give budget financing to campesino groups, as is described by an Appendix in our May Monthly Report.

The duplication of credit efforts (assisting BFA and UCS) is only a problem if BFA is capable of delivering timely credit through

this special campesino loan window. The fact that this window is very important and needed and has been accepted in principle by the BFA, is no guarantee that the BFA will be able to radically change its thinking towards campesino credit. The establishment of this window is an important first step but, based on years of experience with development banks, AIFLD doubts that our need for bridge financing in a Fondo Rotativo will vanish. Under present circumstances, a special credit window in BFA and an expanded UCS Fondo Rotativo are complementary and not duplication.

UCS members will be settling in 20 farms purchased by ISTA in the very near future. These are totally new cooperatives which will be eligible for loans from the Fondo Rotativo. If the experience of the past few months is any guide for the future, these cooperatives will need bridge financing from the UCS Fondo Rotativo. Additionally, the Fondo Rotativo, as expressed in the June 30th. memo, provides a valuable membership service and creates an important organizing tool.

- g) Continuation of Store Project. UCS has 3 stores set up in La Paz, La Unión and San Miguel. These stores give service to members and campesinos of the area and will become income generators for the organization. The first 6 weeks of operation of the 3 stores show a small profit.

Three more stores will be set up in the 8 month period, Sept. 1, 1980 to April 30, 1981, on a staggered basis so as to allow UCS time to digest the experience of running this type of commercial operation.

The emergency program submitted to AID Administrator, Douglas J. Bennet on Feb. 15, has an ample description of the project.

4. Increased cooperation between campesino groups

Four points should be noted:

- The fact that the UCS Secretary General is also President of ISTA, gives UCS better leverage than any other campesino group in the fastening of cooperation between the democratic campesino groups.
- The UCS has been the pivotal organization in supporting the land reform.
- Other campesino groups such as ACOPAI and ANIS are off-shoots of UCS and relationships between their leadership and that of UCS are good, especially because of the efforts of Rodolfo Viera.
- Delicate talks are going on between leaders of UCS, ANIS and ACOPAI.

✓ It must be noted that the movement towards more cooperation and, in the case of ANIS and ACOPAI, groups amalgamation, cannot be forced on the different groups or artificially stimulated by some offer of help to a futuristic federation or to all the individual groups. Also, Camacho, the leader of ACOPAI, has been discredited in the eyes of all who know him because of past connections with the right-wing (ORDEN) and his willingness to take aid from wherever it is offered regardless of the political consequences. It should also be noted that from 1978 to 1979 when UCS had an extremely small subsidy from AIFLD; UCS turned down offers of GOES subsidies because of the political implications, and without much resources, UCS defeated an effort by the Romero Government to split UCS cooperatives away from other UCS structures.

In talks with UCS, it has been agreed to start a series of activities toward closer cooperation with other campesino groups. The program includes:

- 1) As a beginning, offering ACOPAI, ANIS, ACOES and CCS, five to ten promoter positions for each organization.
- 2) Begin a series of seminars for the leadership of ANIS, ACOES, CCS, ACOPAI and UCS, to study the Agrarian Reform Program and to look for ways of closer cooperation.
- 3) Include members of these other campesino organizations in all UCS seminars.
- 4) As ties become closer and UCS has the capability to include groups from ACOES, ACOPAI, CCS and ANIS, in to participate in the legal and technical services offered by UCS.

III) Phase I and II Cooperatives

Only a few Phase I coops are presently affiliated with the UCS and other campesino groups. However, in the very near future, through purchase of 100-500 H. properties, several farms numbering initially over twenty in the first wave, will be distributed to UCS and other campesino groups by ISTA. AIFLD supported groups will have a large role in building and strengthening these coops by providing organizational and management assistance, educational services, assistance with cooperative production and marketing techniques, assistance in securing timely credit (if necessary through a special revolving credit fund), acting as an advocate with the government in securing adequate governmental responses to the coops, assisting non affiliated coops who want to affiliate, assistance in securing necessary inputs, such as seeds and fertilizers through bulk buying. The UCS presently has by far the best capacity to provide these services. Through the UCS Educational Department training assistance will be available to other campesino groups. However, UCS's capability needs to be strengthened, especially when considering the radically increased demands for services in this area with the mushrooming of member coops, and the request by other campesino organizations for training assistance. In order to help build this capacity, we are planning on bringing down a Rural Development Officer to work solely in the areas of education and training, and coop development.

..... 28

IV) Decree 207

The UCS has been the only institution to support Decree 207 wholeheartedly through its publicity, through its educational activities, through the considerable outreach efforts by presently 341 promoters who are assisting new owners establish their rights, through advocacy and problem identification and through the UCS legal department. UCS will continue to advocate for the development of special regulations, necessary to more effectively implement the program. In addition, UCS promoters will continue to reach out to new 207 owners and assist them in all ways necessary. Once a titling process is in place, the assistance of new owners with this process will be the principal role of the promoters, giving them a specific reason to provide the technical assistance talked about above.

V) The special needs of UCS and other campesino groups can be summed up as adequate and timely credit. Unfortunately, even though the banks have been nationalized, the Government has not been able to get the control over the banks and the credit services it desires. The provision of credit in this year has been extremely cumbersome and lengthy, in some cases money hasn't been allocated even after six weeks after approval. The not-so-responsive banking system points out the need for UCS to continue to provide bridge financing to its members. This is justified on the following grounds:

1. The provision of credit, through, for example, credit unions, has been a fundamental and essential service to members by unions throughout the world.
2. Timely credit is a crucial need for campesino farmers, the provisions of such by UCS will streamline the process, insuring timely delivery and should serve as an excellent organizing and recruiting tools.
3. The fund is self-perpetuation and can continue in existence until the need for such is non-existent.
4. UCS and other campesino groups are taking over at least 35 new farms and forming cooperatives with whom the bank has never worked.

VI) See attached Budget.

VII) See attached Budget.

VIII) Description of Promoters Program

The promoters' program has been a key factor in the passage of the Ley Basica and the implementation of Decree 207. In the immediate future, if the Ministry of Agriculture will take lead, the promoters will be assisting in the titling process.

When 153 was being discussed, rewritten and delayed in late Feb. and early April, UCS was carrying out the first series of seminars for promoters. As delays and procrastination became more apparent, UCS

General Secretary was able to push the Junta by telling them that if the agrarian reform did not go into effect, 100 plus promoters would be immediately dispatched to tell the campesinos that the Junta could not carry out said reform. On various occasions, military helicopters flew over the UCS headquarters to check whether Viera had these people on hand, which was always the case.

As AIFLD has discussed with AID on many past occasions, UCS promoters have been the key promotional tool of Decree 207. 95% of the present 341 promoters are instructing campesinos on said Decree. They will be most active in the titling process. In July we expect approximately 450 promoters in the program.

ISTA also has a program of promoters for the intervened estates. And because of the numerous problems campesinos on these estates have had with ISTA/MAG technical staff, Viera has chosen to place 120 UCS trained promoters into positions at ISTA. UCS does the training but ISTA employs them. Their principal function is to train and encourage campesinos on the intervened estates to take charge of their situations and see ISTA/MAG technicians not as new patrones but as helpers in the process. For this reason, many ISTA/MAG technicians with a "manda-mas" attitude look on the promoters with suspicion.

Attached please find a break-down of promoters per Department, as of the end of June. In July we expect to have 425 promoters, in August 460 and in Sept level off at 500. Because of the serious implementation problems still facing the agrarian reform, we estimate that 500 promoters are needed.

As estimate based on our observations is that each promoter is in contact with 100 or more campesino household heads. Presently, we are thinking of training 20 to 30 promoters as coop advisors to be used on the new farms given to campesinos.

IX) UCS Operations

There are 10 Centro Campesinos supported by the campesinos of the different regions. A centro campesino houses an office, meeting room, storage facilities, and in some cases, a cooperative and store. We have no data on the exact value of these operations which are supported by cuotas, social activities, buying and selling of agricultural inputs, consumer stores and contribution from the cooperatives.

The cooperatives and centro campesinos contribute approximately \$20,000.- per year (\$8,000.-) to UCS national office. This does not include many of the time and costs (lending of trucks, etc.) given by the cooperatives and members of the UCS.

NOMINA DEL PERSONAL DEL DEPTO. DE CONTABILIDAD

OFICINA CENTRAL:

SR. ARMANDO ESCALANTE
(Contador-Supervisor)

ROSARIO VIERA
(Contador)

ZONA ORIENTAL:

SR. ALCIDES COELLO
(Contador)

SR. NELSON AREVALO
(Contador)

1. Tracupina, Morazán
2. Primavera, Morazán
3. Sociedad, Morazán
4. San Jacinto, San Miguel
5. La Barca, Usulután
6. Los Pinitos, Morazán
7. Nuestra Tierra

ZONA CENTRAL:

SR. LEONEL FLORES
(Contador)

SRA. OLIVIA DE CRESPIN
(Contador)

SR. CRUZ ALVARADO PALACIOS
(Auxiliar-Coop. Longaniza)

SR. RAMON ESTRADA
(Auxiliar-Coop. La Palma)

1. Cabañas, Cabañas
2. La Concordia, Usulután
3. La Usuluteca, Usulután
4. San Carlos, La Paz
5. Platanares, La Paz
6. Zacatillo, La Libertad
7. La Palma, La Paz
8. La Longaniza, La Paz

ZONA OCCIDENTAL:

SR. SALVADOR HERNANDEZ
(Contador)

SR. NICOLAS PRESIDENTE
(Contador)

1. Guajoyo, Santa Ana
2. Los Apoyos, Santa Ana
3. Sonsonateca, Sonsonate
4. Ahuachapaneca, Ahuachapan
5. Las Tablas, Ahuachapan
6. Las Trincheras, Sonsonate

CENTROS CAMPESINOS

1. Santa Ana
2. Ahuachapan
3. Zacatecoluca
4. Sonsonate
5. Usulután
6. Cabañas
7. San Miguel
8. Morazán
9. La Unión
10. La Libertad (En formación)

UNION COMUNAL SALVADORI
DEPARTAMENTO DE EDUCACION

DATOS ESTADISTICOS POR DEPARTAMENTO, DE PROMOTORES VOLUNTARIOS.-

Promotores laborando a fecha 19 de Junio de 1.980.-

<u>ZONA OCCIDENTAL.-</u>	Sex. F.-	Sex. M.-	Total por Depto.
Depto. de SANTA ANA.-	0	3	3
" " AFUACHAPAN.-	4	19	23
" " SONSONATE.-	1	20	21
<u>ZONA CENTRAL.-</u>			
Depto. de LA LIBERTAD.-	1	6	7
" " LA PAZ.-	6	22	28
" " SAN VICENTE.-	6	14	20
" " CABAÑAS.-	0	9	9
" " CHALATENANGO.-	0	4	4
<u>ZONA ORIENTAL.-</u>			
Depto. de USULUTAN.-	12	23	35
" " SAN MIGUEL.-	4	31	35
" " MORAZAN.-	11	38	49
" " LA UNION.-	4	21	25
T O T A L E S.	<u>49</u>	<u>210</u>	<u>259</u>

DATOS ESTADISTICOS DEL SEMINARIO DE 1er. NIVEL, PARA PROMOTORES
REALIZADO DEL 17 AL 20 DEL MES DE JUNIO DE 1.980.-

<u>ZONA OCCIDENTAL.-</u>	Sex. F.-	Sex. M.-	Total por Depto.
Depto. de SANTA ANA.-	0	4	4
" " AFUACHAPAN.-	2	7	9
" " SONSONATE.-	0	2	2
<u>ZONA CENTRAL.-</u>			
Depto. de LA LIBERTAD.-	0	1	1
" " LA PAZ.-	1	15	16
" " SAN VICENTE.-	2	7	9
<u>ZONA ORIENTAL.-</u>			
Depto. de USULUTAN.-	6	10	16
" " SAN MIGUEL.-	2	9	11
" " MORAZAN.-	5	16	21
" " UNION.-	<u>2</u>	<u>9</u>	<u>11</u>

" " CHALATENANGO.-	0	4	9
<u>ZONA ORIENTAL.-</u>			4
Depto. de USULUTAN.-	12	23	35
" " SAN MIGUEL.-	4	31	35
" " MORAZAN.-	11	38	49
" " LA UNION.-	4	21	25
T O T A L E S.	<u>49</u>	<u>210</u>	<u>259</u>

DATOS ESTADISTICOS DEL SEMINARIO DE Ier. NIVEL, PARA PROMOTORES REALIZADO DEL 17 AL 20 DEL MES DE JUNIO DE 1.980.-

<u>ZONA OCCIDENTAL.-</u>	Sex. F.-	Sex. M.-	Total por De
Depto. de SANTA ANA.-	0	4	4
" " AHUACHAPAN.-	2	7	9
" " SONSONATE.-	0	2	2
<u>ZONA CENTRAL.-</u>			
Depto. de LA LIBERTAD.-	0	1	1
" " LA PAZ.-	1	15	16
" " SAN VICENTE.-	2	7	9
<u>ZONA ORIENTAL.-</u>			
Depto. de USULUTAN.-	6	10	16
" " SAN MIGUEL.-	2	9	11
" " MORAZAN.-	5	16	21
" " UNION.-	2	9	11
TOTAL DE SEMINARISTAS.	<u>20</u>	<u>80</u>	<u>100</u>
DESERCIONES.			<u>7</u>
EVALUADOS.			<u>93</u>
REPROBADOS.			<u>11</u>
	<u>Sex. F. 3.-</u>	<u>Sex. M. 8.-</u>	
APROBARON SEMINARIO.			<u>82</u>

Total Promotores 341

B U D G E T

Sept. 1/80 - April 30/81 - April 30/82

Land Reform Implementation

A. Technical Team

	<u>Month</u>	<u>8 Months</u>	<u>20 Months</u>
<u>1. Personnel</u>			
1 UCS Coordinator	\$ 400.-	\$ 3,200.-	\$ 8,000.-
1 Central Officer Manager	800.-	6,400.-	16,000.-
3 Regional Office Managers	700.-	5,600.-	14,000.-
1 Chief Accountant	900.-	7,200.-	18,000.-
1 Assistant to Accountant	400.-	3,200.-	8,000.-
8 Accountants/Bookkeepers (\$300 each)	2,400.-	19,200.-	48,000.-
2 Secretaries (\$250.- each)	500.-	4,000.-	10,000.-
12 Agronomists (\$600 each)	7,200.-	57,600.-	144,000.-
500 Land Reform Agents (\$160.- each)	80,000.-	640,000.-	1,600,000.-
1 Local Marketing Expert	1,000.-	8,000.-	20,000.-
6 Other para-technicians	3,000.-	24,000.-	60,000.-
Contengency 10%	9,730.-	77,840.-	194,600.-
	<hr/> 107,030.-	<hr/> 856,240.-	<hr/> 2,140,600.-
<u>2. Commodities</u>			
5 Vehicles plus shipping (\$10,000 each)		50,000.-	50,000.-
Office equipment (furniture, accounting equipment, office equipment)		10,000.-	20,000.-
		<hr/> 60,000.-	<hr/> 70,000.-
<u>3. Education</u>			
5 men Dept. (5 x \$400 per month)	2,000.-	16,000.-	40,000.-

	<u>Month</u>	<u>8 Months</u>	<u>20 Months</u>
Basic Level courses (\$8,000/month)	\$ 8,000.-	64,000.-	160,000
- for Promoters			
- for cooperative development			
- combination courses with other campesino groups			
- special 1 day meetings			
INTERMEDIATE Level Courses (5000/month)		40,000.-	100,000
- Promoters			
- Cooperative development			
- Combination courses			
Advanced Level Courses (\$5000/month)		40,000.-	100,000
- Promoter Supervisor			
- Leadership and campesino organizations			
- Agrarian Reform conferences			
- Coop development problems			

	160,000.-	400,000
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(Average cost of regional seminar (30 participants) for 3 days= \$375
 (Average cost of seminar for promoters
 (70 participants who divide into 2 sections) for 3 day= \$1,000.-)
 Average cost of seminar for promoters (70) for 5 days= \$1,400.-)
 Average cost of regional seminar (30 participants) for 5 days= \$700.-

Educational Aids

UCS Booklet (what is UCS)	10,000.-	15,000
Comic Books		
- Agrarian Reform Issues	15,000.-	25,000
- Coops	15,000.-	20,000
Films on campesino development (from Puerto Rico)	4,000.-	4,000
Film projector, slide projector, cassette recorders	1,500.-	1,500
Special campesino plays recorded on cassette	3,000.-	3,000
Other	1,000.-	2,000
	49,500.-	70,500

(Note: 5,000 copies of a 16 page comic book costs \$10,000)

	209,500	470,500
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	<u>Month</u>	<u>8 Months</u>	<u>20 Months</u>
4. Special Land Reform Programs (Assistance by Israeli, Taiwanese and other experts).			
Travel		12,000.-	30,000.-
Seminars		8,000.-	20,000.-
		<u>20,000.-</u>	<u>50,000.-</u>
5. <u>Other Costs</u>			
Vehicle maintenance (\$500 x 13)	6,500.-	52,000.-	130,000.-
Supplies (all UCS offices)	800.-	6,400.-	16,000.-
Travel and Per-Diem (120 days per month x \$8/day)	960.-	7,680.-	19,200.-
		<u>66,080.-</u>	<u>165,200.-</u>
		<u>1,211,820.-</u>	<u>2,896,300.-</u>
B. <u>Rotating Fund</u> (Production Credit)		200,000.-	200,000.-
C. <u>Consulting:</u>			
<u>U.S. Technician (Legal)</u> (from Seattle)			
Fee: (Pro bono)			
Travel, 7 to 24 trips x \$1,000.-/trip		7,000.-	15,000.-
Per-Diem, \$50/day x 10 days x 7 to 15 trips		3,500.-	7,500.-
		<u>10,500.-</u>	<u>22,500.-</u>
<u>Financial Advisor to UCS (local)</u>		10,400.-	26,000.-
		<u>10,400.-</u>	<u>26,000.-</u>
<u>U.S. Technician (small farm management training)</u> (from Midwest and Lima, Perú)			
Fee, \$150 x 120 days		18,000.-	45,000.-
Travel, 6 trips x \$1,000.-		6,000.-	15,000.-
Per-diem, \$50 x 120 days (8 month schedule)		6,000.-	15,000.-
		<u>30,000.-</u>	<u>75,000.-</u>

U.S. Technician (Marketing)

Fee, \$150/day x 100 days	15,000.-	37,500.-
Travel, 4 trips x \$1,000	4,000.-	10,000.-
Per-diem, \$50 x 100 days (8 month schedule)	5,000.-	12,500.-
	<hr/>	<hr/>
	24,000.-	60,000.-

U.S. Technician (Research and Evaluation)

Fee, \$150/day x 150 days	22,500.-	56,250.-
Travel, 3 trips x \$1,000.-	3,000.-	7,500.-
Per-diem, \$50 x 150 days (8 month schedule)	7,500.-	18,750.-
	<hr/>	<hr/>
	33,000.-	82,500.-
	<hr/>	<hr/>
	108,300.-	266,000.-

II. Activists (5) 5 x 400/month	2,000.-	16,000.-	40,000.-
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III. Legal Services Program (Local)

A. Personnel:

Director Legal Dept.	1,000.-	8,000.-	20,000.-
4 Lawyers (\$650 each)	2,600.-	20,800.-	52,000.-
5 Legal Interns (\$400 each)	2,000.-	16,000.-	40,000.-
10 Campesino Land Dispute Mediators (\$200 each)	2,000.-	16,000.-	40,000.-
Contingency 10%		6,080.-	15,200.-
		<hr/>	<hr/>
		66,880.-	167,200.-

B. Commodities

Office Equipment		5,000.-	11,000.-
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C. Training & Education
(on legal issues)

Basic Level courses		11,000.-	24,000.-
Intermediate level courses		8,000.-	15,000.-
Advanced level courses		8,000.-	15,000.-
		<hr/>	<hr/>
		27,000.-	54,000.-

D. Other

Supplies	300.-	2,400.-	6,000.-
Communications	450.-	3,600.-	9,000.-
Rent (main office)	375.-	3,000.-	7,500.-
Travel and per-diem	1,000.-	8,000.-	20,000.-
		<u>115,880.-</u>	<u>271,200.-</u>

IV. U.S. Rural Development Officer
(permanent staff)

Salary and Benefits (50,000 per year)	4,170.-	33,360.-	83,400.-
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V. U.S. Agrarian Reform Officer
(permanent staff)

Salary and benefits (50,000 per year)	4,170.-	33,360.-	83,400.-
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VI. AIFLD Hire - Local

Education Officer (salary and benefits)	800.-	6,400.-	16,000.-
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X VII. Preparations for the establishment of
a Land Reform Training Institute

Study	20,000.-		
Set up	50,000.-	20,000.-	70,000.-

IX. Stores

Administrator of Program, 500/month		4,000.-	7,000.-
Accountant, 500/month		4,000.-	7,000.-
3 administrators of existing stores (3 x 150 = 750/month) (7 months more only)		3,150.-	3,150.-
		<u>11,150.-</u>	<u>17,150.-</u>

NOTE: AIFLD will assist the stores for a period of one year only and the Program Administrator and Accountant for 1-1/2 years. A total of seven stores is contemplated.

1) One Store (8 months operation)
(to begin operations in Sept.)

Salary/manager, 150/month	1,200.-	1,800.-
Equipment/Furniture (one cost)	3,000.-	3,000.-
Starting Inventory	7,000.-	7,000.-
Other	1,000.-	1,000.-
	<hr/>	<hr/>
	12,200.-	12,800.-

2) Store (6 months of operation, in 8 month
period, to begin in Nov.)

Salary/manager, 150/month	900.-	1,800.-
Equipment, furniture	3,000.-	3,000.-
Starting Inventory	7,000.-	7,000.-
Other	800.-	800.-
	<hr/>	<hr/>
	11,700.-	12,600.-

3) Store (4 months operation in 8 month
period to begin in Jan/Feb.)

Salary/manager, 150/month	1,200.-	1,800.-
	<hr/>	<hr/>

4) Store (to begin operations in May)

Salary/manager		1,800.-
Equipment, furniture		3,000.-
Starting Inventory		7,000.-
Other		1,000.-
	<hr/>	<hr/>
	36,250.-	57,150

T O T A L..... 1,781,370.- 3,983,450.-

THE AIFLD COMPONENT OF THE AGRARIAN REFORM ORGANIZATION PROJECTS -

- I. What are AIFLD's long-term objectives for the organization and strengthening of democratic campesino group(s) in El Salvador?
- II. What strategies or mix of strategies will AIFLD employ in pursuit of those objectives?
- III. What should be the role of AIFLD supported groups, if any, in building and strengthening the Phase I coops. What types of activities will be undertaken in this regard.
- IV. What should be the AIFLD supported groups' roles in "Land-to-the Tiller"? Advocacy? Assistance to establish member rights in titling?
- V. AID has decided that multiple channels for AID-financed services such as credit are not desirable. Therefore, the Mission is thinking about the establishment of a special line of credit in the BFA for democratic union members and groups. What are the special credit needs of the members of AIFLD supported groups that must be met. Does AIFLD see the UCS role as facilitative one vis-a-vis production and marketing services? Should AIFLD or UCS make an attempt to organize production and marketing services departments in UCS.
- VI. Two budgets should be prepared. One from the present to May of 1981 and one from the present to May of 1982. Both budgets should take into account the estimated undisbursed amounts of the ESF grant by September of 1980.
- VII. The budget items should be related to programs which have objectives which relate to the overall strategy. There should be no line items whose purpose is not fully explained. The need for contingencies and flexibility in execution should be provided for by an allowance for them of up to 15%.
- VIII. The Mission would like to understand more clearly where the UCS promoters are, what they are doing, and the relationships existing between the ISTA promoters and UCS.

Given to us to help
us in preparation
of AID/ESF Salvador
Submission.