

PDKAN 653

LIMITED SCOPE GRANT AGREEMENT

Between the United States of America, acting through the Agency for International Development ("AID") and The Republic of Peru, acting through the National Planning Institute ("INP") (Grantee or "INP")

1. Project Title: Decentralized Population and Development Policies 2. A.I.D. Project Number: 527-0331

The above-named parties hereby mutually agree to carry out the activities described in this Agreement in accordance with: (1) the terms of this Agreement, including any annexes attached hereto; and (2) any general agreement between the two governments regarding economic or technical cooperation.

3. Amount of AID Grant: \$ 200,000 4. Grantee Contribution: \$ 110,350 5. Project Assistance Completion Date: May 31, 1990

6. This Agreement consists of this title page, Annex A, Description of Project and Annex B, Standard Provisions

7. For the Republic of Peru, 8. For the Agency for International Development.

Signature: César Delgado Barréto.

Title: Minister of Foreign Relations

Date: 30-09-1988

Signature: Donor M. Lion

Title: Mission Director

Date: 21 Sept-88

LIMITED SCOPE GRANT AGREEMENT

ANNEX A

DESCRIPTION OF PROJECT

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| 1. <u>Project Title:</u>
Decentralized Population
and Development Policies | 2. <u>A.I.D. Project Number:</u>
527-0331 |
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3. The parties agree to carry out the following activities pursuant to this Agreement:

I. Purpose

The purpose of this agreement is to assist the National Planning Institute (INP) to develop decentralized, prospective population projections and socio-economic sectoral models for family planning, health, education, and employment to facilitate development planning at the provincial and regional levels and to train national and regional level technicians in three administrative regions in the use of these models and the maintenance and updating of their supporting data bases.

II. Background

A. Introduction

Peru is a country marked by geographical, cultural, economic, and social diversity. Recent economic and demographic growth has been unequally distributed across social and geographic groups, and the rate of socio-economic disequilibrium is accelerating. The Government of Peru (GOP) is attempting to address the twin problems of economic underdevelopment and unbalanced growth through integrated programs to decentralize government planning (regionalization) and to develop coherent population policies.

The availability of reliable and up-to-date statistical data is essential for managers and planners to establish priorities, develop plans, and allocate resources. The aggregated national data currently available to Peruvian planners can and often do mask important regional variations. The lack of disaggregated data takes on added importance as Peru moves toward decentralization through regionalization of government functions. This Project will assist the GOP to develop the data and analytical methods that will permit regional authorities to quantify priority problems and issues and to formulate population and development policies to resolve them.

B. Activities to Date

As the result of an Agreement signed on January 15, 1988, between INP and INANDEP, a non-profit Peruvian research agency, work began in February, 1988 on a decentralized population and development policies program, with limited financial support from The Pathfinder Fund/Latin America South (Pathfinder/LAS). Funding was provided for a team of four senior researchers from INP and INANDEP to prepare a computerized data base for all 153 provinces in Peru. This data base contains 200 variables for the last three census years (1961, 1972 and 1981).

In addition, in May, 1988, the research team participated in an intensive two-week training seminar in the U.S. at the Research Triangle Institute (RTI), on microcomputer-based projection models developed under the AID/W centrally-funded Integrated Population/Development Planning II (INPLAN) Project. The training was financed by The Futures Group (TFG) under the Resources for Awareness of Population Impact on Development (RAPID II) Project, another AID/W centrally-funded population project. The researchers returned to Peru with newly acquired and highly relevant skills and an enthusiasm to move forward as quickly as possible with the activities they had undertaken to date. In fact, they estimated that by August, 1988, they would be able to complete the provincial data base and select the projection models to be adapted for provincial planning. The data base was completed on schedule.

As a result of the progress achieved through the above-mentioned activities and the recognition on the part of funding agencies of the significance, potential, and future application of the work begun by INP and INANDEP, a number of national and international organizations began to discuss the future of this high-priority program. These organizations included INP, INANDEP, Pathfinder/LAS, RTI, TFG, the United Nations Fund for Population Activities (UNFPA), and USAID/Peru. From these discussions emerged the decision to design and execute a 20-month project which would build on the activities undertaken to date. The proposed Project is divided into three discrete but related and contiguous phases; it involves funding from USAID/Peru, UNFPA, Pathfinder/LAS, and RTI and TFG, the latter two organizations under an AID/W centrally-funded project (RAPID III).

This document describes the nature of the activities which will be undertaken over the next 20 months in the three phases of this collaborative effort. Projected time frames and outputs for each phase and the respective roles and responsibilities of all participating entities are detailed.

C. Project Activities

The three phases of the Project and the expected outputs and time frames for each are as follows:

1. Phase I: Six months, October 1, 1988 - March 31, 1989.
 - a. Validation and checks of internal consistency of the population projections and four sectoral projection models using Peruvian national level data.
 - b. Establishment of institutional contacts within the three administrative regions chosen for study (Lima-Callao, Inca, Grau) to develop an inventory of available microcomputers, equipment needs (e.g., memory expansion boards, numerical coprocessors, etc.) and individuals who can participate in the regional training workshops and studies.
 - c. Retrospective descriptive analysis of development-population dynamics at the national and regional levels, using 1961, 1972, and 1981 census data.
 - d. Workshop with national level technicians.
2. Phase II: Nine months, April 1, 1989 - December 31, 1989.
 - a. Adaptation of the national level projection models for use at the regional level.
 - b. Regional planning workshops to prepare for the application of the regional sectoral projection models.
 - c. Application of the regional projection models in three regions (Lima-Callao, Inca, Grau) to generate regional planning estimates.
3. Phase III: Five months, January 1, 1990 - May 31, 1990.

Present plans call for the final phase to be financed by UNFPA, Pathfinder/LAS, and TFG/RTI. For the purpose of completing the multi-donor project description, Phase III is presented below, although no provision for USAID/Peru funding of this phase is made at this time.

- a. Presentation of national and regional sectoral models to high level political officials, planners, other public authorities, technicians and the press.
 - b. Regional workshops for the diffusion of planning estimates.
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- c. Local workshops for the diffusion of planning estimates.
- d. Revisions and updating of the data base and projections as new census and survey data and program service statistics become available.

III. Roles and Responsibilities of the Parties

A total of nine national and international organizations will participate in this Project. The roles and responsibilities of each organization are outlined below, followed by the rationale for the intensive technical assistance and advanced training that will be financed by USAID/Peru.

A. Funding Organizations

1. USAID/Peru - funding of expatriate technical assistance and out-of-country training and oversight for activities in Phases I and II. The Grantee agrees that USAID/Peru shall use its contributions under the project to buy into the AID/W centrally-funded RAPID III Project to enable RTI to provide the technical assistance and arrange for the participant training activities out-of-country.
2. Pathfinder Fund/Latin America South (LAS) - funding of local costs and oversight for activities in Phases I and III.
3. The Futures Group/Research Triangle Institute (TFG/RTI) (RAPID III) - funding of expatriate technical assistance and related costs, oversight for activities in Phases I, II, and III and provision of computer hardware and software to INP/INANDEP.
4. Research Triangle Institute (RTI) - source of microcomputer projection models, out-of-country training, and expatriate technical assistance to the INP/INANDEP team.
5. United Nations Fund for Population Activities (UNFPA) - funding of local costs and oversight for activities in Phases I, II, and III.

A coordinating committee will be formed with one representative from each funding organization. This committee will select a chairman and will meet periodically to discuss project progress, financial and technical issues, and problems encountered.

B. National Counterparts:

1. National Planning Institute (INP) - provide research team leader and overall project management, provincial data base (already compiled), infrastructure and partial computer facilities, conduct national and local training workshops and seminars, and prepare semi-annual, end-of-phase, and final program and financial reports to USAID and other donor agencies.

2. Andean Institute for Development and Population (INANDEP) - provide research team members (3 senior researchers plus assistants) to undertake research activities; conduct jointly with INP national, regional and local training workshops and seminars.
3. National Population Council (CNP) - provide one staff person to local research team for all three phases and organize and sponsor dissemination and training workshops in Phase III.
4. National Statistics Institute (INE) - provide to INP and CNP census and survey data needed for data bases and participate in seminars and workshops.

C. Rationale for Intensive Technical Assistance and Advanced Training

USAID/Peru funding will be utilized to purchase technical assistance from RTI and advanced training for three researchers. Due to the complexity and technological requirements of the computerized projection models, considerable technical assistance will be required to carry out this project. RTI, an innovator in the development of the models to be used in Peru, will provide the services of such staff as demographers, human resources and health specialists, and systems analysts. RTI plans an estimated total of twelve visits to Peru to work with Peruvian counterparts during the life of the project.

The local senior researchers on the INP/INANDEP research team received introductory training in data bases and projection models during the pre-project phase. However, the two-week seminar was insufficient to cover such a new and complex methodology in enough detail that the researchers could be expected to carry out the regional applications on their own. In addition, a new area of training, not included in the original training, has recently been identified as necessary, namely, the use of computers for follow-up and evaluation. Therefore, the training provided under this project will further enhance the abilities and skills of the three Peruvian researchers previously trained at RTI, who will play a major role in implementing this project. This is especially the case in relation to the improved management of software used in the sectoral analyses and the use of computers for follow-up and evaluation.

IV. Budget

A. Total Funding

Total funding from all sources for the Decentralization of Population and Development Policies Project is as follows (in US\$):

<u>Funding Source and Activity</u>	<u>Phase</u>	<u>Level of Funding</u>	<u>Totals</u>
1. <u>Pathfinder/LAS</u>			
- Other costs: INP/INANDEP	I	1,347	
- Dissemination of information: seminar/workshops	III	23,736	

Sub-total			25,083
2. <u>UNFPA</u>			
- In country expenses: salaries, travel, miscellaneous costs	I	25,848	
	II	38,994	
	III	10,148	

Sub-total			74,990
3. <u>The Futures Group/RTI</u>			
- TA and related costs	I	50,000	
- TA and related costs	II	30,000	
- Dissemination of Information: seminar/workshops	III	10,000	

Sub-total			90,000
4. <u>USAID/Peru</u>			
- TA and related costs for RTI	I	77,000	
- TA and related costs for RTI	II	110,154	
- Advanced training	II	12,846	

Sub-total			200,000
5. <u>GOP (INP/INE/CNP) a/</u>			
- Salaries	I, II and III	27,630	
- Physical facilities	I, II and III	5,040	
- Equipment and furnishings	I, II and III	1,680	
- Computers	I, II and III	26,000	
- Statistics	I, II and III	50,000	

Sub-total			110,350
PROJECT TOTAL			500,423

a/ Converted at official Government established exchange rate of I/. 250 = US\$ 1.00 as of September 13, 1988.

SUMMARY PROJECT BUDGET
BY PHASE, FUNDING SOURCE, AND INPUTS
(In U.S. \$)

PHASE I: October 1, 1988 - March 31, 1989

INPUTS	USAID/P	TFG/RTI	UNFPA	PF/LAS	GOP <u>a/</u>	TOTAL
TA	77,000	50,000				127,000
Training						
Other Costs			25,848	1,347	38,105	65,300
Sub-Total	77,000	50,000	25,848	1,347	38,105	192,300

PHASE II: April 1, 1989 - December 31, 1989

INPUTS	USAID/P	TFG/RTI	UNFPA	PF/LAS	GOP <u>a/</u>	TOTAL
TA	110,154	30,000				140,154
Training	12,846					12,846
Other Costs			38,994		57,157	96,151
Sub-Total	123,000	30,000	38,994		57,157	249,151

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PHASE III: January 1, 1990 - May 31, 1990

INPUTS	USAID/P	TEG/RTI	UNFPA	PF/LAS	GOP <u>a/</u>	TOTAL
TA						
Other Costs		10,000	10,148	23,736	15,088	58,972
Sub-total		10,000	10,148	23,736	15,088	58,972

GRAND TOTAL	200,000	90,000	74,990	25,083	110,350	500,423

a/ Converted at official Government established exchange rate of I/. 250 = US\$ 1.00, as of September 13, 1988.

B. Allocation of USAID/Peru funds

1. RTI Technical Assistance

<u>Category</u>	<u>Level of effort</u>	<u>Total Cost (In US\$)</u>
a. Professional & support staff	68 person-weeks	69,650
b. Other direct costs (including supplies, travel, etc)	N/A	30,707
c. Indirect costs (including technical expenses, G&A, fees, etc.)	N/A	<u>86,797</u>
	Sub-Total	187,154
2. Advanced training		<u>12,846</u>
	TOTAL	200,000

V. Evaluation

The pilot project will be evaluated in early 1990 to assess progress in meeting goals and objectives and to identify possible follow-on activities to be financed by USAID/Peru and/or other donors and the GOP to ensure the application and continued utilization of project outputs. Such follow-on activities may include: (A) expansion of the project to other administrative regions; (B) development of micro-computer models in other sectors or sub-sectors; (C) expansion of both technical training and user training workshops at the national, regional, and local levels; and/or (D) follow-up in the first three regions to evaluate the extent to which the models have been used in program planning and evaluation and resource allocation.

VI. Special Provisions: Source, Origin of Commodities and Nationality of Services

Commodities financed by A.I.D. under the Grant, if any, shall have their source and origin in the United States or Peru except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have Peru or the United States as their

place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall be financed only on flag vessels of the United States, except as A.I.D. may otherwise agree in writing.

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