

7D-AAA-087-A1

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AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS PART I		1 TRANSACTION CODE <input type="checkbox"/> A ADD <input type="checkbox"/> C CHANGE <input type="checkbox"/> D - DELETE <input checked="" type="checkbox"/> A	PAF 2 DOCUMENT CODE 5
3 COUNTRY/ENTITY Bolivia		4 DOCUMENT REVISION NUMBER <input type="checkbox"/>	
5 PROJECT NUMBER (7 digits) <input type="text" value="511-0458"/>	6 BUREAU/OFFICE A SYMBOL <input type="text" value="IA"/> B CODE <input type="text" value="5"/>	7 PROJECT TITLE (Maximum 40 characters) <input type="text" value="Rural Sanitation"/>	
8 PROJECT APPROVAL DECISION <input type="checkbox"/> A APPROVED <input type="checkbox"/> D DISAPPROVED <input type="checkbox"/> DE DLAUTHORIZED <input checked="" type="checkbox"/> A		9 EST PERIOD OF IMPLEMENTATION YRS <input type="text" value="0"/> <input type="text" value="4"/> QTRS <input type="text" value="0"/>	

10 APPROVED BUDGET AID APPROPRIATED FUNDS (\$000)

A APPROPRIATION	B PRIMARY PURPOSE CODE	PRIMARY TECH CODE		E 1ST FY <u>77</u>		H 2ND FY <u>78</u>		K 3RD FY <u>79</u>	
		C GRANT	D LOAN	F GRANT	G LOAN	I GRANT	J LOAN	L GRANT	M LOAN
(1) PH	510 <input checked="" type="checkbox"/>	550	550	54	4,000	-	-	74	-
(2)									
(3)									
(4)									
TOTALS				54	4,000	-	-	74	-

A APPROPRIATION	N 4TH FY		O 5TH FY		LIFE OF PROJECT		11 PROJECT FUNDING AUTHORIZED		A GRANT	N LOAN
	G GRANT	P LOAN	R GRANT	S LOAN	T GRANT	U LOAN	1 - LIFEL OF PROJECT	2 INCREMENTAL LIFE OF PROJECT		
(1) PH	72	-			200	4,000			2	1
(2)										
(3)										
(4)										
TOTALS	72	-			200	4,000			C FY PROJECT FUNDING AUTHORIZED THRU <input type="text" value="8"/> <input type="text" value="0"/>	

12 INITIAL PROJECT FUNDING ALLOTMENT REQUESTED (\$000)			13 FUNDS RESERVED FOR ALLOTMENT		
A APPROPRIATION	B ALLOTMENT REQUEST NO <u>4 & 1</u>		TYPED NAME (Chief SER/I W/FSD)		
	C GRANT	D LOAN	SIGNATURE		
(1) PH	54	4,000	<i>James F. ...</i>		
(2)			DATE		
(3)			<u>5/24/77</u>		
(4)					
TOTALS					

14 SOURCE/ORIGIN OF GOODS AND SERVICES

000 (grant)
 941 (loan)
 LOCAL
 OTHER

15 FOR AMENDMENTS, NATURE OF CHANGE PROPOSED

FOR PPC/PIAS USE ONLY	16. AUTHORIZING OFFICE SYMBOL	17. ACTION DATE	18. ACTION REFERENCE (Optional)	ACTION REFERENCE DATE
		MM DD YY		MM DD YY

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C 20523

ASSISTANT
ADMINISTRATOR

A.I.D. Loan No. 511-U-058
(Ref. AID-DLC/P-2220)

PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS

BOLIVIA: Rural Sanitation
Project Number: 511-0458

Pursuant to the authority vested in the Assistant Administrator for Latin America, Agency for International Development ("A.I.D."), by the Foreign Assistance Act of 1961, as amended (the "Act"), and the delegations of authority issued thereunder, I hereby authorize pursuant to Part I, Chapter 1, Section 104 of the Act and in furtherance of the Alliance for Progress a loan in an amount not to exceed Four Million United States Dollars (\$4,000,000) (the "Loan") and a grant in an amount not to exceed Fifty Four Thousand United States Dollars (\$54,000) (the "Grant") to the Republic of Bolivia ("Cooperating Country") to assist in financing certain foreign exchange and local currency costs of goods and services for a program to create an institutional capacity to provide adequate sanitation facilities to rural areas and to provide potable water supplies to approximately 200 villages in southeastern Bolivia (the "Project"). The entire amount of the Loan funding herein authorized and \$54,000 of the Grant funding for the Project will be obligated when the Project Agreement between A.I.D. and the Cooperating Country (the "Project Agreement") is executed.

I approve the total level of A.I.D. appropriated funding planned for the Project of not to exceed Four Million Two Hundred Thousand United States Dollars (\$4,200,000), of which \$4,000,000 will be Loan funded and \$200,000 Grant funded including the funding authorized above, during the period FY 1977 through FY 1980. I approve further increments during that period of Grant funding up to \$146,000, subject to the availability of funds in accordance with A.I.D. allotment procedures.

I hereby authorize the negotiation and execution of the Project Agreement by the officer to whom such authority has been delegated in accordance with A.I.D. regulations and delegations of authority, subject to the following essential terms, covenants and major conditions together with such other terms and conditions as A.I.D. may deem appropriate:

I. Interest Rate and Terms of Repayment

The Cooperating Country shall repay the Loan to A.I.D. in United States Dollars within forty (40) years from the date of first disbursement of the Loan, including a grace period of not to exceed ten (10) years. The Cooperating Country shall pay to A.I.D. in United States Dollars interest from the date of first disbursement of the Loan at the rate of (a) two percent (2%) per annum during the first ten (10) years, and (b) three percent (3%) per annum thereafter on the outstanding disbursed balance of the Loan and on any due and unpaid interest accrued thereon.

II. Source and Origin of Goods and Services

- (i) Except for ocean shipping, goods and services financed by A.I.D. for the Project under the Loan shall have their source and origin in countries included in A.I.D. Geographic Code 941 or in the Cooperating Country except as A.I.D. may otherwise agree in writing. Ocean shipping financed for the Project shall be procured in any eligible country except the Cooperating Country.
- (ii) Goods and services financed by A.I.D. for the Project under the Grant shall have their source and origin in the United States except as A.I.D. may otherwise agree in writing.

III. Conditions Precedent to Initial Disbursement

Prior to any disbursement or to the issuance of any commitment documents under the Project Agreement, the Cooperating Country shall furnish to A.I.D., in form and substance satisfactory to A.I.D.:

- (i) A legal opinion of the Attorney General of Bolivia or other legal counsel acceptable to A.I.D. to the effect that the Project Agreement has been duly authorized and/or ratified by the Cooperating Country and executed on its behalf and that it constitutes a valid and legally binding obligation of the Cooperating Country in accordance with all its terms; and

- (ii) A certified statement of the name of the person or persons authorized under the Project Agreement to act as the Cooperating Country's representative under the Project Agreement, with authenticated specimen signatures of said person or persons.

IV. Conditions Precedent to Subsequent Disbursement

Prior to any disbursement or the issuance of any commitment documents under the Project Agreement to finance other than technical assistance, the Cooperating Country shall furnish to A.I.D., in form and substance satisfactory to A.I.D.:

- (i) A detailed implementation and evaluation plan covering the first year of Project activities which shall include a system for selection and ranking by priority of individual sub-projects;
- (ii) A time-phased plan from the Ministry of Planning and Coordination for the rationalization of the rural water supply sub-sector which delineates the respective jurisdiction and functions of the Department of Environmental Sanitation of the Ministry of Health (D.S.A.) and the National Water Corporation (CORPAGUAS);
- (iii) A time-phased plan for the completion of warehouse storage facilities for Project materials in Cochabamba, Chuquisaca and La Paz; and
- (iv) A vehicle maintenance and storage plan for vehicles purchased with Loan funds.

V. Special Covenants

The Cooperating Country, except as A.I.D. shall otherwise agree in writing, shall covenant that:

- (i) The Government of the Republic of Bolivia ("GOB") will continue to provide budgetary support to the DSA at a level which is adequate to continue the system of regular maintenance of water facilities established under the Project and to cover any costs of maintenance which have not been assumed by the benefited communities;

- (ii) The GOB will provide funds necessary to continue the construction and maintenance of rural water systems by DSA in the same geographic focus as the Project for a minimum of five years after Project completion; and
- (iii) The GOB shall utilize all equipment and materials obtained with Loan funds only for purposes of the Project during the life of the Project and for similar purposes thereafter.

Donna L. Linn

Acting Assistant Administrator

5/25/77

Date

Clearance:

GC/LA, JLKessler _____
LA/SA, JEyre _____
LA/DR, CWeinberg _____
LA/DR, WStickel _____
PPC/DPR, EHogan _____
SER/FM/C, TBlacka _____

Date *5/18/77*
Date _____
Date *5/15/77*
Date _____
Date *5/12/77*
Date *5/22/77*

GC/LA, TLGeiger:lb:5/10/77

TLG ps. ymk

MAY 20 1977

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR (IA)

FROM: LA/DR, Charles B. Weinberg

Problem: To authorize an FY 1977 \$4.2 million Rural Sanitation Loan/Grant to Bolivia.

Discussion: The proposed project will finance activities designed to enhance the institutional capacity within the Ministry of Health's Division of Environmental Sanitation (DSA) to provide sanitary health services to rural communities. The project will support the overall goal of improved health among the rural population, specifically by reducing the incidence of enteric and parasitic diseases in the rural areas.

The implementing agency will be the DSA, which has been charged with rural sanitation control in all towns with populations of less than 2,000. Using project funds, the DSA will design and install water systems and latrines in approximately 200 rural communities with populations from 50 to 800 people, located in the Departments of Cochabamba and Chuquisaca. In addition, the DSA will develop and deliver to participant communities training programs in health education and system maintenance. In the process, the institutional capability of DSA will be developed, its personnel will be trained, and operating procedures will be established that will equip it to replicate the project countrywide. The total cost of the project is estimated at \$6.7 million. The A.I.D. loan will be \$4.0 million, and will finance costs of water system construction, training and education programs, and short-term technical assistance. An AID grant of \$200,000 will finance a long-term advisor in project administration and management. The GOB contribution to the project, totalling \$1.75 million, will finance some portion of the construction costs and all administrative costs. It is estimated that the participant communities will contribute an additional \$750,000 in construction materials and labor. The combined host country contribution is 37% of the total project cost, thus satisfying FAA Section 110(a) requirements.

The project was initially scheduled for authorization in FY 1976 at a funding level of \$9.0 million, and was not included in the FY 1977 Congressional Presentation. An Advice of Program Change was forwarded to Congress on April 13, 1977, advising that the project is now ready to move forward at a reduced funding level. This reduction in loan funding and the addition of a grant element is based on an in-depth analysis of the level of assistance necessary to achieve the project's institutional development objectives and a refined estimate of the ability of the GOB to carry out the activity within the life of the project.

The LA Bureau's Development Assistance Executive Committee (DAEC) reviewed the project on March 3, 1977, and recommended approval.

The DLSC approved the project on March 29, 1977.

Recommendation: That you sign the attached Project Authorization and Request for Allotment of Funds (PAF) form, thereby authorizing the Mission to negotiate and execute a Project Agreement for the Rural Sanitation Loan/Grant.

Attachments: TAB A - PAF
TAB B - Project Paper

LA/DR:Wstickel:gah:5/12/77