

FILE

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

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FDARB449

May 28, 1976

PILOT: 514-201-60054

PROJECT: 514-13-140-201

ALLOTMENT: 402-50-514-00-69-61

APPROPRIATION: 72-11X1023

Father Robert Charlebois
Catholic Relief Services
1011 First Avenue
New York, New York 10022

Subject: Grant AID/1a-G-1137 (Colombia), San Gil Integrated
Project 514-13-140-201

Dear Father Charlebois:

Pursuant to the Foreign Assistance Act of 1961, as amended, and Executive Order 11225, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to Catholic Relief Services (hereinafter referred to as "CRS" or "Grantee") the sum of \$352,729.00 (Three hundred ninety two thousand seven hundred twenty nine dollars) to provide support for a program in Colombia as more fully described in the attachment to this Grant entitled "Program Description."

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period of May 19, 1976 to May 30, 1977. AID planning, subject to periodic AID project evaluation and availability of funds, is to further extend this Grant, up to a total period of three years. No expenditures nor commitments are authorized to be made against such anticipated extension(s) however, and the Grantee is limited to the provisions of this basic Grant until and if such extension(s) is(are) authorized.

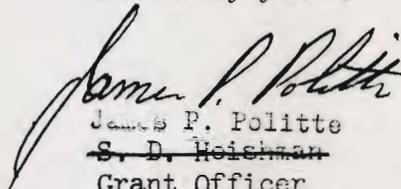
This Grant is made to Catholic Relief Services on the condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment A entitled "Program Description", and Attachment B entitled "Standard Provisions."

BEST AVAILABLE COPY

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 seven (7) copies of the Grant to the Office of Contract Management (CM/ROD/LA), Agency for International Development, Washington, D.C. 20523.

Sincerely yours,



James P. Politte

~~S. D. Heishman~~

Grant Officer

Regional Operations Division - LA

Attachments:

- A. Program Description
- B. Standard Provisions
- C. Payment Provisions
- D. Statement of Assurance of Compliance

ACCEPTED:

Catholic Relief Services

By: 

Title: EXECUTIVE DIRECTOR

Date: JUNE 8, 1976

ATTACHMENT A

PROGRAM DESCRIPTION

A. Purpose of Grant

The purpose of this grant is to provide partial support of a project to establish a self-supporting network of services and incentives affecting 30,000 rural families in three provinces in the Department of Santander del Sur in Colombia. The project is built around the existing Cooperative Federations and an established program of leadership training and basic education created by the Secretariat of Pastoral Social (SEPAS). It will strengthen these institutional structures by establishing within the cooperative movement new services consisting of a road-building unit, consumer stores and a marketing service. In addition, a broad new credit program aimed at providing incentives to small farmers to diversify crops and utilize appropriate technology in the production of food, as well as make necessary home and community improvements, will be established in stages through the cooperatives. In close cooperation with the cooperatives' activities, SEPAS will expand its human resources development program by adding a mobile leadership training team and developing two new programs stressing technical assistance for agricultural improvement and home and health improvement. These programs will allow SEPAS to utilize the extensive network of trained leaders as change agents, thereby producing lasting changes throughout the region.

B. Specific Objectives and Implementation

1. The shared responsibilities of the administration of this project assures its broad-based support. Its implementation centers around a seven-person Management Committee, consisting of: 1) the Central Cooperative Manager; 2) President of the Credit Committee of the Central Cooperative; 3) the SEPAS Director; 4) the Project Coordinator; and Heads of the 5) Leadership; 6) Agricultural Improvement; and 7) Health/Community Improvement Programs. This committee provides a qualified technical management group fully capable of evaluating and making decisions regarding implementation.

This management committee consists entirely of a salaried staff. Project inputs support only three of the seven. This committee also is vital to continuity after external financing ends since it will be in charge of the Operational Reserve generated and the eventual budgeting of its funds.

In addition, the project request includes a highly qualified consultant. He will spend some time each year in the region, to help initiate and assess the effectiveness of agricultural techniques employed. His recommendations are important to determine the technology, equipment and other practices to be introduced. The Grantee shall make available such a consultant, either as an individual or organizational consultant services.

The Project Coordinator has responsibilities touching on all aspects of the project. As project director within SEPAS, he directly oversees the management of all technical assistance programs. He receives regular reports from all members of the committee, and provides a synthesis of the project's progress to the committee. He represents the project's interests with outside organizations, especially governmental. In essence he is the administrator concerned that programmed outputs are being met and that the work of the diverse sections can develop harmoniously.

His support during the first three years is part of the project request, as is his secretary. Also included is the cost of an accountant, who will create and operate the necessary information system, to guarantee that project inputs are carefully controlled and the accounting carried out. SEPAS is contributing a bi-lingual secretary/administrative assistant to round out the needs of this coordinating department.

This department is also responsible for meeting the logistical needs of the project. Funds requested for office equipment, supplies, vehicle maintenance, and dictating material is distributed to the diverse programs through this department. Other overhead costs including office space, utilities etc. is contained within SEPAS' administrative budget.

Under this general supervisory structure, the diverse programs will develop. The programs administered by SEPAS are discussed first.

Leadership Training:

This program has two facets--the structured courses given in the Institute's two schools, and the extension courses. Since it is assumed the Institute will be able to maintain its program through existing inputs, additional inputs are requested only for the extension aspects.

The project's inputs will increase the mobile team from four to eight full-time members. Also supplied for the

program is a second vehicle, especially fitted with audio-visual equipment. This will be used for demonstrations and courses to be given in the communities. These courses will offer visual examples of the achievements of other groups, as well as other information designed to stimulate community action.

The team should devote an average of 15 days each month to working in the field. Their primary objective will be to increase the number of organized groups from 29, with 1,500 active participants, to 50, with 3,500 active members.

SEPAS intends to publish regularly a bulletin to facilitate communication among the groups. A yearly seminar in each of the three provinces is planned with a bi-annual Congress, to give the campesinos an organized voice in their affairs. Leaders selected from this Congress, then, will represent the movement's interests in relation to regional and national bodies. Four Congresses have already been held, and any subsequent ones should be improved by the results of the seminars. The campesinos themselves pay for these meetings.

This organization enables the campesino groups to request and often receive better services from private and governmental institutions. They will also provide the leadership necessary to make the other programs within the project successful.

Agricultural Improvement:

The initial inputs required are the hiring of four agronomists, and the training of ten extensionists. The extensionists will be selected from among those completing the secondary course at Zapatoaca. Their two-year training period consists of six-month courses offered by SEMA (National Apprenticeship Service), and six months of field work under the supervision of the agronomists. In the third year the extensionists will become salaried employees.

The four agronomists will necessarily be experienced practitioners of their trade with ample field experience, and hopefully an intimate knowledge of the region. A firm understanding of the ideals of the Social Leadership Institute and the area cooperatives will be a requisite in carrying out the general scope of activities programmed. Ideally, the four will reside in four distinct farming areas of the region--Zapatoaca, Páramo, Velez, and San Gil. The agronomist resident in San Gil will be considered the program director.

Three of the four agronomists--with the exception of the one to be located in Velez--will each be assisted by two extensionists: the agronomist assigned to the region of Velez, because of its comparatively large extension, will be assisted by three extensionists. The remaining extensionists will constitute a reserve for these four teams. These teams have two basic functions. One is the creation and maintenance of the model farms: the other is direct technical assistance to the farmer.

Each agronomist will prepare a detailed financial plan for his model farm. On each of them a variety of the region's crops will be cultivated, according to only those technological methods that are relevant to the local small farmer, such as the use of intermediate technology, improved seeds, and fertilizers. Fruits and vegetables, which have not previously been tried in the region will also be experimented with. Certain areas will be set aside for raising animals, for a typical family garden model, and for a nursery. Organized demonstrations are planned to attract 720 farmers to each farm annually.

The model farms, then, will evolve into supply stations for certain hybrid plants and seeds, and will be operated in conjunction with the credit program for those cooperative members who may wish to follow the practices carried out on the farms. In this manner they are an essential element of the integrated activities of the project. The sale of their supplies should allow the farms to become self-sufficient, as well as self-supporting.

The teams will give priority to offering direct assistance to those farmers prepared to innovate in their modes of production. Most of these farmers are included among those who will seek credit through the cooperatives, so that these programs will be mutually reinforcing. It is estimated that, once fully organized, each team will carry a caseload of 90 farmers a year. Additional farmers will be reached by courses dealing with topics of interest to the local farmers: these will be organized in the communities by each agronomist. Inputs for two vehicles are linked to the needs for transportation principally within this activity.

Finally, during their work the four teams will nominate farmers who show the most promise as leaders and innovators for producing desirable changes in their respective

communities. Thirty of these farmers will receive scholarships to undertake further practical studies in courses offered by ICA and SENA, which in most cases are given outside of San Gil. This training is an additional incentive for higher achievement to the small farmer.

Health/Community Improvement:

Initial project inputs are needed for the hiring of a Home Economist, a doctor, and the training and salaries for ten extensionists. The extensionists most likely will receive their six months of training in a private Institute in Santa Rosa de Cabal in the Department of Caldas, which specializes in educating campesino girls in home economics.

SEPAS will select extensionists from among candidates who have completed at least primary studies at Páramo. Since the extensionists will work principally in the region where they reside, geographical distribution is another consideration.

Once employed, they will work under the direct supervision of the Home Economist, who is also the head of the program. The Home Economist will plan campaigns in each area revolving around veredas, supervise their execution, and evaluate the results.

The doctor is needed to ensure that health care and preventive medicine is included within the concept of community improvement. He will train the extensionists in first-aid care and health fundamentals. In addition, by means of courses offered in the field, his objective will be to leave each vereda with persons trained as health monitors, who can administer first aid, give vaccinations and attend to minor emergency cases. Special attention will be given to training women who assist in prenatal care and childbirths in each community. It is also planned that the physician's contact with the health problems of the rural area will make him an excellent liaison with governmental agencies to promote and improve their services.

Many leadership groups have demonstrated their interest in this program through the activities they now carry out. The campaigns, then, are closely coordinated with these groups, choosing the neediest--but best prepared--veredas at first. Besides the health programs already mentioned, the education campaigns focus on nutrition, hygiene and sanitation problems

through courses and home visits by the extensionists. Once the community decides on its most urgent needs, it is encouraged to take advantage of the credit possibilities created through the cooperatives, especially for family gardens and community and home improvements. As an additional project input, 50 CIMBA-RAM hand-operated block-making machines plus a tool bank are available on loan to facilitate construction projects generated by this activity. These campaigns are programmed to reach 45 veredas a year. Other veredas may be benefited as well through visits from the project's personnel and the multiplier effect of the campaigns.

Another important objective of this program is to organize women into clubs. These clubs can serve an economic as well as social function, and are essential to increasing roles of women in their communities. Cottage industries and artisan activities are excellent economic possibilities. SEPAS intends to organize 100 clubs the first three years and 150 by the end of this five-year project.

The additional vehicle input will be essential to fulfill the travel needs of the doctor and the Home Economist.

The programs administered directly by the Central Cooperative take advantage of this institution's expertise and organizational structure for handling commercial enterprise. Naturally, the existing personnel structure will be augmented to handle the increased load. As the project develops, the Central Cooperative plans to increase its extension monitoring staff from one to three extensionists by the third year. A full-time auditor by the third year is also planned for, as are the increases in operating costs related to handling larger amounts of credit. All additional costs to the extent not directly funded, will be covered by the income made possible by project inputs.

Road Construction:

The required project inputs necessary to establish this service consist of a bulldozer, dump truck, and compressor. Many communities with no existing vehicle access have already requested this service.

Access roads as requested would require the construction of 113 Kms. of roads through difficult terrain. SEPAS' past experience in self-help projects has demonstrated the willingness of

communities to enter into pick and shovel road construction. However, the nature and size of these proposed access roads place them beyond the capabilities of just manual labor and requires heavy equipment.

In order to utilize the equipment each community has to present a plan for construction acceptable to the cooperative. The local community must be prepared to pay an hourly rent for the use of the machinery, provide material costs for bridges, culverts and ditches as well as organize volunteer labor, estimated at 25 men per day.

There are 45 legally recognized Acción Comunal groups in the San Gil region. These groups meet governmental requirements for state aid, and offer an excellent vehicle for undertaking this type of project. Many Acción Comunal leaders have been through the Leadership Institute, and consequently participate in leadership group activities also.

These projects, then, will be carried out either through the many Acción Comunal or Leadership Groups, which will depend on their financing from community contributions, fund-raising events, departmental level grants, or through loans such as those mentioned in the Rural Credit Program.

The Central Cooperative will hire an experienced crew to operate this equipment, which will be paid through income generated by this service. The crew has a supervisor who receives all requests from community groups and studies them for viability. The final decision in which projects to implement will remain with the Management Committee of the project. Cost calculations are included in the appendix for maintenance and depreciation as well.

Other inputs are included from the government in the form of local transport of the bulldozer, which the Departmental Public Works agency has indicated its ability in most cases to provide. This agency also will supply topographical studies, some of which have already been done, as needed. Finally, the government sponsored program of "Caminos Vecinales", can in some cases give wages to the workers involved in self-help road construction. This type of input should amount to a minimum of \$9,000 a year.

The outputs resulting from this service are calculated at 290 kilometers of new roads constructed during the life of the project. These roads are estimated to benefit directly 17,400 persons in 57 veredas. Naturally, other nearby veredas will be benefited by closer vehicle access, and the machinery on occasion will be used for road maintenance and improvement.

Marketing Transport:

Two trucks for hauling freight are included as project inputs in order to allow the Central Cooperative to establish a regular internal transportation service. Highest priority is to serve the growing number of consumer cooperatives--16 over five years--calculated in the outputs of the Credit Program. In addition, it will allow the cooperatives to begin a modest marketing service, taking advantage of the increased agricultural production during the life of the project.

Two trucks are considered adequate to prevent any bottlenecks in transportation. The trucks, based in San Gil, will follow fixed routes, offering regular weekly services to the cooperatives. Commercial rates less a small discount will be offered to the cooperatives for shipments. The creation of this service in no way should interfere with normal commercial transport companies since it will not compete for any substantial amount of existing commerce.

The output of this service is measured in 1,500 tons of cargo hauled annually. This rate of activity ensures its self-financing and allows it to make a significant contribution to the Operational Reserve necessary for the continuity of the entire project.

Based on their initial experience with this service, the Central Cooperative can decide whether to expand or not its marketing activities.

Rural Credit:

A substantial percentage of the rural credit activity financing is programmed to be financed by AID under this Grant. The Grantee shall endeavor to obtain the additional financing necessary from FINANCIACOOP and other sources as appropriate.

In order to ensure the integration of activities, the Management Committee will be responsible for supervising rural credit. This procedure will also afford the Central Cooperative the necessary technical assistance in administering the program.

Individual requests for loans stimulated through the other programs within this project are channeled to the local savings cooperatives, where the borrower's credit risk is determined. If the requests received fit within the criteria governing this Credit Program, then they are directed to the Central Cooperative. The committee studies the requests of technical assistance. Their recommendations, then, are submitted to the Credit Committee of the Central Cooperative for final action. The loans made under this program will carry the Central Cooperative's normal interest rate to indi-

vidual cooperatives. At present this rate is a maximum of 13% per annum, although it is possible that the government will be increasing this limit in the near future.

The Credit Program is divided into six sections, each with specific objectives:

1. Consumer Cooperatives - These loans are designed to strengthen the three existing consumer cooperatives and to stimulate more credit unions into organizing others. The purpose of the cooperatives is to increase members' family income by decreasing the cost of essential consumer supplies. In addition, they can provide outlets for necessary agricultural supplies. The agronomists can assist the cooperatives in planning their purchases of these supplies.

The cooperatives purchase most consumer items and agricultural supplies in bulk in Bucaramanga and Bogotá, and transport them in the cooperative's trucks. Initially, the cooperatives, then, will also purchase quantities of produce easily marketable in other areas for transport in the same trucks. It is this direct buying and selling that should produce the greatest benefit for the farmer, and provide the basis for a potentially larger marketing service in the future.

The average loan to each cooperative revolves around \$5,000 for terms of two years. Eight cooperatives, including three already in existence are programmed to receive loans in the first year. The repayment of these loans, then, will be applied in the creation of additional cooperatives, which should reach a total of 19 by the end of the project.

2. Production - These loans are most similar to the type of credit presently handled by the credit union cooperatives. However, priority use of this project input is given to farmers who demonstrate they are prepared to utilize appropriate technology, such as better seed varieties, fertilizers, insecticides, and agricultural implements, to increase their present productivity. Many farmers will also utilize this credit to begin diversification schemes. These types of loans, naturally, are closely linked to the Agricultural Improvement Programs. In most cases, their purpose is to give farmers the means to implement improvements recommended by the Agriculture Team. In addition, the teams will visit these projects to ensure not only a higher percentage of successful results, but also continuous feedback. The demonstration effect of these projects is also an important factor for multiplying the influence of this activity.

The average loan is programmed for \$400, at a term of 12 months. Considerable variation may exist because of the distinct needs of diverse crops. The project inputs are phased over three years to allow time for structuring the necessary technical assistance. By the third year, the cooperative should be financing 100 projects a year. Loans to the same farmers in different years are possible, but should not exceed a third of the projects approved.

3. Family Gardens - These loans support the objective of improving nutritional levels. The various technical assistance programs will stimulate families to start these gardens or improve those in existence. The success of the model farm will provide visible proof of the possibilities as well as supply some of the needed seedlings.

The basic technique is an ideal combination of fruits and vegetables, which can be planted on one-fifth of a hectare. A project funded by AID in the Dominican Republic has indicated that a family of five can satisfy their basic nutritional needs for these products utilizing this technique.

The average loan is calculated at \$50 per family for a term of one year. Repetition of loans to the same families should be minimal, so that nearly 8,000 families can be benefited by this activity over the life of the project.

4. Dairy Farming - Belonging to the cooperatives involved in this project are many members who have had little or no experience with "private property". This activity, then, seeks to supply the credit unions with funds for these members who truly aspire to achieve that goal. The proposed plan would help individual, and/or associated groups of low income rural families to initially obtain and keep a milk cow.

On the majority of the land parcels occupied by many cooperatives' members who are tenant farmers, there exist marginal corners, strips, and fringe areas, which have no productive use. These areas could be easily taken advantage of by one or two cows, and with little additional cost to the owner.

When one considers the present high starch nature of the campesino's diet, the presence of milk is vital to improving nutrition. Each producer should be able to sell his excess production from one cow to three or four other families, thereby increasing the scope of this nutritional benefit.

The average loan for this program is \$275, with a term of two years. In this program the cooperatives are contributing 30% of each loan from their own capital, while 70% comes from outside project inputs. This procedure allows them to finance 160 projects in the first two years and 320 over five years.

One other benefit planned in this activity will be for each cow to produce a calf a year, which will undoubtedly help in the cancellation of the original loan. To achieve this objective, ICA will offer artificial insemination through their facilities in the area to each of the borrowers, at minimal costs. ICA is presently expanding its services in this field. ICA estimates that its costs to the recipient for the service of each impregnation will not surpass US\$15 per cow. The service would also figure as an important step in improving the breed of cattle in the region.

Those farmers who wish to take out a loan under the Dairy Cow Plan, will also have the option to have their cows artificially inseminated. Considering the possibility that each cow could produce an offspring per year, three calves could be the result at the end of the project period; this would mean an increase of approximately 480 head of improved cattle in the region, excluding the original 160 cows.

This additional service would add \$30 to the average loan. It will be optional, but the cooperatives will encourage farmers who presently own cows also to take advantage of the service.

5. Health/Community Improvement - This activity finances non-income generating projects that are a high priority concern to the community. Financing will generally cover complementary materials for construction.

The campaigns discussed under this program will generate most of these loans. Combined with the tools and machine inputs already planned, they provide an effective combination of resources for low-cost realization of these projects. Most projects are accomplished with technical know-how available locally.

Sixty percent of loans are planned for housing improvements that can afford campesinos better sanitation conditions at little extra cost. Community projects, especially remodeling schoolhouses, building social centers, and providing drinking water would absorb the rest. Other occasional possibilities are for construction of recreational facilities.

The average loan is \$100 for a term of one year; although home improvements are closer to \$70, while community projects would range around \$140. Two hundred projects a year would be financed.

6. Others or Innovative Projects - This category encompasses about 40% of the total project inputs into credit. It involves financing projects that represent genuine departures from existing practices.

Most loans are destined for group enterprises. Small rural industries such as processing food products, and handicrafts are expected to be most common. Community infrastructure for water supply for crops, electrification and other potentially income-generating improvements should be a close second in importance. Another possibility is loans for marketing needs, which would include storing of crops for future sales.

Individual entrepreneurs may also qualify, especially if they represent new ideas which can be multiplied. Crops which show promise of providing a basis for diversification, or irrigation systems are good examples of projects expected.

All these loan projects will receive technical assistance before approval and during their implementation from project staff. Where necessary, the project holder may also have to secure additional technical assistance from local agencies. Essentially, then, these loans offer an outlet for creative energies, which this project engenders.

The average loan is calculated at \$2,400, at a term of two years. Sixable variations may occur, but this average allows for 235 projects over five years, taking into account the upward phasing of project inputs during the first three years.

C. Reporting

Within 30 days following signing of the grant agreement, CRS will submit a report in triplicate covering the implementation plan for each subproject for the current quarter of the fiscal year, including the financial, technical and other inputs to be required, the anticipated contribution those inputs will make toward obtaining outputs and accomplishing objectives and the major actions to be carried out by CRS and the other participating entities during that quarter. No later than 30 days following the end of each quarter thereafter, CRS shall submit reports for each subproject which will cover the provision of financial, technical, and other inputs by CRS and the other participating entities. Alternate quarterly reports should include: 1) management, technical, or other problems which have been experienced in obtaining inputs in a timely fashion and the actions which have been taken to resolve those problems and prevent their re-occurrence; 2) progress which has been made toward achieving those outputs and accomplishing the objectives of the subproject; 3) management, technical, or other problems which have been encountered by CRS or other participating entities in obtaining the outputs or which have been hindering accomplishment of the objectives of the subproject and the actions which have been taken to resolve those problems and prevent their reoccurrence; 4) an implementation plan for the current 2 quarters similar to the ones submitted by CRS following the signing of the grant agreement; and such other information as CRS deems relevant or as AID may reasonably require from time to time. CRS shall also submit such reports as may be required by the Evaluation Plan for each subproject which is to be submitted to AID for its approval no later than 30 days following the signing of the grant agreement unless otherwise agreed to in writing by AID. All reports required herein should consist of both tabular and narrative sections with three copies to the USAID Project Office; and four copies to AID, Washington, D.C. 20523 one marked for LA/MRSD/SCD, one for LA/NC/C, one for CM/ROD/LA and one for SER/FM/PSD. The tabular section should show funds received, expenditures made, and pipeline by which major cost elements and under functional headings and should also contain a useful quantification of program achievements. The narrative detail should discuss briefly the information contained in the tables.

E. Budget

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

I. SEPAS (**)

A. Coordination and Evaluation

1.	Salaries and travel	
a.	Project coordinator	7,000
b.	Agricultural consultant	20,000
c.	Accountant/bookkeeper	3,850
d.	Secretary	1,890
2.	Estimated variable costs (for all SEPAS project personnel use)	
a.	3 vehicles (maintenance, insurance, repairs)	
b.	Office supplies	
c.	Didactic Material	9,000
3.	Office equipment (for all SEPAS project personnel use)	3,500
4.	Project evaluation	10,000
	SUBTOTAL.....	55,240

B. Leadership Training -0-

C. Agricultural Improvement and Diversification

1.	Scholarships: Extensionists (10)	7,440
2.	Salaries and travel	
a.	Agronomists (4)	19,084
b.	Extensionists (10)	
3.	2 vehicles	
a.	Purchase	12,500
4.	Establishment of 4 Model Farms (2/year)	24,000
5.	Training of 15 Model Farmers	
	SUBTOTAL.....	63,024

I. SEPAS (continued)

D. Diversified Health/Community Improvement

1.	Scholarships: Extensionists	
	6 months (10)	3,770
2.	Salaries and travel	
	a. Home Economist/Nutritionist	4,340
	b. Extensionists (10)	5,390
	c. Medical Doctor	5,920
3.	Vehicle	
	a. Purchase	6,250
4.	Housing/Community Improvements	
	a. Blockmaking machines	2,823
	b. Tool Bank	7,270
	SUBTOTAL.....	35,765
	GRAND SUBTOTAL SEPAS.....	154,029

II. CENTRAL COOPERATIVE (**)

A. Access Roads

1.	Bulldozer	
	a. Purchase	72,000
2.	Dump truck	
	a. Purchase	12,000
3.	Compressor	
	a. Purchase	10,500
	SUBTOTAL.....	94,500

B. Market Transportation

1.	2 trucks	
	a. Purchase	21,200
	SUBTOTAL.....	21,200

C. Rural Credit (*)

		98,000
	SUBTOTAL.....	98,000

D. Administrative Costs

		25,000
	SUBTOTAL.....	25,000

	SUBTOTAL.....	144,200
	GRAND SUBTOTAL CENTRAL COOPERATIVE.....	238,700

	GRAND TOTAL AID FUNDING.....	392,729
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In pursuit of project objectives the Grantee is allowed latitude in commitments and expenditures between line items of the budget, with the exceptions of the line items for Rural Credit (*), and the more general categories of SEPAS (**) and Central Cooperative (**). For Rural Credit, none of this amount specified may be allocated for other purposes. Further no funds may be allocated from other categories for this purpose. A ten percent (10%) latitude will be allowed as between the general categories of SEPAS and Central Cooperative, so long as the total obligation amount specified in the Cover Letter of the Grant and Budget Total is not exceeded.

ATTACHMENT B, STANDARD PROVISIONS

The Standard Provisions of this Attachment B consists of the following:

Annex 1, Standard Provisions (Specific Support, 10/15/74, provisions a. thru k.

Annex 2, Optional Provisions. Applicable Optional provisions and the Alterations to Grant provisions, are as follows:

1. Travel & Transportation (Oct 1974)
2. Regulations Governing Employees Outside the United States (Oct 1974).
3. Conversion of United States Dollars to Local Currency (Oct 1974)
4. Ineligible Countries (Oct 1974)
5. Subordinate Agreements (Oct 1974)
6. Publications (Oct 1974)
7. Patents (Oct 1974)
8. Procurement of Equipment, Vehicles, Supplies, Materials, and Services (Oct 1974)
9. Title to and Use of Property (Grantee) (Oct 1974)
10. Salaries (Oct 1974)
11. Alterations to Grant

STANDARD PROVISIONS

a. Allowable Costs and Payment (Oct. 1974)

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 of the Federal Procurement Regulations (FPR) (Principles and Procedures for use in Cost Reimbursement Type Supply and Research Contracts with Commercial Organizations)* in effect on the date of this Grant. Payment of allowable costs shall be in accordance with Attachment C of this Grant.

[*If this Grant is made to a university, the applicable cost principles are "Federal Management Circular, 73-8 (Cost Principles for Educational Institutions)" instead of Subpart 15.2 of the FPR as cited above]

b. Accounting, Records, and Audit (Oct. 1974)

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 (1) until the expiration of three years from the date of termination of the program and (2) 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.

c. Refunds (Oct. 1974)

(1) 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, Grantee shall refund to AID an amount equivalent to the amount of interest accrued.

(2) 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 Grantee 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.

(3) 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.

d. Equal Opportunity Employment (Oct. 1974)

With regard to the employment of persons in the U.S. under this Grant, Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to race, religion, sex, color or national origin of such persons and that, 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, religion, sex, 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."

e. Termination (Oct. 1974)

This Grant may be terminated at any time, in whole or in part, by the Grant Officer upon written notice to the Grantee, whenever for any reason he shall determine that such termination is in the best interest of the Government. Upon receipt of and in accordance with such notice, 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 thirty (30) calendar days after the effective date of such termination repay to the Grantor all unexpended portions of funds theretofore paid by the Grantor to the Grantee which are not otherwise obligated by a legally binding transaction applicable to this Grant. Should the funds paid by the Grantor to the Grantee prior to the effective date of this 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 Grantor within (90) calendar days after the effective date of such termination a written claim covering such obligations, and, subject to the limitations contained in the Grant, the Grant Officer shall determine the amount or amounts to be paid by the Grantor to the Grantee under such claim.

f. Officials Not to Benefit (Oct. 1974)

No member of or delegate to Congress or resident 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.

g. Covenant Against Contingent Fee (Oct. 1974)

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.

n. Nonliability (Oct. 1974)

AID does not assume liability with respect to any claims for damages arising out of work supported by its grants.

i. Amendment (Oct. 1974)

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

j. Grant Agreement (Oct. 1974)

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 Agreement.

k. Notices (Oct. 1974)

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 cognizant AID Grant Officer

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

1 Travel and Transportation (Oct. 1974)

(1) The Grant Officer hereby approves international travel hereunder provided that the Grantee shall obtain written concurrence from the cognizant technical office in AID prior to sending any individual outside the United States to perform work under the Grant. For this purpose the Grantee shall advise the Project Manager at least thirty (30) days in advance of any travel to be undertaken outside the United States. After concurrence is received the Grantee shall provide the cognizant USAID 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.

(2) 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.

(3) The Grantee agrees to travel by the most direct and expeditious route, and to use less than first class transportation unless such use will result in unreasonable delay or increased costs.

(a) All international air travel 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 or other documents retained as part of his Grant records to support his claim for reimbursement and for post audit:

1. Where a flight by a United States carrier is scheduled but does not have accommodations available when reservations are sought;

2. Where the departure time, routing, or other features of a United States carrier would interfere with or prevent the satisfactory performance of official business;

3. Where a scheduled flight by a United States carrier is delayed because of weather, mechanical, or other conditions to such an extent that use of a non-United States carrier is in the Government's interest;

Travel and Transportation - Page 2 of 2

4. Where the appropriate class of accommodations is available on both United States and non-United States carriers, but the use of the United States carrier will result in higher total United States dollar cost to the grant due to additional per diem or other expenses; and

5. Where the appropriate class of accommodations is available only on a non-United States carrier and the cost of transportation and related per diem on the non-U.S. carrier is less than the cost of available accommodations of another class on a United States carrier and related per diem.

(b) All international air shipments under this grant shall be made on United States flag carriers unless shipment would, in the judgment of the Grantee, be delayed an unreasonable time awaiting a United States carrier either at point of origin or transshipment, provided that the Grantee certifies to the facts in the vouchers or other documents retained as part of the Grant records to support his claim for reimbursement and for post audit.

(4) Travel allowances shall be reimbursed in accordance with the Federal Travel Regulations (FTR).

2. Regulations Governing Employees Outside the United States (Oct. 1974)

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

(2) 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.

(3) 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.

(4) 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.

(5) On the written request of the Grant Officer or of a cognizant Mission Director, the Grantee will terminate the assignment of any individual to any work under the Grant and, as requested, will use its best efforts to cause the return to the United States of the individual from overseas or his departure from a foreign country or a particular foreign locale.

(6) Allowances for employees assigned overseas shall be reimbursed in accordance with the Federal Travel Regulations (FTR).

3. Conversion of United States Dollars to Local Currency (Oct. 1974)

In countries designated "excess" or "near-excess" currency countries, Grantee agrees to convert all United States dollars to local currency through the United States Disbursing Officer, (USDO), American Embassy, unless the Disbursing Officer directs the Grantee otherwise or certifies that no local currency is available.

4. Ineligible Countries (Oct. 1974)

Unless otherwise approved by the Grant Officer, no grant funds will be expended in countries ineligible for assistance under the Foreign Assistance Act of 1951, as amended, or under acts appropriating funds for foreign assistance.

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5, Subordinate Agreements (Oct. 1974)

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. 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.

6. Publications (Oct. 1974)

(1) 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.

(2) 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.

(3) 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.

(4) The Grantee is permitted to secure copyright to any publication produced or composed under the Grant. 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 and to permit others to do so.

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7.

Patents (Oct. 1974)

(1) 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 16887.

(2) Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

8

Procurement of Equipment, Vehicles, Supplies, Materials, and Services (Oct. 1974)

(1) Except as may be specifically approved or directed in advance by the Grant Officer, or as provided in paragraphs (2), (3), and (4) below, all equipment, vehicles, materials, supplies and services the costs of which are to be attributed to this Grant and which will be financed with United States dollars shall be purchased in and shipped from the United States. In addition, for any U.S. purchase transaction in excess of \$2,500 the Grantee shall notify the seller that the item(s) must be of U.S. source and production and comply with the componentry limitations and other requirements applicable to suppliers under AID Regulation I, and that the supplier must execute and furnish Form AID-282 "Suppliers Certificate and Agreement with the Agency for International Development".

(2) Exceptions to the foregoing are as follows (for Title X Grants only):

Grantee may permit a subgrantee (or the Grantee on his behalf) to procure commodities already in its country (with the exception of contraceptives, drug products, pharmaceuticals, and motor vehicles) in an amount not exceeding a total cost of \$5,000 per subgrantee per annum without regard to limitations, rules and procedures applicable to commodity transactions financed by AID. Such commodities shall not be considered "Already in its country" within the meaning of the aforementioned exception if the commodities have been imported or otherwise brought into the country at the request of the Grantee or subgrantee. A subgrantee's own country for this purpose shall in no event include any of the following: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Spain, Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, South Africa, Sweden, Switzerland, and United Kingdom. The Grantee shall take all reasonable precautions to ensure that the subgrantee does not procure any commodity which has as its country of origin any of the following countries: Albania, Bulgaria, China (Mainland and other Communist-controlled areas), including Manchuria, Inner Mongolia, the provinces of Tsinghai and Sikang, Sinkiang, Tibet, and former Kwantung Leased Territory, the present Port Arthur Naval Base Areas, and Liaoning Province, Cuba, German Democratic Republic, Hungary, North Korea, North Vietnam, Outer Mongolia, Poland, Rumania, and the Union of Soviet Socialist Republics.

(3) Printed or audio visual teaching materials may, to the extent necessary, be purchased outside the United States when:

Procurement of Equipment, Etc. - Page 2 of 3

(a) Effective use of the materials depend on their being in the local language, and

(b) Other funds including U.S. owned and controlled local currencies are not readily available for procurement of such material.

The order of preference as to countries in which such purchases outside the United States are made shall be:

1. The AID receiving country
2. Countries falling within AID Geographic Code 901
3. Other Countries falling within AID Geographic Code 499

AID Geographic Codes are defined in AIDPR 7-0.5201.1.

(4) Procurements in the country in which an activity is being undertaken and which are less than \$2,500 and are for materials (regularly available and normally sold on the local market) which are to be consumed or expended during the period of this Grant, are exempt from the conditions of Paragraph 1 above, provided that the origin of such materials and supplies and the component parts thereof is a free world country as described in AID Geographic Code 905.

(5) All international air shipments made by the Grantee, to be financed hereunder, shall be made on U.S. flag carriers unless shipment would, in the judgment of the Grantee, be delayed an unreasonable time awaiting a U.S. carrier, either at the point of origin or transshipment, provided that the Grantee certifies to the facts in the documents retained as part of his Grant records for post audit by AID. All international ocean shipment 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 obtain a release from this requirement from the Transportation Support Division, Office of Commodity Management, AID, Washington, D.C. 20523, as appropriate, giving the basis for the request.

(6) The Grantee shall obtain competition to the maximum extent possible for any procurement to be financed hereunder. Procurement by the Grantee without consideration of more than one source must be approved by the Grant Officer. In no event will any procurement be on a cost-plus-a-percentage-of-cost basis. The Grantee shall take all reasonable steps necessary to insure that subgrantees procuring in accordance with Paragraph (2) obtain competition to the maximum extent possible. In addition to the foregoing, for purchases made in the United States the cost of which are to be attributed to this Grant, the Grantee shall comply with the following requirements:

To permit AID, in accordance with the Small Business Provisions of the Mutual Security Act, 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 Office of Small Business, AID, Washington, D.C. 20525 at least 45 days prior to placing any order or contract in excess of Five Thousand (\$5,000) Dollars, except where a shorter time is requested of, and granted by the Office of Small Business:

(a) Brief general description and quantity of commodities or services;

(b) Closing date for receiving quotations or bids;

(c) Address where invitations or specifications may be obtained.

(7) 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", Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be attributed to this grant. AID will provide Grantee with this list.

9. Title to and Use of Property (Grantee) (Oct. 1974)

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

(1) The Grantee shall not, under any Government contract or subcontract thereunder, or any Government grant, charge for any depreciation, amortization, or use of any property title to which remains in the Grantee under this clause.

(2) The Grantee agrees to use and maintain the property for the purpose of the grant.

(3) With respect to items having an acquisition cost of \$1,000 or more, title to which vests in the Grantee, the Grantee agrees:

(a) 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.

(b) 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 the Grant.

10. Salaries (Oct 1974)

All salaries, wages, fees, and stipends reimbursed under this Grant shall be in accordance with the Grantee's policy and practice as reviewed and approved by the Grant Officer. In the absence of an approved policy the Grantee shall follow the regulations contained in Section 7-15.209-6 of the Agency for International Development Procurement Regulations.

[Applicable to Specific Support Grants with Catholic Relief Services (CRS)]

The following alterations are made to Specific Support Grant Optional Provision Nos. 1.a., 1.b., and 1.n. as contained in A.I.D. Handbook 13 - Grants:

A. Delete Paragraph (4) in Specific Support Grant Optional Provision No. 1.a., entitled "Travel and Transportation", and in lieu thereof insert the following:

"(4) Travel allowances shall be reimbursed in accordance with the following numbered and dated pages of the Catholic Relief Services - United States Catholic Conference, Inc. Manual of Personnel Policies which have been accepted by A.I.D.:

<u>Page No.</u>	<u>Date</u>
1	12- 1-74
2	11-15-72
2a	8- 1-72
2b	12- 1-74
7	9- 1-73
19	9- 1-73
19a	11-15-72
19b	2-14-75 ."

B. Delete Paragraph (6) in Specific Support Grant Optional Provision No. 1.b., entitled "Regulations Governing Employees Outside the United States", and in lieu thereof insert the following:

"(6) Allowances for employees assigned overseas shall be reimbursed in accordance with the following numbered and dated pages of the Catholic Relief Services - United States Conference, Inc. Manual of Personnel Policies which have been accepted by A.I.D.:

<u>Page No.</u>	<u>Date</u>
14	1- 1-70
16	8- 1-74
17	1- 1-73
17a	8- 1-73
17b	1- 1-73
19	9- 1-73
19a	11-15-72
19b	2-14-75 ."

C. Delete Specific Support Grant Optional Provision No. 1.a., entitled "Salaries", and in lieu thereof insert the following:

"a. Salaries

All salaries, wages, fees, and stipends to be reimbursed under this Grant shall be paid in accordance with the following numbered and dated pages of the Catholic Relief Services - United States Catholic Conference, Inc. Manual of Personnel Policies which have been accepted by A.I.C.:

<u>Page No.</u>	<u>Date</u>
3	9- 1-73
3a	9- 1-73
4	11-15-70
5	7-10-70
5a	9- 1-73
5b	3- 1-75
12	1- 1-70
24*	11- 1-72."

* Salary scales shown on Page 24 apply only to CRS staff members assigned overseas in the positions of Program Assistant, Assistant Program Director, Deputy Program Director, and Program Director. Salaries, wages, fees and stipends for other personnel, including experts and/or consultants, specifically engaged for the performance of this Grant shall be established in accordance with the individuals current salary or wage, plus a reasonable recruitment incentive.

ATTACHMENT C, PAYMENT PROVISIONS

Federal Reserve Letter of Credit for Advance Payment

(1) AID shall open a Federal Reserve Letter of Credit in the amount of this grant, against which the Grantee may present payment vouchers. The amount of the payment voucher shall not be less than \$10,000 nor more than \$1,000,000, nor may the amount drawn down, including unexpended amounts previously drawn down, exceed by more than \$10,000, the anticipated amount of expenditures for the following seven (7) days.

(2) In no event shall the accumulated total of all such payment vouchers exceed the amount of the Federal Reserve Letter of Credit.

(3) If at any time, the Grant Officer determines that the Grantee has presented payment vouchers in excess of the amount or amounts allowable in (1) and (2) above, the Grant Officer may: (a) cause the Federal Reserve Letter of Credit to be suspended or revoked; or (b) direct the Grantee to withhold submission of payment vouchers until such time as, in the judgment of the Grant Officer, an appropriate level of actual, necessary and allowable expenditures has occurred or will occur under this Grant, and/or (c) 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 the Grant Officer to make suitable arrangements for the repayment of such excess funds.

(4) Procedure for Grantee

(a) After arranging with a commercial bank of its choice for operation under this Letter of Credit and obtaining the name and address of the Federal Reserve Bank or branch serving the commercial bank, the Grantee shall deliver, to the Grant Officer, 3 originals of Standard Form 1194, "Authorized Signature Card for Payment Vouchers on Letters of Credit" signed by those official(s) authorized to sign payment vouchers against the Federal Reserve Letter of Credit and by an official of the Grantee who has authorized them to sign.

(b) The Grantee shall subsequently receive one certified copy of the Federal Reserve Letter of Credit.

(c) The Grantee shall confirm with his commercial bank that the Federal Reserve Letter of Credit has been opened and is available if funds are needed.

(d) To receive payment, the Grantee shall:

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

2. Have the original and two copies of the voucher signed by the authorized official(s) whose signature(s) appear on the Standard Form 1194.

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

4. Retain the quadruplicate copy of the voucher.

(e) 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 are insufficient to meet current needs.

(f) 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 Federal Reserve Letter of Credit.

(g) A report of expenditures shall be prepared and submitted not less than quarterly within 15 days of the end of the period to the Office of Financial Management, FM/CSD, AID, Washington, D.C. 20523. This report, submitted on Standard Form 1034, "Public Voucher for Purchases and Services Other Than Personnel" shall be supported by a fiscal report, in three (3) copies, which shall include certification signed by an authorized representative of the Grantee, in substantially the same form as below:

<u>Category</u>	<u>(As set forth in the Budget)</u>	<u>Budget Amount</u>	<u>Total To Date</u>	<u>Expenditures This Period</u>
XXXX		XXXX	XXXX	XXXX
XXXX		XXXX	XXXX	XXXX
			Total	XXXX

"The undersigned hereby certifies: (1) that payment of the sum claimed under the cited Grant is proper and due and that appropriate refund to AID will be made promptly upon request of AID in the event of disallowance of costs not reimbursable under the terms of the Grant; and

(2) that information on the fiscal report is correct and such detailed supporting information as the cognizant AID Controller or Grant Officer may require will be furnished promptly to AID on request.

BY _____
TITLE _____ DATE _____ "

(h) The report of expenditures on Standard Form 1004 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 Federal Reserve Letter of Credit by the amount of the disallowance.

(i) Simultaneously with the submission of the report on expenditures, the Grantee submits to the Office of Financial Management a status report on the Federal Reserve Letter of Credit as of the close of the period covered by the report of expenditures. The report is prepared in the following format:

Federal Reserve Letter of Credit No. _____

1. Total Amount of Federal Reserve Letter of Credit \$ _____
2. Payment Vouchers presented against Federal Reserve Letter of Credit

4E2a(4)(i)

- a. Previously Drawn \$ _____
- b. Drawn this period, TUS 5401 Nos. _____
through _____, inclusive \$ _____
- c. Total Drawn \$ _____
3. Vouchers submitted not paid TUS 5401 Nos. _____
through _____ \$ _____
- Balance FRLC available \$ _____

4. Status of Cash Drawn from FRLC	
Cash on hand beginning of period	\$ _____
Cash drawn during period	\$ _____
Total Available Cash	\$ _____
Cash disbursed during period	\$ _____
Advances to Subgrantee (if any)	\$ _____
not accounted as expended	\$ _____
Cash balance on hand at close of period	\$ _____

(5) Refund of Excess Funds

(a) 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 Federal Reserve Letter of Credit funds, the Government shall have the right, on other contracts or grants held with the Grantee, to withhold reimbursements due the Grantee in the amount of the excess being held by the Grantee.

(b) If the Grantee is still holding excess Federal Reserve Letter of Credit 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:

1. 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).

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

3. If the Grantee fails to comply with the Grant Officer's request for repayment of excess Federal Reserve Letter of Credit funds, the Government shall have the right, on other contracts, grants or similar agreements held with the Grantee, to withhold payment

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4E2a(5)(b)3

of Federal Reserve Letter of Credit or other advances and/or withhold reimbursements due the Grantee in the amount of the excess being held by the Grantee.

b. Periodic Grant Disbursement

Each month, or at less frequent intervals as agreed upon in advance, Grantee will submit to the AID Controller Voucher Form SF 1034 (original) and SF 1034-A, three copies, each voucher identified by the appropriate grant number, in the amount of estimated cash needs for the following month. The voucher shall be supported by an original and two copies of a report rendered as follows:

Amount of Grant	\$xxx
Expended this period	\$xxx
Expended to date	\$xxx
(By Line Item)	
1.	\$xxx
2.	\$xxx
3.	\$xxx
Advances outstanding to subgrantees (if any)	\$xxx
Anticipated expenditures next month (dates)	\$xxx
Cash received to date	\$xxx
Cash required next month	\$xxx

The report shall include a certification as follows:

"The undersigned hereby certifies: (1) that the above represents the best estimates of funds needed for expenditures to be incurred over the period described, (2) that appropriate refund or credit to the grant will be made in the event funds are not expended, (3) that appropriate refund will be made in the event of disallowance in accordance with the terms of this grant and (4) that any interest accrued on the funds made available herein will be refunded to AID."

BY _____

TITLE _____ DATE _____

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ASSURANCE OF COMPLIANCE WITH THE AGENCY FOR
INTERNATIONAL DEVELOPMENT REGULATION UNDER TITLE VI
OF THE CIVIL RIGHTS ACT OF 1964

CATHOLIC RELIEF SERVICES-U.S.C.C. (hereinafter called the "Grantee")
(Name of Grantee)

HEREBY AGREES THAT it will comply with title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Regulation of the Agency for International Development (22 CFR Part 202, 30 FR 317) issued pursuant to that title, to the end that, in accordance with title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, religion, sex or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under and program or activity for which the Grantee receives Federal financial assistance from the Agency; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Grantee by the Agency, this assurance shall obligate the Grantee, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance shall obligate the Grantee for the period during which it retains ownership or possession of the property. In all other cases, this assurance shall obligate the Grantee for the period during which the Federal financial assistance is extended to it by the Agency.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Grantee by the Agency, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The Grantee recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Grantee, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Grantee.

CATHOLIC RELIEF SERVICES-U.S.C.C.
(Grantee)

BY (Signature) *Edward E. Swanstrom* TITLE EXECUTIVE DIRECTOR
TYPED NAME EDWARD E. SWANSTROM DATE JUNE 8, 1976