

PD-ABA-476

AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES OF AMERICA A. I. D. MISSION
TO EL SALVADOR
C/O AMERICAN EMBASSY.
SAN SALVADOR, EL SALVADOR, C. A.

64803

Mr. Robert Bergland
Executive Vice-President
and General Manager
National Rural Electric Cooperative Association
1800 Massachusetts Avenue, N.W.
Washington, D.C. 20036

SUBJECT: Cooperative Agreement
No. 519-0358-A-00-8499-00
Rural Electrification Project
Amendment No. 1

Dear Mr. Bergland:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the National Rural Electric Cooperative Association (hereinafter referred to as "NRECA" or "Recipient") the additional sum of \$5,000,000 to provide continued support for the Rural Electrification Project for El Salvador described in Attachment 2, "Program Description," of the Cooperative Agreement dated August 12, 1988, and as amended herein.

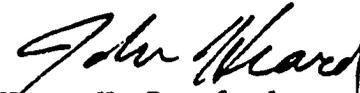
The total cumulative obligation under this Agreement is now \$10,000,000 and applies to the commitments made by the Recipient in furtherance of the Project objectives through September 30, 1995.

The subject Agreement is hereby amended in accordance with Attachment 1. This Agreement Amendment is made to NRECA on the condition that the funds be administered in accordance with the terms and conditions set forth in Attachment 1, entitled "Schedule" as amended herein, Attachment 2, entitled "Program Description," as amended herein, and the Standard Provisions, which have been agreed to by your organization.

All other terms and conditions of the Cooperative Agreement remain unchanged.

Please sign the original and three (3) copies of this letter to acknowledge your receipt of the Agreement Amendment. Please return the original and two (2) copies to the USAID Office of Project and retain one (1) of the copies for NRECA.

Sincerely yours,


Henry H. Bassford
Director

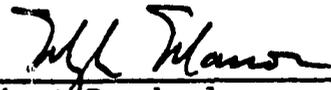

Laura K. McGhee
Agreement Officer

Attachments:

- I. Changes to the Schedule
- II. Changes to the Program Description

Accepted:

National Rural Electric Cooperative Association

By: 
Robert Bergland

Title: Executive Vice-President and General Manager

Date: June 30, 1989

FISCAL DATA

Appropriation:	72-1191021
Budget Plan Code:	LDSA-89-25519-KG13
Project No.:	519-0358-A-00-8499-00
Total Amount:	\$10,000,000
Total this Obligation Amount:	\$5,000,000
Funding Source:	USAID/EL Salvador

ANNEX I
Changes to the Schedule
Attachment 1 to Cooperative Agreement

The subject Cooperative Agreement "Schedule" is hereby amended as follows:

B. PERIOD OF AGREEMENT

"1. The effective date of this Agreement is the date of the covering letter. The expiration date of the Agreement is extended to September 30, 1995."

"2. Funds obligated hereunder are available for program expenditures from the effective date of this Amendment to September 30, 1995, as shown in the Financial Plan below."

C. AMOUNT OF AGREEMENT AND PAYMENTS

Sub-paragraph 3 is added as follows:

"3. A.I.D. hereby obligates the amount of \$5,000,000 which shall increase the total obligated amount to \$10,000,000 for program expenditures during the period of the Agreement and as shown in paragraph "E. Financial Plan" below."

D. A.I.D. INVOLVEMENT

Sub-Paragraph 6 is added:

"6. A.I.D. will review alternative budgets having a HCOLC counterpart of \$10.0 million equivalent."

E. FINANCIAL PLAN

A new paragraph is added to this Section as follows:

"The original budget of approximately \$530,000 for the Productive Use Program as appears in the Financial Plan of the original Cooperative Agreement will stay the same, no additional funds are approved under this Agreement Amendment.

The Financial Plan represents total life-of-project funding, including local currency financed items. Actual Agreement expenditures may vary up to 15% from the line item amounts shown below, without prior written approval by A.I.D. However, the total Agreement budget may not be exceeded. Any variations in the Agreement budget in excess of 15% must be approved, in writing, in advance, by A.I.D. Revisions to this Plan shall be made in accordance with Mandatory Standard Provision No. 4 entitled "Revision of Grant Budget."

The budget figures for the Financial Plan are hereby amended as follows:

F. REPORTING AND EVALUATION

Sub-Paragraph 3.a. is deleted in its entirety and replaced with the following:

"3.a. The Project will undertake its first formal evaluation at the end of the second Project year, a middle formal evaluation will be carried out at the end of the fourth Project year and a final evaluation at the end of the Project."

A new sub-paragraph is added to this Section as follows:

"3.c. As part of the initial Project evaluation, NRECA will included in the scope of work an investigation of, and recommendations on, the possible reduction of the life of Project by accelerating the rates of construction and training, and shall also include an evaluation of the Productive Uses Study and Program."

G. SPECIAL PROVISIONS

1. Sub-paragraph 8. "Estimated Level of Effort" is deleted in its entirety and substituted as follows:

"The estimated levels of effort to be provided by the Grantee are:

<u>Position Description</u>	<u>Estimated Person Months</u>
Project Advisory Team	168
Local Support Staff	0*
NRECA Professional Staff	32
NRECA Home Office Staff	67
Consultants	64
Total	331

* Local Support Staff is provided under GOES counterpart financing agreement".

2. Sub-paragraphs 9 and 10 are added as follows:

"9. Within three months from the date of this Amendment, the Recipient shall submit for approval alternate budgets showing a HCOLC counterpart of not more than \$10.0 million equivalent, together with an analysis of the impacts such budgets will have on outputs. The alternatives shall include minimum counterpart budgets."

"10. NRECA shall maintain a drug-free workplace in compliance with the certification provided to AID dated May 9, 1989. Violations of the requirements to maintain a drug-free workplace may subject the Recipient to suspension of disbursements, termination or suspension of this Agreement, ineligibility to receive further grant assistance and such other remedies as AID may consider appropriate. Violations include

the failure to comply with the certification, presentation of a false certification, or evidence that such a number of employees have been convicted of violations of criminal drug statutes for acts occurring in the workplace as to indicate that the Recipient has failed to make a good faith effort to provide a drug-free workplace."

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FINANCIAL PLAN
(US \$000 or Equivalent in Local Currency)

<u>LINE ITEM</u>	<u>AID PRIOR OBLIGATION</u>	<u>THIS AMENDMENT</u>	<u>SUBTOTAL AID</u>	<u>COUNTERPART**</u>	<u>TOTAL</u>
SALARIES	490.2	474.0	964.2	74.1	1,038.3
FRINGE BENEFITS	161.8	156.4	318.2	24.4	342.6
OVERHEAD	367.7	355.5	723.2	55.5	778.7
TRAVEL AND TRANSPORTATION	49.4	97.7	147.1	80.4	227.5
ALLOWANCES	179.3	164.0	343.3	0.0	343.3
EQUIPMENT AND SUPPLIES*	3,717.6	3,659.8	7,377.4	11,895.0	19,272.4
OTHER DIRECT COSTS	34.0	92.6	126.6	170.1	296.7
TOTAL	5,000.0	5,000.0	10,000.0	12,299.5***	22,299.7

* Including shipping and all contractor costs for rural electrification construction.

** Estimated amount to be provided by the host country.

*** Alternative budgets limiting Counterpart to not more than \$10.0 million equivalent will be submitted by NRECA for USAID's approval within three months after signing this Agreement Amendment.

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ANNEX II
Changes to the Program Description
Attachment 2 of Cooperative Agreement

The subject Cooperative Agreement "Program Description" is hereby amended as follows:

D. PROJECT ACTIVITIES

Section D.1. paragraph titled "Productive Use Program" is deleted in its entirety and substituted by the following:

"Technical assistance will be provided to implement the productive use program that is being designed under the CARES Program. This will include specialized assistance to establish on-farm demonstrations, training of trainers who will form a permanent rural productive uses of electricity extension corps, and to identify available sources of consumer credit for productive uses. New credit windows will not be opened under this Project."

"The goal of the Productive Uses Program is to improve electricity efficiency, bringing the load factor of the rural population to that of the non-rural, without necessarily increasing power supply requirements."

"To this end, the Project has established a CEL Office of Services to the Consumer that will carry out the following activities:"

"1. Identify areas of ongoing productive projects (agriculture, micro-enterprises, etc) and coordinate with the implementing agencies the demonstration of equipment and ways of utilizing electricity to increase productivity. Efforts will be made to encourage private companies to take more responsibility for this activity as the program progresses."

"2. Assist the potential buyer to assess his/her installed power capacity and/or to determine the necessary modifications required to install the desired equipment."

"3. Collect and provide information on equipment, prices, commercial houses, and sources for obtaining assistance."

"4. Collect and provide information on available credit sources."

Section D.2. paragraph titled "Small Decentralized Pilot Project" is deleted in its entirety and substituted by the following:

"CEL has an interest in looking at decentralized approaches to rural electricity supply. The objectives of this interest are to determine least-costs means of supplying electricity to more isolated electricity demand centers, and to augment national power supplies. Toward this end, an inventory of small hydroelectric sites is being compiled by University technical staff under CEL's funding. Under the project, technical support will be provided to help complete the inventory and site ranking, and assist in specialized small hydroelectric design techniques, and to select, design, and construct a pilot project. Technologies other than hydroelectric may also be studied."

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"All related privatization studies and initiatives will be coordinated with the Ministry of Economy and other ministries as appropriate, as part of a coherent plan to enhance private sector participation."