

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.

PD-AED-235
85349

February 2, 1990

Ms. M. Charito Kruvant
President
Creative Associates International, Inc.
5301 Wisconsin Ave., N.W., Suite 700
Washington, D.C. 20015
U. S. A.

Subject: Cooperative Agreement No.
519-0281-A-00-0115-00
Emergency Program: Health
and Jobs for Displaced
Families

Dear Ms. Kruvant:

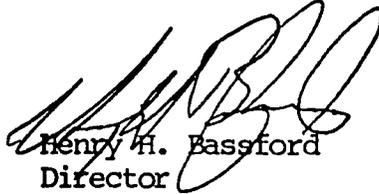
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the Federal Grant and Cooperative Agreement Act of 1977 (P.L. 95-224), the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to Creative Associates International, Inc. (hereinafter referred to as "the Recipient"), under this Cooperative Agreement the sum of \$400,000 to provide financial support to the Recipient for implementing a program in El Salvador to assist approximately 1,000 Salvadoran displaced families to return to their places of origin or to permanently relocate, and to become economically self-supporting, as described in the Schedule of this Cooperative Agreement and Attachment 2, entitled "Program Description." The total estimated cost of this project is \$1,400,000. A.I.D. hereby obligates \$400,000. The Recipient is not authorized to expend or incur costs in excess of the amount obligated without prior grant officer approval.

This Cooperative Agreement is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Recipient in furtherance of program objectives as of the date of this letter and ending December 31, 1990.

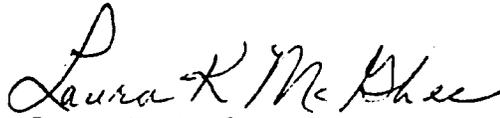
This Cooperative Agreement is awarded to the Recipient on condition that funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled the "Schedule;" Attachment 2, entitled "Program Description;" and Attachment 3, entitled "Standard Provisions;" which have been agreed to by your organization.

Please sign the original and six (6) copies of this letter to acknowledge receipt of the Agreement, and return the original and five (5) copies to A.I.D./El Salvador.

Sincerely yours,

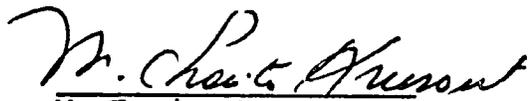


Henry H. Bassford
Director



Laura K. McGhee
Laura K. McGhee
Agreement Officer

Acknowledged by:



M. Charito Kruvant
President
Creative Associates International, Inc.

Feb 9th 1990
Date

ATTACHMENTS

1. Schedule
2. Program Description
3. Standard Provisions

FISCAL DATA

Appropriation: 72-11M1021
Budget Plan Code: LDAA-86-25519-DG13
Project Number 519-0281
Total Estimated Amount: \$1,400,000
Total This Obligation: \$400,000 (Line Item: "Relocation: \$400,000")
Total Obligated To Date: \$400,000
Funding Source: A.I.D./El Salvador

Attachment 1

SCHEDULE

A. PURPOSE OF AGREEMENT

The purpose of this Cooperative Agreement is to provide funding to enable the Recipient to assist in the resettlement of at least 1,000 Salvadoran displaced families in permanent relocation sites or in their place of origin. With these funds, the Recipient will help displaced families to move from their current condition of dependency on food distribution, being landless, largely unemployed or underemployed, lacking permanent shelter to one of being economically self-sufficient, owning land, being gainfully employed, and having a permanent shelter. The project is described in detail in Attachment 2 to this Agreement entitled "Program Description."

B. PERIOD OF AGREEMENT

1. The effective date of this Agreement is the date of the covering letter. The expiration date of this Agreement is December 31, 1990.
2. A.I.D., with concurrence of the Recipient, may extend the period of services for an additional one year subject to availability of funds, PACD extension for Project 519-0281 and prior grant officer approval.
3. Funds obligated hereunder are available for program expenditures for the estimated period from the date of this Agreement to December 31, 1990, as detailed in the Financial Plan shown below in Section E. The Recipient is authorized reimbursement for costs required for necessary start-up activities which were incurred on or after January 1, 1990.

C. AMOUNT OF GRANT AND PAYMENTS

1. The total estimated amount of A.I.D. contribution to this Agreement is \$1,400,000, which will encompass a period from the effective date of this Agreement until December 31, 1990.
2. A.I.D. hereby obligates the amount of \$400,000, for program expenditures during the period specified in B.2. above and as shown in the Illustrative Financial Plan.
3. Payments shall be made to the Recipient in accordance with the documentation and procedures set forth in the Provision, entitled "Payment-Periodic Advance" of Attachment 3, Standard Provisions for U.S. Nongovernmental Grantees.

Throughout the Agreement period the Recipient will be advanced funds for each succeeding 30 day period based upon projections of cash needs, liquidations of prior advances and received cash on hand.

The Recipient will provide a cash needs projections by month for the initial 90 day period of the grant and 3 forms SF-1034, one requesting an advance for each of the three months. A.I.D. will advance these funds prior to the beginning of each monthly period.

Additional funds will be advanced to the Recipient for succeeding 30 day periods based upon timely submitted monthly reports to A.I.D. of actual disbursements and updated projections of cash needs.

- 10 days after the end of a month beginning with February, 1990 the Recipient shall submit a report of actual disbursements made in accordance with the Standard Provisions.
 - At the same time, the Recipient shall submit an updated cash needs projection showing funds need for each month of the succeeding 90 day period. This report shall reflect funds already advanced for the first month and already requested for the second month of this 90 day period.
 - Approximately 5 days before the beginning of the third month, A.I.D. will advance the net amount of cash required for the Recipient's operations for this 30 day period.
4. The Recipient is authorized to incur costs necessary to carry out start-up operations related to this Project effective January 1, 1990.

D. A.I.D. INVOLVEMENT

A.I.D., through its Community Development Division of the Office of Infrastructure and Regional Development, will participate in activities under this Agreement in the following way:

1. A.I.D. will review all procurement of project goods with a value over \$5,000;
2. A.I.D. will approve the Country Director, and Director of Field Operations; and

3. A.I.D. will provide coordination between the Recipient; CONADES, the GOES Agency responsible for coordinating assistance to displaced families; and all other GOES and private institutions providing goods and services to the displaced population under the overall project.
4. The Recipient will submit an Action Plan for each community for A.I.D.'s review and approval before initiating projects in that community. This Plan will include the following information:
 - a. initiation date and termination date of assistance;
 - b. number of displaced to be assisted;
 - c. timetable for implementing projects, with estimated costs, project descriptions, targets and number of beneficiaries for each project;
 - d. planned coordination with other institutions and their expected contribution to the overall assistance to the community;
 - e. number of the Recipient's personnel to be assigned to the community and their responsibilities; and
 - f. plans and dates for opportune evaluations to review accomplishments.

The Recipient may implement projects in a community, for a period not to exceed the PACD of the project.

The Recipient and A.I.D. will agree on a simple Action Plan format to facilitate quick reviews and eliminate delays in implementation. The Recipient will advise A.I.D. the results of evaluations (indicated in "f" above) and of any changes in the Action Plan.

E. FINANCIAL PLAN

LINE ITEMS	AMOUNT OBLIGATED	TOTAL ESTIMATED COST OF THE AGREEMENT
PERSONNEL	\$116,000	\$ 400,772
U. S. Personnel	10,814	37,362
In Country Personnel	64,613	223,234
Allowances	15,223	52,593
Fringe Benefits U.S.	6,296	21,754
Fringe Benefits Salvadoran	19,054	65,829
OPERATIONAL EXPENSES	\$ 42,352	\$ 154,971
Travel and Per diem	11,478	42,000
Office Direct Cost	30,874	112,971
PROJECT EXPENSES	\$164,000	\$ 574,000
OVERHEAD	\$ 33,520	\$ 115,809
TOTAL DIRECT COSTS	\$355,872	\$1,245,552
GENERAL & ADMINISTRATIVE COSTS	\$ 44,128	\$ 154,448
TOTAL PROJECT COSTS	\$400,000	\$1,400,000

This represents the Financial Plan for the total life of project funding. Revision of this Plan shall be made in accordance with the Standard Provisions of this Agreement, entitled "Revision of Grant Budget."

F. AUDITS AND INSPECTIONS

The Recipient will engage a U.S. CPA firm, or an affiliate of a U.S. CPA firm to carry-out an annual audit of the Recipient's financial statements and use of A.I.D. Grant funds. The annual audits of the Recipient's programs worldwide may be used to satisfy this requirement. A RIG supervised Non-Federal Audit will be conducted upon expiration of this Cooperative Agreement.

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G. REPORTING AND EVALUATION

1. Financial Reports

The financial reporting requirements are set forth in the Standard Provision entitled, "Payment - Periodic Advance." The financial reports shall be submitted to A.I.D./El Salvador Controller's Office on a monthly basis within ten (10) days of the end of each month.

2. Program Progress Reports

The Recipient shall monitor performance under the Agreement and ensure that time schedules are being met, projected work units are being accomplished, and other performance goals are being achieved. Based upon this monitoring, the Recipient shall submit quarterly technical performance reports to A.I.D. that briefly present the following information for each activity under the Agreement:

- a. A comparison of actuals accomplished with the targets established for the period in the implementation plan;
- b. Reasons why established targets were not met;
- c. Review expenditures and projected expenditures on planned project activities to determine whether program budget is sufficient to cover all activities or if additional funding is required and justified to meet project goals; and
- d. Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

The Recipient shall submit the quarterly technical performance reports to the A.I.D.'s Community Development Division (IRD/CDD) within 30 days after the completion of the quarter. The last day of each quarter is defined as the last day of the month of March, June, September and December. If any performance review conducted by the Recipient discloses the need for change in the budget estimates in accordance with the criteria established in Standard Provision 9 entitled "Revision of Financial Plans," the Recipient shall submit a request for budget revision.

3. End-of Project Report

Within 30 days following termination of the Project, the Recipient will submit to A.I.D./El Salvador an end-of project report of the activities carried out under this Agreement, including a section on "lessons learned."

H. SPECIAL PROVISIONS

1. All procurement of goods and services over \$5,000 must be approved in writing by the Division Chief of the Community Development Division;
2. The following provisions of the Standard Provisions attached hereto are not applicable to this Agreement:
 1. Payment - Letter of Credit
 3. Payment - Cost Reimbursement
 10. Patent Rights
 11. Publications
 12. Negotiated Indirect Cost Rates - Predetermined
 18. Care of Laboratory Animals
 21. Title to and Care of Property (U.S. Government Title)
 22. Title to and Care of Property (Cooperating Country Title)
 23. Cost Sharing (Matching)
3. Drug-Free Workplace Requirements:

The Recipient shall maintain a drug-free workplace in compliance with the certification provided to A.I.D. This certification will be provided to A.I.D. prior to the signing of this Agreement. Violations of the requirements to maintain a drug-free workplace may subject the Grantee to suspension of disbursements, termination or suspension of this Grant, ineligibility to receive further grant assistance and such other remedies as A.I.D. 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 or acts occurring in the workplace as to indicate that the Grantee has failed to make a good faith effort to provide a drug-free workplace.
4. U.S. citizen employees of the Grantee, as well as the U.S. citizen employees of its subgrantees and subcontractors, who are in El Salvador solely for the purpose of working under the Grant, may be granted access to the commissary operated by the American Employee Association in El Salvador (AEAES) in accordance with the policies of the Department of State and the U.S. Embassy to El Salvador.

I. OVERHEAD RATE

Pursuant to the Standard Provisions of the Cooperative Agreement entitled "Negotiated Indirect Cost Rates-Provisional," a rate or rates shall be established for each of the Recipient's accounting periods during the term of the Cooperative Agreement. Payments for allowable indirect costs shall be made on the basis of the following negotiated provisional rates applied to the base which is set forth below:

<u>Type of Rate</u>	<u>Base</u>	<u>Rate</u>	<u>Period</u>
Overhead	Direct Labor	44.44%	1/1/90 until amended
General & Administrative	Direct Cost, Fringe Benefits and Overhead	12.40%	1/1/90 until amended
Fringe Benefit	Expatriate Labor	30.00%	1/1/90 until amended
Fringe Benefit	Local Labor	35.00%	1/1/90 until amended

J. TITLE TO AND USE OF PROPERTY (GRANTEE TITLE)

The Recipient will have title to property financed under this Agreement until the termination of Project activities at which time said property will be treated as described in the attached Optional Standard Provision No. 20 with the following exemption:

1. Disposition of Nonexpendable Personal Property - With A Unit Acquisition Cost Of Less Than \$1,000: These resources financed under the Agreement will, unless otherwise agreed in writing by A.I.D., be used so as to further the objectives sought in carrying out the GOES/A.I.D. Displaced Families Program Agreement (519-0281).

At the termination of project activities, the Recipient will, with A.I.D. written approval, identify and donate said property to sub-recipients in accordance with the preceding paragraph.

K. AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this Agreement is 000, the United States. Shelf Item procurement is authorized in the countries of the Central American Common Market excluding Nicaragua. One motor vehicle is authorized to be purchased under geographic code 000, the United States, from "Operational Expenses" line item.

10.

PROGRAM DESCRIPTION

A. PURPOSE

The overall purpose of the program is to assist approximately 1,000 Salvadoran displaced families to return to their place of origin or to permanently relocate, and to become economically self-supporting. The Recipient will coordinate with Government of El Salvador (GOES) agencies and other institutions implementing complementary assistance projects for the displaced population.

B. PROJECT COMPONENTS

1. Resettlement of Displaced

The Recipient will assist:

- a. in the permanent relocation of displaced families on government or private lands; or
- b. in the permanent reestablishment of displaced families in their places of origin.

They will focus on relocating those displaced families presently living in temporary settlements or camps, with the objectives of closing these camps in the foreseeable future.

The Recipient will assume an active advocacy role in an attempt to expedite the process of land acquisition and will assist the beneficiaries in obtaining credit through local institutions, wherever possible. They will coordinate with both governmental and non-governmental institutions, as well as individual land owners to accomplish this objective.

In those resettlement sites where the Recipient is operating, they will be designated the principle organization responsible for coordinating assistance to the displaced population. The Recipient will evaluate the type of assistance needed and work with regional and local offices of agencies such as the Comisión Nacional de Asistencia a la Población Desplazada (CONADES), Administración Nacional de Acueductos y Alcantarillados (ANDA), Ministerio de Salud Pública y Asistencia Social (MOH), Ministerio de Educación (MOE), Comisión Ejecutiva Hidroeléctrica del Río Lempa (CEL) and others to provide appropriate assistance.

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Before the Recipient enters into any new community, it will take into consideration (to the extent possible) the security situation of the area, i.e., if it is generally free of subversive activities by any para-military organization, as a precaution so that the institution's promoters and the displaced families being resettled will not be placed at risk due to conflict. It is understood that there will be unforeseen circumstances where an area could become conflictive, whereby the institution will take action to limit the exposure of its personnel to danger.

2. Shelter

The Recipient will provide materials and technical assistance for the construction or upgrade of permanent shelter for families who are either resettling or returning to their place of origin. Materials utilized in construction should be suitable for the environment and the climatic conditions where the houses will be located. Shelter solutions should not exceed U.S.\$600.00 per unit.

3. Environmental Sanitation

The Recipient's promoters will provide health education and technical assistance to the communities for latrine construction, waste disposal, sewage control, vector control and potable water. The activities will be carried out in coordination with the Ministry of Health and ANDA.

4. Agriculture/Economic Self-Sufficiency

The Recipient will provide agricultural starter packages and technical assistance for returned/relocated displaced families to begin productive projects in agriculture. This assistance will also include, where appropriate, small animal husbandry projects, and home and communal gardens for personal consumption and market.

5. Vocational Skills Training

Where labor market conditions can support the entry of additional skilled workers, the Recipient, in coordination with other agencies, will provide vocational skills training courses for those families not participating in agricultural projects. This activity will target primary wage earners who require new means of supporting their families, including female heads of households. The Recipient's promoters will assess the vocational training needs of the beneficiaries through surveys as compared to the needs of potential employers. The training will be market driven, related to the aptitudes and interests of the prospective student, and geared

towards appropriate technology. Any proposed project shall be detailed in the Community Action Plan as described in Section D.4 of the Schedule or submitted as a separate project for a community well in advance of the initiation of such project.

6. Small Business Assistance

The Recipient's promoters will help displaced persons to access credit and train them in the rudiments of small business management. The Recipients of such assistance must first demonstrate a strong potential for success in operating their own business. The assistance will encompass market research, credit access, product development, record keeping, and product sales and distribution. The Recipient will also interface with other agencies offering such programs whenever possible.

7. Community Infrastructure

Where displaced families are resettled or reintegrated in their place of origin, the Recipient will, where appropriate, establish or rebuild basic community infrastructure. This will include such basic services as potable water, electricity, sewage systems, rural roads, schools, and health care facilities. Where possible, the Recipient will work with community leaders to tap other resources, such as the Municipalities in Action (MEA) programs managed through the municipalities, for community infrastructure projects.

8. Health Services

Where and when appropriate, the Recipient will provide limited general medical consultation and preventative health care services. The latter will focus on maternal-child health care, including screening and monitoring children under five, and pregnant and lactating mothers. A nutritional screening and monitoring component will be included. Regular home visits will promote and reinforce the need for preventative health measures, and personal and home hygiene. These activities will be geared to support the function of the Ministry of Health only where gaps in services occur, and will be coordinated where possible with local health posts. This medical unit shall produce monthly reports on communities visited, number of clients, treatment for illness by type, number of children screened for nutrition monitoring and results, and any other parameters pertinent to health assistance. This report shall be submitted to A.I.D. and the Ministry of Health within fifteen (15) days of the end of each month.

9. Education and Training

The Recipient will provide training, supervision, and follow-up for community health, sanitation and agriculture promoters, in coordination with community organizational structures (local committees, youth groups, health councils, etc.) and schools. A major aspect of this component will be exploring ways for volunteers to apply their training and to obtain the means to sustain their own activities.

10. Food Distribution

The Recipient will be responsible where necessary, for the coordination and delivery of food packages to beneficiaries from World Food Program or other resources identified by A.I.D.

C. PROJECT MONITORING AND EVALUATION

Standards of evaluation for this project will require flexibility given the number of displaced families wishing to resettle or return to their place of origin and the political variables which exist. However, the following indicators will be used to measure the progress and accomplishments of the project and shall be reported as provided for in the schedule:

1. The number of targeted families who have been successfully resettled and/or returned to their place of origin.
2. The number of targeted families who are economically reintegrated into their community.
3. The number of successful income generating productive projects both agriculture and non-agriculture type that have economically reintegrated displaced families into their community.
4. The number of houses constructed or upgraded.
5. The number of wells and latrines installed.
6. The extent to which infrastructure for newly resettled and returnee communities is established or rebuilt.
7. The visibility of community organizations and leaders trained or identified who will actively continue to assist the community's growth and development after direct assistance from the Recipient to the displaced families has been completed.
8. Employment created through microenterprises.

Internal program monitoring will consist of on-site evaluations conducted by field and central office supervisors on a monthly basis, regular internal reporting on a weekly and monthly basis, analysis of the resulting data and program statistics, and weekly meetings between field staff and supervisors.

The Recipient will work with community leaders during its final few months in a community, introducing them to GOES agencies such as credit institutions and other organizations, which may be able to assist in the continued development of the community after the Recipient has departed, thereby avoiding dependency on outside assistance.

D. IDENTIFICATION OF TARGET POPULATION

The following is a description for identifying a displaced person who may participate in assistance programs under this Cooperative Agreement. The Recipient should use the following criteria for the selection of eligible displaced families, as much as possible.

All displaced families receiving assistance under this Agreement should be listed on the CONADES official registry of the displaced population. However, it is recognized that some displaced, for whatever reasons, may not be listed. The Recipient may include these individuals in their assistance programs, only after it has been determined by the Recipient that these are eligible displaced families. For those unregistered displaced families, the Recipient will provide CONADES with the necessary information to include these families in the DP registry.

A displaced person (DP) is an individual who has temporarily relocated from a community located within a conflict zone since 1979. Those individuals whose original homes are located in non-conflict zones, but who are currently residing elsewhere, can not be considered DPs or eligible for assistance from this program. Those individuals who have received assistance as displaced persons in excess of three years should not be considered eligible DPs unless:

- a) The assistance provided to the family was not adequate to reintegrate them into the economy. (The Recipient should determine what limited additional assistance would be required to complete their reintegration).
- b) The family has recently displaced themselves again due to an escalation of the conflict where they were residing. (The Recipient should attempt to assist this population to return to their original sites as soon as possible and not encourage any long term displacement. This may not always be possible, depending on the security of the region and the disposition of the displaced families).

- c) The family has recently returned to their original home or permanently relocated in a new site.

The Recipient should pay special attention to not consider individuals eligible for assistance from this program if their displacement (or migration) is for economic reasons and not due to the conflict where they originated. The Recipient should also attempt to identify only the needy displaced as eligible participants in their assistance programs. Those DPs who have found employment or have reintegrated into the economy should not be considered eligible for assistance from this program.

All direct assistance to this population should be completed within one year. This assistance will include providing basic infrastructure needs of the population, such as, shelter, water, sanitation and access roads, as well as, provided assistance in the areas of productive projects. In some communities it may be necessary to continue beyond one year with promotional activities related to credit access, titling of lands and leadership promotion, to name a few.

The Recipient will prioritize assistance to the displaced target population as follows:

1. Assist displaced families residing in concentrated settlements living along right of ways of railways and roads, or those living in deplorable and unhealthy conditions in other disbursed pockets, to permanently resettle. Within this category, priority will be given to "camps" such as "Champas Caritas" in San Vicente, but will not be limited to this population.
2. Assist those who wish to return to their place of origin.
3. Assist the social and economic integration of those residing in concentrated settlements in urban and semi-urban centers who will be not relocate.

The Recipient will notify CONADES of those families who have economically and socially reintegrated into Salvadoran Society and no longer require special assistance. This will enable CONADES to delete these families from their active DP registry.