

PROJECT GRANT AGREEMENT

Dated 21 January 1977

BETWEEN

CARE/Colombia

("Grantee")

AND

The United States of America, acting through the Agency for  
International Development ("A. I. D. ").

Article 1: The Agreement

The purpose of this Agreement is to set out the understanding of the parties named above ("Parties") with respect to the undertaking of the Project described herein, and with respect to the financing of the Project by the Parties.

Article 2 The Project

SECTION 2.1 Definition of Project

The goal of this project, which is further described in Annex 1, is to improve the nutritional balance of the population receiving food supplements distributed by the Government of Colombia, by incorporating high lysine opaque corn into Bienestarina, a locally produced high protein vegetable mix.

Immediate purposes of the project include increasing the protein productivity of the land used for raising corn by substituting high

lysine corn for common varieties. In addition, the Project seeks to increase participating farmers' income by an average of 300 pesos/month, by providing an effective marketing mechanism for the high lysine corn produced on their land, and creating demand for 4,000 tons/year of this variety of corn within three years of project implementation. The totality of the corn produced during the program will be purchased by the Colombian Institute of Family Welfare (ICBF), and added to the Bienestarina, for subsequent distribution to a target population.

Article 3: Financing

SECTION 3.1 The Grant

To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed eighty thousand United States ("U. S.") Dollars (\$ 80,000.00) ("Grant"). The Grant may be used to finance ~~to~~ local currency costs, as defined in Section 6.1, of goods and services required for the Project.

SECTION 3.2 Grantee Resources for the Project

- a. The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources

required to carry out the Project effectively and in a timely manner.

- b. The resources provided by Grantee for the Project will be not less than the equivalent of U.S. \$ 50,000.00, including costs borne on an "in-kind" basis for the second phase of the project.

SECTION 3.3 Project Assistance Completion Date

- a. The "Project Assistance Completion Date" (PACD), which is 30 December 1978, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.
- b. Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.
- c. Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A. I. D. or any bank described in

Section 7.1 no later than nine (9) months following the PACD, or such other period as A. I. D. agrees to in writing. After such period, A. I. D. , giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1 First Disbursement

Prior to the first disbursement under the Grant, or to the issuance by A. I. D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A. I. D. in form and substance satisfactory to A. I. D. :

A statement of the names of the persons holding or acting in executive director the/office of the Grantee specified in Section 8.3, and a specimen signature of each person specified in such statement;

SECTION 4.2 Additional Disbursement

Prior to disbursement under the Grant, or to issuance by A. I. D.

of documentation pursuant to which disbursement will be made, for any purpose other than to finance the services referred to in Section I. C, <sup>of Annex 1</sup> the Grantee will, except as the Parties may otherwise agree in writing, furnish to A. I. D. in form and substance satisfactory to A. I. D. :

Plans and specifications, bid documents, cost estimates, and time schedules for carrying out the Project.

#### SECTION 4.3 Notification

When A. I. D. has determined that the conditions precedent specified in Section 4.1 and 4.2 have been met, it will promptly notify the Grantee.

#### SECTION 4.4 Terminal Dates for Conditions Precedent

- a. If the condition specified in Section 4.1 has not been met within 90 days from the date of this Agreement, or such later date as A. I. D. may agree to in writing, A. I. D., at its option, may terminate this Agreement by written notice to Grantee.
- b. If the condition specified in Section 4.2 has not been met within 90 days from the date of this Agreement, or such later date as A. I. D. may agree to in writing, A. I. D., at its

option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the Grantee.

Article 5: Special Covenants

SECTION 5.1 Project Evaluation

The Parties agree to establish an evaluation program as an integral part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

- a. Evaluation of progress toward attainment of the objectives of the Project;
- b. Identification and evaluation of problem areas or constraints which may inhibit such attainment;
- c. Assessment of how such information may be used to help overcome such problems, in this or other projects; and
- d. Evaluation, to the degree feasible, of the overall development impact of the Project.

Article 6: Procurement Source

SECTION 6.1 Local Currency Costs

Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Colombia ("Local Currency Costs").

SECTION 7.1 Disbursement for Local Currency Costs

- a. After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A. I. D. with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.
- b. The local currency needed for such disbursements may be obtained:
  1. by acquisition by A. I. D. with U. S. dollars by purchase (or from local currency already owned by the U. S. Government); or,
  2. by A. I. D. ;  
by requesting the Grantee to make available the local currency for such costs for subsequent reimbursement by A. I. D.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b.1.) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency; and in the case of subsection (b.2.) above, an amount calculated at the exchange rate specified by U.S. Embassy/Colombia for the month in which reimbursement is effected.

SECTION 7.2 Rate of Exchange

Except as may be more specifically provided under Section 7.1, if funds provided under the Grant are introduced into Colombia by A. I. D. or any public or private agency for purposes of carrying out obligations of A. I. D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Colombia at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Colombia.

SECTION 8.1 Communications

Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Mail Address: CARE/Colombia  
Calle 39 # 22-53  
Bogotá, Colombia

Alternate address for cables:

CARECOL

To A. I. D. :

Mail Address: USAID/Colombia  
American Embassy  
Bogotá, Colombia

Alternate address for cables:

American Embassy Bogotá

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

## SECTION 8.2 Representatives

For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the office of Executive Director, and A. I. D. will be represented by the individual holding or acting in the office of Director/USAID/Colombia, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A. I. D. , which may accept

as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3 Standard Provisions Annex

A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

CARE/Colombia

By: 

Title: Executive Director

UNITED STATES OF AMERICA

By: 

Title: Director  
USAID/Colombia

## ANNEX I

### I. PROJECT PURPOSE AND DESCRIPTION

#### A. Goals

1. The goal of this project is to assist rural poor Colombian farmers in producing up to 4,000 tons/year of high lysine opaque corn to be marketed to the Government of Colombia, for mixture in nutritional supplements such as Bienestarina. This will increase the participating farmers' incomes, create a new agro-business and improve the nutritional value of a product distributed to nutritionally deficient Colombians.

#### B. Purpose

1. Increase by 50% the effectively usable protein productivity of land used for raising high lysine opaque corn when compared to normal corn production.
2. Establish and maintain an effective marketing mechanism for high lysine opaque corn. Create demand for 4,000 tons/year within three years of project implementation.
3. Raise participant farmer's incomes by an average 300 pesos/month.
4. Market high lysine opaque corn produced through Bienestarina

production plants for later use in distribution to at-risk target population as established by ICBF (Colombian Institute of Family Welfare).

C. Inputs

1. Commodities and due-Kind

- a. CARE (through grant from A. I. D.). US \$ 8,505.00.

For supply of material inputs (seed, fertilizer, insecticides), and/purchase of high lysine corn production. to establish a revolving fund.  
US\$50,000

- b. ICBF. US \$ 45,000.00. For supply of material inputs

and purchase of high lysine corn production.

- c. Cafeteros. US \$ 45,000.00. Purchase of high lysine corn production.

- d. Caja Agraria. US \$ 45,000.00. Supply of material inputs.

- e. Small farmer participants. US \$ 66,000.00. Land and

labor inputs growing high lysine corn.

2. Future funding

Subject to the success of the first year's implementation

and availability of funds, CARE will provide a cash

input of US \$ 50,000.00 in FY 1978 from their own funds.

3. Technical

- a. ICBF (agricultural technician) 100%. Technical assistance

to farmer participants in project. Value US \$ 3,000.00.

- b. ICA (Agricultural technician) 50% of time spent on project. Technical assistance to farmer participants in project. (agronomist) 25% of time on project. Technical backstopping to technicians. Value US \$ 6,330.00.
- c. CIAT (professional 10%): Technical backstopping to prácticos. Value US \$ 1,500.00.
- d. CARE (professional 100%). Project organization, execution, coordination and evaluation. US \$ 13,415.00 from grant funds.

#### 4. Training

- a. CARE (from grant funds) US \$ 8,080.00
- b. ICA/ICBF US \$ 3,000.00
- c. CIAT US \$ 1,180.00

Training will be both formal and informal. There will be formal training for farmer participants in program. Informal training through technical assistance and días de campo (field days) will be conducted throughout the planting seasons.

#### D. Outputs

- 1. 11,180 tons corn produced according to following schedule:

First season	80 tons
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Second season	800 tons
Third season	1300 tons
Fourth season	2000 tons
Fifth season	3000 tons
Sixth season	4000 tons

2. 11,180 tons corn sold according to following schedule:

First season	80 tons
Second season	800 tons
Third season	1300 tons
Fourth season	2000 tons
Fifth season	3000 tons
Sixth season	4000 tons

3. 5,590 hectares produce high lysine opaque corn according to following schedule:

First season	40 hectares
Second season	400 hectares
Third season	650 hectares
Fourth season	1000 hectares
Fifth season	1500 hectares
Sixth season	2000 hectares

4. 100 informal and formal training courses held for 500 campesinos during first year of project.
5. 2,000 pesos average profit/hectare per planting season on land used for raising high lysine opaque corn.

E. Technology to be used

This can be sub-divided into the technology in farm production and that in marketing mechanisms.

1. Farm Production

The technology to be used is a modification of the farmer's current technologies with modern factors of production. The area where the project will be implemented in the first planting season - Guayabal - has a modest percentage of farmers who have already adopted some of the recommended technologies. Furthermore, it is believed that with the implementation of the risk-sharing techniques demonstrated in Caqueza, a favorable adoption rate of the total "package of practices" can be assured. The tentative "package of practices" for the project is the following:

- a. Adequate seed bed preparation.
- b. Improved seed. It is contemplated that the high lysine opaque variety VE-21 will be used initially.
- c. Fertilization. Exact quantities of fertilization will vary according to the indications from soil tests.
- d. Weed control. Either hand weeding or herbicides will be utilized.
- e. Insect control. Adequate insect control will be acquired through commercially available insecticides.

- f. Isolation from other corn varieties. Non-crossing will be assured by:
  - (1) Geographical isolation. At least 200 yards separation from traditional corn and/or
  - (2) Variations in dates of planting. VE-21 will be planted at least two weeks earlier or later than other corn grown in the area to avoid contamination.
- g. Adequate storage practices for harvested seed. CIAT (Dr. Steve Temple) is currently studying potentially effective storage systems.

After the initial phase in the first planting season has been carried out in Guayabal, further areas of expansion will be chosen on the basis of surveys showing the appropriateness of the land and the likelihood of farmer acceptance of new technologies.

Expansion of production will be on basis of pre-established demand.

## 2. Marketing

High lysine opaque corn has a shorter shelf-life than corn currently grown in the area. A market will be assured through the Bienestarina production plants run and managed by ICBF. In order to assure rapidity in corn marketing, purchasing will

initially be done directly by the Revolving Fund established by ICBF - CARE - Cafeteros in Cauca for this project.

Once received by the Plant, the corn will be ground into corn-meal and made into Bienestarina for distribution through established ICBF channels. Beneficiaries are segments of the Colombian "poorest majority" at risk population, particularly pregnant and lactating mothers and pre-school aged children.

3. Revolving Fund

With grant money, a revolving fund will be established to assure rapid purchase and marketing of high lysine corn.

It will be managed by the Colombian Institute of Family Welfare (ICBF) and CARE for a period of approximately eighteen months after planting has commenced for this project.

Those funds reverting to CARE at the conclusion of the revolving fund will be utilized in agricultural projects to be determined by CARE and approved by the Director of the USAID/Colombia.

Such plans will be submitted to USAID/Colombia for approval not later than six months before the scheduled termination of the revolving fund.

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AGENCY FOR INTERNATIONAL DEVELOPMENT <b>PROJECT AUTHORIZATION AND REQUEST          FOR ALLOTMENT OF FUNDS PART I</b>		1. TRANSACTION CODE <input type="checkbox"/> A ADD <input checked="" type="checkbox"/> A CHANGE <input type="checkbox"/> D - DELETE	PAF <hr/> 2. DOCUMENT CODE 5
3. COUNTRY/ENTITY COLOMBIA		4. DOCUMENT REVISION NUMBER <input type="checkbox"/>	
5. PROJECT NUMBER (7 digits) <input type="text" value="514-0220"/>	6. BUREAU/OFFICE A SYMBOL    B CODE LA <input type="text" value="5"/>	7. PROJECT TITLE (Maximum 40 characters) <input type="text" value="High Lysine Corn Production - OPG"/>	
8. PROJECT APPROVAL DECISION ACTION TAKEN <input checked="" type="checkbox"/> A APPROVED <input type="checkbox"/> D DISAPPROVED <input type="checkbox"/> DE DEAUTHORIZED		9. EST. PERIOD OF IMPLEMENTATION YRS <input type="text" value="1"/> QTRS <input type="text" value="4"/>	

10. APPROVED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>77</u>		H. 2ND FY		K. 3RD FY	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) F & N	329	072		80					
(2)									
(3)									
(4)									
TOTALS									

A. APPROPRIATION	N. 4TH FY		Q. 5TH FY		LIFE OF PROJECT		11. PROJECT FUNDING AUTHORIZED (ENTER APPROPRIATE CODE(S)) 1 - LIFE OF PROJECT 2 - INCREMENTAL LIFE OF PROJECT	A. GRANT	B. LOAN
	O. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN			
(1)					80			1	
(2)									
(3)									
(4)									
TOTALS					80				

12. INITIAL PROJECT FUNDING ALLOTMENT REQUESTED (\$000): A. APPROPRIATION    B. ALLOTMENT REQUEST NO. <u>2</u>		13. FUNDS RESERVED FOR ALLOTMENT TYPED NAME (Chief, SER:FM <del>ESD</del> ) <u>PCD</u>	
(1) <u>402</u>	C. GRANT <u>80</u>	D. LOAN	SIGNATURE <u>Hannie G. Baker for</u>
(2)			DATE <u>12-30-76</u>
(3)			
(4)			
TOTALS			

14. SOURCE/ORIGIN OF GOODS AND SERVICES

000   
  941   
  LOCAL   
  OTHER \_\_\_\_\_

15. FOR AMENDMENTS, NATURE OF CHANGE PROPOSED

FOR PPC/PIAS USE ONLY	16. AUTHORIZING OFFICE SYMBOL AA/LA	17. ACTION DATE MM DD YY	18. ACTION REFERENCE (Optional)	ACTION REFERENCE DATE MM DD YY
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PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS

PART II

Colombia (OPG/CARE) High Lysine Corn Production 514-0220

Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize a grant to Cooperative for American Relief Everywhere, Inc. (CARE) not to exceed eighty thousand United States Dollars (\$80,000) to help in financing certain foreign exchange and local currency costs of goods and services required for the project as described in the following paragraphs:

The purpose of the project is to produce high lysine corn for inclusion in Bienestarina, a Colombian-produced high protein vegetable mix which will be made available to the poor. The project proposes to increase by 50% the effectively usable protein productivity of land used for raising high lysine opaque corn when compared to normal corn production; establish and maintain an effective marketing mechanism for 4,000 tons annually of high lysine opaque corn; and raise participant farmers' incomes by an average of 300 pesos (\$10.) per month. The project will be undertaken in Southern Cauca and Northern Marino and will eventually involve approximately 1,500 farmers.

I approve the total level of A.I.D. appropriated funding planned for this project of not to exceed eighty thousand United States Dollars (\$80,000) during FY 1977 subject to the availability of funds in accordance with A.I.D. allotment procedures.

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

Source and Origin of Goods and Services: Goods and services financed by A.I.D. under the project shall have their source and origin in the United States.

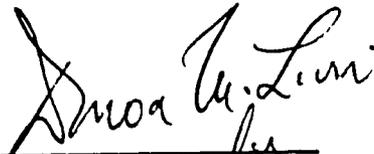
Attachment:

Resume of Review

**Clearances:**

DERbe, LA/DP	Date	Oct 76	(subs)
CBreitenbach, LA/DR	Date	Oct 76	(subs)
ERice, TA/AGR	Date	Oct 76	(subs)
PRusby, FFP/FDD	Date	Oct 76	(subs)
EKLee, PPC/RB	Date	Oct 76	(subs)
JWelty, PPC/DPRE	Date	11/19/76	
TGeiger, GC/LA	Date	11/18/76	
CRGrader, LA/MRSD	Date	11/15/76	
MKranz, LA/SA	Date	11/17/76	(subs)

Signature \_\_\_\_\_



E. N. S. Girard II  
AA/LA

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AGENCY FOR INTERNATIONAL DEVELOPMENT  
ADVICE OF PROGRAM CHANGE

COUNTRY	Colombia
PROJECT TITLE	High Lysine Corn Production
PROJECT NUMBER	514-0208
APPROPRIATION ACCOUNT	Food and Nutrition
INTENDED OBLIGATION	\$80,000

This project assists a Private Voluntary Organization (PVO), CARE, in undertaking a program to produce high lysine corn in Colombia. Funding for this activity was included in the FY 1977 Congressional Presentation as part of the Latin America Regional Private Voluntary Agency Operational Program (OPG) project.

The purpose of the project is to produce high lysine corn for inclusion in Bienestarina (A Colombian produced high protein vegetable mix) which will be made available to the poor. The project proposes to increase by 50% the effectively usable protein productivity of land used for raising high lysine opaque corn when compared to normal corn production; establish and maintain an effective marketing mechanism for 4,000 tons annually of high lysine opaque corn and raise participant farmers' income by an average of 300 pesos per month. The project will be undertaken in Southern Cauca and Northern Marino and will eventually involve approximately 1,500 farmers.

The life of this project is one year and its total cost is \$247,000--the AID contribution being 32%. The remaining costs are met by the PVO and the Government of Colombia.

Clearance:  
LA/DP, PMorris \_\_\_\_\_  
LA/GC, JKessler \_\_\_\_\_  
GC/OP, KKammerer \_\_\_\_\_  
PPC/DPRE, RBobel \_\_\_\_\_  
AA/LA, EGirard \_\_\_\_\_

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