

United States Agency for
International Development (AID)
Quito, Ecuador



175-FBI-200
81053
Agencia de los Estados Unidos para
el Desarrollo Internacional (AID)
Quito, Ecuador

August 30, 1989

**DUPLICATE
ORIGINAL**

Executive Director
Salesian Missions of the
Salesian Society
148 Main Street
Box 30
New Rochelle, N.Y. 10802

Subject: Grant 526-0616-G-SS-9002-00

Dear Sir:

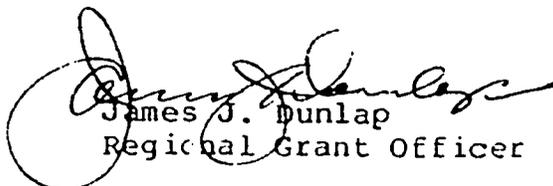
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Salesian Missions of the Salesian Society (hereby referred to as "Salesian Missions" or "Grantee"), the sum of \$200,000 to provide support for a program in natural resources, as described in the Schedule of this grant and the Attachment 2, 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 beginning with the effective date and ending September 30, 1992.

This grant is made to the Salesian Missions on condition that the 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 each copy of this letter to acknowledge your receipt of the grant, and return the original and all but one copy to me in Quito, Ecuador.

Sincerely yours,


James J. Dunlap
Regional Grant Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

SALESIAN MISSIONS OF THE SALESIAN SOCIETY

BY: William A. Sigler
Signature

NAME: WILLIAM A. SIGLER

Title: DIRECTOR OVERSEAS DEVELOPMENT PROGRAMS

Date: SEPT. 12, 1989

FISCAL DATA

Appropriation:	72-1191021
Budget Plan Code:	LDNA-89-25526-JG12
PIO/T No:	526-0616-3-90015
Project No:	598-0616.12
Total Estimated Amount:	\$200,000
Total Obligated Amount:	\$200,000
Duns No.	06-930-4566

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to support for establishment of a demonstration center for the rational use of natural resources, as more specifically described in Attachment 2 to this Agreement entitled "Program Description."

B. Period of Grant

The effective date of this Grant is the signature date on the cover letter. The expiration date of this Grant is September 30, 1992.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$200,000 for purposes of this Grant.
2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 Standard Provision No. 1, entitled "Payment - Letter of Credit."

D. Grant Budget

1. The following is the Grant Budget, including local cost financing items (local cost financing is authorized). Revisions to this budget shall be made in accordance with Standard Provision of this Grant, entitled "Revision of Grant Budget." The Grantee may adjust direct line item amounts as deemed necessary but the total may not be exceeded.

ILLUSTRATIVE BUDGET

	<u>Year 1</u>		<u>Year 2</u>		<u>Year 3</u>		<u>TOTAL</u>	
	A.I.D. US \$	I.A.S.						
1. Land	--	16,000	--	16,000	--	16,000	--	48,000
2. Personnel	61,000	7,000	33,000	13,000	--	33,000	94,000	53,000
3. Machinery	--	8,000	--	8,000	--	8,000	--	24,000
4. Equipment	30,000	--	10,000	--	--	--	40,000	--
5. Construction	4,000	8,000	2,000	6,000	--	6,000	6,000	20,000
6. Agricultural inputs, fuel, etc.	10,000	10,000	10,000	10,000	--	20,000	20,000	40,000
7. Dissemination of Information	--	--	5,000	5,000	5,000	5,000	10,000	10,000
8. Training	10,000	--	--	--	--	--	10,000	--
9. General Supervision	<u>8,000</u>	<u>--</u>	<u>6,000</u>	<u>--</u>	<u>6,000</u>	<u>--</u>	<u>20,000</u>	<u>--</u>
TOTALS:	123,000	49,000	66,000	58,000	11,000	88,000	200,000	195,000

- NOTES:
1. Most of the amounts shown above will be local currency costs.
 2. I.A.S. means Salesian Agricultural Institute "Carlos Pfannl."
 3. The Grantee has agreed to cost-share under this Grant for a total of \$195,000, as shown above.

E. Reporting

1. Financial Reporting

a. Financial reporting requirements shall be in accordance with the Standard Provision of this grant entitled "Payment-Letter of Credit as shown in Attachment 3.

b. The original and two copies of all financial reports shall be submitted to AID, Office of Financial Management, Program Accounting and Finance Division (FM/PAFD), Washington, D. C. 20523. In addition, three copies of all financial reports shall be submitted to the AID Representative, Asunción.

2. Program Performance Reporting

a. The Grantee shall submit quarterly program performance reports, and a final report, which briefly presents the following information:

(1) A comparison of actual accomplishments with the goals established for the period.

(2) Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform AID as soon as the following types of conditions become known:

Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, or prevent the meeting of time schedules and goals. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any AID assistance needed to resolve the situation.

Favorable developments or events which enable required linkages to be established.

If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this grant entitled "Revision of Grant Budget", the Grantee shall submit a request for budget revision.

Five copies of each program performance report shall be submitted to the office of the AID Representative, U.S. Embassy, Asuncion.

3. Special Reports

The Grantee shall provide special reports as requested by the AID Representative.

F. Indirect Cost Rates

Not applicable to this Grant.

G. Special Provisions

For purposes of this Grant the Grant Officer is understood to be either the Regional Contracting (Grant) Officer, currently in Quito, Ecuador, or the AID Representative for Asuncion.

H. Title to Property

Title to items purchased under this Grant shall vest in the Grantee.

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PROGRAM DESCRIPTION

I. Project Objectives

The specific purpose of the project is the establishment of a natural resources conservation center at the Salesian Agricultural Institute "Carlos Pfannl" (IAS) for demonstration and training in agricultural practices appropriate for the rational management of Paraguay's natural resources, with emphasis on irrigation techniques and agro-forestry production.

While the conservation of Paraguay's natural resources concerns all its people, those who work in agriculture and forestry have a particularly important role in assuring the proper management of the country's renewable natural resources. Based on the findings contained in the "Environmental Profile of Paraguay"* IAS has recognized the need to teach students and graduates production technologies which will help to preserve natural resources. The general goal of the project is to contribute to the better use and conservation of Paraguay's renewable natural resources through the introduction of more rational agricultural production methods.

II. Project Activities and Implementation

To attain the project's goal and purpose, the following activities are envisioned:

A. Organization of a Demonstration Center

1. Establishment of the Physical Facility

The Institute will utilize 50 hectares of fields and natural grassland to establish a model agro-forestry unit. This unit will be developed with collaboration of the Fundación Bertoni, a Paraguayan institution recently created (1986) to collaborate in the preservation of the environment in Paraguay.

IAS will devote another 60 hectares which will be watered by a natural spring to establish a plot for various demonstration projects.

Two professors and two experienced technicians will be assigned permanently to handle development of the demonstration center and program implementation. The center will be under the IAS planning Unit which will present periodic reports of all activities to a committee formed by the Director and Deputy Director of IAS, and the Chiefs of the Departments of Education, Production and Administration.

* Prepared with AID financing by Paraguay's Technical Planning Secretariat and the International Institute of Environment and Development (1985).

2. Study of the Center's Natural Resources

With the technical assistance of experts from Paraguay and/or other countries, a team of professionals and technicians will first make a detailed inventory of the center's natural resources. Among other things, to the extent possible, the study will determine:

- a. In relation to the soil: the exact area, the slope of the terrain; soil depth, texture and main chemical components; previous use and productivity; present sanitary conditions; etc.
- b. In relation to the climate: temperature, frost periods, cycles and level of rainfall, velocity and direction of winds, etc.
- c. In relation to irrigation activities: availability of water throughout the year, quality of the water, permeability of the soil, depth of the water table, etc.
- d. In relation to the forest: detailed inventory of species, age, health conditions, commercial possibilities, etc.

3. Design of Specific Projects to Demonstrate Technologies

Once the inventory and the diagnostic study of available natural resources has been completed, the technical team together with the expert advisors will design a series of experimental demonstration projects for natural resources management. One of these projects will combine cattle herding and agro-forestry activities in an area of approximately 50 hectares of natural pastures. Other projects of short, intermediate and long duration will be developed on an additional 50 hectares to demonstrate such techniques as: extraction, storage, distribution and application of water for irrigation; drainage of flooded land; control of pests and plant diseases; rational cultivation of marginal land; improvement of soil productivity; establishment of nurseries for fruit and forest seedlings; use of wind power, biogas, solar and hydraulic energy.

For each project detailed plans will be prepared to define production and training objectives, required actions, equipment needs, operational costs, probable income from operations, and mechanisms for control, follow-up and evaluation.

The mid and long-term projects will include considerations of self-sufficiency beginning in the third or fourth year utilizing their own generated income. Technologies developed must demonstrate the capability of preserving and improving the natural resource base while at the same time producing a flow of income for the farmer.

The technical personnel assigned to the center together with the laborers and the students working on the projects, will have responsibility for the execution and follow-up of each of the demonstration projects programmed.

We contemplate periodic technical assistance visits by outside experts. In relation to development of the agro-forestry sub-projects, there will be a close relationship and coordination with the Fundación Bertoni which has access to international experts very well qualified in these technologies.

Because of the experimental and demonstrative nature of the technologies that will be implemented by the center, statistical follow-up of operational and financial results will be of great importance. For this work, the personnel of the center will have the assistance of the computer department of the IAS which will employ software designed for these purposes.

B. Dissemination of Technologies

1. Incorporation of New Technologies in the IAS Curriculum

The Education Department of the Institute, with the assistance of the external experts, will recommend adjustments in the curriculum to incorporate both the theory and practice of the technologies developed and demonstrated in the center. The teaching strategy will be to create in the students a sensitivity to the urgent need to reverse the present process of degradation of Paraguay's natural resource base. For this reason, classroom teaching will be supplemented with visits to neighboring farms to illustrate and analyze in the field the consequence of improper management of natural resources. Once the nature and the importance of the existing problem has been illustrated, the technologies developed at the center will demonstrate to the students that they are effective tools for rapid and proper solutions.

Other means for the dissemination of technologies will be field days for small farmers; short courses for extension and research personnel, graduates from IAS and other agricultural schools and forestry professionals; and publications keyed to interested groups of varying levels of technical preparation. Preparation of these publications will take place in the second and third years of the project after the demonstration phase have begun, theory and practice have been incorporated into the regular curriculum, and the content of the specialized short courses has been determined.

The professionals and technicians assigned to the project, the external experts and the professors who will teach the related technical subjects, will collaborate in the preparation of these materials.

C. Training of Professionals Assigned to the Project

To increase the technical knowledge of the two professors assigned permanently to develop and implement the experimental and productive activities of the Center, the project includes financing for technical visits to research centers in other countries such as Chile or Argentina.

MANDATORY AND OPTIONAL STANDARD PROVISIONS
(Appendix 4C, AID Handbook 13)

The following Mandatory and Optional Standard Provisions for U.S., Non-Governmental Grantees in effect as of the effective date of this Grant are incorporated herein by reference with full force and effect as though fully set forth herein:

A. Mandatory Standard Provisions

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|--|-----------------|
| 1. Allowable Costs | (November 1985) |
| 2. Accounting, Audit, and Records | (January 1988) |
| 3. Refunds | (January 1988) |
| 4. Revision of Grant Budget | (November 1985) |
| 5. Termination and Suspension | (May 1986) |
| 6. Disputes | (March 1987) |
| 7. Ineligible Countries | (May 1986) |
| 8. Debarment, Suspension and other
Responsibility Matters | (March 1989) |
| 9. Nondiscrimination | (May 1986) |
| 10. U.S. Officials Not to Benefit | (November 1985) |
| 11. Nonliability | (November 1985) |
| 12. Amendment | (November 1985) |
| 13. Notices | (November 1985) |

B. Optional Standard Provisions

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|---|-----------------|
| 1. Payment - Letter of Credit | (November 1985) |
| 4. Air Travel and Transportation | (November 1985) |
| 6. Procurement of Goods and Services | (November 1985) |
| 7. A.I.D. Eligibility Rules for Goods
and Services | (November 1985) |
| 8. Subagreements | (November 1985) |
| 9. Local Cost Financing | (November 1988) |
| 11. Publications | (November 1985) |
| 20. Title to and Use of Property
(Grantee Title) | (November 1985) |
| 23. Cost Sharing (Matching) | (November 1985) |
| 25. Conversion of U.S Dollars to Local
Currency | (November 1985) |