



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.

PS-ARBK-043

91959

14 September, 1993

Mr. Thomas F. Rosenberger  
Country Director  
Cooperative for Assistance and Relief Everywhere, Inc. (CARE)  
San Salvador

**SUBJECT:** Cooperative Agreement No. 519-0320-A-00-3222-00  
Public Services Improvement Project

Dear Mr. Rosenberger:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the Federal Grant Cooperative Agreement Act of 1977 (P.L. 95-224), the United States Agency for International Development (hereinafter referred to as "USAID" or "Grantor") hereby grants to the Cooperative for Assistance and Relief Everywhere, Inc. (hereinafter referred to as "CARE" or "Recipient") the sum of One Million Three Hundred Fourteen Thousand Nine Hundred Forty-One United States Dollars (\$1,314,941) under the Public Services Improvement Project (No. 519-0320) to provide support for activities designed to assist rural Salvadoran communities and families improve their quality of health by providing goods and services in environmental sanitation and potable water supply. This amount is the total estimated USAID contribution.

This 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 during the period beginning with the effective date, and ending September 30, 1994.

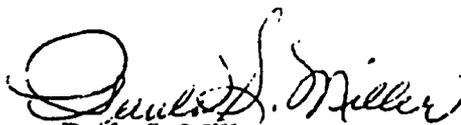
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This Cooperative Agreement consists of Attachment 1, the "Schedule"; Attachment 2, "Program Description"; and Attachment 3, "Standard Provisions" all of which have been reviewed and agreed to by your organization. Please sign the original and six (6) copies of this letter to acknowledge your receipt of this Cooperative Agreement and return the original and five (5) copies to USAID/El Salvador.

Sincerely,



Charles E. Costello  
Director



Paula S. Miller  
Agreement Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

Acknowledged by:



Mr. Thomas F. Rosenberger, Country Director  
Cooperative for Assistance and Relief  
Everywhere, Inc. (CARE)/El Salvador

Date Sept. 28, 1993

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Continuation of Cooperative Agreement No. 519-0320-A-00-3222-00 with CARE dated 14 September, 1993.

FISCAL DATA

Project Number:	519-0320
Appropriation:	72-1191021
Budget Plan Code:	LDHA-89-25519KG13
Amount Obligated:	\$211,926.20
Appropriation:	72-119/01037
Budget Plan Code:	LES9-90-25519KG13
Amount Obligated:	\$236,821.80
Appropriation:	72-110/11037
Budget Plan Code:	LES0-90-25519KG13
Amount Obligated:	\$540,252.00
Appropriation:	72-111/21037
Budget Plan Code:	LES1-91-25519KG13
Amount Obligated:	\$325,941.00
Funding Source:	USAID/El Salvador
Total Estimated Amount:	\$1,314,941
Total Obligated Amount:	\$1,314,941

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**ATTACHMENT 1  
SCHEDULE**

**A. AUTHORITY, PURPOSE AND PROGRAM DESCRIPTION**

The purpose of this Cooperative Agreement is to provide support for activities designed to assist Salvadoran communities and families improve their environmental sanitation and water supply in a manner that supplements the efforts being performed by the Ministry of Health (MOH) and ANDA under Component V of USAID Project No. 519-0320 "Public Services Improvement." The program is more fully described in Attachment No. 2 entitled "Program Description".

**B. TOTAL ESTIMATED COST, FUNDS OBLIGATED, AND PAYMENT**

1. The total estimated cost of all activities covered by this Cooperative Agreement is \$1,314,941. USAID hereby obligates the amount of \$1,314,941 which shall be made available to the Recipient in accordance with procedures set forth in Attachment 3 hereof in the Standard Provision entitled "Payment-Letter of Credit." The Recipient is not authorized to incur costs in excess of the total obligated amount.

2. Payments shall be made to the Recipient in accordance with the documentation and procedures set forth in the Provision entitled "Payment-Letter of Credit" of Attachment 3.

3. Funds to cover the cost of evaluations and audits will be reserved by USAID and not be included in the Letter of Credit. USAID, after consultations with CARE, will directly contract to undertake these activities.

4. USAID agrees to reimburse, within the illustrative budget at Section F, Attachment 1, pre-award costs incurred by CARE in preparation for rapid implementation upon signing of this agreement, in an amount not to exceed \$10,000. These costs will be approved by the USAID Technical Office (IRD/MID).

**C. SUBSTANTIAL INVOLVEMENT UNDERSTANDING**

USAID will participate in the activities under this Agreement in the following manner:

1. An Action Plan describing all the activities to be financed by USAID under this Agreement and with Recipient Counterpart funds must be approved in writing by USAID before the disbursement of funds, unless USAID agrees otherwise in writing. The Action Plan will be submitted by the Recipient within 30 calendar days from the signing of this Agreement and will cover the period from effective date of the agreement through September 30, 1994. The Action Plan will consist of: a) a description of monthly activities and goals by component, b) an annual training plan, and c) a budget, detailing estimated expenditures during the first quarter by

component. Beginning with the second quarter and for each quarter thereafter, the Grantee will submit its quarterly budget by both component and activity.

2. The Recipient will submit quarterly progress reports to USAID. These reports shall be submitted within 15 calendar days after the end of each quarter and will contain a detailed accounting of Project accomplishments for the quarter and priority actions planned for the next quarter. At least semi-annually, USAID and the Recipient will jointly review Project outputs and assess the Recipient's achievement in attaining Project goals.

3. USAID will monitor Project implementation to assure that the terms and conditions of this Agreement are met. Project monitoring will be exercised principally by a Project Officer assigned to the USAID Office of Infrastructure and Regional Development (IRD), with participation from a representative of the Office of Health, Population and Nutrition (HPN).

4. The Recipient will assign a full time program director within 30 days of the effective date of this Agreement. Prior to assignment, the name and bio-data of the candidate will be submitted to USAID. USAID and the Grantee will then jointly agree to the proposed candidate for the Program Director's position.

5. Copies of all reports prepared by personnel and/or consultants financed with funds under this Agreement will be provided to USAID.

#### **D. PERIOD OF AGREEMENT**

The effective date of this Agreement is the date of the covering letter. The expiration date of this Agreement is September 30, 1994.

#### **E. REPORTS AND EVALUATIONS**

##### **1. Financial Reports**

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The financial reports requirements are set forth in the Optional Standard Provision entitled "Payment - Letter of Credit." The financial reports entitled "Financial Status Report" (SF-269), and the "Federal Cash Transaction Report" (SF-272), shall be submitted quarterly to A.I.D./Washington, with copies to USAID/El Salvador, (IRD/MID) and Office of the Controller. In addition, CARE will send on a quarterly basis a copy of its local financial reports to IRD/MID.

##### **2. Program Progress Reports**

The Recipient shall monitor performance under the Agreement and ensure that time schedules are being met, projected work units by the time periods are being accomplished, and other performance goals are being achieved. Based upon this monitoring, the Recipient shall submit quarterly status reports providing information on each of the activities described in the Project, and other reports as USAID may request. These reports will include, but not necessarily be limited to: a summary of activities carried out during the reporting period, specifying outputs and progress made towards achieving Project goals as of the date of the report, and priority actions planned for the next quarter. The first quarterly progress report will be submitted no later than October 15,

1993, covering activities through September 30, 1993. Subsequent reports will be due at three-month intervals thereafter, i.e., on January 15, 1994, for the period ending December 31, 1993, etc. Should any performance review conducted by the Recipient disclose the need to change the Illustrative Financial Plan by more than 15% per line item permitted under the terms of the Grant, the Recipient shall promptly notify USAID in writing of the needed changes for USAID written approval before expenditures are submitted.

3. End-of-Project Report

The Recipient shall submit an End-of-Project report within 30 days after completion of the Project, summarizing information contained in the quarterly progress and any evaluations conducted.

F. ILLUSTRATIVE FINANCIAL PLAN

LINE ITEM	USAID	CARE	TOTAL
PERSONNEL COSTS	\$ 229,940	\$ 17,940	\$ 247,880
PROJECT SUPPLIES AND SERVICES	842,118	275,320	1,117,438
OTHER DIRECT COSTS	150,006	12,390	162,396
INDIRECT COSTS	92,877	—	92,877
<b>T O T A L</b>	<b>\$1,314,941</b>	<b>\$ 305,650</b>	<b>\$1,620,591</b>

Revisions to this plan shall be made in accordance with the Mandatory Standard Provision No. 4 of this Agreement entitled "Revision of Grant Budget." USAID hereby approves a variance of expenditures up to 15% from the line items shown in the Illustrative Financial Plan without prior written approval by USAID, provided that the total amount of funds obligated is not exceeded. Any additional variations must be approved beforehand, in writing, by USAID.

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**G. NEGOTIATED OVERHEAD RATE**

Pursuant to the Optional Standard Provision entitled "Negotiated Indirect Cost Rates - Provisional (Non-Profits)," a rate or rates shall be established for each of the Recipient's accounting periods during the term of the grant. Payments on the account for allowable indirect costs rates shall be made on the basis of the following negotiated provisional rates:

Type of Rate	Base	Rate	Period
Overhead	Total direct costs less exchange fluctuations, less ocean freight, less non-cash donations including agricultural commodities, ocean freight and contributions in-kind, and less U.S. Government grants that due to legal restrictions do not merit indirect cost recovery. "Cash Grants" include PL480 monetized proceeds.	6.76%	Effective Date of Agreement - until amended
Audit	All U.S. Government cost grants and cost type contract expenses that are subject to audit "Cash Grants" include PL480 monetized proceeds.	0.84%	Effective Date of Agreement - until amended

**H. SPECIAL PROVISIONS**

1. Conditions Precedent to First Disbursement

Prior to the disbursement of funds by USAID to the Recipient, or the issuance by USAID of documentation pursuant to which disbursements will be made, the Recipient will, except as USAID may otherwise agree in writing, provide:

a) A statement of the name(s) of the person(s) empowered in CARE to act on behalf of the Recipient on matters related to financing provided under this Agreement and of any additional representatives, together with a specimen signature of each person so designated;

b) Submission of the Action Plan covering the period from the date of this Agreement through September 30, 1994.

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**2. Covenants**

a) The Recipient covenants to pay no more than reasonable prices for any goods and services financed in whole or in part under this Agreement. The Recipient shall employ good commercial practices in the procurement of goods and services under this Agreement to assure the most effective use of the funds provided. All procurement of goods and services will be conducted in accordance with the Standard Provisions, Attachment III, entitled "Procurement of Goods and Services" and "AID Eligibility Rules for Goods and Services."

b) All training in the U.S. or third countries financed under this project will be accomplished in accordance with the policies, allowances, guidance, and reporting requirements of USAID Handbook 10, Participant Training, unless otherwise agreed to by USAID in writing.

c) The Recipient shall maintain a drug-free workplace in compliance with the certification provided to USAID dated 8 September, 1993. Violations of the requirements to maintain a drug-free work place may subject the Recipient to suspension of disbursement, termination or suspension of this Agreement, ineligibility to receive further grant assistance and such other remedies as USAID 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.

d) The Recipient shall not knowingly enter into any lower tier transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by USAID. The Recipient further agrees that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," which will be provided by USAID, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

e) The Recipient agrees to maintain computerized inventory control records and ensure proper maintenance upkeep and security for USAID-financed non-expendable property.

**3. Title to Property**

Conditions governing title to property financed under the Agreement are as set forth in the Optional Standard Provision "Title to and Use of Property (Grantee Title)."

**4. Authorized Geographic Code**

The authorized geographic codes for procurement of goods and services under this Agreement, except as USAID otherwise agrees in writing, are 000, the United States and/or member-countries of the Central American Common Market.

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5. U.S. Commissary

U.S. citizen and third country national employees of the Recipient, as well as the U.S. citizen and third country national employees of its subrecipients or subcontractors, who are in El Salvador solely to work under the Agreement will have access to the commissary operated by the American Employees Association in El Salvador in accordance with the policies of the Department of State and the U.S. Embassy, El Salvador.

I. APPLICABLE STANDARD PROVISIONS

Attachment 3 contains the Standard Provisions, effective as of the date of this Agreement. All mandatory Standard Provisions are in force under this Agreement. The Optional Standard Provisions checked off in the list below are also in force under this Agreement:

- |     |  |   |
|-----|--|---|
| 1.  | OMB Approval Under the Paperwork Reduction Act             | X |
| 2.  | Payment - Letter of Credit                                 | X |
| 3.  | Payment - Periodic Advance                                 |   |
| 4.  | Payment - Cost Reimbursement                               |   |
| 5.  | Air Travel and Transportation                              | X |
| 6.  | Ocean Shipment of Goods                                    | X |
| 7.  | Procurement Of Goods and Services                          | X |
| 8.  | AID Eligibility Rules for Goods and Services               | X |
| 9.  | Sub-Agreements   | X |
| 10. | Local Cost Financing                                       | X |
| 11. | Patent Rights  |   |
| 12. | Publications   | X |
| 13. | Negotiated Indirect Cost Rates - Predetermined             |   |
| 14. | Negotiated Indirect Cost Rates Provisional - (Nonprofits)  | X |
| 15. | Negotiated Indirect Cost Rates Provisional - (For-Profits) |   |
| 16. | Regulations Governing Employees                            | X |
| 17. | Participant Training                                       | X |
| 18. | Voluntary Population Planning                              |   |
| 19. | Protection of the Individual as a Research Subject         |   |
| 20. | Care Of Laboratory Animals                                 |   |
| 21. | Title To and Care of Property (Grantee Title)              | X |
| 22. | Title To and Care of Property (U.S. Government Title)      |   |
| 23. | Title To and Care of Property (Cooperating Country Title)  |   |
| 24. | Cost Sharing (Matching)                                    | x |

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25.	Use of Pouch Facilities	X
26.	Conversion of United States Dollars to Local Currency	X
27.	Public Notice	X
28.	Rights in Data	X

**J. MARKING**

1. All grant-financed equipment and materials and their shipping containers must be suitably marked.

Project construction sites and other project locations must display signs suitably marked and indicating participation by the United States in the Project. These signs should be erected at an early date in the construction or implementation phase and be replaced by permanent signs, plates, or plaques, suitably marked, at the end of this phase.

The term "suitably marked" used here means marking with the USAID red, white, and blue emblem, and for shipping containers, additional marking with the last five digits of USAID financing document number.

The size of the emblem may vary depending upon the size of the item or unit but must be large enough to be clearly visible at a reasonable distance. Emblems are to be affixed by metal plate, decalcomania, stencil, label, tag, or other means depending upon the type of commodity and nature of the surface to be marked, but they must be as durable and at least as large as the trademark or company brand name affixed by the producer.

2. Responsibilities

The Recipient is responsible for:

- a) Preparing and issuing instructions regarding USAID marking requirements.
- b) Developing procedures to transmit appropriate instructions to suppliers.
- c) Incorporating USAID marking requirements into Recipient-issued implementing documents, such as invitations for bids, requests for proposals or quotations, purchase orders, contracts, and Letters of Credit.
- d) Monitoring performance, reporting violations, initiating corrective action and recommending exceptions.

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**ATTACHMENT 2  
PROGRAM DESCRIPTION**

**A. PURPOSE OF THE AGREEMENT**

The purpose of this Cooperative Agreement is to provide funding to enable the Recipient to assist Salvadoran communities and families improve their quality of life by providing goods and services in environmental sanitation and water supply with timely and effective strategies in a manner that supplements the efforts being performed by the Ministry of Health (MOH) and ANDA under Component V of USAID Project 519-0320 "Public Services Improvement".

**B. IMPLEMENTATION PLAN**

During the period September 1993 through September 1994, the Project will provide coverage supplemental to those interventions being executed by the MOH and ANDA for the rural population. The supplemental activities would comprise working at the community level in organizing the beneficiaries to rehabilitate/construct, operate, utilize, maintain, and administer potable water distribution systems including new source development, by the Recipient, when necessary, and construct latrines.

**1. Community Selection and Target Population**

Improvements to or installation of water supply and sanitation systems will take place in communities, in ex-conflictive zones, which have been identified by the MSPAS and ANDA under Project 519-0320 or as identified by CARE and agreed to by USAID. The specific region for the implementation of this Project will be the Eastern Zone of El Salvador where USAID, in consultation with the MSPAS and ANDA, considers CARE's presence to be most beneficial. The Project will benefit approximately 12,000 individuals and will terminate on 30 September, 1994, the PACD of Project 0320.

In target municipalities, the Recipient will: a) review the designs and construction plans for the rehabilitation or construction of water systems which were prepared by the private sector consulting firms contracted by ANDA, for their technical and financial adequacy; b) provide all materials (except pumps, well screens, casings and other materials purchased by USAID for stock within Project 320), equipment, and technical resources required to exploit a new water source(s) where necessary or effect requisite improvements to an existing water source(s) and complete all the tasks necessary to rehabilitate or construct the water supply and distribution system and construct latrines; and c) implement the improvements to or construction of the water distribution system and latrines by organizing and utilizing community labor where appropriate.

CARE will also be responsible for the community organization to respond to the water and sanitation needs. CARE will utilize a participatory methodology approach to make the community individuals active participants in the construction, operation, utilization, maintenance, and administration of the proposed improvements to water systems and latrines. Finally, CARE will be responsible for the financial accountability of all sub-projects until construction activities are terminated.

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The user fee amount will be determined by the Recipient and the Comité de Agua. The regulatory agency for all water distribution systems will be either ANDA, PLANSABAR, or the municipality depending on ownership of the system. The design and construction of improvements for any water distribution system by the Recipient must conform to ANDA's technical specifications and standards and must be submitted by letter to ANDA for approval prior to the start of actual construction. In the event that ANDA fails to notify the Recipient in writing of its approval or disapproval of a design within fourteen (14) calendar days, the Recipient will notify the Grantor within 48 hours and request permission to proceed with the construction. Latrine design will adhere to MOH standards for both pit and composting latrines. The introduction of other types of latrines will require the prior written approval of the MOH. In the event that the MOH fails to notify the Recipient in writing of its approval or disapproval of a latrine design within fourteen (14) calendar days, the Recipient will notify the Grantor within 48 hours and request permission to proceed with the construction.

## **2. Community Organization**

The Recipient will utilize a participatory methodology approach, working with the Comités de Agua and individual families to make them active participants in the construction, operation, utilization, maintenance, and administration of the proposed improvement to or installation of water systems and latrines. This will be accomplished through coordination between the MOH and the Recipient's promotional staff, and the Recipient's technical personnel with ANDA or PLANSABAR oversight. Wherever and whenever possible, authority and responsibility for Project components will devolve on the community. An agreement for project participation will be signed by authorized representations of each community stipulating the specific responsibilities of the community/municipality, the MOH, ANDA, and the Recipient. Regardless of this development authority, the Recipient will be ultimately responsible for the financial accountability of all projects until construction activities are terminated.

## **3. Project Implementation**

The activities will be implemented in a single phase during the period September 1993 through September 1994. The Recipient's promoters, in liaison with MOH cantón-level promoters (where available), will assist communities in their organizational responsibilities, acting as facilitators and coaches for elected water boards and system operators. The Recipient's promoter will coordinate overall activities in each community. Half of the Recipient's promoter field staff will be comprised of women, which should allow the additional benefit of providing positive role models for village women. Once the community is organized and has reached an implementary rhythm, the Recipient's social promoters will diminish their time with the communities, leaving the daily construction activities to the comités de agua and the Recipient's maestros de obra and masons with technical oversight by the supervising engineer. The social workers' presence will be required more for review and planning, than for continuous oversight.

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### **Rehabilitation of Existing Water Supply and Distribution Systems**

Once the plans and specifications for the improvements to a water system have been approved by ANDA and accepted by the community/municipality, the Recipient's promoters and the comité de agua will develop a realistic work plan, which will be presented to the community in an asamblea general. This workplan will include the following information: project justification, goals, objectives, tasks, workers, materials, logistics, timeframes, and water distribution system improvement project evaluation criteria.

Upon approval, procurement and transportation of materials will be coordinated by the Recipient's central office through requisitions from field personnel. The comité de agua and their Recipient counterparts will be responsible for administrative controls and system improvement construction management at the work group level. Each two communities will have a supervising engineer for technical oversight, with maestros de obra to assist in the hands-on construction. Weekly meetings with the comité de agua will be held to review work progress to date and plan for the upcoming week. If necessary, asambleas generales will also be held to evaluate the project advancement.

Within a month of the projected completion date of the system improvements, a series of workshops will be held with the comité de agua to train them in the operation, maintenance, emergency repair, and administration of the rehabilitated or new system. The regulations of the comité de agua will be reviewed again, as well as the job descriptions of the members, and user rights and duties clearly defined.

Where applicable, long-term user-fee fund allocation plan will be developed with the comité, a bank account and accounting system with proper controls established, and training given to the comité on all procedures and controls.

To ensure the dissemination of information regarding rights and duties of users, the administrative systems will be explained in an asamblea general and discussed. This will be followed by an information pamphlet for each household, which will also sign an agreement with the comité to abide by these rules. This agreement is legally nonbinding, but has been useful in formalizing the comité's relationship with the community.

The comité will also be given a list of material suppliers with current prices, and trained on how to troubleshoot water supply and distribution lines. Regular maintenance schedules, including chlorination, will be established in the workshops, with assigned responsibilities. A basic tool kit for emergency repairs will be left, as required, for the community.

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### Sanitation

In communities where both the rehabilitation or installation of the water supply system and latrine construction are required, each community will be started with the latrine activities because they require more promotional work; also, because they require work groups of affiliated families to coordinate activities for individual benefits, and they afford the promoter an opportunity to observe the community dynamics that are less obvious in a large project such as the rehabilitation of a water supply and distribution system. This gives the promoters the opportunity to develop the group dynamic and make it more effective before embarking on the improvements to or installation of the water distribution system. In communities where latrines have already been constructed by others, the promoters will focus on those activities necessary for implementing the improvements to or construction of the distribution system and maximizing acceptance and utilization of the latrines.

A work plan will be drawn up for latrine construction with the comité de agua. This work plan will include the following information: project justification, goals, objectives, tasks, workers, materials, logistics, timeframes, and latrine construction project evaluation criteria. The Recipient will provide training and technical assistance throughout the process, including pricing of materials and transport. Prior to submission of the work plan for USAID approval, the work plan will be presented for consensus to the community in an asamblea general.

Upon approval, the comité de agua will be trained in all administrative matters relating to the latrine construction. This training will include prioritization of tasks, administrative controls in inventory, distribution of tools and materials, explanation of the Recipient's procurement and transportation schedules, and formation of work groups. The comité de agua will have a counterpart on the side of the Recipient to assist them in all administrative activities.

#### 4. Evaluation, Follow-up, and Monitoring

Given the short project cycle, monitoring will be a critical task for management. The project will monitor progress via quadrimestral reports to USAID-El Salvador and the Recipient's Home Office. These reports will be shared with ANDA, MOH, and other organizations as required.

Individual projects will be monitored by the responsible field unit composed of one engineer, one promoter, and one health educator. Monthly staff meetings, along with the monthly community-management meetings, will help focus attention on immediate, short-term, and future needs and issues.

A final evaluation will be funded to take place in month eleven of the project. Emphasis will be on goal achievement and administrative effectiveness.

5. 1.2



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.

**ACTION MEMORANDUM FOR THE MISSION DIRECTOR AND GRANT OFFICER**

*Marc Scott*

**FROM:** Marc Scott, DD/IRD

**SUBJECT:** Public Services Improvement Project No. 519-0320. Cooperative Agreement with The Cooperative for Assistance and Relief Everywhere, Inc. (CARE)

**ACTION REQUEST**

To approve and sign the attached Cooperative Agreement with The Cooperative for Assistance and Relief Everywhere, Inc. (CARE) to assist Salvadoran communities and families improve their quality of life by providing goods and services in environmental sanitation and water supply with timely and effective strategies in a manner that supplements the efforts being performed by the Ministry of Health (MOH) and ANDA under Component V of USAID Project 519-0320 "Public Services Improvement." LOP funding for this Agreement will be \$1,620,591.00 (USAID contribution of \$1,314,941.00 and CARE contribution of \$305,650.00).

**DISCUSSION**

Component III of Project 0320 was designed to increase the access to potable water supply and sanitation systems for rural populations, and to increase the proper utilization of water and sanitation systems by beneficiary families. The original Project 0320 design calls for ANDA and MSPAS to be the implementing entities of Component III. Physical progress of Component III, during the first three years of the Project, was virtually non-existent. A workshop to assess the original design and implementation modalities was held on 29 April, 1992. It was attended by ANDA, MOH, SETEFE, LBII, and USAID. Recommendation No. 7 of the workshop welcomes the participation of PVOs for project implementation. The President of ANDA and the USAID Mission Director ratified the workshop recommendations in letter USAID-IRD-255 dated 9 June, 1992.

In partial response to the requirements of Program Outcome No. 1.2 - "Reestablish access to basic services" -of Strategic Objective No. 1 - "Assist El Salvador to make the transition from war to peace," Amendment No. 7 to Project 0320 which was executed on 7 September, 1992, created a new component, Component V, to allocate funds specifically to assist the National Recovery Plan (NRP). Component V includes a water supply and sanitation element for implementation by the municipalities and PVOs in communities in the ex-conflictive zones. In documentation dated 24 June, 1993, CARE submitted to USAID, in draft and for discussion, an unsolicited proposal to support the Public Services Improvement Project through Water Supply, Health, and Sanitation Interventions.

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## **MISSION REVIEW**

The original proposal presented by CARE was reviewed by the Mission Project Implementation Committee (PIC) on 7 July, 1993. PIC comments were forwarded to CARE by FAX on 19 July with an ensuing discussion held 4 August, 1993. A new revised draft, for discussion, was submitted to USAID by CARE, dated 9 August, 1993. This revised version of the proposal was reviewed by IRD on 10 August, 1993. On 13 August, 1993, CARE presented a final version (dated 08/13/93) of their proposal which was reviewed by the PIC on 23 August, 1993. The PIC recommended that based on the proposal of 13 August, 1993, and the Mission review, a Cooperative Agreement incorporating some changes proposed by the PIC and upon acceptance by CARE would be appropriate. The PIC recommendations were accepted by CARE on 24 August, 1993.

## **SUMMARY OF CARE ACTIVITIES**

The purpose of the Agreement is to provide financial support to CARE for implementing improvements to water supply and sanitation systems in a maximum of five rural municipalities, in the ex-conflictive zones, which have been identified by the MSPAS and ANDA under Project 519-0320 or as identified by CARE and agreed to by USAID. The specific region for the implementation of the project will be the Eastern Zone where USAID, in consultation with the MSPAS and ANDA, considers CARE's presence to be most beneficial. The project will benefit approximately 12,000 individuals and will terminate on 30 September, 1994, the PACD of Project 519-0320.

In target municipalities, CARE will: a) review the designs and construction plans for the rehabilitation of water systems which were prepared by the private sector consulting firms contracted by ANDA, for their technical and financial adequacy prior to initiating any other activities; b) provide all materials, equipment, and technical resources required to exploit a new water source(s) where necessary or effect requisite improvements to an existing water source(s) and complete all the tasks necessary to rehabilitate the water supply and distribution system and construct latrines; and c) implement the construction of the improvements to the water distribution system and the latrines by organizing and utilizing community labor. CARE will also be responsible for the community organization to respond to the water and sanitation needs. CARE will utilize a participatory methodology approach to make the community individuals active participants in the construction, operation, utilization, maintenance, and administration of the proposed improvements to water systems and latrines. Finally, CARE will be responsible for the financial accountability of all sub-projects until construction activities are terminated.

## **JUSTIFICATION OF NON COMPETITIVE AWARD**

AID policy, as stated in Handbook 13, Chapter 2 requires that grant awards be competitively made unless the application for grant assistance was unsolicited under circumstances in which competition is not an issue. IRD hereby certifies that the CARE proposal for the assistance under consideration was not solicited by AID, and that it is innovative and unique and acceptance would be fair, reasonable, and would represent appropriate use of AID funds to support or stimulate a public purpose.

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**CONGRESSIONAL NOTIFICATION**

This is a sub-obligation of an obligation previously reported to Congress. Accordingly, notification is not required.

**PROJECT AUTHORIZATION**

It is not required because the agreement is being funded by a sub-obligation of funds previously authorized.

**APPROVAL OF COOPERATIVE AGREEMENT**

The Grant Officer has Ad Hoc Authorization to sign this Cooperative Agreement.

**RECOMMENDATION**

That the Mission Director sign, and the Grant Officer approve and sign the Cooperative Agreement with CARE.

Mission Director:

Approved   
~~Disapproved~~ \_\_\_\_\_  
Date 9/13/93

Grant Officer:

Approved \_\_\_\_\_  
Disapproved \_\_\_\_\_  
Date \_\_\_\_\_

Drafted:	JWHabron, Sr., C/MID	<u></u>	Date	<u>1 Sep '93</u>
Cleared:	MScott, DD/IRD	<u></u>	Date	<u>9/11/93</u>
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	MDeal, PRJ	<u></u>	Date	<u>2 Sep 93</u>
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