



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

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August 3, 1993

Iowa International Development Foundation
P. O. Box 93535
Des Moines Iowa 50393

SUBJECT: Grant Number CCN-0006-G-00-3127-00

Dear Mr. Chrystal

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, and the Federal Grant and Cooperative Agreement Act of 1982, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby provides to the Iowa International Development Foundation (hereinafter referred to as the "Recipient") the sum of Seven Hundred Fifty Two Thousand Two Hundred and Thirty One Dollars, (\$752,231), in support of the Recipient's program entitled "U.S Agribusiness Centers in the New Independent States", as more fully described in Enclosure 2 of this Grant entitled "Program Description."

This Grant is effective and obligation is made as of the date of this letter and shall apply to all allowable commitments made by the Recipient in furtherance of program objectives from Aug. 03, 1993 through Aug 02, 1994.

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

Please acknowledge receipt of this Grant by signing all copies of this Cover Letter, retaining one set for your files, and returning the remaining copies to the undersigned.

Sincerely,

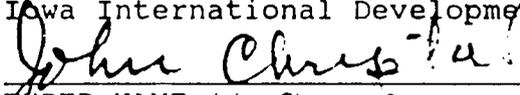

J. J. Kryschtal
Grant Officer
Branch Chief
Office of Procurement

Enclosures:

1. Schedule
2. Program Description
3. ~~Standard Provisions~~

ACKNOWLEDGED BY:

Iowa International Development Foundation



TYPED NAME John Chrystal
TITLE: Co-Chairman
DATE: August 5, 1993

FISCAL DATA

PIO/T NO.: 110-0006-3-366-2258
APPROPRIATION NO.: 72-112/31037
ALLOTMENT No.: WES2-93-36110-KG-12
BUDGET PLAN CODE: 270-68-110-00-69-31
TOTAL ESTIMATED COST: \$752,231
THIS OBLIGATION: \$752,231
TOTAL OBLIGATION: \$752,231

TECHNICAL OFFICE NIS/TF/DIHR, L. Marks
DOC #: 1361s

SCHEDULEA. Purpose of Grant

The purpose of this Grant is to provide support for the Recipients program entitled "U.S. Agribusiness Centers in the New Independent States" as more specifically described in Attachment 2 to this Grant entitled "Program Description."

B. Period of Grant

1. The effective date of this Grant is July 30, 1993. The estimated completion date of this Grant is July 30, 1994.

C. Amount of Grant and Payment

1. The total estimated amount of this Grant is \$752,231.
2. AID hereby obligates the amount of \$752,231. for purposes of this Grant.
3. Payment shall be made to the Recipient in accordance with procedures as set forth in Enclosure 3 -Standard Provision, entitled "Payment - Letter Of Credit (AUG 1992)."

D. Budget

The following is the Budget for this Grant. The Recipient may not exceed the total estimated amount or the obligated amount, whichever is less (see Part C above).

<u>Description</u>	<u>Amount</u>
Salaries and Benefits	\$ 53,100
Allowances	7,500
Subcontractor/Consult	15,000
Training	21,000
Travel	50,000
Other Direct Cost	85,450
Equipment/Seed Purchases	<u>520,181</u>
<u>TOTAL</u>	\$752,231

The salary and subcontractor/consultant personnel maximum reimbursement for salary without a salary waiver is \$331.92/day. Only if a salary waiver is approved then the Recipient may reimburse at the approved rate.

Reasonable and necessary transfer of costs among line items is permissible so as to achieve the objectives of the program, however Mandatory Standard Provision entitled, "Revision of Grant Budget" is applicable to the above budget. The Recipient shall immediately request approval from the Grant Officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the reasons stated in Mandatory Standard Provision entitled, "Revision of Grant Budget".

E. Reporting

E.1. Financial Reporting

E.1. (a) Financial reporting requirement shall be in accordance with the Standard Provision of this Grant entitled, "Payment-Letter Of Credit," as set forth in Enclosure 3.

E.1. (b) All financial reports shall be submitted to A.I.D., Office of Financial Management, FA/FM/CMP/DCB, Room 700, SA-2, Washington, D.C. 20523-0209. In addition, two copies of all financial reports shall be submitted to the A.I.D. Project Office specified in the Schedule of this Grant and to USAID/Moscow Mission..

E.1. (c) The frequency of financial reporting and the due dates of reports shall be as specified in the Standard Provision of this Grant referred to in Section E.1. (a) above.

E.1. (d) The Recipient's financial reports shall include expenditures of A.I.D. Grant funds provided hereunder, as well as non-federal matching funds and any other contributions.

E.2. Program Performance Reporting

The Recipient shall submit the following:

E.2. (a) Program Workplan

The Recipient shall submit for A.I.D. Project Officer's review, within thirty (30) days of signing the Grant a work plan for the overall implementation of this activity. This work plan shall include specific objectives for each phase of the program and a strategy for measuring the impact of program activities towards meeting these objectives. This work plan shall be updated on a quarterly basis and included as a component of the quarterly progress report. Progress reports will include: (1) a comparison of actual accomplishments with the goals established for the period, the finding of the investigator, or both. If the output of programs can be readily quantified, such quantitative data shall be related to cost data for computation of unit costs; (2) reasons why established goals were not met, if applicable; (3) other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

E.2. (b) Quarterly Reports

The Quarterly Report shall be submitted in two (2) copies of quarterly implementation progress reports to the A.I.D. Project Officer listed within the Schedule of this Grant, two (2) copy to the A.I.D. Mission in Moscow. These reports should coincide with the financial reporting periods described above.

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Quarterly reports will include: (1) proposed modifications of quarterly work plans, specifically to include travel projected for a subsequent quarter; (2) a review of program and problems to date, and a discussion of technical and managerial issues significant to the success or failure of the grant; (3) a review of how the activities are leading to the creation of viable business ventures.

E.2. (c) Final Report

No later than sixty (60) days after the completion date of the Grant, the Recipient shall submit copies of a comprehensive final report to the following offices: two (2) copies to the AID/Washington Private Sector Initiatives Office; two (2) copies project officer USAID/MOSCOW; two (2) copies to USAID/UKRAINE; and two (2) copies to A.I.D.; Center for Development Information and Evaluation; document Information Division, POL/CDIE/DI; Room 209F, SA-18; Washington DC 20523-1802.. The final report shall include: (1) a summary description of program activities and an assessment of program impact towards achieving the program purpose and objectives that is sufficiently detailed so as to substantiate the results as described in the unsolicited proposal submitted by the Recipient; (2) a summary of the accomplishments or failings; (3) A description of the project financed activities from its inception; (4) significance of these activities; and (5) comments and recommendations.

E.2. (d) Interim Reports

Prior to the required final performance reporting date, events may occur that have significant impact upon the project. In such instances, the Recipient shall inform the Grant and Project Officers as soon as the following type of conditions become known:

- a. Problems, delays or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work activities by the established time period. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
- b. Favorable developments or events that enable time schedules to be met sooner than anticipated or more work activities to be performed than originally projected.

E.3. Evaluations

- a) The Recipient will be monitored and evaluated by the responsible A.I.D. project officer USAID/Russia and USAID/Ukraine.
- b) A.I.D. will conduct quarterly assessments of the performance and program direction of the grant to permit the redirection of resources to meet changing circumstances as needed. The Recipient shall cooperate fully with the assessment of activities.
- c) an independent external evaluation of the program activities will be conducted. The recipient will cooperate with independent evaluation (s). A.I.D. will contract with independent consultants to conduct the external evaluation.

F. Special Provisions

F.1. Purchase of Restricted Goods

Pursuant to the Standard Provisions of this Grant entitled "Aid Eligibility Rules For Goods And Services" the Grantee shall not procure any of the goods and services listed in (a) (3)' under Restricted Goods without the prior written authorization of the Grant Officer.

F.1. (a) In furtherance of the foregoing , the Grant Officer does hereby provide approval for the following purchases of used equipment contingent upon the Grantee complying with the procedures as set forth in A.I.D. HB 15, 6E. entitled "Used, Rebuilt or Reconditioned Equipment, Parts or Assemblies", (hereby incorporated by reference), and the approval of the OP/CC/O&T Commodities Specialist, at AID/WASH

Equipment for Farm Operations/Soy Processing Facility Russian/Ukraine:

- 3 Eight Row Planters
- 2 No-till Soybean Drills
- 2 Sprayers
- 4 Scales
- 16 Conveyers
- Cleaners
- 2 Roller Mills
- 2 Dryers, 4 Collers
- 4 Feeders
- 8 Expellers
- 4 Grinders
- 2 Fans
- 2 Screening Tank
- 4 Pumps
- 2 Filter Presses
- 2 Oil Storage Tanks

In accordance with the terms of the Grant these items are being partially funded by A.I.D. and approval of purchase by the Grant Officer or the Commodities Specialist shall not be construed as authorization to exceed the estimated amount or obligated amount of this Grant, whichever is less.

F.1. (b) In furtherance of the foregoing, the Grant Officer does hereby provide approval of the following agricultural commodities, which shall not be construed as authorization to exceed the estimated amount or the obligated amount of this Grant, whichever is less.

<u>Item</u>	<u>Quantity</u>
Corn Seed	13,920 kg
Soybean Seed	19,047 kg
Alfalfa	185 units

F.1. (c) In furtherance of the foregoing, the Grant Officer does hereby provide approval of the following pesticides:

<u>Item</u>	<u>Quantity</u>
Roundup herbicide	2,540 liters
Harness herbicide	4,430 liters

In accordance with the terms of the Grant these items are being partially funded by A.I.D. and approval of the Grant Officer shall not be construed as authorization to exceed the Grant estimated amount or obligated amount, whichever is less.

F.2. Air travel and Transportation

The provision entitled "Air Travel and Transportation" contained within Attachment 3 is hereby amended as follows:

"(a) The Grantee shall secure advance written approval from the Project Officer prior to any travel financed by this Grant to any of the countries in the New Independent States, except the Russian Federation. The request for approval shall include the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel. It shall be submitted to the Project Officer at least 10 working days prior to commencement of proposed travel. The Grantee's failure to secure such approval shall result in the denial of reimbursement of costs associated with unauthorized travel under this Grant. The Grantee must notify the Project Officer prior to travel to the Russian Federation, but advanced written approval from USAID for travel to the Russian Federation is not required.

Paragraphs (b) thru (m) shall remain unchanged."

F.3. ZIP Codes:

Use the following nine-digit zip codes instead of the five-digit codes shown in the Standard Provisions:

<u>Standard Provision</u>	<u>Zip code</u>
Disputes Clause	20523-0051
Payment-Letter of Credit	20523-0209
(In addition to the zipcode change, the organizational symbol for A.I.D.'s Office of Financial Management has been changed to the address shown in F.b. of the Schedule.)	
Ocean Shipment of Goods	20523-1419
Procurement of Goods & Services	20523-1414
Negotiated Indirect Cost	
Rates-Provisional	20523-0060
	20523-1417

F.4. Correspondence

For the purposes of "notices" delivered to the A.I.D. Grant Officer, pursuant to Mandatory Standard Provision No. 13, entitled "Notices", the following addresses shall be used:

a) Regular U.S. Mail

Grant Officer
Agency for International Development
Office of Procurement
FA/OP/CC/N, Room 1407, SA-14
Washington, D.C. 20523-1424

b) By Courier/Express Mail

Grant Officer
Agency for International Development
Office of Procurement
FA/OP/CC/N
14th floor receptionist
1100 Wilson Blvd.
Arlington, Virginia 22209

I. Order of Precedence

In the event of any inconsistencies in this Grant, they shall be resolved by applying the following descending order of precedence:

Enclosure 1 - Schedule, Cover Letter
Enclosure 3 - Standard Provisions
Enclosure 2 - Program Description

J. Project Office

The Recipient's A.I.D. Project Officer is Ms. Linds Marks, NIS/TF/PSI, Room 3725A, New State, Washington, D.C. 20523 or his designee. Reports and other correspondences regarding this Grant shall be submitted to the above.

K. Grant Office

The A.I.D. Grant Office currently responsible for administering this Grant is FA/OP/CC/N, SA-14, Room 1407, Washington, D.C. 20523-1415. Any reports and correspondences that need to be addressed to the Grant Officer should be forwarded to the above address.

L. Commodities Officer

The A.I.D. Commodities Office responsible for the management and inspection of the purchase of used equipment for this Grant is OP/CC/O&T, SA-14 Room 1418, Washington, D.C. 20523-1415, Attn Mr. Jack Warner. All applications for purchase of used equipment should be addressed to the Commodities Officer and forwarded to the above address.

PROGRAM DESCRIPTION

I BACKGROUND

Iowa International Development Foundation (IIDF), along with the Center for Agricultural and Rural Development (CARD), established two Agribusiness Centers in Russia and Ukraine to demonstrate a modern, market-oriented systems approach to agriculture production and processing. In 1992, each of the Centers utilized U.S. technology and management methods to plant and harvest nearly 1,500 acres of corn and soybean. Short courses were held during the growing season for Russian. Short courses were held during the growing for Russian and Ukrainian experts at agricultural education and science institutes. These short courses allowed the U.S. representatives to discuss and demonstrate the benefits and efficiency of products and management methods from the United States and of market and private incentive-driven business organization.

In addition to the short courses, the 1992 farm demonstration activities of the Centers focused substantially on crop production. With U.S. technology and technical assistance, the demonstration farms were able to produce crop yields at higher levels than local varieties. In demonstrating the new technologies to the NIS partners, U.S. agribusiness have become heavily involved and are expanding and accelerating U.S. commercial interests in Russia and the Ukraine.

II PROGRAM GOALS

1. Support the restructuring of state and collective farms by providing training programs on modern management methods and market economic organization.
2. Help to rationalize the pricing system by increasing the availability of technology that will better utilize local resources and generate expanded local marketing opportunities.
3. Demonstrate the value of U.S. technology, equipment products, and methods by increasing the efficiency of agricultural production and processing in the immediate region of each Agribusiness Center through the use of such U.S. technology, equipment, products, and methods of management, production, and processing.
4. Support U.S. exports, trade and investment by providing U.S. companies with a means to demonstrate their products and services in a practical agriculture system and by providing them with access to agricultural decision-makers in Russia, and the Ukraine.

III PROGRAM PURPOSE

The program purpose is to assist two Agribusiness Centers in Ukraine and Russia to support the reform of the agriculture and food system through direct education and training and by examples provided by U.S. agribusiness activities. The Agribusiness Centers will also support the efforts of U.S. companies interested in entering the NIS markets by demonstrating their products and technical expertise.

IV PROGRAM DESCRIPTION

IIDF and CARD will continue to hold short courses demonstrating appropriate farm management techniques on the Russian and Ukrainian farms. By utilizing U.S. agribusiness personnel and U.S. technology they can effectively demonstrate common planting, harvesting and processing systems essential to a sustainable private agribusiness sector. IIDF and CARD will continue to provide oversight in the planting and harvesting of the relevant crops with emphasis on field preparation, equipment adjustment and maintenance, spraying practices, chemical application rates, seeding rates, cultivation, irrigation, harvesting and all other aspects of producing soybean, corn, and alfalfa crops in accordance with the standard American cropping practices.

The Agribusiness Centers will also demonstrate pertinent livestock production techniques. Feeder hogs will be purchased to conduct a hog feeding trial. Corn and soybean produced on the demonstration farms will be fed to the hogs in consultation with American nutritional specialist to ensure proper use of feed additives and nutrients. At the end of the feeding cycle, the hogs will be slaughtered and taken to market. Proceeds will revert back to the Agribusiness Centers to support expansion of current activities.

To enable the Agribusiness Centers to become self-sufficient, IIDF and CARD will initiate soybean processing capabilities. The U.S. participants will supply the equipment necessary to process soybeans and other oil seeds into meal and oil. The U.S. side will oversee the systems design and installation and will coordinate a business plan with the Russian and Ukrainian participants. The U.S. counterparts will also negotiate a relationship with a hard currency buyer to purchase the processed oil, which, in turn, will fund follow-on activities supported by the Agribusiness Centers. The meal produced at this facility will be sold to farms and feed mills for rubles, with the proceeds being utilized to purchase oil seeds, pay utilities, labor and other local currency expenses for the two Agribusiness Centers.

All of these activities will be conducted in conjunction with the U.S. agribusiness sector. This ensures high quality transfer of technology and technical assistance.