

PJ KAA 224

21 SEP 1983

Proyecto de A.I.D. No. 515-0168

CONVENIO DE COOPERACION
ENTRE
LA ASOCIACION DEMOGRAFICA COSTARRICENSE
Y
LOS ESTADOS UNIDOS DE AMERICA
PARA
LA AUTOSUFICIENCIA DE LA PLANIFICACION FAMILIAR

Fecha: 29 de julio de 1983

AID Project No. 515-0168

COOPERATIVE AGREEMENT
BETWEEN
THE COSTA RICAN DEMOGRAPHIC ASSOCIATION
AND
THE UNITED STATES OF AMERICA
FOR
FAMILY PLANNING SELF-RELIANCE

Date: July 29, 1983

RECORD COPY

CONVENIO DE COOPERACION
De fecha 29 de julio de 1983

ENTRE

La Asociación Demográfica, Costarricense que de aquí en adelante sera referida como ADC o la Entidad Receptora, una Asociación de utilidad pública debidamente constituida y registrada, establecida bajo las leyes de la República de Costa Rica.

Y

El Gobierno de los Estados Unidos de América, actuando a través de la Agencia para el Desarrollo Internacional, de aquí en adelante referida como la A.I.D.

I. Autoridad, Propósito y Descripción del Programa

A. Autoridad

La autoridad para realizar convenios de cooperación está contenida en la Ley de Ayuda al Exterior de 1961, según enmiendas, y el Acta de Convenio de Cooperación y Donación Federal de 1977 (Ley Pública 95-224). La autorización para este Convenio de Cooperación se hace de conformidad con la Sección 104 (b) de la Ley de Ayuda Exterior de 1961, según enmiendas, y está contenido en el Telegrama de Estado No. 142002, fechado 21 de mayo de 1983.

B. Propósito

El propósito de este Convenio es establecer los acuerdos de las partes arriba denominadas ("Partes") con relación a la contratación por parte de ADC del proyecto

COOPERATIVE AGREEMENT
Dated July 29, 1983

BETWEEN

Costa Rican Demographic Association, hereinafter referred to as either ADC or the "Recipient", a duly constituted and registered non-profit private association established under the laws of the Republic of Costa Rica.

And

The Government of the United States of America, acting through the Agency for International Development, hereinafter referred to as A.I.D.

I. Authority, Purpose and Program Description

A. Authority

The authority to make cooperative agreements is contained in the Foreign Assistance Act of 1961, as amended, and the Federal Grant and Cooperative Agreement Act of 1977 (Public Law 95-224). Authorization for this Cooperative Agreement is made pursuant to Section 104(b) of the Foreign Assistance Act of 1961, as amended and is contained in State telegram 142002, dated May 31, 1983.

B. Purpose

The purpose of this Agreement is to set out the understanding of the parties named above ("Parties) with respect to the undertaking by ADC of the project des-

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2

descrito abajo y al financiamiento del proyecto por las partes.

cribed below and to the financing of the project by the Parties.

C. Descripción del Programa

C. Program Description

Este proyecto cumplirá los tres objetivos siguientes:

This project will meet the following three major objectives:

1) Dar nuevo impulso al programa de planificación familiar en el sector público;

1) Revitalize the public sector family planning program;

2) Ampliar la capacidad de entrega de servicios de los sectores comercial y voluntario;

2) Expand the service delivery capacity of the commercial and voluntary sectors;

3) Mejorar la auto suficiencia financiera de todas las actividades de planificación familiar.

3) Enhance the financial self-reliance of all family planning activities.

El programa será administrado por la asociación de utilidad pública denominada ADC, la cual ha sido establecida bajo las leyes de Costa Rica. ADC está autorizada para llevar a cabo convenios como este y para negociar y aceptar los fondos de cualquier fuente mientras llene los requisitos de las leyes de Costa Rica. La A.I.D. proveerá financiamiento a ADC de acuerdo con los términos y condiciones acordadas en este Convenio. Los anticonceptivos serán proporcionados gratuitamente por la A.I.D. para uso en el Programa de Comercialización al Detalle.

The program will be managed by a non profit private sector association called ADC which has been established under the laws of Costa Rica. ADC is empowered to enter into agreements such as this one and to negotiate and accept funds from any source whatsoever as long as it complies with the laws of Costa Rica. A.I.D. will provide funding to ADC in accordance with the terms and conditions set forth in this agreement. Contraceptives will be provided gratis by A.I.D. for use in the Commercial Retail Sales Program.

II. Fondos Obligados, Pago, Costos Estimados y Distribución de Gastos

II. Funds Obligated, Payment, Estimated Costs and Cost Sharing

A. Obligaciones y Pagos

A. Obligations and Payments

1. La cantidad total estimada de fondos a ser obligados por A.I.D. para el período que se indica en el inciso III(A) abajo es de \$2,500,000.

1. The total estimated amount of funds to be obligated by A.I.D. for the period shown in III (A) below is \$2,500,000.

2. A.I.D. por este medio obliga la cantidad de \$750,000 de un monto total de \$2,500,000, que serán proporcionados en forma de incrementos sujeto a la disponibilidad de fondos para gastos del programa durante el período acordado en el inciso III(B) abajo y como se muestra en la sección IV, abajo, "Plan de Financiamiento".

3. El pago deberá hacerse a la Entidad Receptora de acuerdo con los procedimientos acordados en el Anexo III Disposiciones Generales 8, titulado "Pago de Anticipos Periódicos".

Los fondos obligados pueden ser utilizados para financiar costos en moneda extranjera, como se definió en las Disposiciones Generales 10, y costos en moneda local como se definió en la Sección de Disposiciones Generales 11, de bienes y servicios requeridos para el proyecto.

B. Costo Estimado y Distribución de Costos

Durante el período de ejecución de este Proyecto, la A.I.D. proveerá financiamiento a la ADC para las tres áreas principales que serán desarrolladas: 1) Apoyo al sector público por medio de actividades de adiestramiento y de motivación, 2) Programa de Comercialización al Detalle de los anticonceptivos, y 3) Actividades de auto suficiencia financiera.

Se espera que la ADC continuará recibiendo una suma considerable de la IPPF y otros donantes, lo cual será importante para asegurar el éxito del proyecto.

2. A.I.D. hereby obligates the amount of \$750,000 of a total amount of \$2,500,000 to be provided incrementally subject to funds availability for program expenditures during the period set forth in III (B) below and as shown in section IV, "Financial Plan", below.

3. Payment shall be made to the Recipient in accordance with procedures set forth in Annex III Standard Provision 8, entitled "Payment-Periodic Advances".

The funds obligated may be used to finance foreign exchange costs, as defined in Standard Provisions Section 10, and local currency costs, as defined in Standard Provision Section 11, of goods and services required for the Project.

B. Estimated Cost and Cost Sharing

During the life of this project, AID will provide funding to the ADC for the three major areas to be developed: 1) public sector support through training and motivational activities, 2) a commercial retail sales program for contraceptives and 3) self-reliance activities.

It is anticipated that the ADC will continue receiving a substantial amount of core support and commodities from the IPPF and other donors which will be important to insure the success of the project.

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17

Si hubiera algún faltante en financiamiento de parte de los otros donantes, las partes acordarán mutuamente para evaluar y ajustar de nuevo el alcance del proyecto si fuera necesario.

III. Período del Convenio

A. La fecha en que este Convenio entra en vigor es el 29 de julio de 1983. La fecha de vencimiento de este Convenio es el 30 de setiembre de 1988, a menos que las partes acuerden lo contrario por escrito.

B. Los fondos obligados bajo la Sección II.A (2) arriba, están disponibles para los gastos del programa para el período total estimado para la donación, o sea del 29 de julio de 1983 al 30 de setiembre de 1988, según se muestra en el Plan de Financiamiento abajo.

C. La contribución de A.I.D. al proyecto será proporcionada en base a incrementos. Las contribuciones posteriores estarán sujetas a la disponibilidad de fondos de la A.I.D. para este propósito, y al acuerdo mutuo de las partes para proceder a la hora de un incremento posterior. Durante la vigencia del proyecto y anterior a la fecha de finalización del Convenio de Cooperación indicada anteriormente, A.I.D., basada en consultas con la Entidad Receptor, puede especificar en Enmiendas al Convenio de Cooperación los períodos de tiempo apropiados para la utilización de fondos donados por A.I.D. para contribuciones posteriores.

IV. Plan Financiero

El siguiente es el Plan Financiero para este Convenio, incluyendo financiamiento por costos

Should there be a shortfall of support from other donors, the parties will mutually agree to evaluate and readjust the scope of the project if necessary.

III. Period of Agreement

A. The effective date of this Agreement is July 29, 1983. The expiration date, except as the Parties may agree to in writing, of this Agreement is September 30, 1988.

B. Funds obligated under section II.A.(2) above are available for program expenditures for the estimated life of grant period, July 29, 1983 to September 30, 1988, as shown in the Financial Plan below.

C. A.I.D.'s contribution to the Project will be provided on an incremental basis. Subsequent contributions will be subject to the availability of funds of A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed. Within the life of the project and prior to the Cooperative Agreement Expiration Date indicated above, A.I.D., based upon consultations with the Recipient, may specify in Amendments to this Cooperative Agreement appropriate time periods for the utilization of funds granted by A.I.D. for subsequent contributions.

IV. Financial Plan

The following is the Financial Plan for this Agreement, including local cost financing. Revi-

locales. Deberá hacerse revisiones a este Plan de acuerdo con la Disposición General titulada "Revisión de Planes Financieros".

El presupuesto total para este Proyecto es de \$5,500,000, de los cuales la A.I.D. proporcionará \$2,500,000 en un período de 5 años, sujeto a la disponibilidad de fondos. ADC y los otros donantes proveerán \$3,000,000 para el mismo período. Durante cada año del Proyecto ADC y los otros donantes contribuirán aproximadamente la quinta parte de ese monto. (Ver Anexo II para el presupuesto detallado).

sions to this Plan shall be made in accordance with the Standard Provision entitled "Revision of Financial Plans".

The total budget for this project is \$5,500,000, with AID providing \$2,500,000 over a five year period, subject to funds availability, and ADC and other donors providing \$3,000,000 over the same period. During each year of the project, ADC and other donors will contribute approximately one fifth of that amount. (See Annex II for a detailed budget).

	<u>Plan Financiero (\$000)</u>		
	<u>Período del Proyecto</u>		
	<u>AID</u>	<u>ADC/Otros</u>	<u>Total</u>
Asistencia Técnica	390	200	590
Adiestramiento	195	600	795
Insumos	485	1,300	1,785
Auto-suficiencia	320	--	320
Información, Educación y Comunicación	175	200	375
Otros*	620	100	720
Gastos Fijos	200	600	800
Imprevistos	115	--	115
Total	2,500	3,000	5,500

	<u>Financial Plan (\$000)</u>		
	<u>Life of Project</u>		
	<u>AID</u>	<u>ADC/Other Donors</u>	<u>Total</u>
Technical Assistance	390	200	590
Training	195	600	795
Commodities	485	1,300	1,785
Self-Reliance	320	--	320
Information, Education & Communication	175	200	375
Other*	620	100	720
Overhead	200	600	800
Contingencies	115	--	115
Total	2,500	3,000	5,500

*Incluye logística, equipo, análisis de políticas y actividades de apoyo para el programa de comercialización

* Includes logistics, equipment, policy analysis and support activities for the CRS program

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6

V. Disposiciones Especiales

A. Condiciones Previas al Desembolso

Antes del primer desembolso, o la emisión por parte de A.I.D. de la documentación conforme a la cual se harán los desembolsos, a la Entidad Receptora deberá, a menos que A.I.D. apruebe lo contrario por escrito:

a) Proporcionar a A.I.D., en forma y contenido satisfactorios a A.I.D., una certificación del nombre de la persona encargada de ADC autorizada para recibir los fondos proveídos bajo este Convenio y para aceptar las condiciones, convenios y disposiciones de este Convenio y de cualquier otro representante adicional, junto con un espécimen de firma de cada persona especificada;

b) La ADC deberá establecer un control financiero y un sistema contable. En vista de que dicho sistema debe cumplir tanto con los requisitos legales de las leyes de Costa Rica como con los reglamentos de la A.I.D., el sistema deberá ser aceptable para ambas partes.

c) La ADC deberá proporcionar, en forma y contenido satisfactorios a A.I.D., garantía sobre los anticipos de fondos hechos por la A.I.D. a la ADC.

d) La ADC deberá proporcionar; en forma y contenido satisfactorios a la A.I.D., un sistema de reporte financiero, programas de auditorías, entrega de comprobantes, etc. por dinero gastado contra fondos proveídos con anticipación y para otros requisitos financieros que regulen el uso de Fondos del Gobierno de los EEUU proporcionados bajo este Convenio;

V. Special Provisions

A. Conditions Precedent to Disbursement

Prior to the first disbursement, or the issuance by A.I.D. of documentation pursuant to which disbursements will be made the Recipient shall, except as A.I.D. may otherwise agree in writing:

a) Furnish to A.I.D. in form and substance satisfactory to A.I.D. a statement of the name of the person empowered in ADC to receive the funds provided under this agreement and to accept the conditions, covenants and provisions of this Agreement and of any additional representatives, together with a specimen signature of each person so specified;

b) ADC shall establish a financial control and accounting system. In view of the fact that this system must conform to the laws of Costa Rica, as well as include the requirements of A.I.D., the system shall be mutually agreed upon by both parties.

c) ADC shall provide in form and substance satisfactory to A.I.D. security assurances on any fund advances made by A.I.D. to ADC.

d) ADC shall provide in form and substance satisfactory to A.I.D. a system of financial reporting, auditing schedules, voucher submissions, etc., for monies expended against funds advanced and for other financial requirements that regulate the use of U.S. Government Funds provided under this Agreement.

7

e) Se deberá realizar una Encuesta para un Estudio de Mercado por un grupo de contratistas calificados. Dicha Encuesta servirá de base para la preparación de planes de ejecución detallados y las asignaciones presupuestarias correspondientes al Programa de Comercialización al detalle, los cuales deberán ser aprobados por la A.I.D.

A.I.D. por este medio acuerda que, de otras fuentes disponibles a la A.I.D. financiará las actividades requeridas en el párrafo (e) anterior.

VI. Otras Estipulaciones y Disposiciones

Las partes reconocen que la ADC propone utilizar los servicios de su afiliado, ASDECOSTA, una sociedad anónima organizada bajo las leyes de Costa Rica, con un sub-contrato bajo este Convenio de Cooperación. ASDECOSTA, bajo el sub-contrato, organizará un Programa de Comercialización al Detalle de anticonceptivos para lo cual utilizará las instalaciones comerciales del sector privado por toda Costa Rica. Debido a la relación entrelazada de la ADC y ASDECOSTA las siguientes disposiciones permanecen en vigor durante la vigencia del proyecto, a menos que A.I.D. apruebe lo contrario por escrito:

a) Los nombres de todos los accionistas de ASDECOSTA serán comunicados a la A.I.D., y ninguna acción más que aquellas que requieran las leyes de Costa Rica y/o aquellas proveídas en la escritura deberán ser emitidas. Ninguna acción deberá ser transferida sin la previa notificación escrita a A.I.D..

b) ASDECOSTA no incurrirá en ninguna deuda, más que aquellas por gastos de operación en el curso ordi-

e) A Market Survey Study shall be conducted by a qualified contract group which will form the basis of detailed implementation plans and corresponding budget allocations for the Commercial Retail Sales program which are to be by A.I.D.

A.I.D. hereby agrees that, from other sources available to the Agency, it will finance the activities required under paragraph (e) above.

VI. Other Covenants and Provisions

The parties acknowledge that ADC intends to use the services of its affiliate, ASDECOSTA, a private profit making corporation organized under the laws of Costa Rica, under a sub-contract to this Cooperative Agreement. ASDECOSTA under the sub-contract will organize a Commercial Retail Sales distribution program which will utilize private sector retail outlets throughout Costa Rica. Because of the interlocking relationship between ADC and ASDECOSTA the following provisions shall remain in force for the duration of the project, except as A.I.D may otherwise agree in writing:

a) All shareholders of ASDECOSTA shall be disclosed to A.I.D and no shares of stock other than those required under the laws of Costa Rica and/or those provided for in the registered Charter (Escritura) shall be issued and no shares of stock shall be transferred without prior written notification to A.I.D.

b) ASDECOSTA will not incur any indebtedness, other than for normal operating expenses in the

nario del negocio, sin la previa notificación escrita a A.I.D.

c) Se requerirá la aprobación de A.I.D. para todos los sub-contratos con la ADC y con ASDECOSTA financiados por este Convenio de Cooperación. Tal aprobación también será requerida para la asignación de personal clave y sus salarios en cualquier subcontrato financiado bajo el Acuerdo Cooperativo.

d) ASDECOSTA no hará ningún cambio en la escritura de la Corporación, sin la previa notificación escrita a la A.I.D.

e) Cualquier cambio en los Miembros de la Junta Directiva de ASDECOSTA no se hará sin la previa notificación escrita a la A.I.D.

f) ASDECOSTA no declarará dividendos sin la previa notificación escrita a A.I.D.

g) ASDECOSTA, con fondos del proyecto, no llevará a cabo ninguna actividad comercial más que aquellas relacionadas directamente con el programa de ventas al por menor de anticonceptivos, sin la notificación escrita a la A.I.D.

h) Todos los fondos recibidos por ASDECOSTA de este Convenio serán depositados en una cuenta especial. Bajo ninguna circunstancia serán mezclados los fondos provenientes de este Convenio de Cooperación con otros fondos, cuentas o ingresos mantenidos por ASDECOSTA. Los libros contables de esta cuenta especial se mantendrán por tres años después de la fecha de terminación de este Convenio de Cooperación y estarán disponibles para la inspección y auditoría de la A.I.D. con derecho a reproducirlos.

ordinary course of business, without prior written notification to A.I.D.

c) A.I.D. approval will be required for all subcontracts with ADC and with ASDECOSTA financed by this Cooperative Agreement. Such approval shall also be required for the assignment of key personnel and these salaries under any subcontracts financed under this Cooperative Agreement.

d) ASDECOSTA shall not make any changes in the charter of the Corporation without prior written notification to A.I.D.

e) Any changes in the membership of the Board of Directors of ASDECOSTA shall not be made before prior written notification is given to A.I.D.

f) ASDECOSTA shall not declare dividends without giving prior notification to A.I.D.

g) ASDECOSTA shall not conduct, with project funds, any commercial activities other than those directly related to the contraceptive retail sales program, without prior written notification to A.I.D.

h) All funds received by ASDECOSTA shall be accounted for in a special account. Under no circumstances shall funds provided under this Cooperative Agreement be commingled with any other funds, accounts, or revenues maintained by ASDECOSTA. The books and records of this special account shall be maintained for three years after the termination date of this Cooperative Agreement and shall be open for inspection audit, and copying by A.I.D. during this entire period.

9

i) Los ingresos generados por las actividades de auto-suficiencia serán reinvertidos por la ADC para apoyar las actividades de planificación familiar.

j) Los ingresos generados por ASDECOSTA como resultado de sus actividades comerciales financiados por este Convenio serán reinvertidos en las actividades de la ADC o ASDECOSTA para apoyar las actividades del programa nacional de planificación familiar.

k) En el caso de que ASDECOSTA no cumpla con cualquiera de las estipulaciones y provisiones del inciso VI (a) a (j), la A.I.D. puede terminar de inmediato el financiamiento de cualquier actividad bajo el Convenio entre ADC y ASDECOSTA. Además, la A.I.D. se reserva el derecho de terminar el financiamiento de las actividades de ASDECOSTA si por cualquier razón su funcionamiento como sociedad anónima no cumple con el propósito de este Convenio de Cooperación o si la A.I.D. determina que hay un conflicto de intereses institucionales entre la ADC y ASDECOSTA.

VII. Procedencia de las Compras

A. Gastos en Moneda Extranjera

a. Los desembolsos efectuados de conformidad con la Sección VIII. A. serán utilizados exclusivamente para financiar los gastos de bienes y servicios requeridos para el proyecto, cuya fuente y origen sea los Estados Unidos de América ("Costos en Moneda Extranjera") a menos que A.I.D. convenga lo contrario por escrito y exceptuando lo estipulado en el Anexo de Disposiciones Generales, Sección 10.C.(3) con respecto al seguro marítimo.

i) Income generated by self-reliance activities will be reinvested in ADC to support family planning activities.

j) Income generated by ASDECOSTA from their commercial activities will be reinvested in ADC or ASDECOSTA's activities in support of the national family planning program.

k) In the event that ASDECOSTA fails to comply with any of the covenants and provisions of VI (a) through (j), A.I.D. may immediately terminate the funding of any activity under any agreement between ADC and ASDECOSTA. In addition, A.I.D. reserves the absolute right to terminate any funding of ASDECOSTA activity if for any reason its corporate operations are inconsistent with the purposes of this Cooperative Agreement or if A.I.D. determines that an institutional conflict of interest exists between ADC and ASDECOSTA.

VII. Procurement Source

A. Foreign Exchange Costs

a) Disbursement pursuant to Section VIII.A. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States of America ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing and except as provided in the Standard Provisions, Section 10.C.(3) with respect to marine insurance.

10

b) Los gastos de transporte marítimo serán financiados con fondos de este Convenio solamente si el transporte se realiza en barcos cuya bandera esté registrada en los EEUU de América, a menos que A.I.D. convenga lo contrario por escrito.

B. Gastos en Moneda Local

Los desembolsos efectuados de conformidad con la Sección VIII.B. serán utilizados exclusivamente para financiar los costos de bienes y servicios requeridos para el Proyecto, cuya fuente y origen sean los países del Mercado Común Centroamericano, a menos que A.I.D. convenga lo contrario por escrito.

VIII. Desembolsos

A. Desembolsos para Gastos en Moneda Extranjera

a) Después de haber satisfecho las condiciones previas, la ADC puede obtener desembolsos de fondos bajo el Convenio para los costos en moneda extranjera para los bienes y servicios requeridos para el Proyecto, de conformidad con los términos de este Convenio, por medio de cualquiera de los métodos siguientes que las Partes convengan mutuamente:

(1) Presentando a A.I.D., junto con la documentación de respaldo y necesaria según se especifica en Cartas de Cumplimiento (i) solicitudes de reembolso por tales bienes y servicios, o (ii) solicitudes para que A.I.D., en representación de ADC adquiera bienes o servicios para el Proyecto; o

(2) Solicitando a A.I.D. que emita Cartas de Compromiso por cantidades específicas (i) a bancos de los Estados Unidos aceptables a A.I.D., por medio de las cuales A.I.D.

b) Ocean transportation costs will be financed under the Agreement only on vessels under flag registry of the United States, except as A.I.D. may otherwise agree in writing.

B. Local Currency Costs

Disbursement pursuant to Section VIII.B. will be used exclusively to finance the cost of goods and services required for the Project having their source and origin in the countries of the Central American Common Market, except as A.I.D. may otherwise agree in writing.

VIII. Disbursement

A. Disbursement for Foreign Exchange Costs

a) After satisfaction of conditions precedent, ADC may obtain disbursements of funds under the Agreement for the Foreign Exchange Costs of goods and services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) By submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (i) requests for reimbursement for such goods or services, or (ii) requests for A.I.D. to procure commodities or services on behalf of ADC for the Project; or

(2) By requesting A.I.D. to issue Letters of Commitment for specified amounts (i) to U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such

se compromete a reembolsar a tales bancos por pagos efectuados por los mismos a contratistas o proveedores, bajo Cartas de Crédito o en otra forma para tales bienes o servicios, o (ii) directamente a contratistas o proveedores, comprometiéndose A.I.D. a pagar tales contratistas o proveedores por dichos bienes o servicios.

banks for payments made by them to contractors or suppliers, or (ii) directly to contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

b) Los cargos bancarios incurridos por ADC en relación con las Cartas de Compromiso y las Cartas de Crédito serán financiadas con fondos de este Convenio a menos que ADC dé instrucciones indicando lo contrario. Cualesquiera otros cargos, según lo convengan las Partes, podrán también ser financiados con fondos de este Convenio.

b) Banking charges incurred by ADC in connection with Letters of Commitment and Letters of Credit will be financed under the Agreement unless ADC instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Agreement.

B. Otras Formas de Desembolso

También pueden efectuarse desembolsos bajo el Convenio por otros medios que las Partes convengan por escrito.

B. Other Forms of Disbursement

Disbursement under the Agreement may also be made through such other means as the Parties may agree to in writing.

C. Tasa de Cambio

Si los fondos proporcionados dentro de este Convenio son introducidos a Costa Rica por A.I.D. o por cualquier agencia pública o privada con el propósito de llevar a cabo las obligaciones de A.I.D. aquí especificadas, la ADC hará los arreglos que sean necesarios para que tales fondos sean convertidos a moneda costarricense a la tasa de cambio más alta que, al momento de hacerse la conversión, no contravenga las leyes de Costa Rica.

C. Rate of Exchange

If funds provided under the Agreement are introduced into Costa Rica by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the ADC will make such arrangements as may be necessary so that such funds may be converted into Costa Rican currency at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Costa Rica.

IX. Misceláneos

A. Comunicaciones

Todo aviso, solicitud, documento o comunicación presentados

IX. Miscellaneous

A. Communications

Any notice, request, document or other communication sub-

por cualquiera de las Partes a la otra bajo este Convenio, se hará por escrito o por telegrama o cable, y será considerado como debidamente entregado o enviado cuando el mismo sea entregado a tal Parte, a las siguientes direcciones:

A la ADC

Dirección Postal

Asociación Demográfica
Costarricense
Apartado Postal 10203
San José, Costa Rica
Cable: ASDECO

A la A.I.D.

Dirección Postal

Agencia para el Desarrollo
Internacional
Apartado Postal 10053
San José, Costa Rica
Cable: USAID/Costa Rica

Las comunicaciones se harán en inglés a menos que las Partes convengan lo contrario por escrito. Las direcciones indicadas anteriormente podrán substituirse por otras por medio de notificación por escrito.

B. Representantes

Para todo lo relacionado con este Convenio, la ADC estará representado por la persona que desempeñe o que actúe en el cargo de Director Ejecutivo y A.I.D. estará representada por la persona que desempeñe o que actúe en el cargo de Director de la Misión de A.I.D. en Costa Rica, cada uno de los cuales, por medio de notificación escrita puede designar representantes adicionales para todos los fines relacionados a la ejecución del Proyecto que permitan los términos del Convenio Cooperativo. Los nombres de

mitted 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 ADC

Mail Address

Asociación Demográfica Costa-
rricense
P.O. Box 10203
San José, Costa Rica
Cable Address: ASDECO

To A.I.D.

Mail Address

Agency for International
Development
P.O. Box 10053
San José, Costa Rica
Cable Address: USAID/Costa Rica

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

B. Representatives

For all purposes relevant to this Agreement, ADC will be represented by the individuals holding or acting in the offices of Executive Director and A.I.D. will be represented by the individual holding or acting in the Office of Director, USAID Mission to Costa Rica, each of whom, by written notice, may designate additional representatives for all purposes concerning implementation of the Project in accordance with the terms of the Cooperative Agreement. The

los representantes de ADC, con los registros de sus firmas serán proporcionados a la A.I.D., y la A.I.D. puede aceptar como debidamente autorizado cualquier instrumento firmado por tales representantes en la ejecución de este Convenio, mientras no reciba notificación escrita de la revocación de su autoridad.

names of the representatives of ADC 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.

C. Anexo de Disposiciones Generales

El "Anexo de Disposiciones Generales" (Anexo III) se adjunta y forma parte de este Convenio.

C. Standard Provisions

"Standard Provisions" (Annex III) is attached to and forms part of this Agreement.

D. Idioma del Convenio

Este Convenio está preparado en inglés y en español. En caso de ambigüedad o conflicto entre las dos versiones, la versión en inglés prevalecerá.

D. Language of Agreement

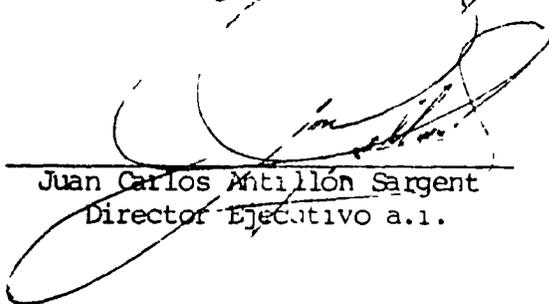
This Agreement is prepared in both English and Spanish. In the event of ambiguity or conflict between the two versions, the English language version will control.

EN FE DE LO CUAL, la ADC y los Estados Unidos de América, actuando por medio de sus respectivos representantes debidamente autorizados, celebran este Convenio y lo firman y ejecutan el día y año indicados al principio del mismo.

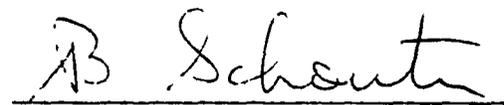
IN WITNESS WHEREOF, ADC and the United States of America each acting through its duly authorized representatives have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

Asociación Demográfica Costarricense

THE UNITED STATES OF AMERICA



Juan Carlos Antillón Sargent
Director Ejecutivo a.i.



Bastiaan Schouten
Acting Mission Director

Anexos:

- I. Descripción Amplificada del Proyecto
- II. Presupuesto
- III. Disposiciones Generales

Annexes:

- I. Amplified Description of the Project.
- II. Budget
- III. Standard Provisions

ANNEX I

Descripción Amplificada del Proyecto

I. Propósito del Proyecto

El propósito de este proyecto de cinco años de duración, es el de dar nuevo impulso y ampliar los servicios de planificación familiar por medio de actividades en los sectores público, privado, y comercial, y para mejorar su auto-suficiencia financiera.

A. Participación del Sector Público

Para fortalecer el programa de planificación familiar en el sector público, el proyecto proveerá apoyo para: adiestramiento del personal, actividades de comunicación y motivación, compras de insumos y equipo seleccionado.

B. Ampliación de la Capacidad de Entrega de Servicios

Este proyecto ampliará y mejorará la disponibilidad de los métodos de planificación familiar con precios módicos para toda Costa Rica por medio de un Programa de Comercialización al Detalle. Este programa será manejado por ASDECOSTA, una sociedad anónima que pertenece a la ADC, establecida bajo las leyes de Costa Rica para este propósito. AID proveerá financiamiento a la ADC, quien sub-contratará con ASDECOSTA de acuerdo con los términos y condiciones establecidos en este Convenio.

ASDECOSTA recibirá los anticonceptivos gratis, y pagará cualquier impuesto de importación

ANNEX I

Amplified Description of the Project

I. Project Purpose

The purpose of this five year project is to revitalize and expand family planning services through public, private and commercial sector activities, and to enhance their financial self-reliance.

A. Public Sector Participation

To strengthen the public sector family planning program the project will provide support for: staff training, communication and motivation activities, selected commodities and equipment purchases.

B. Expansion of Service Delivery Capacity

This project will expand and improve the availability of family planning methods at affordable prices throughout Costa Rica through a Commercial Retail Sales (CRS) program. The program will be managed by ASDECOSTA, a private for-profit corporation owned by ADC established under Costa Rican law precisely for this purpose. AID will provide funding to ADC, who will in turn sub-grant funds to ASDECOSTA in accordance with the terms and conditions set forth in this Agreement.

ASDECOSTA will receive contraceptives gratis, and pay for any Costa Rican import taxes on them

fijado por las leyes costarricenses de fondos no provenientes de este Convenio. ASDECOSTA podrá sub-contratar para servicios de bodega, empaque, promoción y distribución por medio de farmacias y otros establecimientos.

C. Mejorar la Auto-Suficiencia Financiera

Para mejorar la auto-suficiencia financiera de las actividades de planificación familiar, este proyecto apoyará la ejecución de medidas de eficiencia y tratará de introducir métodos para recuperar los costos.

II. Ejecución del Proyecto

La ejecución del proyecto será la responsabilidad de la Asociación Demográfica Costarricense (ADC). Para las actividades realizadas por otras agencias o ministerios bajo este proyecto, la ADC tendrá la responsabilidad de proveer apoyo administrativo cuando sea necesario, orientación para planeamiento y administración eficaces, y aprobación, junto con USAID/CR para actividades específicas y/o planes, y para periódicas evaluaciones internas.

A. Aprovisionamiento de Bienes y Servicios

1. Asistencia Técnica

USAID/CR contratará con fondos del proyecto un consultor de proyecto para el programa de comercialización, y consultores de corto y largo plazo para tareas de seguimiento de la ejecución del proyecto. Servicios de investigación de mercado, de promoción, de asesoría legal serán sub-contratados por ASDECOSTA con recursos del pro-

from non-project funds. ASDECOSTA may sub-contract for warehousing, packaging, promotion and distribution through farmacias and other outlets.

C. Enhance Financial Self-Reliance

To improve the financial self-reliance of family planning activities, the project will support the implementation of efficiency measures and will attempt to introduce cost-recovery schemes.

II. Project Implementation

Project implementation will be the responsibility of the Costa Rica Demographic Association (ADC). For activities carried out by other agencies or ministries under this project, ADC will have responsibility for providing administrative assistance as required, guidance for effective planning and management, approval, jointly with USAID of specific activities and/or plans and for periodic internal evaluations.

A. Procurement of Goods and Services

1. Technical Assistance

USAID/CR will contract, with project funds, a project advisor for the CRS program, and short and long-term consultants for necessary project implementation and monitoring tasks. Marketing research, an advertising agency and a legal advisor will be sub-contracted by ASDECOSTA with project resources. Any contract made by ADC

yecto. Cualquier contrato ejecutado por ADC o ASDECOSTA que utilice fondos del proyecto, deberá tener la previa aprobación de la A.I.D.

2. Insumos

Este proyecto financiará las necesidades de insumos anticonceptivos para el programa de comercialización hasta por un total de \$485,000, sujeto a la disponibilidad de fondos. Todas las compras de anticonceptivos deberán coordinarse con la Oficina de Población en AID/Washington. Se podrá comprar una pequeña cantidad de equipo, si fuera necesario, para las unidades del sector público que brindan servicios de planificación familiar.

3. Adiestramiento

Este proyecto apoyará el adiestramiento de los funcionarios del sector público que trabajan en todas las fases de la entrega de servicios de planificación familiar. ADC será responsable para el diseño, preparación y coordinación de estos cursos, colaborando estrechamente con las instituciones del sector público.

B. Plan de Seguimiento

Funcionarios de la USAID en Costa Rica darán seguimiento a este proyecto y trabajarán estrechamente con la gerencia y personal de la ADC y con las otras instituciones participantes.

IV . Evaluación

Se realizarán reuniones de análisis entre la A.I.D. y la ADC, y representantes de ASDESCOSTA u otras instituciones si fuera necesario, por lo menos cada trimestre. La

or ASDECOSTA using project funds must have the prior approval of AID.

2. Commodities

This project will finance contraceptive commodity needs of the CRS program up to a total of \$485,000, subject to the availability of funds and all purchases of contraceptives for this component will be coordinated with S&T/POP, AID/W. A small amount of equipment may be purchased for public sector service delivery units if required.

3. Training

This project will support training for public sector officials who work in all phases of family planning services delivery. ADC will be responsible for the design, preparation and coordination of these courses in close collaboration with the public sector institutions.

B. Monitoring Plan

USAID/Costa Rica Officials will monitor this project and will work closely with ADC management and staff, and other participating institutions as required.

III. Evaluation

Joint reviews undertaken by AID and ADC, and representatives of ASDESCOSTA or other participating institutions, will be held at least on a quarterly basis. ADC, as

ADC, como coordinadora y entidad ejecutora tendrá un rol importante en estas reuniones.

Estas reuniones de análisis, medirán, entre otras cosas: 1) el progreso hacia el logro de las metas del proyecto, y 2) el desempeño de la ADC como entidad ejecutora. Las evaluaciones regulares analizarán lo anterior en detalle. Los documentos que se mencionan a continuación, podrán ser utilizados.

1. Estadísticas de servicio de las entidades del sector público para determinar el nivel de disponibilidad de servicios para todo el país.

2. Informes de ASDECOSTA para determinar el volumen de la actividad comercial, de las ventas y los objetivos de cobertura.

3. Libros y registros de la ADC para analizar actividades de auto-suficiencia.

4. Encuestas de la ADC, del sector público, e independientes para determinar la eficacia de las actividades de Información, Educación y Comunicación.

El horario tentativo de evaluaciones aparece a continuación:

Primera Evaluación:
Noviembre, 1984

Segunda Evaluación:
Enero, 1986

Evaluación Final:
Setiembre, 1988.

Si se considerara necesario, se realizará una evaluación independiente.

project coordinator and implementing entity will have a major role in these reviews.

The reviews will measure, among other things: 1) progress towards the achievement of project goals and 2) the performance of ADC as implementing entity. Regular evaluations will analyze the above in detail, and the following, as well as other records may be used.

1. Service statistics of public sector entities to determine the level of availability of services throughout the country.

2. ASDECOSTA reports to determine volume of commercial activity, sales and coverage objectives.

3. ADC records to review self-reliance activities.

4. ADC, public sector, and independent surveys to determine effectiveness of Information, Education & Communication activities.

A tentative evaluation schedule follows:

First evaluation:
November 1984

Second evaluation:
January 1986

Final evaluation:
September 1988.

If considered necessary, an independent evaluation will be performed.

ANEXO II/ANNEX II

Presupuesto/Budget
(U.S. \$000)

	Año/ Year 1	2	3	4	5	Total
<u>Sector Público/Public Sector</u>						
Adiestramiento (Training)	55	60	80	--	--	195
Comunicaciones (Communications)	50	40	30	20	--	140
Logística (Logistics)	40	40	40	25	20	165
Equipo (Equipment)	10	10	10	10	10	50
Análisis de Políticas (Policy Analysis)	10	10	10	10	10	50
Sub-Total	165	160	170	65	40	600
<u>Comercialización (Commercial Sales)</u>						
Personal (Personnel)	20	26	27	28	29	130
Promoción (Promotion)	60	60	60	70	70	320
Investigación de Mercadeo (Market Research)	5	15	5	15	5	45
Servicios Legales y de Auditoraje (Legal & Auditing Services)	5	5	5	5	5	25
Productos (Products)	75	75	125	115	95	485
Logística (Logistics)	40	45	55	60	55	255
Asistencia Técnica, Corto Plazo (Short Term T.A.)	30	40	40	20	--	130
Total de Gastos (Total Expenses)	235	266	317	313	259	1,390
Ingresos (Income)	--	(30)	(75)	(100)	(125)	(330)
Sub-Total	235	236	242	213	134	1,060
<u>Auto-Suficiencia (Self-Reliance)</u>						
Asistencia Técnica, Corto Plazo Short-Term T.A.)	10	20	20	20	10	80
Proyectos Especiales (Special Projects)	--	10	10	15	15	50
Sub-Total	10	30	30	35	25	130
Gastos Fijos Provisionales (Provisional Overhead)	40	40	40	40	40	200
Imprevistos (Contingencies)	25	30	30	30	--	115
<u>Contratos a Cargo de USAID (USAID Managed Contracts)</u>						
Consultor Proyecto (Project Consultant)	25	25	25	12	13	100
Asistencia Técnica Largo Plazo (Long-Term T.A.)	50	60	70	65	50	295
Sub-Total	75	85	95	77	63	395
Gran Total	550	581	607	460	302	2,500

(Rubros pueden ser ajustados hasta por un 15% entre las diferentes categorías de gastos sin que se requiera aprobación escrita por parte de la A.I.D., sin embargo bajo ninguna circunstancia la suma de los rubros deberá exceder \$2,500,000)

(Line items may be adjusted by 15% between categories without prior written approval from A.I.D.; however, under no circumstance will items total more than \$2,500,000)

ANNEX III

STANDARD PROVISIONS
FOR
NON US RECIPIENTS

1. ALLOWABLE COSTS AND CONTRIBUTIONS (NONPROFIT ORGANIZATIONS - OTHER THAN EDUCATIONAL INSTITUTIONS)

(This provision is applicable to nonprofit organizations other than educational institutions)

(a) The Recipient shall be reimbursed for costs incurred in carrying out the purposes of this agreement which are determined by the Grant Officer to be reasonable, allocable, and allowable in accordance with the terms of (1) this agreement, (2) any negotiated advance understanding on particular cost items, and (3) cost principles contained in OMB Circular A-122 entitled "Cost Principles for Nonprofit Organizations" in effect on the date of this agreement (hereinafter referred to as "applicable cost principles").

(b) If Recipient contributions in the form of cost sharing/matching are required under this agreement, the allowability of costs applied to the agreement for such contributions shall be determined by the Grant Officer in accordance with the terms of paragraph 1K, "Cost Sharing and Matching" of Handbook 13 in effect on the date of this Grant.

(c) The requirements set forth in this provision are only applicable to costs incurred with funds provided by AID under this agreement. Except for paragraph (b) above, the requirements set forth in this provision are not applicable to costs incurred by the Recipient from non-Federal funds. Such costs will be considered allowable to the extent they conform to the requirements of paragraph (b) above and are incurred for purposes of the agreement.

2. ACCOUNTING, AUDIT, AND RECORDS

(a) With respect to accounting, records and audit, the Recipient shall comply with the requirements set forth in paragraphs 1I, 1J, 1L of Handbook 13.

(b) The AID Inspector General and the Comptroller General of the United States or their duly authorized representatives (see paragraph 1I6. of Chapter 1 of Handbook 13) reserve the right to conduct an audit of the Recipient books and records to determine whether the Recipient has expended AID's funds in accordance with the terms and conditions of this agreement. The Recipient agrees to make available any further information requested by AID with respect to any questions arising as a result of the audit.

3. REFUNDS

(a) If use of the AID funds provided hereunder results in accrual of interest to the Recipient or to any other person to who Recipient makes such funds available in carrying out the purposes of the agreement, the Recipient shall refund to AID an amount equivalent to the amount of interest accrued.

(b) Funds obligated by AID hereunder but not disbursed to the Recipient at the time the agreement expires or is terminated, shall revert to AID, except for such funds encumbered by the Recipient by a legally binding transaction applicable to this agreement. Any funds disbursed to but not expended by the Recipient at the time of expiration or termination of the Agreement shall be refunded to AID.

(c) If, at any time during the life of the agreement, or as a result of final audit, it is determined by AID that funds provided under this Agreement have been expended for purposes not in accordance with the terms of this agreement, the Recipient shall refund such amount to AID.

4. REVISION OF FINANCIAL PLANS

(a) The Financial Plan, i.e., agreement budget, is the financial expression of the project or program as approved during the application and/or award process.

(b) 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 Financial Plan will be necessary for any of the following reasons:

1. To change the scope or the objectives of the project or program.
2. Additional funding is needed.
3. The Recipient expects the amount of AID authorized funds will exceed its needs by more than \$5,000 or five percent of the AID award, whichever is greater.
4. The Recipient plans to transfer amounts budgeted for indirect costs to absorb increases in direct costs or vice versa.
5. The Recipient plans to transfer funds budgeted for training allowances (direct payments to trainees) to other categories of expense.
6. The Recipient plans to incur an expenditure which would require approval under the terms of this agreement, and was not included in the approved Financial Plan.
7. The Recipient intends to subcontract or subgrant any of the substantive programmatic work under this agreement, and such subcontracts or subgrants were not included in the approved Financial Plan.

(c) When requesting approval for budget revisions, the Recipients shall use the budget forms that were used in the application unless a letter request will suffice.

(d) Within 30 calendar days from the date of the receipt of the request for budget revisions, the Grant Officer shall review the request and notify the Recipient whether the budget revisions have been approved. If the revisions are still under consideration at the end of 30 calendar days, the Grant Officer shall inform the Recipient in writing of the date when the Recipient may expect the decision. The Grant Officer shall obtain the Project Officer's clearance on all such requests prior to communication with the Recipient.

(e) If the requested budget revision requires the obligation of additional funding, and, if after notification pursuant to this Standard Provision, AID determines not to provide additional funds, the AID Grant Officer will, upon written request of the Recipient, terminate this agreement pursuant to the Standard Provision of this agreement, entitled "Termination."

(f) Except as required by other provisions of this agreement specifically citing and stated to be an exception from this provision, the Government shall not be obligated to reimburse the Recipient for costs incurred in excess of the total amount obligated under the agreement, and the Recipient shall not be obligated to continue performance under the agreement (including actions under the "Termination" provision) or otherwise to incur costs in excess of the amount obligated under the agreement, unless and until the Grant Officer has notified the Recipient in writing that such obligated amount has been increased and has specified in such notice an increased amount constituting the total amount then obligated under the agreement.

5. TERMINATION AND SUSPENSION

(a) For Cause. This agreement may be terminated for cause at any time, in whole or in part, by the Grant Officer upon written notice to the Recipient whenever it is determined that the Recipient has failed to comply with the conditions of the agreement.

(b) For Convenience. This agreement may be terminated for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the agreement would not produce beneficial results commensurate with the further expenditure of funds. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the Grant Officer to the Recipient.

(c) Termination Procedures. Upon receipt of an in accordance with a termination notice as specified in either paragraph (a) or (b) above, the Recipient shall forthwith take immediate action to minimize all expenditures and obligations financed by this agreement, and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination, and the Recipient shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended portions of funds

73

theretofore paid by the Government to the Recipient which are not otherwise obligated by a legally binding transaction applicable to this agreement. Should the funds paid by the Government to the Recipient prior to effective date of the termination of this agreement, be insufficient to cover the Recipient's obligations pursuant to the aforementioned legally binding transaction, the Recipient may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations, and, subject to the limitations contained in this agreement, the Grant Officer shall determine the amount or amounts to be paid by the Government to the Recipient under such claim in accordance with the applicable Federal cost principles.

(d) Suspension: Termination for Changed Circumstances. If at any time AID determines (1) that disbursement by AID would be in violation of applicable law or (2) that continuation of funding for a program should be suspended or terminated because such assistance is not in the national interest of the United States, then AID may, following notice to the Recipient, suspend this agreement and prohibit the Recipient from incurring additional obligations chargeable to this agreement other than necessary and proper costs in accordance with the terms of this agreement during the period of suspension. If the situation causing the suspension continues to pertain for 60 days or more, then AID may terminate this agreement on written notice to the Recipient and cancel that portion of this agreement which has not been disbursed or irrevocably committed to third parties. Financial settlement of this agreement shall be governed by the termination procedures specified in paragraph (c) above.

7. DISPUTES

(a) Any dispute arising under this agreement, which is not disposed of by agreement, shall be decided by the AID Grant Officer who shall reduce his/her decision to writing and mail or otherwise furnish a copy thereof to the Recipient .

(b) Decisions of the AID Grant Officer shall be final and conclusive unless, within 30 days of receipt of the decision of the Grant Officer, the Recipient appeals the decision to the Administrator, AID. Any appeal made under this provision shall be in writing and addressed to the Administrator, Agency for International Development, Washington, D.C. 20522; a copy of any such appeal shall be concurrently furnished to the Grant Officer.

(c) In connection with any appeal proceeding under this provision, the Recipient shall be afforded an opportunity to be heard and to offer evidence in support of its appeal.

(d) A decision under this provision by the Administrator or his duly authorized representative shall be final and conclusive, unless determined by a court of competent jurisdiction to be fraudulent, capricious, arbitrary, an abuse of discretion, or based on clearly erroneous findings of facts or conclusions of law.

7. NEGOTIATED OVERHEAD RATES

(a) Pursuant to this provision, an overhead rate shall be established for each of the Recipient's accounting periods during the term of this Grant. Pending establishment of a final rate, the parties have agreed that provisional payments on account of allowable indirect costs shall be at the rate(s), on the base(s), and for the period shown in the Schedule of this agreement.

(b) The Recipient, as soon as possible but not later than 90 days after the close of each of its accounting periods during the term of this agreement shall submit to the Grant Officer with copies to the Overhead and Special Cost Branch, Services Operations Division, Office of Contract Management, AID Washington, D.C., and to the Office of the Inspector General, AID/Washington, D.C. a proposed final rate or rates for the period, together with supporting cost data. Negotiation of final overhead rates by the Recipient and the Grant Officer shall be undertaken as promptly as practicable after receipt of the Recipient's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with OMB Circular A-122 (Cost Principles for Nonprofit Organizations) as in effect on the date of this agreement.

(d) The results of each negotiation shall be set forth in a written overhead rate agreement executed by both parties. Such agreement shall specify (1) the agreed final rates, (2) the bases to which the rates apply, and (3) the periods for which the rates apply. The overhead rate agreement shall not change any monetary ceiling, agreement obligation, or specific cost allowance or disallowance provided for in this agreement.

(e) Pending establishment of final overhead rates for any period, the Recipient shall be reimbursed either at negotiated provisional rates as provided above or at billing rates acceptable to the Grant Officer, subject to appropriate adjustment when the final rates for that period are established. To prevent substantial over or under payment, the provisional or billing rates may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rates provided in this provision shall be set forth in a modification to this Grant.

(f) Any failure by the parties to agree on any final rate or rates under this provision shall be considered a dispute within the meaning of the Standard Provision of this Agreement, entitled "Disputes", and shall be disposed of in accordance therewith.

8. PAYMENT -- PERIODIC ADVANCE

(This provision is applicable when (1) the requirements of paragraph 1.0.6. of Chapter 1 of this Handbook have been met, and (2) the Recipient has the ability to maintain procedures that will minimize the time

25

elapsing between the transfer of funds and the disbursement thereof, and (3) the Recipient's financial management system meets the standards for fund control and accountability required under the standard provision of this agreement entitled "Accounting, Audit and Records.")

a. Each month (or quarter, if the Recipient is on a quarterly basis) after the initial cash advance, the Recipient shall submit to the AID Controller voucher form SF 1034 (original) and SF 1034-A (three copies); "Public Voucher for Purchases and Services Other Than Personal."

b. Each voucher shall be identified by the appropriate cooperative agreement number and shall be accompanied by an original and three copies of a report in the following format:

FEDERAL CASH ADVANCE STATUS REPORT
(Report Control No. W-245)

A. Period covered by this report: Period covered by the next report

FROM (month, day, year) _____ FROM (month, day, year) _____
TO (" ") _____ TO (" ") _____

B. Cash Advance Use and Needs

- 1. Cash advance on hand at the beginning of this reporting period \$ _____
- 2. U.S. Treasury check advance(s) received during this reporting period \$ _____
- 3. Interest earned on cash advance during this reporting period \$ _____
- 4. GROSS cash advance available during this reporting period \$ _____
- 5. LESS, interest remitted to AID during this reporting period \$ _____
- 6. NET cash advance available during this reporting period \$ _____
- 7. Total disbursements during this reporting period, including subadvances (see footnote 1) \$ _____
- 8. Amount of cash advances available at the end of this reporting period (Line 6 minus Line 7) \$ _____
- 9. Projected disbursements, including subadvances, for the next reporting period (See footnote 2) \$ _____

- 10. Additional cash advance requested for the next reporting period (Line 9 minus Line 8) \$ _____
- 11. Total interest earned on cash advance from the start of the Cooperative Agreement to the end of this reporting period, but not remitted to AID \$ _____
- 12. Total cash advances to subgrantees, if any, as of the end of this reporting period \$ _____

FOOTNOTES:

- 1. The Recipient shall submit a cumulative detailed report of disbursements by BUDGET line item quarterly; the monthly cash advance status report does not require a detailed report of disbursements.
- 2. The Recipient shall attach to this summary a detailed projection by BUDGET line item, of its anticipated needs for the next reporting period.

C. CERTIFICATION

The undersigned hereby certifies: (1) that the report in paragraph B.9 above represents the best estimates of funds needed for the disbursements to be incurred over the period described, (2) that appropriate refund or credit to the Agreement will be made in the event of disallowance in accordance with the terms of the Agreement, (3) that appropriate refund or credit to the Agreement will be made in the event funds are not expended, and that any interest accrued on the funds made available herein will be refunded to AID.

BY _____
 TITLE _____
 DATE _____

c. AID funds shall not be commingled with other Recipient owned or controlled funds. The Recipient shall deposit all AID cash advances in a separate bank account and shall make all disbursements for goods and services from this account.

9. OCEAN SHIPMENT AND GOODS

(a) At least 50% of the gross tonnage of all goods purchased under this agreement and transported to the Cooperating Country on ocean vessels shall be transported on privately owned U.S. flag commercial vessels, to the extent such vessels are available at fair and reasonable rates for such vessels; and

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27

(b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this agreement and transported to the Cooperating Country on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates for such vessels.

(c) When U.S. flag vessels are not available, or their use would result in a significant delay, the Recipient may request a certificate of nonavailability from the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, giving the basis for the request. Such a determination of nonavailability will relieve the Recipient of the requirement to use U.S. flag vessels for the tonnage of goods included in the determination.

(d) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows: "I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the Maritime Administration, Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

(e) Shipments by voluntary nonprofit relief agencies (i.e., PVO's) shall be governed by this standard provision and by AID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR 202).

10. PROCUREMENT OF GOODS AND SERVICES OVER \$250,000

(This provision is applicable when the total procurement element, i.e., the sum of all purchase orders and contracts for goods and services, of this agreement will be greater than \$250,000 over the life of the agreement.)

(a) General. Except as may be specifically approved or directed in advance by the Grant Officer, all goods (e.g., equipment, vehicles, materials, and supplies) and services which will be financed under this agreement with United States dollars shall be procured in and shipped from the United States (Code 000) and from any other countries within the authorized geographic code specified in the Schedule of this Agreement.

(b) Procurement of goods. In order to be eligible under this Agreement, goods purchased under this Agreement must be of eligible source and origin, and must satisfy AID's componentry requirements set forth below. In addition, the supplier of commodities must meet the nationality requirements specified in paragraph (d)(1) of this provision.

(1) Source. Source means the country from which a commodity is shipped to the Cooperating Country or the Cooperating Country itself if the commodity is located therein at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received therein, source means the country from which the commodity was shipped to the free port or bonded warehouse.

(2) Origin. The origin of a commodity is the country or area in which a commodity is mined, grown, or produced. A commodity is produced when through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity results that is substantially different in basic characteristics, or in purpose or utility, from its components.

(3) Componentry. Components are the goods that go directly into the production of a produced commodity. AID componentry rules are as follows:

(1) If a commodity produced in an eligible source country contains no imported component, it is eligible for AID financing.

(i) Unless otherwise specified by the Grant Officer, components from the United States, the Cooperating Country, and any other countries included in Geographic Code 941 may always be utilized in unlimited amounts regardless of the geographic code authorized.

(ii) Unless procurement is authorized from countries included in Code 899, components from free world countries not included in Code 941 are limited according to the following rules:

(A) They are limited only if they are acquired by the producer in the form in which they were imported.

(B) The total cost to the producer of such components (delivered at the point of production) may not exceed 50 percent of the lowest price (excluding the cost of ocean transportation and marine insurance) at which the supplier makes the commodity available for export sale (whether or not financed by AID).

(C) AID may prescribe percentages other than 50 percent for specific commodities.

(iv) Any component from a non-free world country makes the commodity ineligible for AID financing.

(4) Supplier Nationality (See paragraph (d) of this provision)

(c) Eligibility of commodity-related services

(1) Incidental services. Nationality rules are applied to the contractor supplying equipment under this Agreement and not separately to any contractor that may supply commodity-related incidental services. Such services, defined as the installation or erection of AID-financed equipment, or the training of personnel in the maintenance, operation, and use of such equipment, are eligible if specified in the equipment contract and performed by citizens of countries included in AID Geographic Code 935, or non-United States citizens lawfully admitted for permanent residence in the United States.

79

(2) Ocean and air transportation

(i) Except as otherwise approved in writing by the Grant Officer, AID will finance only those ocean transportation costs:

(A) Incurred on vessels under U.S. flag registry, when Geographic Code 000 is authorized for procurement of goods or services;

(B) Incurred on vessels under U.S., Cooperating Country, or other countries included in Geographic Code 941 flag registry, when Geographic Code 941 is authorized for procurement of goods or services; or

(C) Incurred on vessels under flag registry of any free world country, if the costs are part of the total cost on a through bill of lading paid to a carrier for initial carriage on a vessel which is authorized in accordance with paragraphs (c)(2)(1)(A) and (B), above.

(ii) Any ocean or air charter, covering full or part cargo, for the transportation of goods purchased under this agreement must be approved by the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, prior to shipment.

(iii) When use of non-U.S. flag vessels has been authorized, the following requirements still apply:

(A) At least 50% of the gross tonnage of all goods purchased under this agreement and transported to the Cooperating Country on ocean vessels, shall be transported on privately owned U.S. flag commercial vessels, to the extent such vessels are available at fair and reasonable rates for such vessels; and

(B) At least 50% of the gross freight revenue generated by shipments of goods purchased under this agreement and transported to the Cooperating Country on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates for such vessels.

(iv) When U.S. flag vessels are not available, or their use would result in a significant delay, the Recipient may request a certificate of nonavailability from the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, giving the basis for the request. Such a determination of nonavailability will relieve the Recipient of the requirement to use U.S. flag vessels for the tonnage of goods included in the determination.

(v) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows: "I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the Maritime Administration, Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

(vi) For use of U.S. flag air carriers, see the Standard Provision, entitled "Travel and Transportation."

(3) Marine insurance. The eligibility of marine insurance is determined by the country in which it is "placed". Insurance is "placed" in a country if payment of the insurance premium is made to, and the insurance policy is issued by, an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to AID-financed procurement against any marine insurance company authorized to do business in any State of the United States, then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the United States with a company or companies authorized to do a marine insurance business in any State of the United States.

(d) Nationality. Except as specified in paragraph (c) of this provision, in order to be eligible for AID financing under this Agreement, suppliers, contractors, or subcontractors must fit one of the following categories:

(1) Suppliers of commodities. A supplier providing goods under this agreement must fit one of the following categories for the costs of such goods to be eligible for AID financing:

(i) An individual who is a citizen or, except as provided in paragraph (d)(7) of this clause, a legal resident of a country or area included in the authorized geographic code;

(ii) A corporation or partnership organized under the laws of a country or area included in the authorized geographic code;

(iii) A controlled foreign corporation, i.e., any foreign corporation of which more than 50 percent of the total combined voting power of all classes of stock is owned by United States shareholders within the meaning of Section 957 et seq. of the Internal Revenue Code, 26 U.S.C. 957; or

(iv) A joint venture or unincorporated association consisting entirely of individuals, corporations, or partnerships which are eligible under any of the foregoing categories.

(2) Privately owned commercial suppliers of services. An individual or a privately owned commercial firm is eligible for financing by AID under this agreement as a contractor providing services only if the criteria in paragraphs (d)(2)(i), (ii), or (iii) of this provision are met and, in the case of the categories described in paragraphs (d)(2)(iv) are met.

(i) The supplier is an individual who is a citizen of and whose principal place of business is in a country or area included in the authorized geographic code or a non-U.S. citizen lawfully admitted for permanent residence in the United States whose principal place of business is in the United States;

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(ii) The supplier is a privately owned commercial (i.e., for profit) corporation or partnership that is incorporated or legally organized under the laws of a country or area included in the authorized geographic code, has its principal place of business in a country or area included in the authorized geographic code, and meets the criteria set forth in either subparagraph (A) or (B) below:

(A) The corporation or partnership is more than 50% beneficially owned by individuals who are citizens of a country or area included in the authorized geographic code. In the case of corporations, "more than 50% beneficially owned" means that more than 50% of each class of stock is owned by such individuals; in the case of partnerships, "more than 50% beneficially owned" means that more than 50% of each category of partnership interest (e.g., general, limited) is owned by such individuals. (With respect to stock or interest held by companies, funds or institutions, the ultimate beneficial ownership by individuals is controlling.)

(B) The corporation or partnership:

(1) has been incorporated or legally organized in the United States for more than 3 years prior to the issuance date of the invitation for bids or request for proposals, and

(2) has performed within the United States similar administrative and technical, professional, or construction services under a contract or contracts for services and derived revenue therefrom in each of the 3 years prior to the issuance date of the invitation for bids or request for proposals, and

(3) employs United States citizens in more than half its permanent full-time positions in the United States, and

(4) has the existing capability in the United States to perform the contract.

(iii) The supplier is a joint venture or unincorporated association consisting entirely of individuals, corporations, partnerships, or nonprofit organizations which are eligible under paragraphs (d)(2)(i), (d)(2)(ii), or (d)(3) of this provision.

(iv) A duly authorized officer of a firm or nonprofit organization shall certify that the participating firm or nonprofit organization meets either the requirements of paragraphs (d)(2)(ii)(A) or (d)(2)(ii)(B), or (d)(3) of this clause. In the case of corporations, the certifying officer shall be the corporate secretary. With respect to the requirements of paragraph (d)(2)(ii)(A), the certifying officer may presume citizenship on the basis of the stockholder's record address, provided the

certifying officer certifies, regarding any stockholder (including any corporate fund or institutional stockholder) whose holdings are material to the corporation's eligibility, that the certifying officer knows of no fact which might rebut that presumption.

(3) Nonprofit organizations. Nonprofit organizations, such as educational institutions, foundations, and associations, are eligible for financing by AID under this agreement as contractors for services if they meet all of the criteria listed in paragraphs (d)(3)(i), (ii), and (iii) below, and the certification requirement in paragraph (d)(2)(iv) of this clause is met. (International agricultural research centers and such other international research centers as may be, from time to time, formally listed as such by the Senior Assistant Administrator, Bureau for Science and Technology, are considered to be of U.S. nationality for purposes of this provision.) Any such organizations must:

(i) Be organized under the laws of a country or area included in the authorized geographic code; and

(ii) Be controlled and managed by a governing body, a majority of whose members are citizens of countries or areas included in the authorized geographic code; and

(iii) Have its principal facilities and offices in a country or area included in the authorized geographic code.

(4) Government-owned organizations. Except as may be specifically approved in advance by the Grant Officer, firms operated as commercial companies or other organizations (including nonprofit organizations other than public educational institutions) which are wholly or partially owned by governments or agencies thereof are not eligible for financing by AID under this Agreement as contractors.

(5) Joint ventures. A joint venture or unincorporated association is eligible only if each of its members is eligible in accordance with paragraphs (d)(2), (3), or (4) of this clause.

(6) Construction services from local firms. When the host country is an authorized source for services, and the estimated cost of the construction services is \$5 million or less, a corporation or partnership may be determined by AID to be an integral part of the local economy in accordance with AID Handbook 1B, Chapter 5, paragraphs 5D5, is eligible.

(7) Ineligible suppliers. Citizens of any country or area, and firms and organizations located in or organized under the laws of any country or area, which is not included in Geographic Code 935 are ineligible for financing by AID as suppliers of services or of commodities, or as agents acting in connection with the supply of services or of commodities, except that non-U.S. citizens lawfully admitted for permanent residence in the United States are eligible regardless of such citizenship.

(8) Special restrictions on procurement of construction or engineering services. Section 604(g) of the Foreign Assistance Act provides that AID funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under the Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services." In order to insure eligibility of a Code 941 contractor for construction or engineering services, obtain the AID Grant Officer's approval for any such contract.

(e) Nationality of employees under contracts and subcontracts for services. The nationality policy of subparagraph (d)(2) of this provision does not apply to the employees of contractors or subcontractors whose services will be reimburse under this agreement, but all contractor and subcontractor employees engaged in providing services under AID-financed agreements must be citizens of countries included in AID Geographic Code 935 or non-U.S. citizens lawfully admitted for permanent residence in the United States.

(f) The Cooperating Country as a source. With certain exceptions, the Cooperating Country is not normally an eligible source for procurement to be paid in U.S. dollars. The exceptions are for ocean freight and marine insurance (see paragraphs (c)(1) and (c)(2) of this provision). The Cooperating Country may be an eligible source if local cost financing is approved either by specific action of the Grant Officer or in the Schedule of the agreement. In such cases, the Standard Provision entitled "Local Cost Financing with U.S. Dollars", will apply.

(g) Ineligible goods and services. Under no circumstances shall the Recipient procure any of the following under this agreement:

- (1) military equipment,
- (2) surveillance equipment,
- (3) commodities and services for support of police or other law enforcement activities,
- (4) abortion equipment and services,
- (5) luxury goods and gambling equipment, or
- (6) weather modification equipment.

If AID determines that the Recipient has procured any of the ineligible goods and services specified above under this agreement, and has received reimbursement for such purpose, the Recipient agrees to refund to AID the entire amount of the reimbursement.

(h) Restricted goods. The Recipient shall not procure any of the following goods or services without the prior written authorization of the Grant Office.:

- (1) agricultural commodities,
- (2) motor vehicles,
- (3) pharmaceuticals,
- (4) pesticides,
- (5) rubber compounding chemicals and plasticizers,
- (6) used equipment,
- (7) U.S. Government-owned excess property, or
- (8) fertilizer.

If AID determines that the Recipient has procured any of the restricted goods specified above under this agreement, without the prior written authorization of the Grant Officer, and has received reimbursement for such purpose, the Recipient agrees to refund to AID the entire amount of the reimbursement.

(i) Printed or audio-visual teaching materials. If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by AID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources, in order of preference:

- (1) Code 000, United States,
- (2) the Cooperating Country,
- (3) Code 941, Selected Free World,
- (4) Code 899, Free World.

(j) Ineligible suppliers. Funds provided under this agreement shall not be used to procure any commodity or commodity-related services furnished by any supplier whose name appears on the list of Ineligible Suppliers under AID Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing" (22 CFR 208). The Recipient agrees to review said list prior to undertaking any procurement the cost of which is to be reimbursable under this agreement. AID will provide the Recipient with this list.

(k) The Recipient's Procurement System

(1) The Recipient may use its own procurement policies and procedures provided they conform to the geographic source and nationality requirements of this provision and paragraphs 1U.3.a., b., and c. of Chapter 1, AID Handbook 13.

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35

(2) If the Recipient's procurement policies and procedures have been reviewed against the procurement requirements of paragraphs 1U.3.a., b., and c. and have been approved by AID or another Federal department or agency, the Recipient shall furnish the Grant Officer a copy of such approval; otherwise the Recipient's procurement policies and procedures shall conform to those specified in paragraph 1U.3.a., b., and c. of Chapter 1, AID Handbook 13.

11. LOCAL COST FINANCING WITH U.S. DOLLARS

(This provision is applicable whenever local cost financing has been specifically authorized in the Schedule of this agreement regardless of dollar amount)

(a) Local cost financing is the use of U.S. dollars to obtain local currency for the procurement of goods and services in the Cooperating Country in furtherance of the purpose of the agreement. Local cost financing must be specifically authorized in the Schedule of the agreement. The amount of U.S. dollars which may be used must be specified in the authorization, together with any special restrictions on their use.

(b) Procurement of goods and services under local cost financing is subject to the following restrictions:

(1) Ineligible goods and services

Under no circumstances shall the Recipient procure any of the following under this agreement:

- (i) military equipment,
- (ii) surveillance equipment,
- (iii) commodities and services for support of police or other law enforcement activities,
- (iv) abortion equipment and services,
- (v) luxury goods and gambling equipment, or
- (vi) weather modification equipment.

If AID determines that the Recipient has procured any of the ineligible goods and services specified above under this agreement, and has received reimbursement for such purpose, the Recipient agrees to refund to AID the entire amount of the reimbursement.

(2) Restricted goods

The Recipient shall not procure any of the following goods or services without the prior written authorization of the Grant Officer:

- (i) agricultural commodities,
- (ii) motor vehicles,
- (iii) pharmaceuticals,
- (iv) pesticides,
- (v) rubber compounding chemicals and plasticizers,
- (vi) used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) fertilizer.

If AID determines that the Recipient has procured any of the restricted goods specified above under this Agreement, without the prior written authorization of the Grant Officer, and has received reimbursement for such purpose, the Recipient agrees to refund to AID the entire amount of the reimbursement.

(3) Any component from a non-free world country makes a commodity ineligible for AID financing.

(4) Nationality

(i) Citizens or firms of any country not included in AID Geographic Code 935 are ineligible as suppliers, contractors, subcontractors, or agents for goods and services the costs of which will be reimbursed under this agreement.

(ii) Local cost financing is the use of appropriated U.S. dollars to obtain local currency for the payment for goods and services purchased in the Cooperating Country. Authorization of local cost financing makes the Cooperating Country, in addition to the United States and any other country included in the authorized geographic code for the project, an eligible source for the purchase of goods or services in the Cooperating Country. Goods and services purchased under local cost financing must be located in the Cooperating Country at the time they are purchased; they cannot be imported specifically for the project being implemented by this Agreement. The supplier from which goods or services are purchased under local cost financing must also be in the Cooperating Country. Suppliers of goods or services under local cost financing must meet the nationality eligibility tests prescribed in paragraph (d) of the provision of this agreement entitled "Procurement of Goods and Services over \$250,000." When local cost financing has been authorized, the Cooperating Country is deemed to be included in the "authorized geographic code" for purposes of determining nationality eligibility pursuant to paragraph (d) of the provision, entitled "Procurement of Goods and Services over \$250,000."

(c) General principles. Under local cost financing, the Recipient shall follow sound procurement policies, utilizing competition to the maximum practical extent, obtaining the lowest available price, and documenting such procurementsto justify the method used and the price established.

(d) Procurement of goods. In order to be eligible under local cost financing, goods are subject to the following slecific requirements:

(1) Indigenous goods. Goods which have been mined, grown, or produced in the Cooperating Country through manufacture, processing, or assembly are eligible for local cost financing under this agreement. Goods produced with imported components must result in a commercially recognized new commodity that is substantially different in basic characteristics or in purpose or utility from its components in order to qualify as indigenous; such goods may not contain components from any nonfree world country.

(2) Imported shelf items. Imported shelf items are goods that are normally imported and kept in stock, in the form in which imported, for sale to meet a general demand in the country for the item; they are not goods which have been specifically imported for use in an AID-financed project.

(i) Shelf items are eligible for local cost financing in unlimited quantities up to the total amount available for local cost financing if they have their source in the Cooperating Country and their origin in a country included in AID Geographic Code 941.

(ii) Shelf items having their origin in any country included in Code 899 but not in Code 941 are eligible if the price of one unit doesnot exceed \$5,000. For goods sold by units of quantity; e.g., tons, barrels, etc., the unit to which the local currency equivalent of \$5,000 is applied is that which is customarily used in quoting prices. The total amount of imported sel. item purchases from countries included in Code 899 but not in Code 941 may not exceed \$25,000 or 10% of the total local costs financed by AID for the project whichever is higher; however, in no case may the total amount of such purchases exceed \$250,000 without first obtaining a specific geographic source waiver.

(3) Goods imported specifically for the project. Goods imported specifically for the project being implemented by this agreement are not eligible for local cost financing; they are subject to the requirements of the provision entitled "Procurement of Goods and Services over \$250,000."

12. VOLUNTARY PARTICIPATION

(a) The Recipient agrees to take any steps necessary to ensure that funds made available under this agreement will not be used to coerce any individual to practice methods of family planning inconsistent with such individual's moral, philosophical, or religious beliefs. Further, the Recipient agrees to conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.

(b) The Recipient shall insert paragraphs (a) and (b) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder.

13. PROHIBITION ON ABORTION-RELATED ACTIVITIES

(a) No funds made available under this Agreement will be used to finance, support, or be attributed to the following activities: (1) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (2) special fees or incentives to women to coerce or motivate them to have abortions; (3) payments to persons to perform abortions or to solicit persons to undergo abortions; (4) information, education, training, or communication program that seek to promote abortion as a method of family planning; (5) lobbying for abortion.

(b) No funds made available under this agreement will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent or consequences of abortion is not precluded.

(c) The Recipient shall insert paragraphs (a), (b), and (c) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder.

14. PUBLICATIONS

(a) If it is the Recipient's intention to identify AID's contribution to any publication resulting from this Agreement, the Recipient shall consult with AID on the nature of the acknowledgement prior to publication.

(b) The Recipient shall provide the Project Manager with one copy of all published works developed under the Agreement. The Recipient shall provide the Project Manager with lists of other written work produced under the Agreement.

(c) In the event Agreement funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the Agreement.

(d) The Recipient is permitted to secure copyright to any publication produced or composed under the Agreement in accordance with paragraph 1T8.b. of Chapter 1, Handbook 13. Provided, the Recipient agrees to and does hereby agreement to the Government a royalty-free, nonexclusive, and irrevocable license throughout the world to use, duplicate, disclose, or dispose of such publications in any manner and for any purpose and to permit others to do so.

15. SUBORDINATE AGREEMENTS

(a) The placement of subordinate agreements (i.e., agreements or contracts) with other organizations, firms or institutions, and the provisions

of such subordinate agreements are subject to prior written consent of the Grant Officer unless such subordinate agreements were identified in the approved Financial Plan, in accordance with paragraph (b)(7) of the Standard Provision of this agreement entitled "Revision of Financial Plans."

(b) The use of the Standard Provisions of this Agreement is mandatory for subgrants to U.S. institutions. For subgrants to foreign institutions the Recipient shall use the Standard Provisions set forth in Appendix 4D of Handbook 13.

16. SALARIES

All salaries, wages, fees, and stipends, which will be reimbursable by AID under this agreement, shall be in accordance with both the Recipient's usual policy and practice and the applicable cost principles. To the extent that the Recipient's policy and practice conflict with the applicable cost principles, the latter shall prevail.

17. INELIGIBLE COUNTRIES

Unless otherwise approved by the AID Grant Officer, no AID funds will be expended for costs incurred in countries ineligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

18. U.S. OFFICIALS NOT TO BENEFIT

No member of or delegate to the U.S. Congress or resident U.S. Commissioner shall be admitted to any share or part of this agreement or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this agreement if made with a corporation for its general benefit.

19. COVENANT AGAINST CONTINGENT FEES

The Recipient warrants that no person or selling agency has been employed or retained to solicit or secure this agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial or selling agencies maintained by the Recipient for the purpose of securing business. For breach or violation of this warranty, AID shall have the right to cancel this agreement without liability on its part, in its discretion, to deduct from the agreement amount, or otherwise recover, the full amount of each commission, percentage, brokerage, or contingent fee.

20. NONLIABILITY

AID does not assume liability with respect to any third party claims for damages arising out of work supported by this Grant.

21. AMENDMENT

The agreement may be amended by formal modifications to the basic agreement document or by means of an exchange of letters between the Grant Officer and an appropriate official of the Recipient.

22. THE AGREEMENT

The Schedule, the Program Description, the Budget and the Standard Provisions which have been reviewed and agreed to by the Recipient, constitute the agreement.

23. NOTICES

Any notice given by any of the parties hereunder, shall be sufficient only if in writing and delivered in person or sent by telegraph, cable, registered or regular mail as follows:

To the AID Grant Officer, at the address specified in the agreement.

To Recipient , at Recipient's address shown in the agreement.

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Department of State

INCOMING
TELEGRAM

PAGE 01 SAN JO 05061 271536Z

6474 102820 AID2397

ACTION AID-00

ACTION OFFICE POP-04

INFO LACE-03 LACO-02 LADP-03 LADR-03 FM-02 C-01 CALI-02
CPS-02 CSE-02 STHE-01 'AST-01' HHS-09 RELO-01 STHP-01
MAST-01 /038 A4 828

INFO OCT-00 INR-10 EB-08 ARA-00 OES-09 /078 W
-----053735 272334Z /38

R 271541Z JUL 83
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC 6829

UNCLAS SAN JOSE 05061

AIDAC

E.O. 12356: N/A
SUBJECT: FAMILY PLANNING SELF-RELIANCE 515-0168

REF: SAN JOSE 04876

1. PLEASE RESERVE 200,000 DOLLARS FROM FY 83
OBLIGATION OF 950,000 DOLLARS FOR COMMODITIES FOR
SUBJECT PROJECT. WINSOR

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RECORD COPY

42

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Department of State

INCOMING
TELEGRAM

PAGE 01

SAN JO 04876 182131Z

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ACTION AID-00

ACTION OFFICE POP-04

INFO LACE-03 LADR-03 PPCE-01 PPPB-02 FM-02 STHE-01 SAST-01
TRSY-05 RELO-01 STHP-01 MAST-01 /025 A6 219

INFO OCT-00 INR-10 EB-08 ARA-00 OES-09 /078 W
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R 182131Z JUL 83

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 6692

UNCLAS SAN JOSE 04876

AIDAC

E.O. 12356: N/A

SUBJECT: FAMILY PLANNING SELF-RELIANCE PROJECT
(0168)

1. MISSION APPROVED SUBJECT PROJECT IN AMOUNT OF
DOLS 2.5 MILLION ON JULY 18, 1983.

2. FORWARDING COPY PP TO AID/W. WINSOR

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RECORD COPY

43

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Department of State

INCOMING
TELEGRAM

PAGE 01 SAN JO 04531 021527Z 7821 085425 AID2452
ACTION AID-00

ACTION OFFICE LADP-03
INFO LACE-03 LADR-03 GC-01 GCLA-03 GCFL-01 FM-02 IT-06 RELO-01
TELE-01 MAST-01 DO-01 STHR-01 /027 A2 11-2
INFO OCT-00 INR-10 EB-08 ARA-00 INRE-00 OES-09 /078 W
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O 021525Z JUL 83
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC IMMEDIATE 6451

UNCLAS SAN JOSE 04531

AIDAC

FOR LAC/DP. HMARWITZ

E O 12356 N/A
SUBJECT. FY 83 OBLIGATIONS

REF (A) SAN JOSE 03940 (B) STATE 174551

1. USAID/CR'S UPDATE ON REMAINING FY 1983 OBLIGATIONS IS AS FOLLOWS

A FAMILY PLANNING SELF-RELIANCE (515-0168) THE PROJECT PAPER FOR THIS PROJECT WAS REVIEWED ON JUNE 28 AND APPROVED, SUBJECT TO AGREEMENT BETWEEN PROJECT PARTICIPATING ENTITIES ON THE ARRANGEMENTS FOR THE PROJECT'S TRAINING COMPONENT AGREEMENT ON THIS MATTER HAS BEEN REACHED AND PROJECT WILL BE AUTHORIZED FIRST WEEK OF JULY PREPARATION OF THE GRANT AGREEMENT WILL COMMENCE SHORTLY PLEASE CONFIRM EXPIRATION DATE OF CN AND ISSUE THE APPROPRIATE ADVICE OF BUDGET ALLOWANCE

B NORTHERN ZONE INFRASTRUCTURE DEVELOPMENT (515-0191) USAID'S REVIEW OF PP FOR THIS PROJECT WAS COMPLETED ON JUNE 24 AFTER MINOR REVISIONS THE PP WAS HANDCARRIED TO AID/W ON JUNE 28 BY ERHARDT RUPPRECHT THE MISSION HAS REQUESTED AN ISSUES MEETING ON JULY 7 AND A DAEC REVIEW ON JULY 11 OR 12 PRESUMING AUTHORIZATION RECEIVED BY JULY 18 AND AID/W ASSISTANCE FROM THE GENERAL COUNSEL'S OFFICE (WHICH WILL BE SUBJECT SEPTEL) (GIVEN ABSENCE OF THE REGIONAL LEGAL ADVISOR), MISSION WOULD FULLY EXPECT TO PREPARE, NEGOTIATE AND EXECUTE THE LOAN AGREEMENT BEFORE THE END OF JULY. PLEASE ADVISE EXPIRATION DATE FOR THE CN

C. HEALTH SUPPLIES SUPPORT (515-0203). MISSION IS FEVERISHLY AT WORK ON PP PREPARATION AT THIS POINT, USAID EXPECTS TO SUBMIT PP TO AID/W ON JULY 30, WITH THE REVIEW TO BE HELD DURING WEEK OF AUGUST 8, AND OBLIGATION TO TAKE PLACE DURING THE SECOND HALF OF AUGUST PLEASE CONFIRM EXPIRATION DATE OF CN

D ECONOMIC STABILIZATION AND RECOVERY II (515-0186) MISSION HAS OBLIGATED \$80 MILLION OF THIS \$125 MILLION PROGRAM THE REMAINING \$45 MILLION WILL BE OBLIGATED IN LAST HALF OF JULY, AGAIN ASSUMING ASSISTANCE FROM GC. WE HAVE THE BUDGET ALLOWANCE FOR THE GRANT PORTION, AND ARE AWAITING THE ADVICE OF BUDGET ALLOWANCE FOR THE LOAN AMOUNT (\$30.515 MILLION) PLEASE EXPEDITE JONES

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44

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PAGE 01 OF 02 STATE 308241
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CONCLUSION OF THIS PROJECT

ORIGIN OFFICE LADR-03
INFO AALA-01 LAFI-03 LADP-03 PPCE-01 PDPR-01 PPPB-03 GC-01
GCLA-03 GCFI-01 C-01 CALI-02 STHE-01 SAST-01 POP-04
HHS-09 OMB-02 RELO-01 STHP-01 MAST-01 4H-00 /043 AD

INFO OCT-00 ARA-00 OES 09 /060 R

DRAFTED BY AID/LAC/DR ROYENS AFG/AEP
APPROVED BY AID/AA/LAC OJREICH
AID/LAC/DR SESHITH
AID/SANDT/POP DDEHMAN (DRAFT)
AID/PPC/PDPR ABLOOM
AID/LAC/DR MBRACKETT (DRAFT)
AID/LAC/DP JPURCELL (DRAFT)
AID/GC/LAC RMEIGHAN (DRAFT)
AID/LAC/CEN ROUEEHER (DRAFT)
AID/LAC/DR CLEONARD
AID/LAC/DR ILEVY AID/LAC/DR DBJOHNSON
AID/DAA/LAC HDBROWN

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E O 12356 N/A
TAGS.
SUBJECT-FAMILY PLANNING SELF RELIANCE PID (515-0618)

1. THE DAEC REVIEWED AND APPROVED THE SUBJECT PID ON OCTOBER 15, 1982 THE FOLLOWING COMMENTS AND GUIDANCE ARE PROVIDED TO ASSIST THE MISSION IN PROJECT DEVELOPMENT AND PREPARATION OF THE PROJECT PAPER.

2. ECONOMIC ANALYSIS AND FINANCIAL CONSIDERATIONS

-- A THE PID STATED THAT ALTHOUGH FAMILY PLANNING IS ONCE AGAIN A PRIORITY IN COSTA RICA, THE GOCR WILL HAVE TO CUT BACK ON BUDGETARY SUPPORT FOR PUBLIC SECTOR INSTITUTIONS, INCLUDING FUNDING FOR FAMILY PLANNING PROGRAMS, DUE TO THE CURRENT ECONOMIC SITUATION GOCR'S COMMITMENT TO FAMILY PLANNING PROGRAMS AND ITS WILLINGNESS AND ABILITY TO PROVIDE ADEQUATE COUNTERPART FUNDING AND PERSONNEL SHOULD BE CLEARLY STATED IN THE PP THE FINANCIAL PLAN IN THE PP SHOULD INCLUDE A BREAKDOWN OF PROJECTED COSTS TO THE GOCR UNDER THE PROJECT, AS WELL AS HOW THE GOCR PLANS TO COVER THOSE COSTS

-- B. IT WAS STATED IN THE PP THAT INTERMEDIARY SUPPORT OF AND PARTICIPATION IN THE PROJECT WOULD BE REQUIRED OVER THE NEXT THREE YEARS THE MISSION PLAN TO ENSURE THE PARTICIPATION OF THESE ORGANIZATIONS, SUCH AS IPPF AND UNFPA, SHOULD PLACE SPECIAL EMPHASIS ON THEIR ABILITY TO PROVIDE THE REQUIRED LEVEL OF SUPPORT SPECIFIED IN THE PID DURING A PERIOD OF GENERAL CUTBACKS OF FUNDS FOR FAMILY PLANNING ACTIVITIES IN THE REGION

-- C WE EXPECT THIS TO BE THE LAST BILATERAL POPULATION PROJECT FOR COSTA RICA THE PP SHOULD REFLECT THIS, AND SHOULD DETAIL SPECIFIC ACTIONS OR ACTIVITIES WHICH WILL LEAD TO COSTA RICA'S SELF RELIANCE IN FAMILY PLANNING, AS WELL AS A DETAILED PLAN FOR A.I.D. PHASE-OUT IN THIS SECTOR, TERMINATING AT THE

3 SOURCE AND FUNDING FOR COMMODITIES AS STATED IN THE PID, THE SUPPLY AND AVAILABILITY OF COMMODITIES WILL BE CRUCIAL TO THE SUCCESSFUL IMPLEMENTATION OF THE FAMILY PLANNING PROGRAM, ESPECIALLY THE CRS COMPONENT THE CURRENT PROJECT BUDGET PROVIDES APPROXIMATELY 30 PER CENT OF TOTAL PROJECT FUNDING (DOLS 1.36 MILLION OF THE TOTAL DOLS 4.4 MILLION) FOR THE PURCHASE OF COMMODITIES, YET THE SOURCE AND FUNDING OF THE COMMODITIES ARE UNCLEAR THE PP SHOULD ADDRESS THE FOLLOWING ISSUES CONCERNING COMMODITIES A COMPLETE ANALYSIS OF TOTAL COMMODITY REQUIREMENTS, THE DATA ON WHICH THESE REQUIREMENTS ARE BASED, AND THE SOURCE OF SUPPLY AND PROJECTED COST OF THE COMMODITIES IN RELATION TO THE IPPF'S SOURCE OF SUPPLY FOR COMMODITIES, THE PP SHOULD INCLUDE A DETAILED ANALYSIS OF AID COMMODITY FLOWS THROUGH INTERMEDIARIES TO COSTA RICA

4 IMPLEMENTING AGENCIES THE RELATIONSHIP BETWEEN IMPLEMENTING AGENCIES AS WELL AS EACH ENTITY'S ROLE AND RESPONSIBILITY IN THE DELIVERY OF FAMILY PLANNING SERVICES SHOULD BE EXPLICITLY STATED IN THE PP THERE SHOULD ALSO BE A DISCUSSION OF HOW THE ACTIVITIES OF THE VARIOUS INSTITUTIONS WILL BE COORDINATED TO ENSURE THAT THE PUBLIC AND COMMERCIAL COMPONENTS WILL NOT DUPLICATE ACTIVITIES

5. COMMERCIAL RETAIL SALES (CRS) COMPONENT

-- A DURING DEVELOPMENT OF THE PP, THE RATIONALE FOR THE ESTABLISHMENT OF A CRS PROGRAM SHOULD BE BETTER ARTICULATED MORE DETAIL IS NEEDED IN THE FOLLOWING AREAS: THE EFFECTIVENESS AND COVERAGE OF THE CURRENT COMMERCIAL SALES SYSTEM, HOW THE PROPOSED CRS PROGRAM

WILL DIFFER FROM/IMPROVE UPON THE CURRENT COMMERCIAL SALES SYSTEM, MARKET SEGMENTATION AS IT RELATES TO THE CRS COMPONENT TARGET POPULATION, THE EFFECTIVE DEMAND FOR THE COMMODITIES TO BE SUPPLIED THROUGH THE CRS COMPONENT, THE EXTENT TO WHICH THE CRS COMPONENT WILL EXPAND THE USAGE OF FAMILY PLANNING SERVICES, PRICING STRATEGIES AND EVIDENCE THAT THE TARGET POPULATION IS WILLING AND ABLE TO PAY THE PRICES FOR CONTRACEPTIVES UNDER THE CRS PROGRAM

-- B. A DETAILED EXPLANATION OF HOW THE CRS COMPONENT OF THE PROJECT WILL BE MANAGED AND BY WHOM IS NEEDED PROJECT MANAGEMENT FOR THE CRS PROGRAMS IN OTHER COUNTRIES HAS FOLLOWED TWO MODELS THE MOST FREQUENT PRACTICE HAS BEEN FOR THE MISSION OR AID/W TO CONTRACT WITH A U.S. CONSULTING FIRM, USUALLY FOR A 3 YEAR PERIOD, TO PROVIDE TECHNICAL ASSISTANCE AND TO SERVE AS THE CONDUIT FOR THE FLOW OF FUNDS TO THE CRS COMPONENT ACTIVITIES AN ALTERNATIVE PROCEDURE BEING TRIED IS FOR THE MISSION TO CONTRACT WITH A LOCAL FIRM WHICH MANAGES THE IMPLEMENTATION OF THE CRS PROGRAM MISSION SHOULD CONSIDER BOTH MODELS IN THE SELECTION PROCESS AND JUSTIFY ITS DECISION IN THE PP

-- C. DURING THE DAEC REVIEW CONCERNS WERE RAISED IN REFERENCE TO THE ESTABLISHMENT BY ADC OF A NEW ENTITY, ASDECOSTA, TO PERFORM THE CRS FUNCTION IN ORDER TO ENSURE THAT ASDECOSTA HAS THE ABILITY AND SUPPORT TO CARRY OUT THIS FUNCTION, AN INSTITUTIONAL/LEGAL ANALYSIS OF BOTH ADC AND ASDECOSTA SHOULD BE PREPARED FOR INCLUSION IN THE PP THIS ANALYSIS SHOULD INCLUDE INFORMATION ON THE RATIONALE FOR ESTABLISHMENT OF ASDECOSTA AS A PROFIT MAKING ENTITY, ASDECOSTA'S LEGAL BASIS AND ORGANIZATIONAL STRUCTURE, INCLUDING A REVIEW

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PAGE 02 OF 02 STATE 108241 6935 080479 AID4590
OF THEIR CHARTER, INFORMATION ON SHAREHOLDERS, BOARD OF
DIRECTORS AND PRINCIPAL EXECUTIVE OFFICERS, AID
OVERSIGHT OR CONTROL OVER ISSUANCE OR TRANSFER OF STOCK,
MODIFICATION OF OR CHANGES IN ITS CORPORATE CHARTER,
ENTERING INTO ANY CONTRACTS FINANCED BY AID, DECLARING
ANY DIVIDENDS OR INCURRING INDEBTEDNESS (OTHER THAN
SHORT-TERM OBLIGATIONS FOR NORMAL OPERATING EXPENSES),
AND COMMERCIAL ACTIVITIES OTHER THAN THOSE DIRECTLY
RELATED TO THE CRS PROGRAM THIS INSTITUTIONAL/LEGAL
ANALYSIS SHOULD BE SUBMITTED IN THE FORM OF AN INTERIM
REPORT TO AID/W FOR REVIEW AND APPROVAL PRIOR TO MISSION
APPROVAL OF THE PROJECT

6 BENEFICIARIES DURING PP DEVELOPMENT THE MISSION
SHOULD EXPAND UPON AND CLARIFY THE SECTION DEALING WITH
PROJECT BENEFICIARIES THIS SHOULD INCLUDE A MORE
DETAILED BREAKDOWN OF BENEFICIARIES BY PROJECT COMPONENT
OVER LIFE OF PROJECT AND AS WELL AS BY INCOME GROUP

7 PUBLIC SECTOR PROGRAMS THE PP SHOULD EXPAND UPON
THE ANALYSIS OF THE CAPABILITIES, PROBLEMS, AND
REQUIREMENTS OF PUBLIC SECTOR INSTITUTIONS (MOH, CCSS,
ETC) INVOLVED IN THE DELIVERY OF FAMILY PLANNING
SERVICES THIS SHOULD INCLUDE A SECTION ON CURRENT
ACTIVITIES, HOW THESE ACTIVITIES RELATE TO OR WILL BE
AFFECTED BY THE PROPOSED PROJECT, AND THE ABILITY OF
THESE INSTITUTIONS TO DELIVER AND ADMINISTER EXPANDED
FAMILY PLANNING SERVICES

8 PROJECT DEVELOPMENT AND APPROVAL MISSION SHOULD
PROCEED WITH PP DEVELOPMENT MISSION LEVEL APPROVAL OF
THE PP WAS APPROVED BY THE DAEC BUT SHOULD NOT OCCUR
UNTIL AFTER AID/W REVIEW AND APPROVAL OF THE INTERIM
REPORT REQUESTED ABOVE THE INTERIM REPORT SHOULD
ADDRESS ALL POINTS IN PARAGRAPH 5, SECTIONS B AND C. SHULTZ

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48

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PAGE 01 STATE 282358

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DRAFTED BY AID/LAC/DR/P. RB CORNO:TJW

APPROVED BY AID/LAC/DR. MH BRACKETT

AID/LAC/CAP. R QUEENER

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AIDAC

E. O. 12356: N/A

TAGS:

SUBJECT: SCHEDULE FOR REVIEW OF THE COSTA RICA FAMILY
PLANNING SELF RELIANCE PID (515-0168)

REF.: SAN JOSE 6730

AID/W AGREES WITH NOMINATION OF CARLOS POZA FOR REVIEW OF
POPULATION PID 515-0168. DAM

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47

AGENCY FOR INTERNATIONAL DEVELOPMENT
ADVICE OF PROGRAM CHANGE

C. Edge
Revised copy

Date:

COUNTRY : Costa Rica
PROJECT TITLE : Family Planning Self-Reliance
PROJECT NUMBER : 515-0168
FY 1983 CP REFERENCE : Volume II, page 83
APPROPRIATION CATEGORY : Population
LIFE-OF-PROJECT FUNDING : \$2.5 million (grant)
INTENDED FY 1983 OBLIGATION : \$.95 million (grant)

This is to advise that A.I.D. intends to obligate \$0.95 million in FY 83 POP Funds for the Family Planning Self-Reliance Project.

The purpose of the project is to revitalize and expand family planning services through public, private and commercial sector activities. None of the funds in this project will be used for research, training, lobbying for, or the performance of abortions.

ANNEX: Activity Data Sheet

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48

**AGENCY FOR INTERNATIONAL DEVELOPMENT
ACTIVITY DATA SHEET**

PROGRAM COSTA RICA

CP 01 06 (8 79)

TITLE Family Planning Self Reliance		FUNDING SOURCE Population	PROPOSED OBLIGATION (In thousands of dollars)		
NUMBER 515-0168		PRIOR REFERENCE FY 1983 CP LAC Volume II, page 83	FY 83	950	LIFE OF PROJECT (Auth) 2,500
GRANT <input checked="" type="checkbox"/> LOAN <input type="checkbox"/>	NEW <input checked="" type="checkbox"/> CONTINUING <input type="checkbox"/>		INITIAL OBLIGATION FY 83	ESTIMATED FINAL OBLIGATION FY 87	ESTIMATED COMPLETION DATE OF PROJECT FY 88

Purpose: To revitalize and expand family planning services through public, private and commercial sector activities.

Background: Expansion of health and educational services in Costa Rica during the last three decades, steady increases in per capita income, and the introduction of family planning information and services in the mid-1960s led to a steady decrease in the country's population growth rate from 3.9% in 1960 to 2.8% in 1976. However, due to a diminished emphasis by the previous government of Costa Rica on providing family planning services and to an increase in the number of females in their reproductive years, the population growth rate increased to 2.9% in 1980. Current Government of Costa Rica (GOCR) population policy, defined by the National Population Commission, stresses individual freedom to determine the number and spacing of children as well as access to family planning information and services. Although family planning services are available at health posts and clinics, and contraceptives are sold throughout the country, a 1981 contraceptive prevalence survey reported an increase in unmet demand. The GOCR's ability to extend its social service programs to broad segments of the population will become more limited, particularly under worsening economic conditions, unless the population growth rate and the resulting dependency ratio are substantially lowered. The GOCR has requested assistance to revitalize its family planning program and to improve the financial self-sufficiency of family planning services in Costa Rica.

Project Description: The project has three major objectives: (1) to revitalize the once growing and vibrant public sector family planning program; (2) to expand the service delivery capacity of the commercial and voluntary sectors; and (3) to enhance the financial self-reliance of all family planning activities. The project will provide support to train staff in the provision of family planning services and in communication and motivation, to purchase selected commodities and equipment, and to develop an adequate policy and legal basis for the delivery of family planning services. It will also provide funds to initiate a retail sales program that may operate on a self-financing basis by the end of the project. The project will support measures to cut costs and increase productivity, and through the sale of contraceptives, fees for services and other fund-raising activities, will enhance the self-reliance of family planning activities.

Relationship of Project to A.I.D. Country Strategy: The main objective of A.I.D.'s country population strategy is to bring more fertile-age women under the coverage of the national planning program. By extending the coverage of the family planning program to include poor urban and rural women who do not have access to affordable reliable family planning services on a regular basis from private sources, particularly under present economic conditions, this project contributes to the achievement of the major objective.

Host Country and Other Donors: The new GOCR administration has requested from the United Nations Fund for Population Activities a contribution of approximately \$600,000 for family planning activities between 1983-1986. The GOCR and the private entities active in the area of family planning are expected to contribute 25% of the total cost of implementing this project.

Beneficiaries: The project is part of a broad effort to provide effective methods of contraception to men and women of reproductive age. The chief beneficiaries of this activity will be poor urban and rural women. The number of active users nationwide is expected to increase from approximately 200,000 in 1983 to about 250,000 in 1988.

Major Outputs

All Years

- Medical doctors, nurses, and auxiliaries trained in family planning service delivery 1,200
- Administrative personnel trained in promotional and motivational activities 200
- Wholesale outlet and marketing business to promote and sell contraceptives established x
- Studies to identify the means for Costa Rica Demographic Association to become entirely self-financing, completed x
- Promotional information disseminated through seminars, publications and advertising, including 2000 radio spots. x

AID Financed Inputs

Life-of-Project (\$000)

Training	520
Commercial Retail Sales Development	1,220
Studies	170
Public Information Campaign	590
Total	2,500

U.S. FINANCING (In thousands of dollars)				PRINCIPAL CONTRACTORS OR AGENCIES Demographic Association of Costa Rica Ministry of Health Social Security Institute Contraceptive Marketing of Costa Rica, Inc.
	Obligations	Expenditures	Unliquidated	
Through September 30 1981				
Estimated Fiscal Year 1982				
Estimated Through September 30 1982				
Proposed Fiscal Year 1983	950	Future Year Obligations 1550	Estimated Total Cost 2550	

49

Clearances:

LAC/DR:SESmith _____

LAC/DR:MBrackett 1/12

LAC/DP:ADiaz/BCook (1/12) 6/10/82

LAC/CEN:MSchwartz 5. 01. 3

LAC/DR:DJohnson _____

GC/LAC:RMeighan RM/01/12

GC/LP:GLECCE GLECCE

AA/LAC:OJReich 9

AA/PPC:JBolton (info)