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# Coastal City Adaptation Project (CCAP) Grants Under Contract Manual

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# ACRONYMS

APS	Annual Program Statement
ADS	Automated Directives System
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CO	USAID Contracting Officer
COI	Conflict of Interest
COR	USAID Contracting Officer's Representative
CSO	Civil Society Organization
DUNS	Duns and Bradstreet Number
ERR	Environmental Review Report
FBO	Faith Based Organizations
GGCI	Global Climate Change Initiative
GOM	Government of Mozambique
GUC	Grants Under Contract
ICT	Information and Communication Tools
INGC	National Institute for Disaster Management
M&E	Monitoring and Evaluation
NGO	Non-governmental Organization
OMB	Office of Management and Budget
PIO	Public International Organization
PPP	Public-Private Partnerships
RAASP	Required As Applicable Standard Provisions
RFA	Request for Applications
CCAP	Coastal City Adaptation Project
TEC	Technical Evaluation Committee
TIN	Tax Identification Number

# I. INTRODUCTION

## 1.1 USAID COASTAL CITY ADAPTATION PROJECT (CCAP)

This manual provides guidance for CCAP's grant-making system, including the conceptualization, application, evaluation, implementation, monitoring and evaluation, and close-out procedures.

CCAP is a \$14.9 million USAID-funded project implemented by Chemonics International for the period November 25, 2013 to November 24, 2018. The overall goal of CCAP is to increase climate change resilience in the vulnerable coastal cities of Quelimane, Pemba and a third to be determined municipality.

A wide array of evidence persuasively demonstrates that proactive investments in adaptation can cost-effectively avert a significant portion of the projected costs of climate change while yielding substantial co-benefits. To facilitate this process in vulnerable Mozambican coastal communities, CCAP will work with municipal governments to increase understanding of urban adaptation issues and increase the application of management options for urban adaptation. CCAP will also engage with academia and an array of civic organizations to increase climate change awareness and the technical expertise of future urban planners and municipal authorities, and to facilitate local adaptive measures. To do so, CCAP will assist vulnerable coastal cities to incorporate climate change projections into their planning processes and to undertake adaptive measures to ensure that climate change adaptation measures are developed and implemented. This will be achieved by working directly with municipal and government authorities, local communities, civic organizations and academic institutions on the following three specific project components listed below.

The project has three components (also referred to as contract line item numbers, or CLINs):

- CLIN 1. Improve the provision of climate-resilient urban services by municipalities.
- CLIN 2. Increase the adoption of climate-resilient measures by communities, civic and community organizations, including civil society, non-governmental, and faith-based organizations.
- CLIN 3. Increase local awareness of economic risk management tools, such as insurance plans and contingency funds, for at-risk urban infrastructure and livelihoods.

To enhance programmatic flexibility, responsiveness to our partners and USAID, and access to local assets and expertise, CCAP will award Grants under the Grants and Sub awards Fund.

This will include overseeing a variety of grants under contract mechanisms and other means of engaging local universities, government authorities, and civil society organizations. It also includes facilitating a process of transitioning a portion of overall CCAP funding to direct awards with local organizations in project out years, thus supporting USAID Forward objectives, specifically local capacity development and the use of host country systems.

## 1.2 DESCRIPTION OF GRANTS

CCAP will provide support through grants to civil society organizations, private and public sector institutions, and businesses whose proposed activities meet the grant fund’s eligibility and evaluation criteria, as well as contribute to project objectives and results.

Grant awards may be Simplified Grants, Fixed Obligations Grants (FOGs), Standard Grants, In-Kind Grants or Limited Scope Grant Agreements (LSGA), and all grant types may have an in-kind element. The project estimates that grant awards will range between \$2,500 and \$150,000. Chemonics will administer awarded Grants in accordance with the requirements of ADS 303, the provisions of this manual, and all other applicable U.S. Government regulations and Chemonics policies.

General definitions for the CCAP Grants program include:

Roles/Parties	Donor (Chemonics/USAID CCAP project on behalf of USAID) and Grantee. Donor is the “Sponsor,” Grantee carries out the activity.
What the CCAP project provides	Provides assistance funding for an organization that is proposing an activity which supports the USAID/CCAP project’s objectives and that contributes to the overall mandate of the grantee.
Results	CCAP receives qualitative and/or quantitative milestone reporting in a predetermined format. Grantee milestones and reporting contribute directly or indirectly to the USAID/CCAP project’s objectives.
CCAP project involvement	Grantee outlines the activity in their application and Chemonics supports the grantee to ensure activities are being carried out in accordance with the grant objectives. USAID will approve all Grants.
Awardees	CCAP may award Grants to local organizations and associations, as well as, but less likely, international non-governmental organizations and institutions, but must receive USAID waiver to award Grants to public international organizations. CCAP will also award Grants to government entities, but will seek a USAID Mission Director waiver to do so prior to award.
Regulations	Grants are governed by the Standard Provisions, ADS 303, and the Code of Federal Regulation (CFR) 22CFR 226, that provides standards and rules for the following: financial management systems; payment methods; cost sharing; accounting for program income; budget revisions and approvals; audits; determining allowability of costs; establishing funds availability, etc.
Competition	A competitive process for grant awards is required. However if an unsolicited concept paper/application is received and it is complete and applicable, it will be considered in accordance with the competition requirements contained in ADS 303.
Award uses	In addition to activities that further support CCAP activities, awards may also be used completely or partially for institutional capacity building.
Payment	Depending on the type of grant, grantees will be reimbursed based on achievement of milestones and with receipts of costs incurred submitted on a monthly or other periodic basis. Standard Grants may provide advances that are cleared with receipts.

In addition to the direct material support highlighted above, the CCAP project will pursue public private partnerships (PPPs) to augment traditional Grants under contract (GUC) approaches to maximize CCAP results. The GUC mechanism may be used in coordination with these strategic partnerships with an aim of strengthening overall programming activities. One potential method for leveraging municipal funding for adaptation measures includes tax leveraging. CCAP proposes to aid municipalities in increasing their tax revenue through improved tax collection; with this leveraged additional revenue to be used to implement climate adaptation measures as part of the portfolio of municipal services offered.

### 1.3 ROLES AND DEFINITIONS

The following definitions are provided to assist users in understanding and interpreting Chemonics' and USAID guidelines and regulations so that CCAP Grants and other activities are administered in an efficient and compliant fashion. Various sections of this manual describe these terms in further detail, and a list of additional references is included in the annexes.

*Applicant:* A non-governmental organization (NGO), association, university, entity, institution, business, municipality or other organization applying to CCAP for a grant.

*Agreement (hereafter variously referred to as the "agreement," "award," "award agreement," and/or the "grant agreement"):* A legal instrument that governs allocation of funds and awards under grants, and defines roles and responsibilities of the Grantee under the CCAP grants program. The agreement is between Chemonics and the Grantee and will include sections such as a letter, schedule program description, mandatory standard provision and any applicable required as applicable standard provisions.

*Application:* A written document in form and substance conforming to the requirements of this manual, which outlines in detail the activities proposed by an Applicant for funding under the Grants program consisting of the concept paper and/or full application.

*Milestones:* Key programmatic and financial targets that must be met to qualify for initial or subsequent reimbursement of grant funds under a Fixed Obligation Grant (FOG).

*Branding and Marking Plan:* This is a required document that is included as part of the Grant Agreement to outline items funded through USAID's support which require the USAID logo.

*Chemonics International Inc.:* The firm which holds the prime contract with USAID for CCAP and the legal principal who will enter into a legally binding Agreement with Grantee.

*Chief of Party:* The Chief of Party (COP) of CCAP serves as the legal representative of Chemonics for the CCAP project in Mozambique. The COP approves the Grants and Subawards fund strategy and terms of award competition and may participate in Technical Evaluation Committees (TECs). The COP provides the final project-level approval of grants in accordance with the TEC's recommendation, and within USAID regulations and Chemonics' policies. Upon approval from USAID, the COP signs grant agreements issued under the Grants program according to established thresholds and delegations of authority. The COP, in conjunction with the Operations Manager and Grants and Subcontracts Manager will also ensure compliance with the approved Grants manual following all relevant USAID regulations and Chemonics policies.

*Contracting Officer (CO):* An employee of USAID who is responsible for the contractual management of CCAP. The CO approves the Grants Manual and through this approval also maintains substantial involvement in the award and administration of Grants. The CO or designee may be contacted for advice when grant issues arise. The CO or his/her designee must approve Grants, and may delegate grantee selection and approval to the COR. Delegation of such authority shall be in writing.

*Contracting Officer's Representative (COR):* The USAID official responsible for the administration of CCAP. The COR receives periodic reports provided by the project that detail the current overall grants status. As mentioned above, the CO may delegate grantee selection and approval to the COR. Delegation of such authority shall be in writing. It is anticipated that the COR will have considerable input in grant selection, including participating in the Technical Evaluation Committee (TEC), with ultimate USAID approval vesting in the CO unless delegated in writing.

*Cost Sharing:* The contribution of cash or monetized in-kind services or equipment provided by the grantee organization as a part of the overall cost of a grant in accordance with 22 CFR 226.23, Cost Sharing or Matching. Cost share will be tracked through receipts.

*Deputy COP (DCOP):* A legal representative of Chemonics for the CCAP project. The DCOP shall contribute to the Grants program strategy and perform signing duties, if/as delegated by the COP.

*Grantee Contribution:* The contribution of cash or monetized in-kind services or equipment provided by the Grantee organization as a contribution to the overall cost of a grant. This is not cost share.

*Fixed Obligation Grant (FOG):* A grant type whereby the grantee is paid upon completion and approval of pre-determined and agreed upon milestones or deliverables. This mechanism is used where there is a very realistic notion of the costs.

*Grant Agreement (also referred to as Grant):* A legal instrument that governs allocation of funds and defines roles and responsibilities of the Grantee under the Grants Program. The program offers Simplified Grants, Fixed obligation Grants (FOGs), Standard Grants and Limited Scope Grant Agreements, all of which may have an in-kind component.

*Grants and Subcontracts Manager:* The Grants and Subcontracts Manager will administer the Grants program, from assisting in the development, the selection of the most advisable mechanism, implementation, documentation, compliance, and closeout. The Grants and Subcontracts Manager will report directly to the DCOP and ensure compliance with USAID regulations and Chemonics' policies and will work with the technical advisors and prospective grantees to ensure grant activities are developed and implemented in line with CCAP objectives. The Grants and Subcontracts Manager will also coordinate the TEC evaluation committee and serve as a non-voting member.

*Grantee/Recipient:* An organization awarded a grant by Chemonics after approval by USAID.

*In-Kind Grant:* The simplest type of grant, whereby Chemonics procures and provides goods and/or services directly to the grantee. This mechanism is used when the grantee does not possess sufficient management capacity.

*Limited Scope Grant Agreement (LSGA):* A grant type used with governmental organizations. The LSGA mechanism may be in any of the grant forms (standard, simplified, FOG or in-kind). CCAP will obtain USAID/Mission Director approval prior to using this type of mechanism.

*Memorandum of Negotiation:* The purpose of the memorandum of negotiation is to provide a record of the grant negotiations including competition, pre-award responsibility determination, and budget negotiations. According to ADS 303.3.12, Negotiation of the Award, the Grants and Subcontracts Manager (Grants and Subcontracts Manager in the case of CCAP) documents the negotiation process, along with other pre-award determinations, in a memorandum of negotiation that includes a cost analysis.

*Monitoring and Evaluation (M&E) Specialist:* Provides support to the Grants team in developing indicators for solicitations and grant agreements. Reviews M&E plans and targets for grantees. Provides capacity building to grantees on items related to M&E.

*Pre-Award Responsibility Determination:* The purpose of a pre-award responsibility determination is to determine whether the applicant possesses the managerial and technical capacity to plan and carry out activity implementation. The nature of the pre-award responsibility determination conducted will depend on the grant type, amount, duration, whether advances are authorized, and the potential grantee as described in Section 5.6 and ADS 303.3.9. Note that the Memorandum of Negotiation should include a summary of the results of the pre-award responsibility determination, which should be fully documented in the files.

*Program Income:* Gross income earned by the Grantee that is directly generated by the program's grant-funded activity or earned as a result of the grant. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally-funded programs; the sale of commodities or items fabricated under an award; license fees and royalties on patents and copyrights; and interest on loans made with award funds. It does not include income earned after the end of the grant period or income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under a grant, unless the terms and conditions of the grant provide otherwise. Refer to Required as Applicable Standard Provision 15 entitled "Program Income" for more information.

*Project Management Unit (PMU):* The Chemonics PMU consists of a designated team (currently a director, 2 managers, and an associate) in the Chemonics home office in Washington, D.C. and is the unit tasked with providing administrative and technical backstop support to CCAP.

*Simplified Grant:* This is a grant type whereby the grantee expends funds and submits receipts for reimbursement by the project.

*Standard Grant:* This is a grant type whereby larger costs can be supported over a longer period of time than the simplified grant. The grantee may receive advances and liquidate them or be reimbursed based on bona fide receipts.

*Suspension:* An action by Chemonics that temporarily withdraws Chemonics and USAID support, in whole or in part, under a grant, pending corrective action by the grantee or pending a decision to terminate the grant.

*Technical Evaluation Committee (TEC):* The mandate of the TEC is to review and evaluate grant applications based on the selection criteria outlined in grant solicitations. The TEC makes a determination as to whether the application should move forward to negotiation, or if the application is rejected as unsatisfactory according to established evaluation criteria. A

project-level internal approval and USAID approval (see additional information in Section 5.7) are required prior to final award. The TEC must include a minimum of three voting members, generally including either the DCOP, COP or designee, and one or more technical advisors or other staff as appropriate. USAID or other invited experts may participate in the TEC as non-voting members. It is anticipated that the pertinent advisor from the relevant component will be involved in the TEC. The Grants and Subcontracts Manager may chair the meeting as a non-voting member of the committee, with assistance from other operation team members as needed. The determination of a possible conflict of interest (COI) will be at the discretion of the COP, DCOP, and USAID representative (generally the COR).

*Technical Advisors:* Also called “advisors” or “municipal advisors”, includes key technical staff that will oversee the development of the technical aspects of grant solicitations relevant to their area of expertise and make recommendations to the management team, including the COP, Operations Manager, DCOP, and TEC as required. The technical advisors will review grant concept papers and applications if they are designated to be part of the TEC. When needed, they are responsible for providing technical support to the applicant from the time of application to approval. The advisors are responsible for supporting the Grants and Subcontracts Manager in negotiating the technical aspects of grant awards, providing technical support to the grantee, and monitoring grantee performance (including through regular site visits), approving deliverables/reports when duly authorized, recommending payments, preparing requests and justifications for grant modifications, certifying grant completion, and recommending closeout. The assigned technical advisor is responsible for the technical success of the grantee’s activities.

*Termination:* The cancellation of Chemonics and USAID sponsorship, in whole or in part, under an agreement at any time prior to the date of completion.

*United States Agency for International Development (USAID):* USAID provides funds for CCAP, approves the form and substance of this manual, and approves grant awards under the project.

## **1.4 STANDARDS OF BUSINESS CONDUCT**

Chemonics, its employees, and partners shall maintain high standards of ethical conduct in the selection, award, implementation, and oversight of CCAP activities. CCAP employees must adhere to U.S. Federal laws and regulations, USAID regulations, Chemonics' corporate policies and procedures, and Chemonics’ standards of business conduct.

If any officer, employee, or agent of CCAP or a CCAP partner becomes aware of any allegations of unethical conduct or prohibited acts described below, the individual is obligated to immediately inform, verbally or in writing, the CCAP COP of such alleged conduct. The COP is authorized by Chemonics to investigate any such allegations and take appropriate action (including disciplinary action and/or termination of employment or the grant) to remedy, correct, mitigate, or otherwise resolve the unethical conduct or prohibited acts. Offenders may also be subject to criminal prosecution under the U.S. Foreign Corrupt Practices Act. If for any reason an employee or CCAP partner is uncomfortable raising an ethical issue with the COP, his/her supervisor, Chemonics’ Home Office Director for CCAP or Chemonics’ Senior Vice President for Southern Africa, s/he is also welcome to contact Chemonics’ Corporate Ethics Officer directly at [BusinessConduct@chemonics.com](mailto:BusinessConduct@chemonics.com).

Standards of conduct applicable to the CCAP partners and their officers, employees, consultants, and agents are described below.

*Bribery and Kickbacks.* The officers, employees, and agents of the CCAP project are prohibited from participating in bribery in any form. CCAP's staff are required to report any offers of payments to influence CCAP activities, such as grant decisions.

If an employee is solicited for money, favors, or anything of value by or on behalf of a government official, to influence or reward an official decision, s/he must report the incident to the COP or the senior vice president.

In addition, offering, providing, soliciting or accepting any money, fee, commission, credit, gift, gratuity, object of value, or compensation to obtain or reward favorable treatment on a U.S. government grant is called a kickback and is a crime under U.S. law.

Chemonics does not pay money or make use of gifts (gratuities, favors, services, commissions, discounts, entertainment, hospitality, loans, forbearance, or other item having monetary value) to obtain or retain business. It is strictly prohibited for a CCAP employee to pay money in any amount or provide gifts to a government official of the United States or any foreign government to induce them to help Chemonics obtain or retain work. It is further prohibited for a Chemonics employee to encourage or permit an actual or potential beneficiary, agent, or representative to make a payment or provide gifts as described above. Any individual or grantee found guilty of such prohibited actions will be subject to termination of employment or contract/grant and may be subject to criminal prosecution under the Foreign Corrupt Practices Act.

*Solicitation of Favors.* Employees may not solicit gifts, meals, entertainment, personal discounts, travel and transportation, lodging, goods, cash, services, or other favors from current or potential business partners, suppliers, grantees, subcontractors, vendors, and other business acquaintances.

*Gifts, Meals, and Hospitality.* Employees may not accept gifts, goods, cash, services, transportation, or other favors worth more than \$50 from current or potential business partners, suppliers, grantees, subcontractors, vendors, and other business acquaintances. If an employee accepts anything of value, he or she must report it to the supervisor. Employees are obligated to report violations of this policy to the CCAP COP.

A gift over \$50 may be accepted if the employee believes it would be culturally inappropriate to decline it. However, the employee must document the circumstance to the COP and propose appropriate disposition of the gift, preferably donating it to the company for the benefit of all employees or for a raffle if the item is single-use or individually-based.

*Recognizing and Preventing Conflicts of Interest (COI).* Grantees, subcontractors, and suppliers will be selected on the basis of objective, business-related criteria, such as quality, technical excellence, cost, and service. No employee, officer, or agent of the CCAP project, or partners, shall use a project position to obtain personal benefits or special consideration for themselves, their families or anyone else.

Employees have a COI when they are in a position that requires them to make objective decisions on behalf of the project and they have business interests, relationships, or

obligations that might interfere with their judgment. In this situation, they are ethically required to avoid or openly acknowledge the conflicting interests.

No employee, officer, or agent of the CCAP project, or a CCAP partner shall participate in the selection, award, or administration of a grant supported by USAID funds if a COI exists.

A COI may arise if an employee, officer, or agent, or any member of his/her immediate family (spouse, domestic partner, sibling, parent, child, or cousin of an employee or his/her domestic partner), has a financial interest in an organization considered or selected for award. For example, if an organization employs a CCAP employee's family member, the CCAP employee may have a conflict of interest if s/he sits on an evaluation committee reviewing that organization's capabilities.

Before any individual sits on an evaluation committee, s/he must read, understand, disclose relevant information, and sign the Certificate and Agreement for the Use and Disclosure of Applications and Conflict of Interest. This provision is an explicit requirement for individuals not associated with CCAP that may be contributing to- or inputting for-a TEC.

The COP shall consult with Chemonics home office for guidance on handling cases of corruption, misuse of funds, kickbacks, and conflicts of interest.

*Anti-Trafficking in Persons Policy.* Chemonics follows a zero tolerance policy on Trafficking in Persons as defined in FAR 52.222-50. Any person or agent employed by Chemonics shall not: engage in any form of trafficking in persons, procure commercial sex acts, participate in any type of coercion, commercial sex act, debt bondage, involuntary servitude and sex trafficking or use forced labor. Also, if a person employed by Chemonics is made aware that a Chemonics employee, consultant, subcontractor or grantee has engaged in conduct that violates this policy, s/he must notify the COP, or senior vice president immediately who will in turn notify the home office Human Resources Department immediately. Failure to do so could result in disciplinary action up to and including termination.

## II. TYPES OF GRANTS

This section sets forth a brief overview of the types of grants and Chemonics’ grant-making responsibilities and procedures, including (1) with USAID, establishing eligibility and selection criteria; (2) selecting grant recipients in accordance with competition requirements; and (3) after securing USAID approval, drafting, negotiating, and awarding grants. Additional information is found in ADS 303.

The chart below describes the various Grants mechanisms that will be utilized depending on the grantee and the grant activity. More detailed descriptions can be found later in this section. Note that per ADS 303.3.30, Limitation on Construction Under Assistance, grants may not include any construction or infrastructure activities. Construction is defined in the USAID document entitled “USAID Implementation of Construction Activities.”

Type of Grant	Features	Illustrative Eligible Organizations
Simplified Grant	<p>Payment occurs on reimbursement basis based on costs incurred.</p> <p>Maximum value \$150,000</p> <p>CCAP may provide assistance for financial capacity-building of the organization</p> <p>No advance payments</p> <p>May include an in-kind element Indirect costs are never allowed</p>	<p>NGOs</p> <p>Business associations</p> <p>Established CSOs</p> <p>Individual Firms</p>
Fixed Obligation Grant (FOG)	<p>Specific milestones and/or deliverables to be completed under the grant are pre-determined and grantee receives payment upon successful completion of these milestones</p> <p>Adequate, fixed, and known cost available during budget determination providing limited risk of changes or failure in program</p> <p>No advance payments but initial milestone payment allowed not exceeding 30% of overall grant amount and adhering to other requirements below (7.4.1).</p> <p>May include an in-kind element</p> <p>Tranche payments will not be made for Milestones that are not completed.</p>	<p>Organizations proposing activities that include programmatic accomplishments or results to establish grant milestones</p> <p>Organizations capable or positioned to produce reports, studies, consultancies, or surveys that would benefit the overall programmatic objectives of CCAP.</p> <p>Organizations implementing a short-duration quick-impact activity that can be quickly negotiated and awarded.</p> <p>Organizations must have capacity to effectively plan both technical and financial resources with a high degree of certainty about expected costs and the duration of the activity with support from CCAP. CCAP may provide capacity building to assist with the planning.</p>

Standard Grant	<p>CCAP may provide advances to the grantee; an initial advance may not be more than 30 days' worth of expenses, 30% of the total budget, or \$150,000, whichever is less. Subsequent advances can be for no more than 30 days' worth of expenses.</p> <p>Larger costs can be supported over a longer period of time.</p> <p>Receipts must be presented to CCAP to liquidate the advance and request a subsequent advance.</p> <p>May include an in-kind element.</p>	<p>Proven organizations with long-term activities that require funding in advance</p> <p>Organizations with sufficient financial capacity to receive advance funding</p>
Limited Scope Grant Agreement	<p>Used with governmental entities only in conjunction with USAID/Mission Director approval.</p> <p>May employ any of the above payment or reimbursement methods including reimbursement, or fixed price based on the delivery of products and achievement of milestones</p>	National or local GOM entities
In-Kind Grant Agreement	<p>Used for organizations with lower financial/management capacity, or quick impact activities, allowing for in-kind procurement of services/goods directly by CCAP.</p> <p>All activities are paid for in-kind directly by CCAP</p>	Organizations with limited financial/management capacity

The Grants and Subcontracts Manager will determine the type of grant to be used, based on the criteria below, information provided by the applicant in the grant proposal, and information gathered during the pre-award responsibility determination. CCAP will also consider the size of the award and the grantee's financial capability in determining grant type and disbursement terms. Requests for application (RFAs) may specify the type of grant being solicited. Factors in determining the appropriate grant instrument include:

- Nature and length of the grant activity
- Whether the applicant requires advances of grant funding, or will be paid on a cost reimbursement basis
- Whether the applicant's administrative and financial systems are adequate to meet USAID accountability and reporting requirements
- Value of the grant, as expressed in Mozambican Metical or USD if international.

Each grant type has advantages and disadvantages depending on the nature of the grant activity and the grantee. The grant types are described in more detail below. It is envisioned that a combination of grant types will be used. For example, a nascent climate adaptation non-governmental association recently created with a small number of members may only be eligible for a FOG, for its initial activity. However, a year later, the organization may have doubled its membership, increasing income from membership fees. If this association can demonstrate sufficient managerial capacity, it could become eligible for a larger standard or simplified grant of a longer duration. In this way, a combination of grants will be used to strengthen the capacity of recipient organizations.

If an applicant is not financially stable or has financial and administrative management systems that do not meet the standards prescribed in the U.S. Government Regulations, CCAP may impose additional requirements, known as “special award conditions” to mitigate risk. Some of these conditions may be approvals before certain procurements are conducted, CCAP providing goods to the grantee in-kind, or extra reporting requirements. The COP has the authority to approve the lifting of these conditions. Any special conditions or conditions precedent will be considered satisfied/met once the conditions that prompted them have been corrected and a modification is made to the grant agreement.

## **2.1 SIMPLIFIED GRANT**

The simplified grant may be used for technical services and/or training. This type of grant, described in ADS 303.3.24, will be used under the following conditions:

- The grantee shall receive payment on a reimbursement basis only (i.e. no advances).
- Simplified Grants cannot exceed US\$150,000.
- All costs to be charged to the grant are identified in the grant narrative and budget. If international travel is authorized, the required as Applicable Standard Provision entitled Travel and International Air Transportation (August 2013) will be attached to the grant.
- The grantee must follow 22 CFR 228, ADS 310, and Mandatory Standard Provision entitled, “USAID Eligibility Rules for Procurement of Commodities and Services” (June 2012) when procuring all goods and services. Under a simplified grant, the grantee may not purchase any single item or equipment that has a useful life over one year and a cost of \$5,000 or more per unit. Equipment is defined as a single unit value of over the Mozambican Metical equivalent of \$5,000. Any procurement of this size conducted by a CCAP grantee may require additional oversight from CCAP staff.
- The grant shall not include sub-awards and cannot include grantee indirect costs.
- No construction activities.

Since no advances may be provided under the simplified grant, the grantee must have access to a minimum amount of working capital to start the grant activity and must have accounting systems that are able to produce reliable and accurate financial reports documenting costs incurred. Reimbursement will only be made based on costs incurred and upon progress made against the implementation plan.

## **2.2 FIXED OBLIGATION GRANT (FOG)**

The FOG, described in ADS 303.3.25, allows for the award of a grant for very specific program elements without the need for CCAP to monitor actual costs incurred in the performance of the grant. CCAP will use this type of grant where there is certainty about the cost and when the achievement of results or milestones is readily discernible such as research and reports or conferences and training. This type of grant may also be used for quick-impact activities with a limited scope and a short duration. To speed up the negotiation process, the Grants and Subcontracts Manager may work hand-in-hand with the proposed grantee to review the deliverables and develop the budget.

The structure of disbursements is of key importance under a FOG. Grantees will only be paid a set amount (called a “tranche payment”) upon accomplishment of specific milestones spelled out in the grant agreement. Tranche payments will not be made unless milestones have been approved and completed. Therefore, CCAP must negotiate a fair budget based on

the grantees cost experience, market research and cost information available. The verification of reasonable costs will ensure that the funds requested will comprise the actual cost of the effort and that the desired results can be achieved.

Grant close-out takes place upon the technical advisor's acceptance of the final milestone and COP's or Operations Manager's approval of payment.

This type of grant may be used under the following conditions:

- The recipient shall receive tranche payments upon completion of pre-determined milestones (no advances). An initial milestone payment may be provided. Per Chemonics' policy, an initial milestone payment cannot be for more than one month worth of grantee expenses, more than 30% of the total budget, or \$150,000, whichever is less. Any exception to this policy must be approved in advance by Chemonics' Chief Financial Officer (CFO), based in Washington, DC.
- Fixed-obligation Grants cannot exceed US\$500,000 in one year, or US\$1.5 million in three years.
- All costs that comprise the budget are identified in the budget and explained within the budget notes, and may be subject to additional pre-award verification by CCAP staff.
- Any goods to be purchased meet 22 CFR 228 and ADS 310.
- Programmatic accomplishments or results in establishing grant milestones can be easily identified and quantified.
- Limited risk that there will be changes or failure of the program.
- Adequate cost (historical or unit pricing) available to determine and negotiate the fixed price of the grant.
- The grant does not normally include sub-awards.
- No construction activities.

Since no advances may be provided under a FOG, all grantees must have access to a minimum amount of working capital to initiate the grant activity and must have the ability to create a realistic budget of expected costs. Tranche payment amounts are fixed in the grant agreement, and will only be made based on verified (by Chemonics) milestone achievement. As such the grantee must be able to effectively plan both technical and financial resources with a high degree of certainty about expected costs and the duration of the activity. During the cost negotiation, CCAP may assist the applicant to establish a realistic budget. As stated above, an initial milestone payment made against preparation or work-planning activities may be made, provided it does not exceed 30% of the overall grant budget and adheres to other requirements below (7.4.1).

## **2.3 STANDARD GRANT**

The standard grant is used if one or more of the following conditions apply:

- The recipient requires advances.
- Grant budget includes programmatically necessary international travel.
- Maximum individual grant amounts are determined on a case-by-case basis.
- Non-expendable equipment with a value of the Mozambican Metical equivalent of US\$5,000 per unit or higher value may be authorized; however, equipment must comply with source/origin requirements. See Section 9.3 for disposition of equipment.

- The grant may be incrementally funded.
- No construction activities.

Increased grantee financial accountability and reporting accompanies the use of the standard grant, as the provision and reconciliation of advances entails more sophisticated and detailed grantee financial reporting. The standard grant may be used for all contemplated grant activities where the grantee has demonstrated required capacity to successfully manage this type of mechanism.

## **2.4 LIMITED SCOPE GRANT AGREEMENTS**

Pursuant to ADS 350.3.2, CCAP may utilize in-kind Limited Scope Grant Agreement (LSGA) for funding Grants to GOM entities. CCAP's prime contract states that Chemonics must provide support to municipalities throughout the design and implementation process, including plans for ensuring transparent performance through grants under contract.

The same conditions apply to a governmental grantee as apply to an NGO, and the same considerations will determine Chemonics' choice of appropriate mechanism including but not limited to the program description, capacity of the grantee, the operating environment, and the time frame. Chemonics follows the exact same pre-award financial and technical responsibility determinations for an LSGA with a government entity as for any other grant with an NGO. Chemonics will request USAID/Mission Director approval prior utilizing this grant award mechanism.

Per ADS 350, there is no limit on the maximum amount of a LSGA or the amount of procurement of goods and services included in the grant. Chemonics will utilize the Standard Provisions specific to LSGA Grants contained in Annex 1 of the LSGA grant format.

## **2.5. IN-KIND GRANT**

CCAP may act as a direct payer of certain grant costs. Under this grant type, Chemonics will conduct all procurement for goods and services required in the grant budget, and reimbursement will not be provided directly to the grantee with the exception of any minor costs that can be reimbursed to the grantee based upon receipts, as specified in the grant agreement and approved budget. On CCAP, Chemonics will use an in-kind grant (a) when it is important to utilize a local organization to implement an activity, but CCAP is unable to identify an organization with sufficient capacity (especially financial and managerial) to carry out the activity. The use of an in-kind grant still allows the activity to be implemented with a local organization in the lead, while significantly minimizing the financial risk to Chemonics. Ideally, in-kind grants result in capacity building for the grantee that can lead to an organization becoming eligible to receive a simplified or fixed obligation type grant in the future.

The in-kind grant is the simplest grant type for the grantee. Although grantees are required to sign required certifications and pass reference checks, an extensive pre-award financial and administrative assessment is not required as part of the due diligence process, since grantees will not be required to manage any funds directly.

*Costs.* In-kind grant budgets represent total estimated costs. It is the responsibility of the Grants and Subcontracts Manager to monitor expenditures against the approved budget on a regular basis. Should actual costs vary greatly from the budget estimates, the team should

discuss whether a modification is warranted. In all cases, grants should be closed out rapidly upon completion of the grant activities so that unspent funds can be made available for new grants.

*Procurement.* Under most in-kind grants, CCAP will perform the procurement and directly pay suppliers on behalf of a grantee. CCAP will ensure that: a) the good or service is clearly specified in the grant agreement; b) the good or service is allowable, allocable, and reasonable; c) that the selection of source was based on adequate price competition; and d) the good or service meets USAID-specific source and/or nationality requirements under the terms of the CCAP contract and in accordance with all applicable regulations and policy.

As mentioned above, an in-kind element can also be included in simplified, FOG, and standard type grants to fund a specific component of the grant program. This is most commonly used for procurement of goods. If CCAP has credible evidence that the grantee lacks the necessary skills to procure goods in accordance with USAID rules and regulations, CCAP will procure the goods on behalf of the grantee and provide them to the grantee in-kind. An in-kind element can be very useful to pay for the high-cost items and may be used as a substitute to providing an advance. If an in-kind element is included in a grant agreement, it should be represented in a separate column in the budget so it is clear to all parties what the grantee is expected to pay for directly and what CCAP will pay for and provide to the grantee in-kind. CCAP anticipates procuring needed equipment and goods through in-kind procurement and including the cost in the total grant award. CCAP may involve the grantee in the procurement or logistics delivery process when appropriate in order to build the capacity of the grantee.

# III. GRANT ELIGIBILITY REQUIREMENTS

## 3.1 ELIGIBLE ORGANIZATIONS

CCAP grant support may be extended to local not-for-profit, for-profit, and non-governmental organizations (NGO), providing they are legally registered and recognized under the laws of Mozambique. In rare cases, CCAP may award a grant to a U.S. organization but, per ADS 302.3.4.12, it may not exceed a total value of \$100,000. Illustrative types of organizations may include:

- Civil Society Organizations (CSOs)
- Faith-based organizations
- Public and private universities (public universities with USAID/Mission Director approval)
- Governmental Organizations (with USAID/Mission Director approval)
- Other climate change adaptation NGOs
- Individual Firms

## 3.2 CONDITIONS OF ELIGIBILITY

Conditions of eligibility may depend on the solicitation and may target specific types of organizations or regions as appropriate. The following provides illustrative examples of conditions of eligibility that may be included, but is not meant to be an exhaustive list:

- Grantees must display sound management in the form of financial, administrative, and technical policies and procedures that are in written format and present a system of controls that guard assets, protect against fraud, waste, and abuse, and support the achievement of project goals and objectives. An overview of grantee compliance requirements is set forth in 22 CFR 226, ADS 303, and OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR 200, as applicable. A prospective grantee not meeting these requirements may be classified as a high-risk grantee in accordance with relevant USAID regulations, and may receive a grant with special award conditions such as administrative and capacity building assistance from the CCAP project.
- The proposed activity must respond to the goals and objectives of the CCAP project described in Section I and contain expected outcomes and results consistent with and linked to CCAP's results framework.
- Grantees must also be willing and able to complete all required certifications detailed in section 3.7.
- Grantees must agree to comply with the CCAP project's Branding and Marking requirements (see template in the Annex).
- When applicable, grantees must provide an environmental assessment and mitigation report to comply with USAID environmental regulations.

### **3.3 BUILDING GRANTEE CAPACITY AND SPECIAL AWARD CONDITIONS**

Some organizations may be considered strategic partners for CCAP, but classified as high-risk grantees due to limited institutional capacity to manage funds. When partnering with these organizations as applicable, CCAP will consider the potential risks associated with each grantee and work to mitigate these risks to the maximum extent possible. Additionally, as a key component of the project, CCAP will engage local institutions through grants in every step of implementation, building technical and management capacity within the targeted municipalities, working with and through host country systems, and facilitating the transition of recipients under the Grants under Contract (GUC) component to direct USAID funding during the later stages of the project. CCAP will provide direct support to these grantees including “getting-to-grants” trainings, regular oversight, and hands-on assistance in areas such as financial management, organizational development and/or technical implementation. For example, for these grantees CCAP will coordinate a group “getting-to-grants” orientation/workshop prior to releasing an RFA or APS, as well as during the application development phase. During this workshop, the Grants and Subcontracts Manager and/or other staff will further explain what is required from the organization and demonstrate best practices in how to move through the application process.

During grantee group or individual trainings, the Grants and Subcontracts Manager, other CCAP staff (with the support of the appropriate technical staff), will train grantees in managing finances, human resources management, environmental management, or technical implementation based on need. As discussed in Section 1.4 Standards of Business Conduct, CCAP staff should be aware of potential COI that may arise when working closely with grantees.

In addition to these “getting-to-grants” trainings, another way to mitigate risk is to choose the size and type of the grant agreement carefully. For example, a standard best practice for very high-risk grantees’ first grant is for certain parts of their grant provided in-kind, like procurement of goods, such that the grantee is not directly managing a large amount of funds. In addition, required participation in training activities is often mandated in the grant agreement as a special award condition.

The Grants and Subcontracts Manager will work closely with high-risk grantees to develop and negotiate budgets to make sure the budget is reasonable and sufficient for the activity to be funded. CCAP may use the Chemonics’ standard salary determination procedures and market data for salaries and frequent recurring costs to streamline the budgeting and negotiating process. This rate sheet will be created by CCAP Grants and Operations staff following the completion of market research for salaries and other costs in the regions based on market data.

As a risk mitigation measure, CCAP may impose special award conditions as defined in ADS 303.3.9.2, which can include requirements such as more frequent financial reporting, additional technical assistance, training, or others. In such instances, the conditions will follow the requirements outlined in ADS 303 and will be detailed in the memorandum of negotiation and grant agreement. Whenever possible, special award conditions must be for as limited a time period as necessary to mitigate the identified risks. Once the condition has been satisfied and its conditions have been fully met, the CCAP COP may approve removing the condition via written modification to the award.

### **3.4 INELIGIBLE ORGANIZATIONS**

CCAP grant support may not be extended to the following:

- Any public international organization (PIO) unless specifically approved by the USAID Mission Director
- Any entity that has been found to have misused USAID funds in the past (unless specifically approved by the CO)
- Political parties, groupings, or institutions or their subsidiaries and affiliates
- Organizations that advocate, promote, or espouse anti-democratic policies or illegal activities
- Faith-based organizations whose objectives are for discriminatory and religious purposes, and whose main objective for the grant is of a religious nature
- Any entity included in any supplementary information concerning prohibited individuals or entities that may be provided by USAID
- Any entity whose name appears in the System of Award Management (SAM) – [www.sam.gov](http://www.sam.gov) with an active exclusion
- An organization that refuses to sign all required certifications and assurances

### **3.5 ELIGIBLE ACTIVITIES**

Grant activities funded by Chemonics under the CCAP project will meet the following general criteria. Any given solicitation may further specify particular activities to be funded.

- Grants supported by CCAP must promote the overall CCAP objectives set forth in the relevant RFA or APS, as well as described in Section I. Execution of grant activities must take place in Mozambique and with Mozambican beneficiaries and meet objectives of one or more of the principal project components. The TEC will look for evidence that a potential grant will address one or more of CCAP's expected outcomes, such as increased understanding of urban adaptation issues by municipal authorities and increased application of adaptation-relevant management options; decreased vulnerability to climate change for the population of selected coastal cities; increased local capacity for managing resources to adapt to climate change; and synthesis and dissemination of lessons learned regarding coastal adaptation in urban settings, which can be applied by other coastal cities and future USAID urban adaptation efforts. Ideally, many grant activities will further the attainment of multiple project results.
- The proposed activities may be the sole or primary work of an organization, or a special dimension or function of an organization largely dedicated to other projects.
- Grants will cover only necessary and allowable costs linked to the execution of the activity such as program staff salaries, consultant fees, training, meetings and seminars, publications, purchase and/or rental of equipment, office and travel expenses, and other direct costs. The specific costs to be funded under the CCAP project must conform to the USAID guidelines for funding activities.
- Should it be deemed necessary by the environmental screening form, grants will also cover costs associated with mitigating the environmental impact of grant activities. These mitigation measures should be clearly outlined to determine associated resource needs.

- Activities can only begin upon signature of the agreement between the applicant and Chemonics. Costs incurred before execution of the agreement (including signed certifications and assurances and RAASPs) will not be reimbursed.

### **3.6 INELIGIBLE ACTIVITIES AND UNALLOWABLE COSTS**

Unallowable costs are further described in Subpart E- Cost Principles in 2 CFR 200 for non-profit organizations and FAR 31.2 “Cost principles for Commercial Organizations”. Grant funds cannot be utilized for the following:

- Private ceremonies, parties, celebrations, or "representation" expenses.
- Purchases of restricted goods, such as certain agricultural commodities, motor vehicles (including motorcycles), pharmaceuticals and contraceptive items, pesticides, used equipment, U.S. government excess property and fertilizers without the previous approval by the USAID CO. If procurement of these restricted goods is necessary, Chemonics may decide to procure items directly and provide them in kind to the grantee after receiving approval from the CO.
- Prohibited goods under USAID regulations, including but not limited to: military and surveillance equipment, police or law enforcement equipment, abortion equipment and services, weather modification equipment, luxury goods, and gambling equipment.
- Purchases of goods or services restricted or prohibited under the prevailing USAID source/ nationality regulations per 22 CFR 228 and relevant Standard Provisions; or from countries or suppliers as may be identified by USAID's consolidated list of debarred, suspended, or ineligible subcontractors at [www.sam.gov](http://www.sam.gov).
- Any purchases or activities deemed unnecessary to accomplish grant purposes as determined by Chemonics, including any grantee headquarters expenses that are not directly linked to the implementation of the proposed program.
- Previous obligations and/or bad debts.
- Fines and/or penalties.
- Creation of endowments.
- Other costs unallowable under USAID and/or federal regulations, such as alcoholic beverages.
- Indirect costs such as but not limited to overhead or indirect fringe (unless the applicant has documented proof of such rates through audits or USAID-issued NICRA). Indirect costs are never allowed under simplified grants.
- In general, costs not included in the approved budget may not be allowed unless approved in writing by Chemonics.

### **3.7 REQUIRED CERTIFICATIONS**

Regardless of the type of grant to be awarded, CCAP requires all grantees to sign the following certifications. As these may change over the life of CCAP, this Manual may be updated accordingly. Required Certifications and Assurances can be found at

<http://www.usaid.gov/sites/default/files/documents/1868/303mav.pdf>.

Additionally, a required certification and assurances tool can be found in the annex.

- Assurance of Compliance with Laws and Regulations Governing Nondiscrimination in Federally Assisted Programs
- Certification Regarding Terrorist Financing (Required for all grants)
- Certification Regarding Lobbying (Required for all grants over \$100,000)
- Certification Of Recipient (Required for all grants)
- Representation by Corporation Regarding a Delinquent Tax Liability or a Felony Criminal Conviction (Deviation OAA-DEV-14-02c) (August 2014)

For grants over the USD equivalent of \$25,000, the grantee will provide Chemonics with its Duns and Bradstreet Number (DUNS) prior to grant execution or immediately following execution. In cases where the grantee does not have a DUNS, CCAP may help the grantee to obtain one. A DUNS is not required for 100% in-kind grants.

Additionally, CCAP will include the Survey on Ensuring Equal Opportunity for Applicants in all RFAs and APSs. Applicants may voluntarily complete and submit the survey. Absence of a completed survey in an application may not be a basis upon which the application is determined incomplete or non-responsive.

### **3.8 REQUIRED AS APPLICABLE STANDARD PROVISIONS (RAASP)**

Unlike the mandatory standard provisions, RAASPs will be determined based on whether the agreement has activities pertaining to a (or more than one) specific RAASP. There are two ‘sets’ of RAASPs, (1) those for standard and simplified grants for non U.S. organizations and (2) a separate ‘set’ for FOGs. RAASPs coversheets are provided as an annex. When determining applicability, see the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory. US government requirements pertaining to RAASPs are subject to change at any time.

# IV. GRANT SOLICITATION AND APPLICATION PROCESS

This section describes the procedures undertaken by both the Applicant and the CCAP project during the application stage of the grants-making process. Application forms referred herein can be found in the Annexes B-C. A diagram that summarizes the grant process which illustrates the grant application, review, and appraisal process, in addition to grant implementation and close-out steps, is shown in Section VI – Grant Workflow Processes.

## 4.1 IDENTIFICATION AND SOLICITATION OF POTENTIAL GRANTEES

As a best practice and in compliance with US government requirements found in ADS 303.3.6.1, CCAP will encourage competition, to the extent possible, in the award of grants to identify and support the most effective activities to achieve project objectives. Competition will be solicited through Requests for Application (RFAs) and Annual Program Statements (APSs).

In accordance with ADS 303.3.5.2, RFAs will be used once a specific type of activity has been identified. RFAs must be published at least 30 days before applications are due. For sizeable activities or more detailed applications, a longer response period may be authorized to ensure applications of high quality.

APSs will be used to support a variety of creative approaches and are structured to ensure a steady stream of innovative activities based on rolling assessments of priority interventions as described in ADS 303.3.5.4. APSs can be published with an open-ended response time or closing date of at least six months after issuance.

All solicitations will be announced in a manner consistent with project objectives (e.g., newspaper and/or radio advertisements, community meetings, verbal, website announcements, bulletin boards, or others). In some cases, a pre-qualifying survey will be released prior to a full solicitation in order to narrow the pool of potential organizations responding to the solicitation. CCAP will release a specific activity description, along with pre-qualification criteria via the announcement methods listed above. Based on the number of responses to the pre-qualification survey, the Grants and Subcontracts Manager (with input from the COP and relevant technical staff) will narrow down the eligible applicant pool using the pre-qualification criteria, and release the full solicitation to these organizations. At a minimum, solicitations should be competed among three or more organizations or entities. The Grants and Subcontracts Manager will work in close collaboration with technical and senior management staff to determine the most appropriate way to solicit applications. This will depend on the following factors: nature and overall objective of the activity; required turnaround time; and whether or not it is reasonable to expect several applications.

After the type and methodology for solicitation have been established, the technical advisor or designee responsible for a given grant activity will develop a program description, with input from the COP, DCOP, USAID or others, and CCAP staff will draft the RFA or APS based on an established template. The Grants and Subcontracts Manager will lead the process and work closely with technical advisors, and other members of the team, such as the monitoring and evaluation (M&E) advisor, and DCOP to finalize the solicitation.

APS or RFA solicitations will indicate the requirements that applicants should follow for completing the applications and could include one or both of the following application steps: (1) a concept paper, including a budget estimate and (2) a full application, including a detailed budget. In general, the Grants and Subcontracts Manager will receive concept papers and/or full applications. Concept papers and/or full applications will go through an initial screening process by the Grants and Subcontracts team to determine if all appropriate documentation has been submitted by the applicant and if the applicant is eligible per the solicitation requirements. Complete and eligible concept papers/applications will be reviewed by the TEC for determination of next steps. Any concept paper/application that does not meet the basic eligibility requirements (see section 3) will be rejected and applicants may have an opportunity to reapply. Should a concept paper/application be declined by the TEC, the recommendation will be reviewed by someone designated by the COP who has not participated in the TEC to ensure quality control. The applicant will be informed whether or not they will move to the next stage based on the processes as described in Section V.

All solicitations will include a disclaimer stating that CCAP is under no obligation to fund any activity or provide any awards to any applicant. Unsolicited proposals will be considered on a case-by-case basis in accordance with USAID regulations and whenever possible will be considered through a relevant APS.

The CCAP project will ensure that (1) grants are awarded in a transparent fashion, and consistent with this Manual, (2) the proposed grant activity is relevant to CCAP and furthers the goals of the program, (3) sustainability is satisfactorily addressed in the proposal, and (4) the applicant meets all applicable USAID regulations. RFAs and APSs will be written in accordance with the guidelines in ADS 303. All staff or individuals reviewing concept papers and/or applications will be required to sign a COI certification included in the Annex.

## **4.2 PRE-PROPOSAL BRIEFING/APPLICATION ASSISTANCE**

As discussed in Section 3.3, Building Grantee Capacity, as not all applicants are experienced in program development and in applying for grant assistance, CCAP will periodically conduct training sessions to orient potential grantees to the grant-making process. For example, to level the playing field, the Grants and Subcontracts team, with the assistance of technical advisors or other members of the technical team, will conduct grants seminars for potential grantees to provide an overview of the grants applications process and advice on submitting a winning application, developing programs and budgeting for activities. This workshop will be particularly important for local municipalities, and organizations that are receiving USAID assistance for the first time.

This targeted application assistance aids those potential grantees in key technical areas that may not otherwise apply. CCAP may also conduct, in conjunction with those training sessions or separately, pre-proposal briefings for potential applicants to better inform them of the specific requirements of a given grant solicitation, the application and review process, as well as the criteria for selection.

## **4.3 PRE-QUALIFICATION ROUND**

In some instances, CCAP may initiate a pre-qualification round for specific activities to be funded under a solicitation. The purpose of pre-qualification is to shortlist organizations that possess the skills, personnel, availability, and level of experience required to implement an activity. During instances where the project decides to utilize the pre-qualification round, a

pre-qualification survey will be released generally. This survey will contain a brief activity description, minimum eligibility requirements of the organization, as well as a specific set of questions, which may include:

- Previous experience implementing grants
- Previous experience in the technical area
- Personnel capabilities
- Evidence of financial status
- Evidence of registration
- Organizational information, including mission, vision and objectives
- The extent of which the activities are consistent with the climate change adaptation priorities of the Government of Mozambique (if applicable)
- Other information relevant to the specific solicitation

Based on the results of the pre-qualification survey, the Grants and Subcontracts Manager will then release the full solicitation to those organizations selected.

#### **4.4 REQUESTS FOR APPLICATION (RFA)**

The CCAP project intends to use RFAs to support specific activities that further the project's overall objectives. Grant applicants will submit a concept paper or full application in response and according to a RFA. The Grants and Subcontracts Manager, with the approval of the COP, may indicate that smaller, less complex, or short awards require only the concept paper form for evaluation in lieu of the full application form.

A RFA will include the following information, as appropriate for the type of activity to be funded:

- Program eligibility requirements
- Minimum qualifications of applicant
- General description of the proposed program with an indication of the range of activities that might be involved, as well as any established goals of the activity which the applicant must demonstrate the ability to achieve
- A statement identifying the authorizing legislation (generally the Foreign Affairs Act) and that the award is subject to 22 CFR 226
- Illustrative expected results and indicators of performance
- Evaluation criteria
- Statement that the award will be administered consistent with USAID Standard Provisions
- Duration of the CCAP support of activity
- Deadline for submission (must be at least 30 days from issuance of the RFA)
- Statement that the project reserves the right to fund any or none of the applications submitted
- Grant Concept Paper Template, if needed
- Grant Application Template, if needed
- Implementation Timeline Form
- Grant Budget Form(s)
- Applicant Self-Assessment Form
- Required Certifications

- Survey on Ensuring Equal Opportunity for Applicants
- Estimate of funds available and number of awards anticipated, if available

Additional guidance can be found in ADS 303.3.5.2.

The number of awards, as well as the value of the awards, are determined on a case by case basis taking into account, but not limited to: the needs of the project in accordance with the contract and the approved work plan, the universe of potential grantees, the amount available from the project budget, and the grant type ceilings as stipulated in the grants manual.

After the Grants and Subcontracts Manager, in coordination with technical staff, develops the solicitation request, the COP will review and approve the release of the RFA. To the extent possible, proposed or planned RFAs should be included in periodic work plans for general planning purposes.

#### **4.5 ANNUAL PROGRAM STATEMENTS**

An annual program statement (APS), described further in ADS 303.3.5.4, will be used to generate competition for grants where CCAP intends to support a variety of creative approaches by applicants to develop their own ideas and methodologies in assessing and/or implementing activities that support CCAP objectives.

An APS can be issued with an open-ended response, specific review periods, or a specific closing date, reserving the right to close it if all funds have been obligated. It is anticipated that a multi-tiered evaluation process will be used most frequently; whereby applicants will submit a concept paper for consideration prior to submitting a full application. The Grants and Subcontracts Manager, with the approval of the COP, may also indicate an alternative process for smaller, less complex, or short awards by soliciting only the concept paper form for evaluation, in lieu of the full application form. If this process is approved, it will be applied on a case-by-case basis. An APS may include the following information:

- Program eligibility requirements
- Activity objectives including any areas of special interest, illustrative expected results, and indicators or performance
- A statement identifying the authorizing legislation (generally the Foreign Affairs Act) and that the award is subject to 22 CFR 226
- Brief statement of how applications will be evaluated, including weighted selection criteria
- Estimate of funds available and, if appropriate, the number of grants to be awarded (not always applicable)
- That the award will be administered according to the relevant Standard Provisions
- Point of contact, including name, title, address and phone number
- Statement that CCAP reserves the right to fund any or none of the applications submitted
- Any other relevant information
- Grant Concept Paper Template

#### **4.6 GRANT CONCEPT PAPER**

A concept paper is simpler and quicker than the full grant application package, taking applicants less time and generating a higher volume and a variety of creative approaches.

This methodology streamlines the process to quickly evaluate a large number of proposals. It is also done in recognition that there may be some applicants who are unable to complete a full application. The Grants and Subcontracts Manager may recommend to the COP, who can approve this, that in response to an APS or RFA, a concept paper may be used as either part of a multi-tiered evaluation as a first step in evaluating a proposal before a full application is requested or in lieu of a full application for smaller, less complex, or short-duration activities. The requirements will be clearly stated in the solicitation document.

When concept papers are required per the solicitation, the designated TEC (including but not limited to COP, Grants and Subcontracts Manager, technical advisor, or other designee) will review the concept paper against eligibility and evaluation criteria listed in the solicitation. Criteria could be based on a number-rating system or be designed as questions on a yes/no basis and could include the following questions, for example:

- Is the activity consistent with the objectives of the CCAP project, and does it contribute to the project's expected results areas?
- Does the activity support the objectives of CCAP counterparts?
- Does the organization demonstrate adequate capability to manage the activity, or does it have previous experience relevant to the activity proposed?
- Does the proposed activity fall within the technical specifications in the solicitation?
- If applicable, does the activity consider historically marginalized sectors of society (indigenous populations, internally displaced persons, women and girls, landless poor, refugees, etc.) as beneficiaries?
- Does the proposed activity include leveraged funding from either public or private sector partners?

If the applicant's concept paper meets the criteria, as decided by the TEC, the applicant may be asked to submit a full application. Should the TEC determine the concept paper is ineligible, the Grants and Subcontracts Manager will notify the applicant of this decision. If a full application is requested, it will be submitted to the TEC for evaluation.

If the solicitation states, or if it is determined by the COP, that only a concept paper is needed, the Grants and Subcontracts Manager will review the submission for completeness and ensure the applicant is eligible before submitting the concept paper to the TEC for evaluation as indicated in Section 5.2. If approved by the committee, the applicant will move to negotiation, and pre-award responsibility determination.

The concept paper package includes the following documents, at a minimum:

- Completed concept paper and budget;
- Implementation plan or chronology of activities and results;
- Copy of valid Mozambican registration certificate and related GOM documentation;
- Signed copies of the required certification package (included in the Annexes), and;
- Any other supporting document(s) as requested in the solicitation.

In some cases, the CCAP project will request submission of the concept paper and budget form first, and will request all other materials provided in the list above after the initial concept paper has been approved.

## 4.7 FULL GRANT APPLICATION PACKAGE

The development of a full application requires significant input on the part of the applicant, and as stated above, full applications may not be required for all grants. CCAP may choose to request that applicants complete a concept paper as a first or the only step, or may request full applications to be submitted without an initial concept paper as specified in the solicitation. The full grant application submission generally consists of the following documents (note that if there was a concept paper phase or a pre-qualification round, some of this documentation may have already been provided):

- Completed grant application and budget forms and notes
- Copy of valid Mozambican registration certificate and related GOM documentation
- Copy of last annual financial report, income/losses report (balance) sealed and approved by licensed audit firm, if available
- Signed copies of the required certification package (included in the Annexes)
- Implementation plan or chronology of activities and results
- Applicant Self-Assessment Form
- Copy of the organization's charter and by-laws (if first time applicant). If necessary, the Grants and Subcontracts Manager may request at this stage the applicant to submit a list of members of the Board of Directors, summary of their role and functions in the organization, segregation of duties, and the applicable organizational policies, or other similar information instead of the full charters and by-laws. A copy of the organization's charter and by-laws would be obtained later during pre-award responsibility determination if the applicant's full application is approved by the TEC.
- Any other supporting document(s) as requested in the solicitation

The grant application forms provide a standardized format for review of the major elements of the proposed activity. Based on the review and evaluation of the information presented in the application, the TEC will either approve or reject the proposed activity.

The full application form and detailed instructions are contained in the Annexes. Major elements of the application include:

- Section I (Basic Information). The applicant provides basic contact information and information regarding the status of the organization, including the organizations' mission, vision and objectives.
- Section II (Program Description). The applicant describes overarching program elements such as the objective of the grant and the linkage to CCAP's objectives, results and indicators for measuring results, the activities' beneficiaries, and plan for disseminating activity deliverables.
- Section III (Program Implementation Plan). This section covers information regarding program implementation, including proposed personnel, and descriptions of each task. Each task must be:
  - Complete and sound
  - Integrated and scheduled with dependent tasks
  - Assigned to a responsible party
  - Defined in terms of resources required
  - Concluded with a viable milestone of achievement. (Milestones must be linked to results)

- Tasks listed must show a logical, thoughtful approach to the overall implementation plan. Tasks should describe actions and be logically sequenced. Each task must contribute to the achievement of the activity objective
- Each activity should contain a communications component
- Applicant must describe any relevant material assumptions made and/or conditions required for the achievement of the grant objective
- Implementation plans may be supported by a bar chart that shows all identified tasks over the duration of the activity
- Section IV (Experience and Capacity). Applicant describes previous or ongoing experience implementing similar activities. This is a critical factor in assessing the capacity of the grantee to implement the activity. Applicant also provides contact information of references that can speak to the applicant's past performance and capabilities.
- Section V (Cost and Budget). This includes a summary of the information provided in the application budget forms, and includes total grant request, grantee's contributions or cost sharing for the activity, and contributions from other sources (co-funding) for the activity. Within the budget notes, the applicant also describes any other donor funding currently received and that may result in issues of duplicate funding. Applicants must identify any long-term, recurrent commitments resulting from the proposed activity, and applicant's plan for sustainable coverage.
  - The budget forms, when properly completed, reviewed, and approved, serve as the mutually agreed-upon “road map” for activity financial management. All activity costs must be identified. Cost data must be accurate; proposed amounts should not be unrealistically high or low.
  - The various types of grant instruments have slightly different budget forms that reflect the difference in the disbursement mechanisms and allowable expenses.
  - For standard grants (including development grants and organizational development grants), the forms consist of a summary budget form and the monthly budget breakout form. The budget will provide detailed information, citing unit costs and units, on a line-item basis. The monthly budget breakout form contains the same budget information broken out in the anticipated monthly expenditures to aid in projecting cash flow needs.
  - For FOGs and simplified grants, the budget application is the financial summary form, which presents the budget by tranche payments for costs associated with achieving proposed milestones. Although grants may not generally cover indirect costs due to the lack of reliable information from the majority of grantees, FOGs and standard grants may exceptionally include indirect costs provided they are fully substantiated with verifiable indirect cost information from the grantee. Simplified grants may not include indirect costs. Grant funding may, however, cover direct costs that will be incurred by the grantee to provide identifiable administrative and management support to the activity.
  - All line items must be supported by budget notes with enough detail to permit a determination of cost allowability and reasonableness with respect to 22 CFR 226 and 2 CFR 200, Subpart E. Budgeted amounts must also be supported by justification, and the applicant must be able to provide such backup to CCAP if requested. All proposed costs must be within the normal operating practices of the grantee and in accordance with its written policies

and procedures. It is important that the budget clearly indicates where specific program funds are to come from (e.g., USAID, co-funding from other donors, fund leveraged from either the public or private sector, or the applicant's cost sharing contribution). Furthermore, contribution from other donors and grantees resource commitment will be investigated and documented. In order to avoid double financing/ billing, CCAP will require full disclosure by all involved parties and will maintain contact with co-funders to verify their contributions.

- Sustainability of the proposed activity is of primary importance and must be addressed in this section. Specifically, the applicant should discuss and demonstrate how the activity will be sustained and how the applicant will be able to financially support their activities when CCAP funding is exhausted.

## **4.8 EXCEPTIONS TO COMPETITION**

While competition is encouraged, the CCAP project recognizes that it is not always possible for all grant activities to be competed. Exceptions to competition may occur when CCAP identifies a specific opportunity or activity and may work with an organization to develop an application, or when the project receives an unsolicited proposal that demonstrates a unique, innovative, or proprietary program. For cases in which CCAP project staff identify a specific organization to receive a grant, the Operations Manager and Grants and Subcontracts Manager will ensure that there is no conflict of interest or appearance of conflict of interest.

The nature of the project provides special circumstances that may cause deviations to the standard competition procedures and such instances will require a clear justification for the absence of competition under grants as stated in ADS 303.3.6.6.

Grants awarded without competition will still be subject to evaluation by a TEC. In cases when a potential grantee and activity has been identified by an advisor, a concept paper will be submitted by the applicant and presented to the TEC for evaluation. For organizations with limited capacity, a member of the CCAP grants team and/ or technical advisor will assist the applicant in developing the concept paper which will be presented to the TEC for evaluation. Full application forms may be required on a case by case basis. The evaluation criteria may vary from that of an APS or RFA, and for smaller and less-complex activities the process may be more streamlined.

The following exceptions listed below are the most common justifications for the absence of competition. All justifications for exceptions to competition (JEC) will be documented in writing in the grant memorandum of negotiation and included in the grant file. The complete list of exceptions to competition is found at ADS 303.3.6.6, Exceptions to Competition. Chemonics may utilize any one of the following:

- Follow-on awards and extensions: A follow-on award is a new award to an entity to perform activities that are the same as or substantially similar to those included in a recently expired previous agreement with the same entity. An extension is an amendment to increase the total estimated amount of an existing award, usually to provide additional activities within the program description, to extend the period of the award, or both. Also included in the definition of "follow-on" are new grants or extensions that include new activities that are clearly logical expansions of or derived from activities previously performed by the same grantee. The Follow-on Awards and

Extensions exception to competition cannot be used to continue a relationship with a grantee that received an award based on the Small Grants exception.

- Exclusive or predominant capability: Chemonics may make other than full competition, including sole-source, awards when it considers one grantee to have exclusive or predominant capability based on the following criteria:
  - Proprietary resources
  - Specialized facilities or technical expertise
  - An existing unique relationship with the cooperating country or beneficiaries

This exception may not be used to continue an on-going relationship when the applicant developed the exclusive or predominant capability during performance of a USAID award or when the previous award was made without competition using the small grants award exception.

When this exception is used, CCAP must describe in detail and justify the uniqueness of the proposed recipient and how it applies to the activity to be supported, as well as a description of the other options explored.

- Small grant awards: Small awards are awards with an estimated total amount of \$150,000 or less and with a term of no more than one year. These awards may not be amended to either add funds beyond \$150,000 or extend the date beyond one year from the original date of the award. A justification must explain how the proposed award fits the exception. Note that if you use the small grant award exception to competition, you may not use the follow-on exception to competition in the case of a follow-on grant.
- Unsolicited application: Unsolicited applications are those submitted to CCAP by an applicant solely on his/her initiative, without prior formal or informal solicitation by CCAP. CCAP may issue an award based on an unsolicited application, without the benefit of competition, when the application:
  - Clearly demonstrates a unique, innovative, or proprietary program;
  - Represents an appropriate use of funds to support or stimulate a public purpose; and
  - Fits with an existing program objective as described above.

Where an exception to competition is requested/required, the justification memo must be reviewed and approved by the COP and, depending on the size of the award, Chemonics' home office.

When the terms of an unsolicited application fit with the scope of a published an open APS, the application may be considered under the APS. The unsolicited application is then considered to have been competed under the APS and no justification for an exception to competition is required.

This exception may not be used for non-competitive extensions to existing awards. A grantee's request to extend an ongoing relationship is not an unsolicited application. To use this exception to competition, CCAP must first certify that CCAP did not solicit the application and that it was submitted by the applicant solely on his or her own initiative.

The TEC in the memorandum of negotiation must address how the following additional issues warrant acceptance of the application without competition:

- In what way the application is unique, innovative, or proprietary;
- How funding the application is an appropriate use of USAID funds to support or stimulate a public purpose; and
- Describe how it fits within a project objective.

#### **4.9 SUBMISSION AND PROCESSING**

Grant applications or concept papers, altogether called “application,” are to be submitted as specified in the applicable solicitation. Upon receipt of an application, the Grants and Subcontracts Manager or his/her designee will systematically process the application according to CCAP’s internal grants management procedures, including populating the activities tracker with the required information. These processes are designed to make the handling of each application fair and transparent, and include the following:

- Creating a hard-copy grant file along with the grant file checklist with all information pertaining to the grant at any point in time;
- Acknowledging, in writing or electronically, the receipt of each application received by CCAP, and;
- Screening the application for eligibility (see Section III).
- Ensuring that applicants are notified where their concepts are rejected, and this information is maintained on file.
- Ideally the Grants and Subcontracts Manager will also develop a computerized system to track each application and update the tracker at every step of the evaluation, award, funding, and monitoring process.

# V. GRANT EVALUATION AND SELECTION

This section describes the procedures to be followed by CCAP during the evaluation and selection process. In all cases, the Grants and Subcontracts Manager will guide the review and approval processes to ensure that all required reviews and approvals are obtained and documented in the files. The grant process checklist outlines the various steps and approvals to be obtained during the evaluation and award process.

As reflected in Section 1.4 no employee, officer, or agent of the CCAP project, or the grantee shall participate in the selection, award, or administration of a grant supported by USAID funds if a real or apparent conflict of interest would be involved. Such a conflict may arise when the employee, officer, or agent, any member of his or her immediate family (relatives in first, second, or third degree), or partner, or an organization which employs or is about to employ any of the parties indicated herein (family members in first or second degree), has a real or perceived financial or other interest in the organization selected for award. Before any individual sits on an evaluation committee, he or she must sign the Certificate and Agreement for the Use and Disclosure of Applications and Conflict of Interest contained in the Annexes. These same procedures must be followed by Chemonics' grantees issuing sub-awards.

## 5.1 SCREENING OF APPLICATION

The Grants and Subcontracts Manager or designee will review the grantee application, including concept papers, to ensure all documentation as required by the solicitation has been submitted and that the organization is eligible to receive a grant by completing the Grant Application Screening Checklist.

If an applicant has not submitted all required paperwork, the Grants and Subcontracts Manager may either reject the application or provide the applicant with a new deadline for submission of missing items. Incomplete applications, including concept papers, will not proceed to the evaluation stage unless approved by the Grants and Subcontracts Manager. If the Grants and Subcontracts Manager rejects an application, s/he will include an explanation in the grant file and request concurrence from the COP to ensure transparency, and communication will be sent to the applicant.

## 5.2 EVALUATION CRITERIA

Chemonics will establish the evaluation criteria for each grant solicitation. A brief summary describing the nature of the solicitation, its objectives, anticipated number of awards and value ranges, as well other relevant considerations will be sent to the USAID/COR for their technical concurrence, at which time USAID will provide guidance on any necessary changes in the solicitation. It is anticipated that the COR will be involved in grant selection and may sit on a TEC as a non-voting member.

Grant Applications will be evaluated according to the degree by which the Applicant's proposed grant-funded program satisfies the requirements described in the RFA or APS, as well as project principles of design and approach, impact on target groups and beneficiaries, sustainability, results orientation, and cost efficiency. Below are illustrative evaluation

criteria. Each solicitation will contain its own evaluation criteria with associated points as appropriate. A scoring system will be prepared by the Grants and Subcontracts Manager and used to evaluate applications, including the maximum points that may be awarded for each criterion.

Evaluation Category	Maximum Points
Design & Approach	20
Impact on Target Group	15
Management & Programmatic Capacity	20
Sustainability	20
Cost efficiency	10
Past Performance	10
Other Strengths	5
Total	100

These illustrative evaluation criteria elements are described more fully below.

*Design & Approach.* The quality and feasibility of the application, in terms of the appropriateness of the proposed methodology, innovativeness, and the work plan for achieving project objectives such as promoting targeted reforms related to transparency, accountability and good governance. Proposed mechanisms for monitoring and evaluation with objectively measurable indicators will also be appraised (20 points).

*Impact on Target Group.* The extent to which the proposed activity corresponds to the needs of the target group and will directly benefit that group. This includes the participation of and benefit to historically marginalized sectors of society (indigenous populations, internally displaced persons, women and girls, landless poor, refugees, etc.) Also, the degree to which it will directly or indirectly stimulate other organizations and resources to develop or implement activities supporting the objectives of the project (15 points).

*Management and Programmatic Capacity.* Evidence of the capability to undertake and accomplish the proposed activities. Appraisal will be based principally on reference checks by project staff; the background, qualifications, reputation, and skills of its key personnel; and the “track record,” reputation, achievements (including development of self-sufficient, sustainable activities) of the organization involved (20 points).

*Sustainability.* The extent to which the funded activity will result in building and strengthening the capacity of the community and local organizations, and whether the activity itself is sustainable or will stimulate sustainability of the organization (20 points).

*Cost Efficiency.* The degree to which budgeting is clear and reasonable and reflects best use of organizational and grant resources. The grantee contribution reflects commitment to the project by the targeted beneficiaries and local institutions (10 points).

*Past Performance.* Previous or ongoing experience implementing similar activities. This examines an Applicant’s track-record, which is a critical factor in assessing the capacity of the grantee to implement the activity. Demonstrated ability carrying out policy advocacy, government monitoring and oversight, and other activities in support of targeted reforms (10 points).

*Other Strengths.* The Grant Application demonstrates other strengths, such as innovative approach, high degree of engagement of historically marginalized sectors of society in the activity, and emphasizes leadership and innovation (5 points).

### **5.3 REVIEW OF APPLICATIONS AND SELECTION OF PROSPECTIVE GRANTEE**

All applications will be reviewed by the initial technical evaluation committee (TEC).

The TEC will have at least three voting members, generally including the COP or designee, the DCOP or Operations Manager, and one or more technical advisors or other staff as appropriate. The Grants and Subcontracts Manager will generally chair the meeting as a non-voting member of the committee, with assistance of other administration staff as needed. In rare circumstances when the Grants and Subcontracts Manager will participate as a voting member the COP will suggest another staff member to chair the TEC. Technical staff or members of the wider team, who provided direct and significant capacity-building guidance to a grantee in developing a concept paper or application, cannot serve on the grants evaluation committee as a voting member. All members of the evaluation committee will need to sign and submit a non-disclosure/non-conflict of interest certification (included in the Annexes).

The TEC Chair will provide guidance and instructions to the TEC regarding the evaluation process, the confidentiality of the process and expected integrity and professionalism of evaluators. S/he (or designee) will distribute score sheets and the applications to the TEC.

The TEC meeting will be facilitated by the TEC Chair. For applications that received assistance from CCAP, the application will be presented for review and approval by the staff member who has been involved in application development with the potential grantee but this person may not be a voting member. Each voting member of the TEC will review the solicitation document and full application in detail. TEC members will review applications remotely and/or as a panel, as determined on a case by case basis. Regardless of the forum, the TEC members will conduct their review and complete score sheets for applications received. Based on the discussion and scoring, a decision will be made by the committee about whether an application will proceed to the next step. The Grants and Subcontracts Manager or designee will prepare the minutes of the TEC meeting, including the list of clarification questions or additional information required for each proposed grantee to answer in advance of a final decision being made. This process may evolve and change throughout the life of the project or for a given solicitation.

#### **5.3.1 APPLICATIONS NOT SELECTED**

The Grants and Subcontracts Manager will promptly notify applicants when applications were not selected by the TEC. If an application is returned to the applicant as "not selected," they will be informed that this will not prevent them from submitting another application in response to another solicitation at some later date. The CCAP project will provide written feedback to the grantee (if requested) in relation to the solicitation evaluation criteria as part of the overall grantee capacity building strategy.

### 5.3.2 APPLICATIONS REQUIRING REVISIONS/CLARIFICATIONS/INFORMATION

For applications returned to the applicant for additional information, additional information may include but not be limited to the following:

- Necessary technical and budgetary changes to the application, according to the instructions provided by the Grants and Subcontracts Manager and the TEC. Examples of technical revisions might be to define the beneficiaries, address gender, environmental compliance, etc. Examples of cost revisions are: redefine the costs of milestones, remove costs that are not allocable, renegotiate cost share, or provide more information or additional documentation about unclear or questionable costs.
- Necessary changes in application to bring the proposal in compliance with the grant manual policies and USAID regulations.

### 5.3.3 APPLICATIONS SELECTED

Applications recommended by the TEC will be submitted for the USAID COR to review. With COR concurrence, the Grants and Subcontracts Manager will work with the relevant CCAP staff to finalize the award and all necessary documents prior to requesting final project-level approval and final USAID CO approval. Steps and documents involved include:

*Conduct pre-award responsibility determination.* The Grants and Subcontracts Manager, with support from the Operations Manager as necessary, will work with the potential grantee and CCAP technical staff to conduct a pre-award responsibility determination (see Section 5.6) and the Grants and Subcontracts Manager will present the COP with one of the following actions:

- Select the grant, and proceed to request USAID approval
- Grant type and/or amount must change, and/or conditions must be included for the grant to be selected
- Not select the grant and inform the grantee
- Return the application to the applicant, indicating deficiencies or additional information required before further consideration can be given.

*Negotiate award and budget.* The Grants and Subcontracts Manager, together with the technical advisor when applicable, will negotiate the award (milestones, reports needed, etc.) and its budget with the applicant. The budget is negotiated to ensure costs are allowable, allocable, and reasonable, are in compliance with USAID and OMB policies, and properly supports the proposed technical activities. For grants that include in-kind elements, the Grants and Subcontracts Manager, with assistance from the operations team, will coordinate to obtain quotations and estimates to be included in the award budget. The team will also review program income and will ensure it is applied in accordance with relevant ADS and 22 CFR 226 regulations, including the relevant Standard Provisions. The Grants and Subcontracts Manager or assistant will draft the appropriate grant agreement including this information.

*Ensure Environmental Compliance.* CCAP will evaluate the potential environmental impacts of all proposed grant activities prior to award as indicated in section 5.5.

*Prepare the Branding and Marking Plan.* The Grants and Subcontracts Manager will coordinate with the Communications Specialist and the applicant to develop a branding and

marking plan for the grant activity consistent with the prime contract's approved plan (see Section 5.10).

*Review M&E reporting requirements.* The M&E advisor will be involved as needed to ensure that the applicant will use the CCAP assigned indicators, and report in the needed frequency.

*Prepare the Memorandum of Negotiation.* The Grants and Subcontracts Manager will prepare the grant memorandum of negotiation documenting the decision to award, including:

- Name of the grantee organization, and proposed activity
- Grant amount in Mozambican Meticaís with the US dollars equivalent using the current month's standard exchange rate established by Chemonics Home Office. If implemented in Mozambique and funded payments are made from Mozambique, the agreement will only be denominated in Mozambican Meticaís.
- Type of grant to be awarded
- Brief description of the purpose of the award and duration
- Brief explanation of the selection process and overall results of the evaluation or justification of the absence of competition
- Rationale for award
- Summary of TEC evaluation
- Responsibility determination and result of financial assessment
- Confirmation that the System for Award Management has been checked
- Confirmation that environmental issues have been considered

Final grant information will be reviewed and approved by the COP for project-level approval. Once the COP has approved, the Grants and Subcontracts Manager will send the COP a package including the final concept paper/application and Memorandum of Negotiation, which will be used to prepare the grant approval request for USAID. The COP will submit the grant approval request to the COR and CO for technical concurrence and approval, depending on the dollar threshold. (See section 5.7).

If the grant amount is above the COP's delegation of authority, the draft grant agreement, final memorandum of negotiation and final budget must be sent to Chemonics home office for review in anticipation of Senior Vice President (SVP) of the Risk Management Division signature.

## **5.4 PROGRAM INCOME**

Program income means gross income earned by CCAP grantees that is directly generated by an activity sponsored by the CCAP project or directly earned as a result of the grant. Program income includes, but is not limited to, income from fees for services performed, the sale of commodities or items fabricated under the grant, etc. (22 CFR 226.2). Interest earned on CCAP advances is not considered program income.

Program income (if anticipated) will be managed in accordance with USAID regulations. It may be used to finance the non-federal share of the award with the approval of the COP. Grantees shall apply the standards set forth in the USAID regulations to account for program income related to projects financed in whole or in part with USAID funds. Language from the USAID regulations related to program income will be incorporated into the grant agreement, if applicable. Note that per the changes to the program income standard provision dated June

2012, for commercial organizations (for-profit), program income must be deducted from Chemonics' contribution to the grant. For example, if we would like to award a grant of \$100,000 and the grantee is expected to generate \$10,000 in program income, the total grant award should be \$90,000.

When project staff are evaluating an application or monitoring a grant, it is very important to understand and identify program income so that it is documented and tracked as required. The Required as Applicable Standard Provision, for standard and simplified grant entitled "Program Income" provides further guidance on program income.

## **5.5 ENVIRONMENTAL COMPLIANCE**

The CCAP project will evaluate the potential environmental impacts of all proposed grant activities prior to award. All grant activities will be required to comply with U.S. Government 22 CFR 216 Regulations.

Per Section C.6.f of the CCAP contract, the Initial Environmental Examination (IEE) developed for CCAP will serve as the only IEE throughout the duration of the project. The document identifies activities that are "categorically excluded" from initial environmental examination such as capacity building as well as those with "negative determination with conditions" for "soft" and "hard" engineering. Furthermore, the document describes procedures for undertaking environmental screening and review of proposed activities and for monitoring compliance with "conditions". CCAP must become thoroughly familiar with the content of the IEE and will adhere to its guidance and stipulations throughout the life of the project. In particular, CCAP will undertake environmental screening of all proposed activities before grant award to identify any potential environmental concerns. The screening will apply to the activities proposed for financing by CCAP, and by any subsidiary collaborators and/or sub-awardees.

All grants will be screened using the approved IEE described above applicable to all CCAP activities to determine whether any environmental mitigation activities must be included as part of the grant design, or if the activity poses a significant environmental risk and requires development of an environmental assessment. The CCAP project will complete an Environmental Review Report (ERR) or checklist, for all grant applications being considered and determine if an activity fits into the categorical exclusion category or presents moderate or high risk for the environment. This checklist can be found in the annex. Where appropriate, clearance from the Mission Environmental Office and the COR will be requested.

Grant activities such as those intended under the CCAP project including technical assistance, training events, technical assistance, and workshops generally fall within the definition of a categorical exclusion as set forth in 22 CFR 216.2. These activities therefore will require no environmental review but the grant file must be documented as such using the ERR or checklist.

For any proposed grant activities that do not meet the criteria for a categorical exclusion as determined through the ERR, and may present a (a) moderate or (b) high risk to the environment, an Environmental Mitigation and Monitoring Plan (EMMP) will be required at the activity level to ensure that appropriate and required mitigation measures are applied and monitored effectively. The EMMP will include identification of specific mitigation measures

to address impacts and a monitoring plan to verify the effectiveness of the mitigation measures. It is not anticipated that CCAP will engage in these activities.

For any activity that may affect the environment, the CCAP project will ensure that the required environmental compliance documentation is completed and submitted to USAID. The COR and the Mission Environmental Officer will be responsible for approving the activity with the associated environmental compliance documentation.

For more information see ADS 303.4.1h pertaining to environmental procedures.

## **5.6 PRE-AWARD RESPONSIBILITY DETERMINATION (FINANCIAL AND ADMINISTRATIVE ASSESSMENT)**

Per ADS 303.3.9, the recommendation or selection of an application for award by the TEC, respectively, does not guarantee the award. The COP makes the final determination on the award and must be fully satisfied that the applicant has the capacity to adequately perform on the award. To do so the Grants and Subcontracts Manager, with assistance of other members of the team (i.e. operations, technical advisors), must conduct a pre-award responsibility determination to establish if the grantee has the necessary management and technical competence to plan and carry out the grant. The administration team may conduct or be substantially involved in pre-award responsibility determinations for high value grants or high risk grantees. No grant shall be awarded unless the project makes a positive determination regarding the management, technical, financial and administrative capacity of the organization.

The nature of the pre-award responsibility determination conducted will depend on the grant type, amount, duration, whether advances are authorized, and the potential grantee.

For example, increased scrutiny of grantee financial accountability and reporting capabilities accompanies the use of grants with advances since the provision and reconciliation of advances on standard grants entails more sophisticated and detailed grantee financial reporting, and grantees must meet specific requirements to qualify for advances. Consequently, assessments for these grants will be particularly rigorous. Simplified grants and FOGs without advances entail a lesser management burden on the grantee and pose less risk for the CCAP project, so the determination may require a less intense review format. The Grants and Subcontracts Manager in consultation with the Operations Manager will determine the extent of the pre-award responsibility determination on a case-by-case basis depending on these factors. For a FOG, a FOG Entity Checklist will be used. For other than FOGs, any pre-award responsibility determinations will include all the relevant information from the Non-U.S. Organization Pre-Award Survey (NUPAS) contained in ADS 303.

The first step in any pre-award responsibility determination is for the applicant to complete a self-assessment form. The form provides the basis for the formal pre-award determination.

As a mandatory part of the responsibility determination, the Grants and Subcontracts Manager must verify that the applicant does not appear as a terrorist or other denied party listed in the System for Award Management ([www.sam.gov](http://www.sam.gov)) and a copy of the verification must be included in the grant file for each grant.

A formal pre-award responsibility determination usually entails a visit to the applicant's office, though a visit may be made at any time during the application process. During this

visit the Grants and Subcontracts Manager and other CCAP team members, as applicable, will meet with the applicant's staff to learn more about the administrative and financial management systems, including overall systems, financial management practices and procedures, timesheets, travel, operations, monitoring and evaluation, etc. Findings of the pre-award determinations will be compared with responses provided by the applicant within the self-assessment form.

If the Grants and Subcontracts Manager decides that a visit to the applicant's organization to perform a pre-award responsibility determination is not necessary, this decision must be made on the basis that sufficient information regarding the applicant has been collected, reviewed, and found satisfactory. This must be approved in writing by the COP. Sources of information could include, but are not limited to:

- Documentation provided to CCAP by the applicant (audit reports, operations manual, travel and personnel policies, procurement policies, etc.);
- The applicant submission of the CCAP self-assessment form;
- Reference checks performed by the Grants and Subcontracts Manager or designee, and the technical advisor, if involved in the grant, and;
- Applicant's history of receiving past USAID-funded grants or cooperative agreements.

The information must substantiate that the applicant:

- Has systems that comply with USAID's accountability and reporting requirements, including 22 CFR 226 and 2 CFR 200, as applicable. If CCAP determines that the applicant's administrative and financial systems are not in compliance with USAID requirements, the applicant must adopt and implement the systems recommended by CCAP in order to be eligible for a grant award;
- Has the ability to comply with the award conditions, taking into account all existing and currently prospective commitments of the applicant, governmental and non-governmental;
- Has a satisfactory record of performance. Past relevant unsatisfactory performance is ordinarily sufficient to justify a finding of non-responsibility, unless there is clear evidence of subsequent satisfactory performance, and;
- Has a satisfactory record of integrity and business ethics and is otherwise qualified and eligible to receive a grant under applicable laws and regulations.

Depending on whether the applicant has existing relationships with USAID or it is new to USAID, or whether it is US or a non-US NGO, different documents are required for responsibility determination as indicated below:

*Non-US Organizations that have been grantees or contractors under USAID or other US Government acquisition or assistance instruments.* In addition to references and the applicant's self-assessment form, in order to make a responsibility determination for a non-U.S. organization that has been previously determined responsible by USAID or another U.S. Government Agency, the project may rely on the following information:

- Audits performed in accordance with USAID regulations;
- Signed copy of the applicable statutory and regulatory certifications in ADS 303.3.8;

- Quality of the applicant’s past performance on similar projects, including compliance with the terms and conditions of the funding agreement, and;
- Other information as may be necessary, including a formal pre-award determination of the applicant’s administrative and financial systems.

*Responsibility determination for organizations new to USAID or organizations with outstanding audit findings.* Before making any decision, the Grants and Subcontracts Manager shall conduct a thorough pre-award responsibility determination. At a minimum, the determination must be based on the same considerations as in paragraph A. above. The program must obtain the following information from organizations that fit in this category, when appropriate:

- Copies of the applicant’s audited financial statements for the last three-year period, which a certified public accountant or other auditor satisfactory to USAID has audited
- Projected budget, cash flow, and organization charts
- Copies of applicable policies and procedures (for example, accounting, purchasing, property management, personnel), if the Grants and Subcontracts Manager determines that they are necessary

Depending on the result of the responsibility determination, the Grants and Subcontracts Manager may make the following recommendations to the COP:

- The grant application is approved as presented
- The grant application is not approved
- The grant application is approved in a reduced amount and/or conditions precedent
- A different grant type is selected

The responsibility determination and financial assessment will state what steps, if any, are necessary to bring the applicant's administrative and financial systems into full compliance with Chemonics and USAID standards for control and accountability of funds (i.e. special award conditions). Prior to disbursing the first advance or reimbursement tranche, the Grants and Subcontracts Manager and/or Operations Manager will confirm whether the grantee has adopted and/or implemented the recommended systems and procedures, if any, in order to exercise effective control over, and accountability for, funds, property, and other program assets.

## **5.7 USAID GRANT APPROVAL**

All Grants must be approved in writing by the CO, or COR if authorized by the CO in writing. It is anticipated the COR will review all grants prior to approval request submission and provide technical concurrence prior to submission to CO. As discussed below in Section 6.1, the COP will request USAID approval by submitting the memorandum of negotiation, and if applicable, the environmental clearance request to the COR and CO as applicable per the thresholds below. The Grants and Subcontracts Manager will send the entire grant package to the COP for submission.

USAID approval of grants is required in accordance with the following threshold:

- Grants up to \$75,000 are submitted for no objection to the COR. Should the COR not provide any objections within 48 hours of CCAP submitting the request, the grant agreement will proceed for signature.

- Grants over \$75,000 and up to \$150,000 require formal COR approval
- Grants over \$150,000 require CO approval

For any proposed grant activities that do not meet the criteria for a categorical exclusion as determined through the Environmental Review Report (ERR), Environmental Review Form (ERF), or checklist and may present a (a) moderate or (b) high risk to the environment, an Environmental Mitigation and Monitoring Plan (EMMP) will be submitted. In addition to the technical approval for the grant, the Mission Environmental Officer and COR will need to provide the necessary environmental clearance.

After the appropriate approval, the Grants and Subcontracts Manager will finalize the grant agreement package for the signatures and inform the grantee. If USAID does not approve a grant award, the applicant's organization will be notified in writing.

## **5.8 GRANT AGREEMENT REVIEW AND SIGNATURE**

The Grants and Subcontracts Manager or designee will inform the successful applicant of the award in writing and will send the grantee two original copies of the grant agreement in the applicable format. The grant agreement will be side-by-side in English and Portuguese.

The Grants and Subcontracts Manager and relevant members of the CCAP team will meet with the grantee to discuss the terms and conditions of the agreement, relevant USAID and other U.S. Government regulations, and relevant CCAP grants procedures, including but not limited to those relating to mutual expectations during grant implementation. This is to ensure full understanding on the part of the grantee and CCAP project staff regarding how the implementation shall proceed and to ensure that the agreement accurately reflects this understanding. The grantee must fully understand and accept all aspects of the grant agreement and will have the opportunity to ask any questions.

After discussion with the grantee, the grantee will sign and send the two completed original copies of the grant agreement to the Grants and Subcontracts Manager who will obtain the signature of the COP, on behalf of Chemonics up to the amount under his delegation of authority. If the grant agreement exceeds the threshold in the COP's delegation of authority, the Grants and Subcontracts Manager will send the grant agreement to the home office for final signature assuming the grant package has been previously reviewed by the home office prior to grantee signature as mentioned in Section 5.3. One original copy of the agreement will go to the grantee and the other will be kept on file in the CCAP office.

## **5.9 BRANDING AND MARKING PLAN REQUIREMENTS**

All grant agreements will include a branding and marking plan, specific to the grant activities. The Grantee will develop their branding strategy and marking plan using a template provided by Chemonics, and the branding and marking plan will be included as an annex to the grant agreement. The template branding and marking plan can be found in the annex of this manual. The branding and marking plan should be developed with the assistance of the CCAP Communications Specialist.

The branding and marking plan will follow the CCAP project's approved strategy and plan as outlined in Sections D.2, D.3 and D.4 of the CCAP contract. It is the responsibility of the Grants and Subcontracts Manager to ensure the grantee branding and marking plan is

consistent with the larger CCAP project's branding and marking plan. The Grants and Subcontracts Manager will work heavily with the communications specialist to do so.

For internal and external documents directed at audiences in USAID/Washington, USAID stakeholders (including other U.S. government agencies), nongovernmental organizations, contractors, and researchers, documents will follow standard USAID branding guidelines for exclusive branding as they will not impact branding with the project's primary audience.

#### **5.10 REQUIRED GRANT DOCUMENTATION (GRANT FILE)**

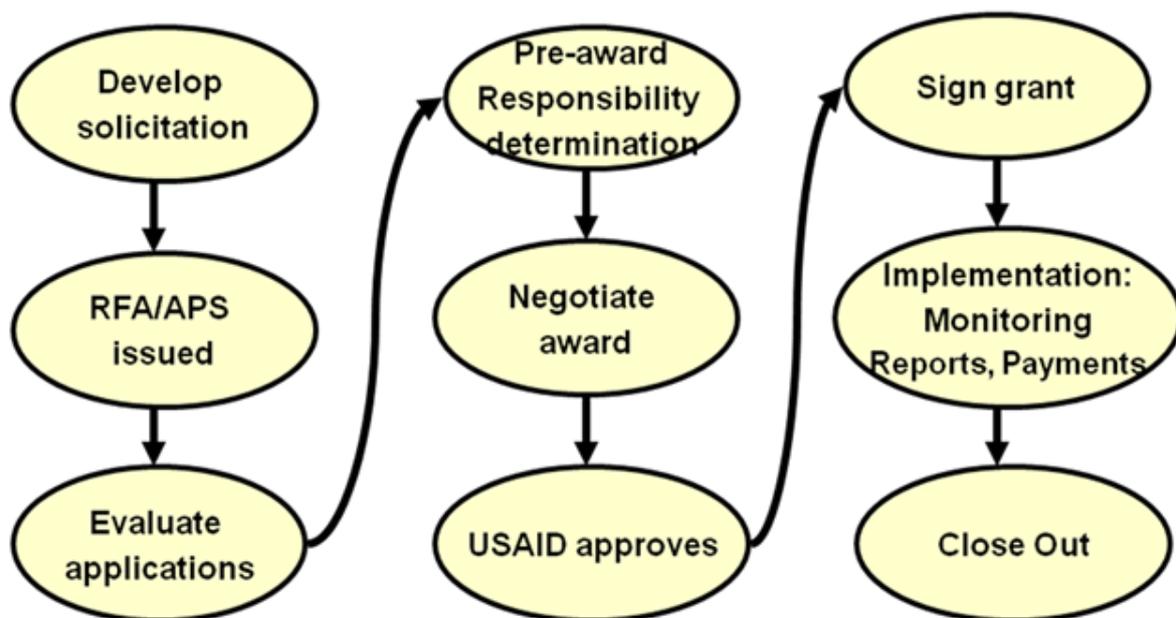
The Grants and Subcontracts Manager will be responsible for preparing and maintaining hard-copy and electronic grant files. The grant file must be comprehensive and must contain all documentation pertaining to the grant and describe in sufficient detail how the grant originated; document the solicitation, selection, evaluation, and award process; document necessary project and USAID approvals; and provide the implementation history (reports, financials, site visits, etc.) and the evaluation of the grant results. This documentation includes a detailed memorandum of negotiation prepared for each grant. For details on information required in the file, refer to the grant award file documentation checklist contained in the Annexes. The grant award file documentation checklist must be printed and included in every grant file. It will be expected that a related (mirrored) soft copy file will be created to store digitized grant files.

# VI. GRANT WORKFLOW PROCESSES

Under this grants program, there are six main stages of the grants cycle:

1. Grant Solicitation and Application
2. Grant Application Review, Evaluation and Negotiation
3. Grant Award
4. Grant Implementation and Oversight
5. Grant Termination, Suspension and Modifications
6. Grant Completion and Close-out

This section describes the workflow process to be undertaken by CCAP during the solicitation, application review and approval process, which have been covered in the previous two sections of the manual. The below graphic describes the above-referenced six main stages as well other key components of the grant life cycle.



## 6.1 WORKFLOW FOR SOLICITATIONS

*Step 1.* For an RFA, the technical advisor or other team member as applicable develops the program description for a specific activity based on the work plan, or implementation plans/or activities identified with communities. This description can include a rough estimate of the activity cost. For an APS, technical advisor develops broadly defined activity areas or scopes of work. Note that unsolicited proposals will be considered under current APSs as much as possible. Upon receipt of an unsolicited proposal, the Grants and Subcontracts Manager, with assistance of a technical staff member will review the proposal to ensure the activity falls within APS objectives and it is eligible. If favorable, the review follows the same process as Steps 6-14.

*Step 2.* The Grants and Subcontracts Manager develops the RFA or APS informed by Step 1, coordinating with the technical team, and M&E advisor, as needed.

*Step 3.* The COP approves the RFA or APS. USAID is informed of the solicitation planned release.

*Step 4.* The RFA or APS is advertised through appropriate channels. The RFA may be sent to a group of pre-qualified organizations if applicable (see Section IV on pre-qualification survey). The Grants and Subcontracts Manager and technical staff hold information sessions and training events for inexperienced applicants if needed.

*Step 5.* Interested organizations submit concept papers if/as specified in the solicitation. On occasion, CCAP may identify a specific opportunity or activity and assist the applicant in developing the concept paper.

*Step 6.* If required, concept papers are received by the Grants and Subcontracts Manager, who screens them for completeness and eligibility.

*Step 7.* TEC members sign conflict of interest certification, and evaluate the concept paper. If needed, work with the applicant to fine-tune the concept paper as appropriate. The TEC will either approve or reject the concept paper.

*Step 8.* Grants and Subcontracts Manager notifies organization about the status of their concept paper. If the concept paper is accepted and a full application is required per the solicitation, the organization will be asked to submit the application for evaluation (Step 9). If the concept paper is accepted in lieu of the full application, the organization will be notified and will proceed to negotiation and possible award (proceed to Step 10).

*Step 9.* If required per the solicitation, the TEC evaluates the full application. If the application is approved by the TEC, the COP will provide concurrence.

*Step 10.* The Grants and Subcontracts Manager and technical team will collaborate to negotiate the possible award and its budget. The operations team will assist in obtaining quotes for in-kind elements under a grant budget or for price confirmations. Results of the negotiation will serve as inputs in the drafting of the Grant Agreement. If necessary, the M&E advisor might be involved to ensure all necessary indicators are being incorporated.

*Step 11.* The Grants and Subcontracts Manager, with assistance of appropriate staff conducts a pre-award responsibility determination and, if positive, drafts the grant memorandum of negotiation. If the pre-award responsibility determination is not positive, the Grants and Subcontracts Manager may recommend that a grant not be awarded or recommend special award conditions to be approved by the COP.

*Step 12.* The Grants and Subcontracts Manager works with the communications specialist and applicant to develop the Branding and Marking plan for the activity. Additionally, CCAP will request environmental clearance from USAID, if required.

*Step 13.* Final grant information is reviewed and approved by the COP. The COP will then request USAID approval by submitting the memorandum of negotiation, and if applicable, the environmental clearance request based on the approval thresholds in Section 5.7.

*Step 14.* If USAID approves the award, the Grants and Subcontracts Manager drafts/finalizes the grant agreement, and together with relevant technical and administrative staff, meet with the applicant to review the agreement and clauses, and obtains the signature of the applicant. If USAID does not approve the grant, the project formally notifies the organization.

# VII. GRANT IMPLEMENTATION PROCESSES

This section describes the implementation and grant management processes undertaken by the grantee and CCAP once the grant agreement has been signed. It is anticipated that CCAP will hold post-award workshops with the grantees to set expectations particularly surrounding performance, monitoring and evaluation, financial reporting as described in more detail throughout this section.

To the extent that Chemonics has adhered to the processes set forth in this manual, Chemonics shall not be liable for grantee violations of the grant agreement, omissions, or incorrect statements or documentation. If Chemonics discovers such violations, omissions, incorrect statements or documentation on the part of the grantee, Chemonics shall take reasonable steps to remedy the situation with the grantee and inform others as appropriate.

## 7.1 GENERAL IMPLEMENTATION RESPONSIBILITIES

*Grantee implementation responsibilities.* Consistent with the terms and conditions set forth in the grant agreement, the grantee agrees to comply with all policies, procedures, and stipulations contained in their grant agreement. The grantee must give full cooperation to CCAP staff in the oversight of the grant. The grantee will submit requests for reimbursement or liquidation reports on a periodic basis as specified in the grant agreement when applicable.

*CCAP implementation responsibilities.* Upon grant signature, CCAP will begin to exercise its management responsibilities. The Grants and Subcontracts Manager and a designated technical staff member will oversee the performance of the grant through review of deliverables, site visits, and regular review of financial reports. The Maputo -based Grants and Subcontracts Manager will oversee the grant management and financial reporting while the satellite office -based municipal advisors will be the main point of contact for the grantee and provide general and technical oversight.

The Grants and Subcontracts Manager, with additional oversight from the COP or his/her designee, will oversee financial and contractual compliance, while technical staff will monitor technical performance including, but not limited to, the achievement of the benchmarks and objectives specified in the grant agreement. Grant team responsibilities will include facilitating appropriate staff requests for procurement, disbursements, and logistic and planning elements of grantee activities. The Grants and Subcontracts Manager will coordinate with the designated technical advisor to review deliverables and financial reports and conduct periodic site visits to ensure the grants program is operating effectively and according to Chemonics and USAID regulations.

The Grants and Subcontracts Manager and accountant are responsible for reviewing grantee financial reports, processing all payments in a timely and compliant fashion, monitoring grant expenditures, completions, de-obligations, and cash flow to track funds availability and grant

pipelines. The Grants and Subcontracts Manager enters updated financial information for the activity tracker regarding grant budgets and disbursements.

The operations staff also plays an especially important role in procurement, as they are tasked with ensuring timely and compliant in-kind procurement, delivery and inspection of all goods and services, including technical assistance, are procured by CCAP on a grantee's behalf. Close coordination with the technical advisor and Grants and Subcontracts Manager will be needed to ensure adequate planning for grant implementation needs.

In addition to working with the technical advisor, the Grants and Subcontracts Manager will coordinate with M&E and Communications Specialist to obtain necessary M&E data and success stories.

The M&E team and technical staff have the overall responsibility for ensuring that the M&E system is implemented, but all staff have a role to play. The technical advisor and the M&E team will participate in data collection, analysis and reporting, in order to inform overall programmatic strategy.

## **7.2 MONITORING AND EVALUATION**

The CCAP project will use a variety of mechanisms to monitor grantees' performance, including evaluating end-of-activity results, conducting site visits of activities underway, and reviewing periodic reports. Grantees are required to report data to feed into CCAP's Monitoring and Evaluation Plan. In addition, the Grants and Subcontracts Manager, technical advisors, and the M&E team will use the activity tracker to monitor the dollar amounts, gender base of organization/individual, progress percentage for each grantee, and activity/intervention and type of each grant agreement.

It is expected that grantee M&E data will be tracked in the comprehensive CCAP M&E database. The M&E team will ensure that all of the required data for monitoring is entered in the system.

The grantee is required to submit to the project periodic narrative and financial reports, as detailed in the grant agreement and as requested by CCAP. These reports are key to the transparency, accountability, and responsibility that must be maintained for a mutually beneficial arrangement between CCAP and the grantee during the duration of the grant. These reports are important management tools allowing CCAP to monitor the grantee's program performance. CCAP reserves the right to contract with outside evaluators and auditors to perform audits and assessments of the grantee's program implementation with respect to expenditures, results achieved, and other measures of performance.

The technical staff and Grants and Subcontracts Manager are responsible for verifying that reports are received on time, reviewing them for completeness, and monitoring progress against set benchmarks. If there are problems in implementation, a report is incomplete, and/or the verifiable program milestones have not been met, CCAP will decide the appropriate action to be taken, including but not limited to termination of the grant, a financial audit, and/or legal action. Performance of grants will be included in CCAP reporting to USAID.

The grant agreement will specify the reports required for a given grant. In addition to financial and management reports, grantees may also be required to submit the following:

- **Periodic progress report(s):** Periodic progress reports as requested by CCAP staff that describe the progress towards achievement of the objectives and results by milestone. The Progress Report must be submitted to the Grants team. Progress reports include the performance objectives and expected outputs for the reporting period; summary of major accomplishments during the period, as well as unexpected or unplanned outcomes/activities during the reporting period; outstanding issues and implementation problems, and options for resolving the issues and problems; status toward achieving sustainability of efforts; planned performance objectives for the next reporting period; and financial reports showing previous periods' cumulative expenditures and projected expenditures for the next period.
- **Grant completion report:** The content of this report is described below in Section 9.2: Grant Completion and Closeout. CCAP reserves the right to withhold final payment pending submission of an acceptable grant completion report.

Depending on the grant activity and grantee's capacity, exceptions to submitting reports may be made by the Grants and Subcontracts Manager in consultation with the technical team. In these situations, the reporting requirements may be waived or the advisor may assist the grantee in producing the quarterly and/or completion report.

### **7.3 FINANCIAL CONTROL SYSTEMS**

Each grantee shall establish appropriate accounting and financial control systems for the grant, including, but not limited to:

- For those grantees receiving grants with advances: the grantee must open a separate bank account for the purpose of depositing and expending the disbursed grant funds prior to receiving the first payment. It is recommended that a separate bank account be used for depositing and expending the disbursed grant funds, even when advances are not issued. The account name must be the official name of the grantee. No other funding shall be deposited into this account and no expenditures shall be paid for from this account, which are not for eligible costs under the grant agreement. No funds disbursed under the Agreement may be transferred to other bank accounts owned by the grantee that contain funds from any source other than CCAP. The account number and names/titles of those employees who have signature authority over this separate checking account shall be provided to the Grants and Subcontracts Manager by the grantee upon the opening of the account.
- Standard and simplified grant recipients must establish a segregated financial accounting system that will effectively and properly record and report the deposit and expenditure of all funds disbursed, in accordance with the Mandatory Standard Provision entitled "Accounting, Audit, and Records (June 2012)" per USAID's established guidelines. The Grants and Subcontracts Manager, with assistance of the Operations team, will verify that a segregated financial accounting system exists as part of the pre-award responsibility determination discussed in Section 5.6, above and take into account any high-risk grantees.
- All grantees must submit a Foreign Tax Report on or before April 5th of each year. (see information in the Annexes)
- For grantees receiving advances, per the Standard Provision entitled "Advance Payment and Refunds (June 2012)" or "Fixed Obligation Grant Advance Payment and Refunds (June 2012)", all interest and other refunds received hereunder will be made to a special, non-commingled, interest-bearing account established by the Contractor

(the "Separate Account"). The grantee may retain \$250 of interest earned in a twelve month period. Additional interest beyond \$250 must be returned to Chemonics. The grantee has no beneficial interest in any funds in the Separate Account and funds in the Separate Account shall be used as directed by Chemonics.

## **7.4 GRANT DISBURSEMENT PROCEDURES**

Grant funds for Mozambican organizations will be disbursed in local currency (Mozambican Meticais), based on a disbursement schedule presented and agreed to by CCAP for allowable costs and/or achievement of milestones, based on the type of grant. Grant funds for international grantees may be disbursed in U.S. dollars, if so approved in the grant budget and approved by the COP. Payments will be made by direct wire transfer or by a non-endorsable bank check to the grantee bank account. This assures CCAP that, at a minimum, all grant funding passes through an identified account. Disbursements may also be made directly to a supplier. The various types of grant instruments have corresponding payment methods, described as follows.

### **7.4.1 PAYMENT VIA TRANCHE OR UPON THE ACHIEVEMENT OF MILESTONES (FOGS)**

This is payable to the grantee in accordance with the tranche payment schedule contained in the FOG and upon submission of an approved milestone.

- Tranche payments will not be made until both the grantee and Chemonics have approved completion of the milestones. Tranche payments are linked to tasks and the achievement of an agreed-upon milestone.
- All payments must be supported by a grantee certification that the respective milestone has been successfully achieved (i.e., Grant Tranche Payment Request form). CCAP reserves the right to independently verify the milestone.
- All requests for reimbursement must correspond to a tranche payment specified in the grant agreement and must be processed using the Grant Tranche Payment Request form.
- CCAP has the right to inspect the grantee's financial records to ensure the reimbursement payments agreed upon represent the actual amount incurred by the grantee in meeting the milestone.

An initial milestone payment may be provided to the grantee to provide financial liquidity and allow the grantee to start activities. The initial milestone payment cannot be for more than one month's worth of grantee expenses, 30% of the total budget, or \$150,000, whichever is less. Any exception to this policy must be approved in advance by Chemonics' CFO, who may also approve advances in exceptional cases.

### **7.4.2 PAYMENT VIA EXPENSE REIMBURSEMENT (SIMPLIFIED AND STANDARD GRANTS)**

This is payable to the grantee upon presentation of bona fide receipts for allowable expenses incurred and a program progress report, if required. CCAP will issue a reimbursement to grantees with simplified and standard grants without advances based on costs incurred as verified by receipts when the grantee submits to CCAP a completed Standard and Simplified Grant Reimbursement Request form along with the documentation listed below:

- Budget statement: This is a budget summary statement the grantee provides CCAP (in the format the project provides to the grantee at the time the grant agreement is signed) indicating the cumulative expenses against the approved budget. The figures in this summary report must match the “detail of monthly expenses” and the approved grant budget. An electronic format in Excel will be provided to each grantee to report cumulative expenses against the approved budget.
- Detail of expenses: The grantee is required to provide CCAP the detail of expenses (in the format the project provides to the grantee at the time the grant agreement is signed), which reports details of the grantee’s expenses, including: the expense voucher and debit/credit note number, date, description, net amount, withholdings, and gross amount. The figures in this report should be consistent with those reported in the “invoice/budget statement” and support the achievement of the associated milestone.
- Supporting documentation: This shall include expense vouchers with originals of check and support documentation for each expense, as well as debit and credit notes with appropriate support. Originals can be retained by the grantee if required by local law, but if the project is receiving copies, originals should be submitted by the grantee so that the Chemonics project reviewer may certify the copies for accuracy, and then originals can be returned to the grantee. Supporting documentation for expenses will consist of official vendor invoices. Any documentation not supported by an official invoice must contain an explanation about why an invoice is not being provided. Once received from the grantee, the Standard and Simplified Grant Reimbursement Request form with all supporting documentation will be reviewed by the technical advisor and Grants and Subcontracts Manager. The request will either be approved or processed as submitted, or returned to the grantee for further clarification and/or documentation.

The grantee will normally receive reimbursement within two weeks after the above documentation has been reviewed and approved.

#### **7.4.3 PAYMENT VIA ADVANCE**

If advances are authorized, it is most often under a standard grant but on an exceptional basis, advances may be authorized on simplified and FOGs with advance written approval from Chemonics’ CFO. In all cases, advances will only be disbursed when the grantee meets the financial qualifications for advances, as assessed during the pre-award responsibility determination and upon approval by the COP. This is payable to the grantee in the form of an advance that the grantee will liquidate by subsequent presentation of bona fide receipts evidencing payment for the allowable expenses incurred and a report of program progress. Advances may not be for more than 30 days’ worth of expenses. Note that the final payment should be reimbursement rather than an advance

Requests for advance shall be sent to the Grants and Subcontracts Manager on a monthly basis or according to a schedule established by the grant agreement, and consists of the following documentation:

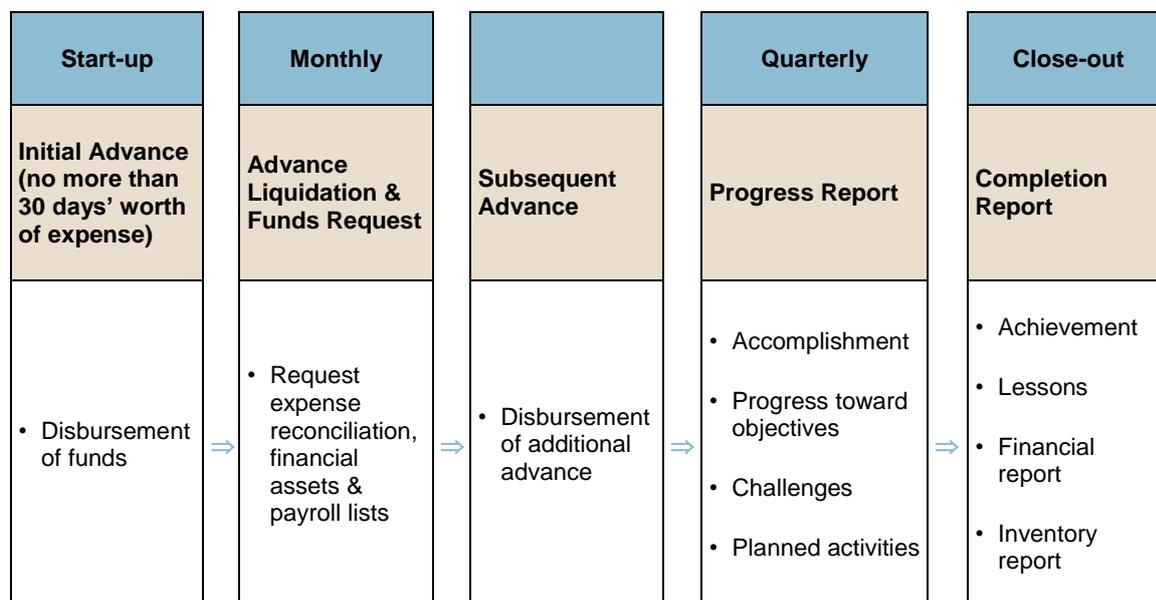
- Grant Advance and Liquidation Form: This form accounts for the use of advanced funds during the preceding period and projects cash requirements for the coming period. The figures in this report should match the "detail of monthly expenses" and the financial reports, and the amount requested must be in accordance with the

approved budget. The form, which includes a brief report of the activities undertaken for the reporting period, is signed by the grantee.

- Budget statement: An electronic format in Excel will be provided to each grantee to report cumulative expenses against the approved budget.
- Detail of monthly expenses: Unless the grantee has an acceptable alternative form to detail transactions, an electronic format in Excel will be provided to the grantee to report details of monthly expenses, including: the expense voucher and debit/credit note number, date, description, net amount, withholdings, and gross amount.
- Financial reports: These will include the grantee's regular organizational financial reports, such as trial balance, balance sheet, and profit and loss statement generated by the accounting system, for the period being reported.
- Supporting documentation: This is supporting documentation for the liquidation of the advances. It shall include expense voucher with copy of check and support documentation for each expense, as well as debit and credit notes with appropriate support. Supporting documentation for expenses will consist of official invoices/receipts. Any documentation not supported by an invoice/receipt must contain an explanation about why an invoice/receipt is not being provided. For purchases over \$500, grantees are required to include evidence of the procurement process (quotes and comparative chart) with the submission of their invoice.
- Bank reconciliation: From the previous month of the reporting period. This shall include a copy of the bank statement, check detail report generated by the accounting system for the period being reported, and reconciliation report.
- Updated quarterly list of assets: If permitted to conduct procurement per the grant agreement, the grantee shall report any equipment and vehicles procured with CCAP project grant funds during the reporting period. This list shall include the following information, and be included in the grant tracker:
  - A description of the equipment
  - Manufacturer's serial number, model number, stock number, or other identification number
  - Source of the equipment, including the award number
  - Confirmation title vests with the grantee
  - Acquisition date (or date received, if the equipment was furnished by CCAP) and cost
  - Location and condition of the equipment and the date the information was reported
  - Unit acquisition cost
- Updated payroll list: This report will include full name of each grant-funded employee, position, start date, contract termination date, and salary.

Once the advance is authorized, CCAP will issue a wire or check to the grantee's bank account. The grantee will normally receive its advance two weeks after the above documentation has been approved by CCAP management. Errors in documentation may lead to delayed disbursements. The standard grant advance/liquidation process and reporting requirements are illustrated below.

### Exhibit 7.4.3.1. Grants Disbursement Process and Reporting Requirements for Grants with Advances



In the event that CCAP does not authorize an advance, whether for incompleteness of the request, failure to meet milestones, or for another reason, the Grants and Subcontracts Manager will send a letter to the grantee explaining the reason(s) why the advance has not been authorized. Should the operations/accounting team encounter expenses that are observed and require further information which may delay the process too long, they may authorize a partial advance in consultation with the Grants and Subcontracts Manager, deducting the observed amount from the requested amount, and provide the grantee with a deadline (usually, not exceeding one month) to resolve any observations.

#### 7.4.4 PAYMENT VIA DIRECT VENDOR PAYMENT (ALL GRANT TYPES)

CCAP may purchase goods and services to be provided to a grantee in-kind and will handle all quotations and contracts related to the purchase. For grantees with sufficient capacity to obtain their own quotations, CCAP may also issue payments directly to the vendor(s) on behalf of a grantee for goods and/or services delivered to the grantee. In such cases, the grantee must be able to demonstrate that: (a) the goods or services are clearly specified in the approved grant application and are contained in the final grant agreement budget, (b) the goods or services are allowable, allocable, and reasonable, (c) the source selection was based on adequate price competition, and (d) items or goods meet USAID-specified CCAP source and nationality requirements. Arrangement for direct payment will be made by the appropriate operations/accounting staff in coordination with the Grants and Subcontracts Manager or designee in accordance with generally accepted good business practices and Chemonics' procurement policies and procedures. If this option is pursued, Chemonics will independently verify all quotations in advance of payment.

Payment will be made based on bona fide invoices which have been endorsed by the grantee organization, including a signed statement by the grantee organization, confirming that the goods and services have been received from the vendor. In certain instances, an advance or deposit may be provided to the vendor, so as to facilitate prompt action. In such cases, such payments may be authorized against the documentation specified above and the process of

the grantee engaging in the procurement process must be approved prior to the grantee engaging in the procurement and incurring cost. Failure to do so may result in CCAP's withholding or questioning payment.

## **7.5 AUDIT AND RECORDS MAINTENANCE**

The grantee shall assume full responsibility for effective and proper administration of funds. CCAP reserves the right to audit the grantee as described herein, and in the grant agreement. For standard and simplified Grants, pursuant to the non-FOG Standard Provision entitled "Accounting, Audit and Records (June 2012)," (applicable to non U.S. organizations), under a standard or simplified grant, if the grantee expends more than \$300,000 in USAID funds in the grantee fiscal year, CCAP shall conduct an audit, the cost of which may be paid from the grant. To comply with these guidelines, CCAP will, when necessary, include "audit costs" in the approved grant budget. CCAP will retain the services of an Inspector General-approved auditing firm to conduct these audits.

CCAP reserves the right to conduct an audit or financial review of the grant, for any grant type, at any time for any reason. The grantee shall maintain books, records, documents, and other evidence relating to the USAID grant in accordance with generally accepted accounting principles formally prescribed by the United States and Mozambique to sufficiently substantiate charges to the grant.

The grantees accounting records shall be made available to CCAP, Chemonics and/or USAID or their designees for review for up to three years after the submission of the final reports, according to the terms of the grant agreement.

## **7.6 PURCHASE OF PROPERTY, COMMODITIES, AND SERVICES**

There are two possibilities for procurement of goods and services by a grantee, which are as follows:

1. If the grantee has sufficient capacity to conduct a procurement themselves, per the Mandatory Standard Provisions entitled "Procurement Policies" (June 2012), "USAID Eligibility Rules for Procurement of Commodities and Services" (June 2012) and "Title to and Use of Property" (June 2012) and that the grantee has procurement policies and procedures that conform to 2 CFR 200 Subpart D, the grantee may procure themselves but advance approval from CCAP is required for any transaction of \$3,000 or above. CCAP will review the procurement documentation (listed below). Equipment purchased directly by a grantee will adhere to appropriate governing restrictions including the source and nationality requirements set forth in 22 CFR 228 and the standard provisions. If the total procurement element of a grant is less than \$250,000, the authorized geographic code for procurements of goods and services conducted by the grantee is 935. If the total procurement element of the grant exceeds \$250,000, the authorized geographic code for procurement of goods and services conducted by the grantee is 935. The project will review the following procurement documentation and provide advance written approval for any transaction of \$3,000 or more:
  - a. Specifications for the equipment/scope of work for services
  - b. At least three quotations from suppliers or service providers
  - c. Memo with summary of competitive process, description of evaluation, and recommendation for selected vendor

Further, the above documentation will be submitted with financial reports for any procurement over \$500 or more when procurement is conducted by the grantee under a standard or simplified type grant.

2. If a grantee does not have sufficient capacity to procure property, commodities and services, Chemonics will procure the property, commodities or services and provide it to the grantee in-kind with a deed of donation. Equipment purchased directly by Chemonics will adhere to appropriate governing restrictions including the source and nationality requirements set forth in 22 CFR 228 and the authorized geographic code of the CCAP Task Order.

Equipment purchased under a simplified grant must have a shelf life of less than one year, and/or cost less than the equivalent of \$5,000; however equipment purchased under a standard grant and a fixed obligation grant are not subject to the same restriction.

Title to and final disposition of all equipment will vest with the grantee upon successful completion of grant activities and after Chemonics has provided a deed of donation and, for standard, in-kind, and simplified Grants, established a property disposition plan in coordination with the grantee. A form entitled, "Grant Completion Certificate and Property Disposition Report/Deed of Donation" will be used for this purpose. Equipment must be maintained and used by the grantee for the purpose proposed. The grantee shall purchase insurance for all non-expendable equipment and materials purchased with grant funds. The cost of such insurance is an allowable cost under the grant. In the event that the grantee is unable to obtain insurance for non-expendable equipment and materials or the cost of the insurance is high, the grantee shall notify CCAP of this fact in writing. Stolen equipment must be reported to the police immediately. A theft report must be attached to the List of Assets that is periodically submitted to CCAP and include an official statement or report confirmation from the police. If stolen equipment was uninsured, the cost of replacing the stolen equipment may not be an allowable cost under the grant.

If the grantee (under authorization from CCAP) procures equipment valued at \$500 or more, the grantee must record and report all payment of taxes assessed by the Government of Mozambique related to the commodity purchase transaction(s). The reporting requirements are contained in the Required as Applicable Standard Provision entitled "Reporting Host Government Taxes".

Unless otherwise specified in the Grant Agreement, non-expendable equipment (less than \$500 per unit) previously identified and budgeted in the grant do not require CCAP approval prior to purchase. However those not previously identified and budgeted in the grant do require CCAP prior approval.

# VIII. TERMINATION, SUSPENSION, AND MODIFICATION OF GRANTS

## 8.1 TERMINATION AND SUSPENSION

Per the grant agreement, CCAP and/or USAID reserve the right to terminate or suspend a grant for any of the reasons listed below. If termination or suspension is considered, it should only be undertaken after a full discussion with the USAID COR and CO or designee, CCAP's COP, and the Grants and Subcontracts Manager. USAID retains the right to terminate grant activities unilaterally in extraordinary circumstances.

Termination and suspension may be:

- *With consent of grantee:* CCAP may terminate or suspend the grant, in whole or in part, with consent of the grantee. Both parties shall agree upon termination/suspension conditions, including effective date and, in case of partial terminations, the portion of the award to be terminated. The bilateral agreement to terminate will be in writing.
- *Upon request of the grantee:* The grantee may terminate the award in whole or in part upon sending a written notice to CCAP. The notice must specify the reason for termination, the effective date, and, in case of partial termination, the portion to be terminated. If in the opinion of CCAP a partial termination will mean that the purpose of the grant will not be achieved, CCAP may terminate the award.
- *For convenience:* CCAP may terminate or suspend the grant, in whole or in part for any reason based on the convenience of CCAP or USAID. Under a termination for convenience, depending on the grant type, CCAP will pay for all costs incurred or milestones achieved at the time of termination and a pro-rata share of any deliverables or costs in progress.
- *For United States national interest:* If at any time USAID determines that continuation of all or part of the funding for a grant should be suspended or terminated because such assistance would not be in the national interest of the United States, or would be in violation of an applicable law, USAID may instruct CCAP to suspend or terminate the grant in whole or in part on an immediate basis.

Where possible CCAP will attempt to provide the grantee with 15 days advance notice of any suspension or termination. The length of suspension may be specified or processed on an open-ended basis.

If the grant is terminated for any reason, the project may request that the equipment and any remaining funds at the time of termination be returned to CCAP within 7 calendar days.

Reasons for termination include:

- *Termination for material failure:* CCAP may terminate or suspend the grant at any time, in whole or part, upon written notice to the grantee, whenever it is determined that the grantee has materially failed to comply with the Terms and Conditions of the

award. Termination should only be invoked when all other corrective measures have failed. If an activity is well designed, then failure to achieve the objective will most likely result from either a wholly unanticipated event or condition or negligence on behalf of the grantee.

- *Financial insolvency of grantee:* USAID and/or CCAP have the right to terminate in whole or in part, or suspend payments should the grantee become insolvent during performance of the activity.
- *For convenience:* described above.

Procedures for Termination:

*Termination or suspension initiated by CCAP:*

*Step 1.* The Grants and Subcontracts manager, in coordination with the relevant technical staff will present the case for Termination or Suspension to the CCAP COP.

*Step 2.* If the COP approves, a letter will be sent to the grantee outlining the problems observed and providing an explanation of a possible Termination or Suspension of the grant and soliciting to present solutions to resolve the problem (s). USAID will be copied on the letter.

*Step 3.* The grantee will have five days to respond in writing. During this period the grantee may analyze options with CCAP project staff. CCAP project staff is not authorized to commit the project to any course of action other than that determined by the COP in his letter to the grantee.

*Step 4.* Upon receipt of a written response from the grantee, or in the absence of a written response within the five-day period, the COP, in consultation with the Grants and Subcontracts Manager, technical staff, and the USAID CO will make a final determination as to termination or suspension and the conditions and timing for such termination and suspension. Once the decision is made, another letter will be sent to the grantee informing the grantee of the final determination and stipulating the last date by which eligible grant expenses may be incurred and under what conditions additional disbursements, if any, will be permitted.

*Step 5.* The grantee may seek arbitration by presenting a written request for arbitration to the COP within three days, using the procedures described in section 8.3 below. Pending a determination by arbitrators, grant expenditures will be deemed allowable and eligible as per the COP's termination or suspension letter. Any expenditure not allowable by the COP in his termination or suspension letter may be allowed if decided by the Chemonics Senior Vice President for the Southern Africa region based upon the recommendations by the arbitrators.

*Termination or suspension initiated by grantee:*

*Step 1.* The grantee may present the case verbally to the Grants and Subcontracts Manager. With or without such consultations, the legal representative of the grantee will in writing, request for termination or suspension to the CCAP COP, with his/her arguments for the necessity of that action, and proposed terms (timing, eligible costs, etc.) for termination or suspension.

*Step 2.* The COP will have five business days to respond in writing, during which time s/he will consult with CCAP staff, the grantee, beneficiaries, or third parties. If the COP accepts the request for termination, s/he will outline the conditions for termination or suspension (timing, eligible costs, etc.). If the COP does not accept the request, s/he will outline actions to be taken to improve the likelihood of the grant activities achieving the results expected.

*Step 3.* The grantee will have five business days to respond in writing to CCAP. During this period the grantee may analyze options recommended by the Grants and Subcontracts Manager; CCAP staff is not authorized to commit the project to any course of action other than that determined by the COP in his letter to the grantee. If the grantee accepts the terms of termination or suspension of the grant in writing from the COP, a copy of the COP 's letter to the grantee and the grantees written acceptance will be sent to the CCAP CO and kept in the project files. If the grantee wishes to continue negotiations as to continuance, suspension, or termination, a written response must be presented to the CCAP COP within five business days, with an additional five business days allowed for a written response from the CCAP COP.

*Step 4.* If either party feels the continuing of exchanges is not leading to a mutually successful outcome, i.e., if the grantee insists on termination or suspension, while CCAP does not agree, the grantee may seek arbitration by presenting a written request for arbitration to the COP within three business days. The arbitrators will be asked only to determine whether or not termination or suspension is merited. Pending a determination by arbitrators, grant expenditures will be deemed allowable and eligible as per the Terms of the grant. If the arbitrators determine that a termination is merited, at the discretion of the COP, this decision may be reviewed by Chemonics Senior Vice President for the Southern Africa region. If accepted by the COP, s/he will inform the grantee of the terms of termination or suspension, following the procedures outlined in 8.1 above.

## **8.2 MODIFICATIONS**

The CCAP project may modify a grant at will. Normally, any modification of a grant agreement requires the mutual written endorsement of the grantee and the CCAP COP in the form of a grant agreement modification (included in the Annexes). All modifications require a memorandum of negotiation to be completed by the Grants and Subcontracts Manager.

Types of Modifications:

- **Unfunded Modifications:** A written modification will be issued when there is a need for material alteration of a programmatic aspect of an agreement and when there is no impact on cost. This assumes that approved funds are still available. An illustrative example is when the achievement of the objective is in jeopardy and as a result of joint discussions; a plan for corrective action is developed. That plan would be sanctioned by issuance of the modification. Another example is a modification to the start date of the activity or completion dates to provide an extension in the event that unforeseen circumstances outside the control of the grantee impede the grantee's ability to meet the implementation plan timeline. The Grants and Subcontracts Manager will prepare the grant agreement modification notice in collaboration with the technical staff and the CCAP COP or SVP for the Risk Management Division (according to the approval threshold) will sign and approve.
- **Funded Modifications:** All modifications — technical or otherwise — that increase the value of a grant by more than 10 percent of the total approved grant amount must

be approved by the Grants and Subcontracts Manager, the COP or SVP for Risk Management (depending on the threshold), and subsequently the USAID COR or CO (depending on the threshold). All requests for a cost modification must be processed in accordance with the following criteria:

- Funded modifications will only be considered to address compelling, extreme circumstances that jeopardize the achievement of an activity objective(s).
- Poor planning by the grantee is not an acceptable rationale for requesting a cost modification.
- Cost modifications must be supported by a revised financial plan detailing the original approved line items, the revised line items and expenditures to date. Revised financial plans will be analyzed for soundness and completeness, with respect to the allowability of expenditures to date.
- A cost increase must always be driven by a revised implementation plan — not vice versa.
- The project must re-check the System for Award Management (SAM) database prior to issuing a funded modification.
- Budget realignment: All modifications that result in budget line-item adjustments, but do not increase the overall budget amount; require the written approval of the COP, depending on threshold, after consultation with the appropriate technical staff.

A grant agreement modification must conform to the format and content of the original grant agreement and be executed in two original copies (one for the grantee, one for CCAP).

### **8.3 ALTERNATIVE DISPUTE RESOLUTION**

Arbitration – In the event that any dispute arises concerning any aspect of a grant agreement that is not specifically addressed in the Terms and Conditions, it is hereby agreed that the matter will be presented to the TEC and the COP, and such committee and COP will be the final and binding arbitrator of such dispute. The COR and CO will be informed of all arbitration decisions.

# IX. GRANT COMPLETION CLOSEOUT AND RENEWAL

## 9.1 GRANT COMPLETION DATE

All activities of a grant financed with CCAP funds will be completed or cease on the grant completion date specified in the grant agreement, unless CCAP provides approval of extension in writing prior to the specified Grant Completion Date. In all cases, Grants should be closed out rapidly upon completion of the grant activities so that unspent funds can be made available for new Grants. It is recommended that Grants are closed out within six weeks of the completion date.

## 9.2 COMPLETION REPORT AND CLOSEOUT

Under the terms of the grant agreement, the grantee may be required to submit a completion report (included in the Annexes) to Chemonics within 30 days after completion of activities. CCAP reserves the right to withhold all or partial payment pending receipt of an acceptable completion report. The report will include the following sections:

- Technical narrative report section, to be reviewed and approved by the component leader. This section includes:
  - A summary of the activity objectives and achievements. A summary of the activity implementation process, lessons learned, and recommendations.
- Justification if any deliverable or milestone was not accomplished.
- Financial report section (depending on grant type). This section includes:
  - Grant funds reconciliation: Under grants with advances, the expenditures substantiated by the backup documentation should match the funds disbursed or the advances provided. The grantee shall reimburse CCAP for any differences between disbursements and approved expenditures. CCAP will follow up (letters, phone calls and even site visits) with the grantees that have pending balances.
  - Inventory report and disposition plan for all goods over \$500.
  - Bank reconciliation report for grants with advances.

Finally, the completion report shall be submitted to the relevant technical advisor and the Grants and Subcontracts Manager for review and final approval. If the advisor or Grants and Subcontracts Manager determine that the report is inadequate or incomplete, the report will be returned to the grantee for rectification and resubmission.

If the completion report, if required, is deemed acceptable and all other requirements have been met, the Grants and Subcontracts Manager or designee will prepare a Grant Completion Certificate and Property Disposition Report/Deed of Donation (included in the annexes), which upon signature by the grantee and the COP serves to formally close the grant file. All obligations (technical and financial) on both parties, with the exception of CCAP's right of inspection and the grantee's record-keeping obligation (specified in the grant agreement), are deemed to be fulfilled.

CCAP reserves the right to de-obligate funds under a grant agreement and demand that a grantee refund any amount of the grant that is found not to have been expended in a reasonable, allowable and allocable manner by the grantee according to the terms and conditions of the grant agreement. This includes any amount that was paid to the grantee for expenses not actually incurred (i.e. not supported by acceptable supporting documentation), and unliquidated advance balances. All communications and other relevant documents must be maintained in the grantee file.

In some cases, despite CCAP's best efforts, CCAP and the grantee may be unable to reach resolution regarding the final costs incurred and the grantee may be unwilling to sign the Grant Completion letter. In these cases, the Grants and Subcontracts Manager shall document the file stating the efforts made to reach resolution, the final costs incurred according to CCAP's records, and the status against the achievement of technical objectives. This will serve to close out the grant file.

### **9.3 DISPOSITION OF EQUIPMENT**

All equipment procured under standard, simplified, or in-kind grants, which include any single item having a useful life over one year and an acquisition cost of \$5,000 or more per unit in accordance with the definition of equipment in the Mandatory Standard Provisions entitled "Title to and Use of Property (June 2012)", will be included in the grant budget and grant agreement. All equipment listed in the grant must promote achievement of grant objectives, and final disposition will remain with the grantee upon signature of a deed of donation and following successful completion of the grant. If the grant is terminated for any reason, the project may request that the equipment be returned to CCAP within 7 calendar days.

For non-expendable equipment valued at \$500 and higher, the grantee will be required to maintain an inventory and submit an inventory report and disposition plan for CCAP's approval.

Under Fixed Obligation grants, for commodities that are incidental to milestone achievements, disposition equipment occurs at the time of purchase by the grantee and title will vest with the grantee, unless otherwise stated in the grant agreement. For equipment that is purchased that is described as or included within the milestone, title to and final disposition will remain with the grantee following successful completion of the grant and upon signature of a deed of donation, unless otherwise stated in the grant agreement. Chemonics will provide the deed of donation as part of the grant close out procedures. A form entitled, "Grant Completion Certificate and Property Disposition Report/Deed of Donation" will be used for this purpose as discussed above.

### **9.4 FOLLOW-ON AWARDS**

As an activity comes to closure, a grantee may request consideration for a follow-on grant. Chemonics processes requests for follow-on grants on a case-by-case basis, with the best interests of the project being of paramount importance, and in full compliance with ADS 303.3.6.6, Exceptions to Competition discussed in Section 4.8. In cases where a grantee would like CCAP to consider a request for a follow-on award, there are three primary considerations:

- First, the request is based on a continuation of the current grant activity. In other words, the renewal does not present a major shift in technical focus or content from the original grant. If the shift is major, then the request is in fact an application for a new grant activity and the concept of renewal is negated.
- Second, it is expected that the grantee will have gained technical insight and built capacity by means of lessons learned during original grant implementation. As such, these lessons learned should be clearly evident in the renewal request and contribute to overall activity impact.
- Finally, it is assumed that the original grant will have included activity design and development tasks, and those costs were fully recovered. Therefore, the renewal should only contain modest design development costs required to absorb lessons learned into the renewal implementation plan.

In addition to the considerations above, renewal awards are subject to the same limitations specified in Section III regarding ineligible activities, funding limitations, etc.

A follow-on award, defined as activities that are the same as or substantially similar to those included in a recently expired previous grant with the same entity, can be requested and processed similarly to a new application. Instead of completing a grant concept paper, the applicant should draft a letter to CCAP requesting renewal. CCAP will conduct an internal evaluation of the request to assess:

- Grantee implementation performance with respect to technical work plan
- Whether results address critical needs of beneficiaries
- Whether program results further CCAP's overall objective
- Current CCAP project priorities and funding limitations
- Whether the renewal would assist the applicant to come to closure on defined objectives or transition to other funding source(s)
- Applicant administrative performance
- Applicant commitment to cost containment
- Applicant responsiveness to CCAP guidance and direction

If the CCAP COP, in coordination with the Grants and Subcontracts Manager and the technical staff, determines that the renewal would be in the best interest of the project, the Grants and Subcontracts Manager will authorize the applicant to develop a full application for TEC consideration. The application will be reviewed and approved using the same procedures contained in Sections V and VI. If CCAP determines that the renewal would not be in the best interest of the project, the Grants and Subcontracts Manager or designee will advise the applicant accordingly.

# ANNEXES

## ANNEX A SIMPLIFIED GRANT AGREEMENT TEMPLATE

*This template is for **Simplified Grants to non-US Organizations**. Follow the instructions throughout, remember to insert project name or other text where applicable, and delete all italicized text (instructions for filling out template) throughout—it's highlighted in grey, like this text. If you have any questions, please contact the PMU or the Grants Department. All disbursements made under a Simplified Grant must be supported by complete receipt documentation. Also, under a Simplified Grant:*

- *Changes cannot be made to the text of this template without advance approval from the director of the grants department.*
- **Per ADS 303 dated June 28, 2012, simplified grants may not exceed \$150,000 per grant.**
- *Before selecting this Grant Agreement template, first read [Chemonics Guidance on ADS 303](#).*
- *Advances are generally not allowed under a Simplified Grant, per Chemonics' [guidance](#). If advances are needed, award a Standard Grant and use the Standard Grant Agreement template. Advances are limited to the thresholds defined in ADS 303 and Chemonics' policy.*
- *Per ADS 303.3.9.2.d, a special award condition clause has been added.*
- *Indirect costs are not allowed. However, it is possible to bill directly for the types of costs typically included in an organization's indirect rate structure (ex. office rent, utilities, etc.).*
- *International airfare is allowed as long as Required as Applicable Standard Provision "Travel and International Air Transportation" is included.*
- *No single item over \$5,000 may be procured by the grantee unless specifically authorized in the grant agreement. If authorized, read Chemonics Guidance on ADS 303 to determine if Chemonics or the grantee will be responsible for conducting the procurement. Select the appropriate procurement clause, as provided in this template.*
- *For procurement of commodities and services, please see [Chemonics Guidance on ADS 303](#) to determine if Chemonics or the grantee will be responsible for procuring commodities and services under the Grant Agreement. See Clause 25 for the options.*
- *Grant agreements must be in English. If grant agreements are translated, they should be translated using a professional translator in a side-by-side format with a statement that in case of dispute, the English version shall prevail (ADS 303.3.19), per Clause 36 below.*
- *If the total value of this grant is under the Chief of Party's Delegation of Authority, then the Chief of Party is authorized to execute this agreement. However, if the total value is above the COP's DOA, then it needs to be 1) reviewed by the Grants Department prior to any execution and prior to seeking USAID approval, and 2) executed by the Senior Vice President of Contracts.*
- *All grants are negotiated, denominated and paid in local currency. The USD equivalent is stated in the memorandum of negotiation, but NOT in the grant agreement. The memorandum of negotiation template can be found on the QMS [here](#).*
- *Please review the entire template. **Yellow highlights represent template language that will need to be tailored to the grant.** Grey text denotes guidance and additional information.*
- **Please note that per changes to ADS 303 dated August 22, 2013, construction is no longer authorized under grants. (ADS 303.3.30).**

## USAID Coastal City Adaptation Project

Simplified Grant Agreement No. \_\_\_\_\_

**“Insert Grant Title”**

The Coastal City Adaptation Project is financed by the United States Agency for International Development (USAID) and implemented by Chemonics International Inc., hereinafter referred to as “Chemonics.” In accordance with the Terms and Conditions detailed below, Chemonics and the Grantee enter into this Grant Agreement.

### Terms & Conditions

1. Grantee:
2. Agent of Grantee and Title:

Address:

Telephone:

Fax:

E-mail:

DUNS #: *This is the Dun and Bradstreet number which is required for all grants over \$25,000. See the grants department for instructions about how to obtain this number.*

3. Agent of Chemonics and Title: *This is the person authorized to sign the grant agreement within his/her delegation of authority.*

Point of Contact of Chemonics and Title: *If this is the same as the Agent, you may delete this reference.*

USAID Coastal City Adaptation Project

Address:

Telephone:

Fax:

E-mail:

4. Grant Title:
5. Grant Agreement No.:
6. Grant Start Date: *Grant start and completion dates should be written out, for example: December 1, 2011.*
7. Grant Completion Date:
8. Grant Activity Description: *Provide a brief description of grant objectives.*
9. Final Approved Grant Budget is shown as Annex 1; the total Chemonics Grant Budget Commitment in Mozambican Meticaís for this grant is: **INSERT AMOUNT**. Chemonics is not obligated to reimburse the Grantee for the expenditure of amounts in excess of the approved budget amount. The availability of grant funding is subject to the availability of funding from USAID.

*If in-kind contributions are expected, leave the sentences below. If not, delete them. An in-kind contribution means that Chemonics will pay for a commodity or service on behalf of the Grantee. It is important to distinguish in the budget and in the grant agreement the specific items and their related costs being paid for in-kind. It is a best practice to provide commodities or services in-kind for several reasons, including avoiding cash flow issues, avoiding providing an advance, and (most commonly) because the Grantee does not understand USAID procurement rules/regulations. Chemonics will provide for **INSERT LOCAL CURRENCY** as an in-kind*

donation. This in-kind donation includes: **LIST BELOW IN BULLETS ALL COMMODITIES/SERVICES AND THEIR TOTAL VALUES BEING PROVIDED IN-KIND.**

*The language below is optional. Based on the total value of the grant, the results of the pre-award responsibility determination, and the prime contract obligated amount, you have the option of incrementally obligating the grant.* This grant is incrementally obligated. Chemonics hereby obligates the amount of **INSERT LOCAL CURRENCY** as available funds under this grant. The Grantee is responsible for informing Chemonics in writing when 75 percent of obligated funds have been spent and for requesting a new obligation.

10. *Note that all cost share contributions must be substantiated by the Grantee with receipts. It is a best practice to only include cost share when it is required by your contract. You have two options for clauses. Option A is if cost share is a requirement. Option B is when cost share is not a requirement but you would like to include a grantee contribution. If you are not required to have cost share and do not wish to have a grantee contribution, this clause may be deleted.*

**Option A** Grantee Cost-Share – The total value of the contribution to this activity by the Grantee is **INSERT COST SHARE AMOUNT IN LOCAL CURRENCY**. The total activity budget is **TOTAL ACTIVITY BUDGET AMOUNT IN LOCAL CURRENCY** of which the Grantee cost share represents **XX%** and the Chemonics Grant Budget Commitment represents **XX%** of the total activity budget.

**Option B** Grantee Contribution – The total value of the contribution to this activity by the Grantee is **INSERT GRANTEE CONTRIBUTION AMOUNT IN LOCAL CURRENCY**. The total activity budget is **TOTAL ACTIVITY BUDGET AMOUNT IN LOCAL CURRENCY** of which the Grantee Contribution represents **XX%** and the Chemonics Grant Budget Commitment represents **XX%** of the total activity budget. The Grantee Contribution is not Cost-Share.

11. Incorporated Documents – The following documents, hereinafter referred to as “Incorporated Documents,” are hereby agreed to be an integral part of this Agreement.

#### Annex 1. Grant Application and Final Approved Grant Budget

*Please make it a practice to mark ‘Final’ on the final negotiated budget. Often times many versions are created during negotiation, and it can become unclear which version is final.*

#### Annex 2. Mandatory and Required as Applicable Standard Provisions for Non-U.S. Nongovernmental Organizations

*For each individual grant agreement you must indicate which of the Required as Applicable Standard Provisions apply. Not all RAASPs apply for each grant. You must go through the list and check off those that apply. [Here](#) is the checklist to use. Note: The full text of the Mandatory Standard Provisions and applicable RAASPs must be provided to the grantee.*

#### Annex 3. Certifications and Assurances

*You must tailor this to your grant program; not all countries require all certifications (some are only for ‘covered countries’ – see Clause 38) and some certifications are only required for grants over \$100,000. All certifications are listed below, but in most cases, not all certifications must be signed. All certifications are listed below, but in most cases, not all certifications must be signed. To figure out which certifications your grants must include use the [Required Certifications Tool](#).*

- a. Assurance of Compliance with Laws and Regulations Governing Nondiscrimination in Federally Assisted Programs
- b. Certification on Lobbying

- c. Certification Regarding Terrorist Financing
- d. Key Individual Certification Narcotics Offenses and Drug Trafficking
- e. Participant Certification Narcotics Offenses and Drug Trafficking
- f. Certification of Recipient
- g. Representation by Corporation Regarding a Delinquent Tax Liability or a Felony Criminal Conviction (Deviation OAA-DEV-14-02c) (August 2014)

#### Annex 4. Branding Strategy and Marking Plan

*Each grant must have a branding strategy and marking plan, which should be in accordance with the contract and its approved branding strategy and marking plan. Use the template found [here](#). For each individual grant, the grant manager should walk the Grantee through the branding strategy and marking plan and come up with an individual plan that makes sense for that particular grant.*

#### Annex 5. Environmental Screening Checklist and Mitigation Plan

*Per 22 CFR 216 no grant funds shall be disbursed until documentation exists that the project will not have detrimental environmental impact. USAID regulations specify that no funds shall be disbursed for grant activities except those qualifying for a Categorical Exclusion or already covered by an existing Environmental Review and Evaluation. The grants manager will work with the project's Initial Environmental Examination (IEE) to ascertain what type of environmental assessment is needed (Environmental Impact Assessment, Environmental Review, Environmental Evaluation, or other type of requirement).*

#### Annex 6. Instruction Packet for Grantees

*Not all projects have these, but it is a resource for Grantees that is highly recommended. To see examples of these, look [here](#).*

#### Annex 7. Financial and Progress Report Templates *(to be tailored to each project's grant program)*

*This list may not be exhaustive and you may tailor it to your grants program. If there are other documents that should be incorporated please include them.*

12. Compliance with U.S. Laws; Regulations Incorporated by Reference – The Grantee agrees to adhere to applicable U.S. laws and regulations, including the following regulations incorporated by reference: 22 CFR 226 and OMB Circular A-122.
13. Order of Precedence – In the event that any parties believe there is a conflict of intent or interpretation between any sections of this Grant Agreement and the Incorporated Documents and References listed under **Clauses 11 and 12** above and **34** below, the order of precedence shall be: first, the Certifications, second, the Mandatory and Required as Applicable Standard Provisions, third 22 CFR 226 and OMB Circular A-122, fourth, the Grant Agreement, and finally, any additional documents listed above.
14. Allowable Costs – The Grantee shall neither request nor be reimbursed for expenditures incurred that are not allowable costs under this Agreement as detailed in the Final Approved Grant Budget in Annex 1 or that are in excess of the Chemonics Grant Budget Commitment. Costs allowed are those that are both included in the Final Approved Grant Budget and allowable under all applicable USAID, Chemonics, and Grantee regulations including OMB Circular A-122. The Grantee is authorized up to ten percent (10%) flexibility to adjust costs among line

major items of the Final Approved Grant Budget, as long as the Chemonics Grant Budget Commitment is not exceeded.

15. *This is based on ADS 303.3.9.2.d. SACs are also contained in the memorandum of negotiation. If there are no special award conditions, delete this clause.* Special Award Conditions – Based on the result of the pre-award responsibility determination, this grant contains the following special award condition(s) (SAC):

<b>Description of Special Award Condition(s)</b>	<b>Purpose and Justification of Special Award Condition(s)</b>	<b>Time frame for Meeting Condition(s)</b>
<p><i>Describe the special award condition as it appears in the grant agreement.</i></p> <p><i>Example: More frequent financial reporting: The Grantee will submit financial reports on the 10<sup>th</sup> and 25<sup>th</sup> of each month.</i></p>	<p><i>Describe the purpose and rationale for including this condition and explain how the condition will mitigate the risk.</i></p> <p>To increase understanding of financial reporting requirements and assist in establishing reporting routine.</p>	<p><i>State the time frame for meeting each special award condition.</i></p> <p>Six months from Grant Start Date</p>

Within **one month** (*adjust the date as appropriate – review may also happen each month*) of grant award, Chemonics will conduct a review of the grantee’s systems to verify compliance with the above-stated SAC(s). Continuation of the grant is predicated on the grantee correcting the SAC(s) in the time frame stated above. Once the SAC(s) have been satisfied and its/their conditions fully met, Chemonics will modify the grant agreement to remove the SAC(s). For SACs that cover the entire period of award, this is stated above in the time frame column.

16. Authority of Agents – It is agreed that the designated agents on behalf of the Grantee and Chemonics, as identified in Clauses 2 and 3 above, have unrestricted and sole authority to represent their respective organizations in all matters related to this Grant Agreement.
17. Statement on Objectives of Grant – The Grantee agrees that all funding disbursed under this Grant Agreement shall be used exclusively towards the attainment of the proposed Grant Activity Description as described in Clause 8. Furthermore, if at any time the Grantee should determine that achievement of the stated objectives is no longer feasible, for any reason, the Grantee agrees to notify Chemonics in writing immediately to initiate discussion on steps to be taken.
18. Period of Grant – With reference to Clause 6, Grant Start Date, and Clause 7, Grant Completion Date, it is agreed that all activities financed with Chemonics funds will be completed within the period of the grant unless Chemonics’ Grant Agent provides approval of extension in writing prior to the specified Grant Completion Date. Chemonics will not finance any activities completed outside of the period of the grant without the aforementioned approval. It is the Grantee’s responsibility to request an extension if needed at a minimum of 30 days in advance of the Grant Completion Date.

19. Modification – The Grant Agreement may only be modified by issuance of a formal written Grant Agreement Modification jointly executed by the Grantee’s Agent and Chemonics’ Agent.
20. Disbursement of Funds (Reimbursement Basis) – All disbursements to the Grantee will be made on a cost-reimbursement basis in local currency, either by check or bank transfer to the Grantee’s account in Mozambique. The Grantee will submit a request for reimbursement with the monthly Financial Report described below. If the reporting is complete and approved by Chemonics, the reimbursement will be processed within 10 days of receipt. If Chemonics requires additional information or documentation regarding any individual cost(s) in a reimbursement request, Chemonics will withhold payment for those costs until all requested information is provided and the cost is approved, but will not delay payment for the other costs approved for reimbursement. **Note that Per ADS 303.3.30 and the ADS 303 Mandatory Reference entitled, “USAID Implementation of Construction Activities” dated August 22, 2013, construction is not eligible for reimbursement under this grant. Construction also includes improvements, renovation, alteration, and refurbishment.**
21. Grantee Fiduciary Responsibilities – The Grantee accepts the responsibility for the:
- Establishment of a separate and segregated financial accounting system that will effectively and properly record and report the deposit and expenditure of all funds disbursed under this Agreement. For purposes of control and review this may be a simple dual entry ledger and journal system that meets generally accepted accounting standards and financial control requirements.
  - Proper, fully documented expenditure and accounting of all funds disbursed/reimbursed under this Agreement as per guidelines established by USAID, Chemonics, this Agreement, and the Grantee;
  - Full, transparent, accountable and timely reporting to Chemonics of all funds disbursed/reimbursed under this Agreement.

The Grantee acknowledges its full understanding of the following:

- That its failure to fully execute the abovementioned responsibilities may result in Chemonics requesting the Grantee to refund some or all of the funds disbursed under this Agreement;
  - That the Grantee hereby promises to make such refunds immediately if requested by Chemonics; and
  - That its failure to fully execute the above mentioned responsibilities may result in the termination of this Agreement by Chemonics.
22. Reporting Requirements – All reports should be clearly marked with the Grant number assigned above, and submitted to the Chemonics Agent or Point of Contact identified in Clause 3 above, or sent by email, marked with the Grant number, to **INSERT EMAIL ADDRESS**. The Grantee agrees to the following financial and programmatic reporting requirements and schedule:
- a) **Financial Reporting:** The Grantee shall submit a monthly financial report, using the format in **Annex 7**, accompanied by copies of all receipts and other supporting documentation. The monthly Financial Reports should be submitted by no later than the **15<sup>th</sup>** (*adjust the date as appropriate*) day of the following month. The Financial report shall include:
- Financial Expenditure Report; and
  - Copies of individual bona fide receipts (required for ALL expenditures, including expenditures under sub-awards).

The request for reimbursement or advance liquidation shall include a certification signed by an authorized representative of the Grantee, as follows:

*The undersigned hereby certifies: a) that payment of the sum claimed as total spent in this*

*request is proper and due and that all funds were expended solely for the purposes described in the Grant Agreement and in accordance with all of the terms and conditions therein; b) that appropriate refund or credit to Chemonics will be made in the event of a subsequent disallowance in accordance with the terms of the Agreement, for nonperformance in whole or in part under the Grant Agreement; c) that information in the financial report is correct and any detailed supporting information as Chemonics may require will be furnished by the Grantee promptly upon request; and, d) that all requirements called for by the Grant Agreement have been met up to the date of this certification.*

BY: \_\_\_\_\_

Name:

Title:

Date:

- b) **Progress Report.** The Grantee shall submit a monthly progress report. Monthly progress reports are on average approximately 5 pages in length and should be submitted no later than the 10<sup>th</sup> of each month. Chemonics will provide the Grantee with guidance regarding report content including, but not limited to, indicators that should be reported. Chemonics reserves the right to withhold reimbursement pending timely submission of monthly progress/narrative reports.

*This should be modified to meet needs of individual grants. Not all grants will require monthly reports, and it may not be realistic to expect monthly reports. This could be changed to quarterly, or the period of performance is short, the only report might be the completion report.*

- c) **Grantee Completion Report.** Within 30 days after completion of all Grant activities the Grantee will be required to submit a Grantee Completion Report. The report will include the following sections:
- A summary of the activity objectives and achievements;
  - A summary of the activity implementation process, lessons learned and recommendations;
  - Description of project impact and results, based on the indicators presented in the application as well as any other anecdotal information, stakeholder or observer commentary;
  - A discussion of how Chemonics' grants funding contributed to the objectives of the program.
  - A final financial report summarizing total expended by category. Any variation of more than 10% per major expense category must be accompanied by Chemonics' written approval to exceed a major expense category by more than 10% (reference Clause 14 Allowable Costs of this Agreement).

Chemonics reserves the right to withhold final reimbursement until the Grantee Completion Report has been received and is considered acceptable. Upon review and acceptance by Chemonics of the Grantee Completion Report including all required administrative and financial reports, Chemonics will provide the Grantee with a Grant Completion Certificate that will serve to close the Grant.

23. **Audit and Financial Record-Keeping and Reporting** – The Grantee agrees to meet and maintain the standards as set forth under 22 CFR 226. Chemonics may audit the Grantee in accordance

with the requirements in the Mandatory Standard Provision “Accounting, Audit, and Records.” The Grantee is required to maintain all grant-related financial records in accessible and auditable condition for three years after the completion of the grant activity. In addition, Chemonics reserves the right to audit the Grantee at any time during or after the Grant Completion Date.

24. Foreign Tax Reporting – The Grantee hereby agrees to record and report all payments of taxes assessed by the Government of Mozambique on eligible commodity purchase transactions(s) in accordance with the requirements for Foreign Tax Reporting detailed in the Required As Applicable Standard Provision “Reporting Host Government Taxes.” The Grantee agrees to request VAT exemption for purchases financed by the Grant Agreement. *(Include this last sentence only if applicable. Since VAT is handled differently in every country, you will need to collaborate with USAID about the approved approach for dealing with VAT.)*
25. *Include this clause only if the grant activity will generate program income. There are two options for this clause. Option # 1 is for non-profit organizations and Option # 2 is for for-profit commercial organizations. This is as per the “Program Income” Required As Applicable Standard Provision.*

**Option #1 for non-profit organizations:** Program Income – Program income earned during the period of the grant shall be retained by the Grantee and added to the funds committed by Chemonics and the Grantee to this grant activity. Program income shall be used to further the objectives of the grant. Program income is defined as gross income earned by the Grantee that is directly generated by a supported activity or earned as a result of this grant. The Grantee agrees to include a summary of Program Income earned in the monthly progress report.

**Option #2 for commercial organizations:** Program Income – Program income earned during the period of the grant will be deducted from the U.S. government share of this award. Program income is defined as gross income earned by the Grantee that is directly generated by a supported activity or earned as a result of this grant. This program income is reflected in the final approved budget in **Annex 1**.

26. *NOTE: Per [Chemonics Guidance on ADS 303](#), if the Grantee does not have the capacity to procure in accordance with USAID procurement regulations, it is a Chemonics best practice to procure on behalf of the Grantee and provide the equipment/services as an in-kind contribution. Choose the first option of clause 26 if the grantee is authorized to procure equipment and choose the second option of clause 26 if the grantee is not authorized to procure equipment.*

**Option #1:** Procurement of Commodities and Services – The Grantee is authorized to conduct the procurement of commodities and/or services as detailed in the approved Grant Budget in **Annex 1**. For any procurement transaction over the local currency equivalent of \$3,000, the Grantee shall send Chemonics the following documentation for Chemonics’ review and advance written approval.

- Specifications for the equipment/scope of work for services;
- At least three quotations from suppliers or service providers;
- Memo with summary of competitive process, description of evaluation; and recommendation for selected vendor.

If Chemonics’ advance approval is not received, Chemonics reserves the right to refuse reimbursement to the Grantee for the procurement. In addition, for any transactions above the local currency equivalent of \$500, the documentation stated above must be included in the monthly financial reports referenced in **Clause 22** above. Procurement under this Agreement, including sub-agreements, shall be conducted in full compliance with USAID regulations governing procurement under grants. The Grantee should refer to Mandatory Standard Provisions “Procurement Policies” and “USAID Eligibility Rules for Procurement of Commodities and Services”, for more details on procurement procedure regulations. Under no circumstances may the Grantee procure Ineligible Commodities and Services (military

equipment, surveillance equipment, commodities and services for support of police or other law enforcement activities, abortion equipment and services, luxury goods and gambling equipment, or weather modification equipment), and the Grantee must have prior written approval by Chemonics to procure Restricted Commodities (agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, pesticides, used equipment, U.S. Government-owned excess property, or fertilizer). In the event the grantee procures any Ineligible Commodities/Services or any Restricted Commodities without prior written approval, Chemonics will not reimburse the Grantee for these procurements.

***OR, Option #2:***

Procurement of Commodities and Services - The Grantee is not authorized to procure any commodities or services under this Grant Agreement. If there are commodities and services in the approved Grant Budget in **Annex 1**, Chemonics will procure the commodities and services on behalf of the Grantee. If the Grantee procures these commodities and services, Chemonics reserves the right to refuse reimbursement to the Grantee for the procurement. In exceptional cases, Chemonics may authorize the grantee in writing to procure commodities or services. In such cases, Chemonics will review and approve all procurement documentation in advance of the procurement. Procurement under this Agreement, including sub-agreements, shall be conducted in full compliance with USAID regulations governing procurement under grants. The Grantee should refer to Mandatory Standard Provisions “Procurement Policies” and “USAID Eligibility Rules for Procurement of Commodities and Services”, for more details on procurement procedure regulations. Under no circumstances may the Grantee procure Ineligible Commodities and Services (military equipment, surveillance equipment, commodities and services for support of police or other law enforcement activities, abortion equipment and services, luxury goods and gambling equipment, or weather modification equipment), and the Grantee must have prior written approval by Chemonics to procure Restricted Commodities (agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, pesticides, used equipment, U.S. Government-owned excess property, or fertilizer). In the event the grantee procures any Ineligible Commodities/Services or any Restricted Commodities without prior written approval, Chemonics will not reimburse the Grantee for these procurements.

27. *Note: This is based on the changes to the regulations dated June 28, 2012. Per the Mandatory Standard Provision “USAID Eligibility Rules for Procurement of Commodities and Services”, when the total procurement element of the grant is valued at the local currency equivalent of \$250,000 or less, the authorized geographic code for procurement of commodities and services is 935. Source and Nationality – The authorized geographic code for procurement of commodities and services is 935, “Special Free World”. The grantee will follow the Mandatory Standard Provision “USAID Eligibility Rules for Procurement of Commodities and Services”, and such commodities and services must meet the source and nationality requirements set forth in 22 CFR 228.*
28. *NOTE: This clause is based on the changes to the regulations dated June 28, 2012. If your grant manual contains language that the CO must approve disposition for grantees, please get in touch with the grants department to discuss options.* Disposition of Property - Per the Mandatory Standard Provision “Title To and Use of Property”, property procured under this Agreement will vest with the Grantee upon completion of the Agreement and after the Grantee has signed a Chemonics provided form entitled “Property Disposition Report and Deed of Donation.” If the Agreement is terminated as described in Clause **33**, all Property shall be returned to Chemonics within 7 days of the termination date. The Grantee will use and conserve the property for the purposes of the grant, as specified in Mandatory Standard Provision “Title to and Use of Property.”
29. *You must ensure that the Grantee understands what a conflict of interest is and that anyone involved with the grant must be free of COI and the Grantee report any instances of COI to*

**Chemonics.** Conflict of Interest – All Grantee staff involved with a Chemonics-financed grant activity must be free of real or apparent conflict of interest. If the Grantee becomes aware of any real or potential conflict of interest, the Grantee’s agent shall immediately notify the Chemonics’ Agent in writing.

30. Right of Visitation and Inspection – Through its authorized representative, Chemonics shall have the right, at all reasonable times, to inspect or otherwise evaluate the work being performed as a result of the grant. Chemonics shall have the right to inspect documents related to the performance of the project and to require additional explanations and information from the Grantee. Chemonics agrees to conduct any site visits in a manner that does not impede the day-to-day operations of the Grantee. USAID will also have direct and unrestricted access to the Grantee’s Chemonics-related financial records, reports, supporting documentation, etc. Chemonics and USAID have the right of visitation and inspection for three years following the end date of the grant, per 22 CFR 226.53.
31. Arbitration – In the event that any dispute arises concerning any aspect of this Grant Agreement that is not specifically addressed in these Terms & Conditions, it is hereby agreed that the matter will be presented to the USAID Coastal City Adaptation Project Grants Evaluation Committee, and such committee will be the final and binding arbitrator of such dispute. The Chief of Party chairs the committee and will have final authority in resolving disputes.
32. Liability –The Grantee agrees that under no circumstances will it hold Chemonics, USAID, and the USAID Coastal City Adaptation Project liable for any claims by the Grantee or any third party for damages arising from the implementation of any activity funded under this Grant Agreement. The Grantee assumes full responsibility for compliance with the laws and regulations of the Government of Mozambique.
33. Grant Termination or Suspension – Per the Mandatory Standard Provision “Award Termination and Suspension”, this Grant Agreement may be terminated or suspended for an indefinite period with advance written notice by Chemonics or the Grantee for the reasons stated in the “Award Termination and Suspension” Standard Provision and the following:
  - a) **For Cause.** Should Chemonics or the Grantee determine that it is unlikely that the “Objective of Grant” will be achieved or if any of the Terms and Conditions of this Agreement are not adhered to by either party;
  - b) **For Convenience.** In the event USAID stops, delays, or transfers the services of or funding to Chemonics for any reason. Chemonics serves at the convenience of USAID, and may be impeded by the actions of USAID in executing this Grant Agreement;
  - c) **For Mutual Convenience.** The parties may withdraw from this Agreement by mutual consent affirmed in writing;
  - d) **For Force Majeure.** By written notice by either party of the occurrence of an event of “force majeure,” that is, an event that prevents completion of the grant activities or prevents grant funding that is beyond the control and without the fault of either party;
  - e) **Gross Negligence or Malfeasance.** In the event of gross negligence or malfeasance on the part of the Grantee including any incidence of fraud, Chemonics may terminate the Grant Agreement immediately. Chemonics will notify USAID in writing at least five (5) days prior to proceeding with a termination based on failure to comply with the terms and conditions of an award.
  - f) **USAID.** USAID retains the ability to terminate the grant activities unilaterally in extraordinary circumstances.

The Grantee hereby agrees that it will hold Chemonics, USAID, and USAID Coastal City Adaptation Project blameless in the event of termination or suspension of this Agreement for any reason.

34. Mandatory and Required As Applicable Standard Provisions – The Grantee agrees to abide by the terms of the Mandatory and as Required As Applicable Standard Provisions as cited at <http://www.usaid.gov/policy/ads/300/303mab.pdf> and Annex 2 of this Grant Agreement respectively. This Agreement is being awarded and administered by Chemonics as an authorized USAID Contractor. References to the “USAID Agreement Officer” or “Grant Officer” and “USAID” or “AID” in such Standard Provisions shall hereby be deemed to refer, respectively, to Chemonics’ designated Chief of Party for the USAID Coastal City Adaptation Project.
35. Branding and Marking Strategy –Pursuant to ADS 320.3.3.2, all Grantees are required to have an approved branding strategy and marking plan incorporated into their Grant Agreement (Annex 4). The Grantee will provide the contractor with their branding strategy and marking plan at the time of award using a template provided by Chemonics.
36. Controlling Language – In the event of ambiguity or discrepancy between the English and Portuguese versions of this Grant Agreement, the English version shall control. *(Only include this clause if the grant agreement includes a translation in another language.)*
37. Prohibition against Support for Terrorism – The Grantee is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Grantee to ensure compliance with these Executive Orders and laws. The grantee must include this provision in all contracts and sub-grants, issued under this grant.
38. *(Clause # 38 must be included in all grant agreements.)* Prohibition of Assistance to Drug Traffickers – Chemonics reserves the right to terminate this Agreement, to demand a refund or take other appropriate measures if the Grantee is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140. The undersigned shall review USAID ADS 206 to determine if any certifications are required for Key Individuals or Covered Participants. *For grants in covered countries when the grant includes any training, the following sentence must also be included,* “USAID reserves the right to terminate assistance to or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.” *To determine if you work in a covered country per ADS 206, effective October 1, 2011, per Presidential Determination No. 2011-16 of September 15, 2011 (<http://www.gpo.gov/fdsys/pkg/FR-2011-09-26/html/2011-24887.htm>), the Presidential Determination on Major Illicit Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2012 are: Afghanistan, The Bahamas, Belize, Bolivia, Burma, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, India, Jamaica, Laos, Mexico, Nicaragua, Pakistan, Panama, Peru, and Venezuela.*
39. Anti-Trafficking in Persons - Chemonics prohibits Trafficking in Persons as defined in Mandatory Standard Provision “Trafficking in Persons.” No employee, consultant, agent, or volunteer employed by the Grantee shall: engage in any forms of trafficking in persons (as defined in the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children, supplementing the UN Convention against Transnational Organized Crime), procure a commercial sex act, or use forced labor. If a person employed by the Grantee is made aware that a Grantee employee, consultant, subcontractor, agent, vendor, or volunteer has engaged in conduct that violates this policy, s/he must notify Chemonics immediately. Failure to do so could result in Grant Agreement termination.

**Statement of Agreement**

If after having reviewed in its entirety this Grant Agreement, you in your capacity as your organization’s designated Agent fully and unconditionally agree with all of the above, you may enter into this Grant Agreement with the Chemonics by initialing each page and affixing your signature below. The Grantee represents that the designated agent as identified in Clause 2 above and whose signature and name appears below is authorized to negotiate on the grantee’s behalf and to bind the grantee in connection with this grant.

On behalf of **Grantee**:

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Name (Print)	Title
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Signature	Date
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On behalf of **Chemonics**:

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Name (Print)	Title
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Signature	Date
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## ANNEX B FIXED OBLIGATION GRANT TEMPLATE

This template is for **Fixed Obligation Grants (FOG) to non-US Organizations**. ADS 303 dated March 12, 2012 changed the regulations on Fixed Obligation Grants considerably. Further changes were made on June 28, 2012 and July 3, 2012. Read [Chemonics Guidance on Fixed Obligation Grants](#) before drafting the grant agreement.

Follow the instructions throughout, remember to insert project name or other text where applicable, and delete all italicized text (instructions for filling out template) throughout—it's highlighted in grey, like this text. If you have any questions, please contact the PMU or the home office Grants Department. All disbursements made under a Fixed Obligation Grant are tied to milestones. Also, under a FOG:

- Changes cannot be made to the text of this template without advance approval from the director of the grants department.
- An Initial milestone payment may be authorized and is designed to provide the grantee with the financial liquidity needed to implement activities. An initial milestone payment cannot be for more than one month worth of grantee expenses, more than 30% of the total budget, or \$150,000, whichever is less. Any exception to this policy must be approved in advance by Chemonics' Chief Financial Officer.
- Advances are not allowed except under exceptional circumstances, require prior written approval from Chemonics Chief Financial Officer, and per Required As Applicable Standard Provision, "Fixed Obligation Grant Advance Payment and Refunds" cannot be for more than the cost of one milestone. For more information, read [Chemonics Guidance on Fixed Obligation Grants](#) and [Chemonics Guidance on ADS 303](#)
- Per ADS 303.3.9.2.d, a special award condition clause has been added.
- For procurement of commodities and services, please see [Chemonics Guidance on ADS 303](#) to determine if Chemonics or the grantee will be responsible for procuring commodities and services under the Grant Agreement. See Clause 23 for the options. If equipment is required, it is a best practice for Chemonics to procure it directly and provide it to the grantee as an in-kind contribution. In this case, you must list all in-kind contributions in Clause 9 of this Agreement. See the above-referenced guidance documents for additional information.
- Indirect costs are allowed only if the Grantee can substantiate them, but if it can be avoided, Chemonics prefers to convert costs that might be included in an organization's indirects, and bill them directly (ex. office rent, utilities, etc.).
- No awards over \$500,000 per year for a maximum of \$1.5 million over three years (though your contract may contain reduced ceiling thresholds).
- Grant agreements must be in English. If grant agreements are translated, they should be translated using a professional translator in a side-by-side format with a statement that in case of dispute, the English version shall prevail (ADS 303.3.19), per clause #33 below.
- If the total value of this grant is under the Chief of Party's Delegation of Authority, then the Chief of Party is authorized to execute this agreement. However, if the total value is above the COP's DOA, then it needs to be 1) reviewed by the Grants Department prior to any execution and prior to seeking USAID approval, and 2) executed by the Senior Vice President of Contracts.
- All grants are negotiated, denominated and paid in local currency. The USD equivalent is stated in the memorandum of negotiation, but NOT in the grant agreement. The memorandum of negotiation template can be found on the QMS [here](#).
- Yellow highlights represent template language that will need to be tailored to the grant. Grey text denotes guidance and additional information.
- Please note that per changes to ADS 303 dated August 22, 2013, construction is no longer authorized under grants. (ADS 303.3.30).

## USAID Coastal City Adaptation Project

Fixed Obligation Grant Agreement No. [REDACTED]

“Insert Grant Title”

The Coastal City Adaptation project is financed by the United States Agency for International Development (USAID) and implemented by Chemonics International Inc., hereinafter referred to as “Chemonics.” In accordance with the Terms and Conditions detailed below, Chemonics and the Grantee enter into this Grant Agreement.

### Terms & Conditions

1. Grantee:
2. Agent of Grantee and Title:

Address:

Telephone:

Fax:

E-mail:

DUNS #: *This is the Dun and Bradstreet number which is required for all grants over \$25,000. See the grants department for instructions about how to obtain this number.*

3. Agent of Chemonics and Title: *This is the person authorized to sign the grant agreement within his/her delegation of authority.*

Point of Contact of Chemonics and Title: *If this is the same as the Agent, you may delete this reference.*

USAID Coastal City Adaptation Project

Address:

Telephone:

Fax:

E-mail:

4. Grant Title:
5. Grant Agreement No.:
6. Grant Start Date: *Grant start and completion dates should be written out, for example: December 1, 2011.*
7. Grant Completion Date:
8. Grant Activity Description: *Provide a brief description of grant objectives.*
9. Final Approved Grant Budget is shown as **Annex 1**; the total Chemonics Grant Budget Commitment in Mozambican Meticals for this grant is: **INSERT AMOUNT**. Chemonics is not obligated to reimburse the Grantee for the expenditure of amounts in excess of the approved budget amount. The availability of grant funding is subject to the availability of funding from USAID.

*If in-kind contributions are expected, leave the sentences below. If not, delete them. An in-kind contribution means that Chemonics will pay for a commodity or service on behalf of the Grantee. It is important to distinguish in the budget and in the grant agreement the specific items and their related costs being paid for in-kind. It is a best practice to provide commodities or services in-kind for several reasons, including avoiding cash flow issues, avoiding providing an advance,*

and (most commonly) because the Grantee does not understand USAID procurement rules/regulations.

Chemonics will provide for **INSERT LOCAL CURRENCY** as an in-kind donation. This in-kind donation includes: **LIST BELOW IN BULLETS ALL COMMODITIES/ SERVICES AND THEIR TOTAL VALUES BEING PROVIDED IN-KIND.**

10. Note that the FOG Mandatory and Required As Applicable Standard Provisions dated March 12, 2012 eliminated cost share. If you wish to change your grant manual to take into account the new regulations on FOGs, please see the grants department. You have two options for clauses. Option A is if cost share is a requirement in your grant manual. Option B is when cost share is not a requirement but you would like to include a grantee contribution. If you are not required to have cost share and do not wish to have grantee contribution, this clause may be deleted.

**Option A** Grantee Cost-Share – The total value of the contribution to this activity by the Grantee is **INSERT COST SHARE AMOUNT IN LOCAL CURRENCY**. The total activity budget is **TOTAL ACTIVITY BUDGET AMOUNT IN LOCAL CURRENCY** of which the Grantee cost share represents **XX%** and the Chemonics Grant Budget Commitment represents **XX%** of the total activity budget.

**Option B** Grantee Contribution – The total value of the contribution to this activity by the Grantee is **INSERT GRANTEE CONTRIBUTION AMOUNT IN LOCAL CURRENCY**. The total activity budget is **TOTAL ACTIVITY BUDGET AMOUNT IN LOCAL CURRENCY** of which the Grantee Contribution represents **XX%** and the Chemonics Grant Budget Commitment represents **XX%** of the total activity budget. The Grantee Contribution is not Cost-Share.

11. Schedule of Payments for Completed Milestones – The Schedule of Payments for Completed Milestones is summarized below and is presented in the Final Approved Grant Budget (**Annex 1**).

Payment No.	Milestone Description	Verification of Milestone	Target Due Date	Milestone Payment	Cost Share Contribution or Grantee Contribution	Total
1						
2						
3						
			<b>Total</b>			

12. Incorporated Documents – The following documents, hereinafter referred to as “Incorporated Documents,” are hereby agreed to be an integral part of this Agreement.

Annex 1. Grant Application and Final Approved Grant Budget

*Please make it a practice to mark ‘Final’ on the final negotiated budget. Often times many versions are created during negotiation, and it can become unclear which version is final.*

Annex 2. Mandatory and Required As Applicable Standard Provisions for Fixed Obligation Grants to Non-Governmental Organizations

*For each individual grant agreement you must indicate which of the Required as Applicable Standard Provisions apply. Not all RAASP apply for each grant. You must go through the list and check off those that apply. [Here](#) is the checklist to use. Note: The full text of the Mandatory Standard Provisions and applicable RAASPs must be provided to the grantee.*

### Annex 3. Certifications and Assurances

*You must tailor this to your grant program; not all countries require all certifications (some are only for ‘covered countries’ – see Clause 35) and some certifications are only required for grants over \$100,000. All certifications are listed below, but in most cases, not all certifications must be signed. To figure out which certifications your grants must include use the Required Certifications Tool found in QMS [here](#).*

- h. Assurance of Compliance with Laws and Regulations Governing Nondiscrimination in Federally Assisted Programs
- i. Certification on Lobbying
- j. Certification Regarding Terrorist Financing
- k. Key Individual Certification Narcotics Offenses and Drug Trafficking
- l. Participant Certification Narcotics Offenses and Drug Trafficking
- m. Certification of Recipient
- n. Representation by Corporation Regarding a Delinquent Tax Liability or a Felony Criminal Conviction (Deviation OAA-DEV-14-02c) (August 2014)

### Annex 4. Branding Strategy and Marking Plan

*Each grant must have a branding strategy and marking plan, which should be in accordance with the contract and its approved branding strategy and marking plan. Use the template found [here](#). For each individual grant, the grant manager should walk the Grantee through the branding strategy and marking plan and come up with an individual plan that makes sense for that particular grant.*

### Annex 5. Environmental Screening Checklist and Mitigation Plan

*Per 22 CFR 216 no grant funds shall be disbursed until documentation exists that the project will not have detrimental environmental impact. USAID regulations specify that no funds shall be disbursed for grant activities except those qualifying for a Categorical Exclusion or already covered by an existing Environmental Review and Evaluation. The grants manager will work with the project’s Initial Environmental Examination (IEE) to ascertain what type of environmental assessment is needed (Environmental Impact Assessment, Environmental Review, Environmental Evaluation, or other type of requirement).*

### Annex 6. Instruction Packet for Grantees

*Not all projects have these, but it is a resource for Grantees that is highly recommended. To see examples of these, look [here](#).*

### Annex 7. Milestone Payment Request Form and Progress Report Template *(to be tailored to each project’s grant program)*

*This list may not be exhaustive and you may tailor it to your grants program. If there are other documents that should be incorporated please include them.*

13. Compliance with U.S. Laws; Regulations Incorporated by Reference – The Grantee agrees to adhere to applicable U.S. laws and regulations, including the following regulations incorporated by reference: 22 CFR 226 and OMB Circular A-122.
14. Order of Precedence – In the event that any parties believe there is a conflict of intent or interpretation between any sections of this Grant Agreement and the Incorporated Documents and References listed under **Clause 12 and 13** above and **31** below, the order of precedence shall be: first, the Certifications, second, the Mandatory and Required as Applicable Standard Provisions, third 22 CFR 226 and OMB Circular A-122, fourth, the Grant Agreement, and finally, any additional documents listed above.
15. *This is based on ADS 303.3.9.2.d. SACs are also contained in the memorandum of negotiation. If there are no special award conditions, delete this clause.* Special Award Conditions – Based on the result of the pre-award responsibility determination, this grant contains the following special award condition(s) (SAC):

<b>Description of Special Award Condition(s)</b>	<b>Purpose and Justification of Special Award Condition(s)</b>	<b>Time frame for Meeting Condition(s)</b>
<p><i>Describe the special award condition as it appears in the grant agreement.</i></p> <p><i>Example: More frequent financial reporting: The Grantee will submit financial reports on the 10<sup>th</sup> and 25<sup>th</sup> of each month.</i></p>	<p><i>Describe the purpose and rationale for including this condition and explain how the condition will mitigate the risk.</i></p> <p>To increase understanding of financial reporting requirements and assist in establishing reporting routine.</p>	<p><i>State the time frame for meeting each special award condition.</i></p> <p>Six months from Grant Start Date</p>

Within **one month** (*adjust the date as appropriate – review may also happen each month*) of grant award, Chemonics will conduct a review of the grantee’s systems to verify compliance with the above-stated SAC(s). Continuation of the grant is predicated on the grantee correcting the SAC(s) in the time frame stated above. Once the SAC(s) have been satisfied and its/their conditions fully met, Chemonics will modify the grant agreement to remove the SAC(s). For SACs that cover the entire period of award, this is stated above in the time frame column.

16. Authority of Agents – It is agreed that the designated agents on behalf of the Grantee and Chemonics, as identified in Clauses 2 and 3 above, have unrestricted and sole authority to represent their respective organizations in all matters related to this Grant Agreement.
17. Statement on Objectives of Grant – The Grantee agrees that all funding disbursed under this Grant Agreement shall be used exclusively towards the attainment of the proposed Grant Activity Description as described in Clause 8. Furthermore, if at any time the Grantee should determine that achievement of the stated objectives is no longer feasible, for any reason, the Grantee agrees to notify Chemonics in writing immediately to initiate discussion on steps to be taken.
18. Period of Grant – With reference to Clause 6, Grant Start Date, and Clause 7, Grant Completion Date, it is agreed that all activities financed with Chemonics funds will be completed within the period of the grant unless Chemonics’ Grant Agent provides approval of extension in writing prior to the specified Grant Completion Date. Chemonics will not finance any activities

completed outside of the period of the grant without the aforementioned approval. It is the Grantee's responsibility to request an extension if needed at a minimum of 30 days in advance of the Grant Completion Date.

19. Modification – The Grant Agreement may only be modified by issuance of a formal written Grant Agreement Modification jointly executed by the Grantee's Agent and Chemonics' Agent.
20. Bank Account – *Delete this clause if the Grantee does not require an advance. As a reminder, advances beyond an initial milestone payment should occur in exceptional cases only and with prior written approval from Chemonics' Chief Financial Officer. Advances are limited to the cost of one milestone.* In accordance with the Required As Applicable Standard Provision entitled "Fixed Obligation Grant Advance Payment and Refunds (June 2012), the grantee must deposit advanced funds in a reputable bank and be able to account for the receipt and expenditure of funds and interest earned on the advances. The Grantee may retain up to \$250 a year in interest earned. This funding will be used to offset administrative expenses.
21. Payment Terms – The Grantee will be paid upon successful completion of established milestones as outlined above under **Clause 11** in the table, "Schedule of Payments for Completed Milestones." The Grantee shall submit to Chemonics for review and approval a Milestone Payment Request Form (included within **Annex 7**) confirming milestone completion and requesting payment. Upon confirmation of successful milestone completion, Chemonics will issue payment to the Grantee via check or wire transfer. All payments will be made in Mozambican Meticals. Any deviation from the above payment schedule listed in **Clause 11** requires a Grant Agreement Modification as described in **Clause 19**. **Note that Per ADS 303.3.30 and the ADS 303 Mandatory Reference entitled, "USAID Implementation of Construction Activities" dated August 22, 2013, construction is not eligible for reimbursement under this grant. Construction also includes improvements, renovation, alteration, and refurbishment.**
22. Foreign Tax Reporting – The Grantee hereby agrees to record and report all payments of taxes assessed by the Government of Mozambique on eligible commodity purchase transactions(s) in accordance with the requirements for Foreign Tax Reporting detailed in the Required As Applicable Standard Provision "Reporting Host Government Taxes." The Grantee agrees to request VAT exemption for purchases financed by the Grant Agreement. *(Include this last sentence only if applicable. Since VAT is handled differently in every country, you will need to collaborate with USAID about the approved approach for dealing with VAT.)*
23. *NOTE: Per [Chemonics Guidance on ADS 303](#), if the Grantee does not have the capacity to procure in accordance with USAID procurement regulations, it is a Chemonics best practice to procure on behalf of the Grantee and provide the equipment/services as an in-kind contribution. Choose the first option of clause 23 if the grantee is authorized to procure equipment and chose the second option of Clause 23 if the grantee is not authorized to procure equipment. See [Chemonics Guidance on Fixed Obligation Grants](#) to determine if the commodity or service will be included in a milestone and additional requirements when included in a milestone.*

**Option #1:** Procurement of Commodities and Services – The Grantee is authorized to conduct the procurement of commodities and/or services as detailed in the approved Grant Budget in **Annex 1**. For any procurement transaction over the local currency equivalent of \$3,000, the Grantee shall send Chemonics the following documentation for Chemonics' review and advance written approval.

- Specifications for the equipment/scope of work for services.
- Evidence of adequate competition, (e.g., copies of at least three quotations from suppliers or service providers).
- Memo with summary of competitive process, description of evaluation, and recommendation for selected vendor.

If Chemonics' advance approval is not received, Chemonics reserves the right to refuse reimbursement to the Grantee for the procurement. Procurement under this Agreement, including

sub-agreements, shall be conducted in full compliance with USAID regulations governing procurement under grants. The Grantee should refer to the Required as Applicable Standard Provision entitled “USAID Eligibility Rules for Procurement of Commodities and Services,” for more details on procurement procedure regulations. Under no circumstances may the Grantee procure Ineligible Commodities and Services (military equipment, surveillance equipment, commodities and services for support of police or other law enforcement activities, abortion equipment and services, luxury goods and gambling equipment, or weather modification equipment), and the Grantee must have prior written approval by Chemonics to procure Restricted Commodities (agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, pesticides, used equipment, medical equipment, U.S. Government-owned excess property, or fertilizer). In the event the grantee procures any Ineligible Commodities/Services or any Restricted Commodities without prior written approval, Chemonics will not reimburse the Grantee for these procurements.

**Option #2:** Procurement of Commodities and Services – The Grantee is not authorized to procure any commodities and/or services under this Grant Agreement. If there are commodities and services in the approved Grant Budget in Annex 1, Chemonics will procure the commodities and services on behalf of the Grantee. If the Grantee procures these commodities and services, Chemonics reserves the right to refuse reimbursement to the Grantee for the procurement. In exceptional cases, Chemonics may authorize the grantee in writing to procure commodities or services. In such cases, Chemonics will review and approve all procurement documentation in advance of the procurement. Procurement under this Agreement, including sub-agreements, shall be conducted in full compliance with USAID regulations governing procurement under grants. The Grantee should refer to the Required as Applicable Standard Provision entitled “USAID Eligibility Rules for Procurement of Commodities and Services”, for more details on procurement procedure regulations. Under no circumstances may the Grantee procure Ineligible Commodities and Services (military equipment, surveillance equipment, commodities and services for support of police or other law enforcement activities, abortion equipment and services, luxury goods and gambling equipment, or weather modification equipment), and the Grantee must have prior approval by Chemonics to procure Restricted Commodities (agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, pesticides, used equipment, medical equipment, U.S. Government-owned excess property, or fertilizer). In the event the grantee procures any Ineligible Commodities/Services or any Restricted Commodities without prior written approval, Chemonics will not reimburse the Grantee for these procurements.

24. *There are 2 options for Clause 24. You must use one or the other. For all contracts that have geographic code 935 authorized in the prime contract, use this option. **Option #1:** Source and Nationality – The authorized geographic code for procurement of commodities and services is 935, “Special Free World”. The grantee will follow the Required As Applicable Standard Provision entitled “USAID Eligibility Rules for Procurement of Commodities and Services”, and such commodities and services must meet the source and nationality requirements set forth in 22 CFR 228.*

**OR, for all contracts that have a geographic code other than 935 authorized in the prime contract, use this option. **Option #2:** Source and Nationality –** When the total procurement element of the grant is valued at the local currency equivalent of \$250,000 or less, the authorized geographic code for procurement of commodities and services is 935, “Special Free World.” The total procurement element includes procurement of all goods (for example, equipment, materials, and supplies) and services. When the total procurement element of the grant exceeds the local currency equivalent of \$250,000, the geographic code is *(enter the geographic code of the contract or the CO approved geographic code for grants)*. The grantee will follow the Required As Applicable Standard Provision entitled “USAID Eligibility Rules for Procurement of Commodities and Services”, and such commodities and services must meet the source and nationality requirements set forth in 22 CFR 228.

25. *NOTE: If your grant manual contains language that the CO must approve disposition for grantees, please get in touch with the grants department to discuss options. Note that disposition is only required if the equipment or property is the milestone or included in the description of the milestone.* Disposition of Equipment – Disposition of equipment or property only occurs when the equipment or property is the milestone or included in the description of the milestone. All other equipment or property vests with the grantee upon acquisition. Equipment or property procured under this Agreement and included as a milestone will vest with the Grantee upon successful completion of the Grant Agreement and after the Grantee has signed a Chemonics provided form entitled “Property Disposition Report and Deed of Donation.” If the Agreement is terminated as described in Clause 30, all equipment shall be returned to Chemonics within 7 days of the termination date. Whether or not the equipment or property is part of a milestone or not, the Grantee will use and conserve the equipment for the purposes of the grant.
26. *You must ensure that the Grantee understands what a conflict of interest is and that anyone involved with the grant must be free of COI and the Grantee must report any instances of COI to Chemonics.* Conflict of Interest – All Grantee staff involved with a Chemonics-financed grant activity must be free of real or apparent conflict of interest. If the Grantee becomes aware of any real or potential conflict of interest, the Grantee’s agent shall immediately notify the Chemonics’ Agent in writing.
27. Right of Visitation and Inspection – Through its authorized representative, Chemonics shall have the right, at all reasonable times, to inspect or otherwise evaluate the work being performed as a result of the grant. Chemonics shall have the right to inspect documents related to the performance of the project and to require additional explanations and information from the Grantee. Chemonics agrees to conduct any site visits in a manner that does not impede the day-to-day operations of the Grantee. USAID will also have direct and unrestricted access to the Grantee’s Chemonics-related financial records, reports, supporting documentation, etc. Chemonics and USAID have the right of visitation and inspection for three years following the end date of the grant, per 22 CFR 226.53.
28. Arbitration – In the event that any dispute arises concerning any aspect of this Grant Agreement that is not specifically addressed in these Terms & Conditions, it is hereby agreed that the matter will be presented to the CCAP Grants Evaluation Committee, and such committee will be the final and binding arbitrator of such dispute. The Chief of Party chairs the committee and will have final authority in resolving disputes.
29. Liability – The Grantee agrees that under no circumstances will it hold Chemonics, USAID, and the CCAP Project liable for any claims by the Grantee or any third party for damages arising from the implementation of any activity funded under this Grant Agreement. The Grantee assumes full responsibility for compliance with the laws and regulations of the Government of Mozambique.
30. Grant Termination or Suspension – This Grant Agreement may be terminated or suspended for an indefinite period with advance written notice by Chemonics or the Grantee:
- g) **For Cause.** Should Chemonics or the Grantee determine that it is unlikely that the “Objective of Grant” will be achieved or if any of the Terms and Conditions of this Agreement are not adhered to by either party;
  - h) **For Convenience.** In the event USAID stops, delays, or transfers the services of or funding to Chemonics for any reason. Chemonics serves at the convenience of USAID, and may be impeded by the actions of USAID in executing this Grant Agreement;
  - i) **For Mutual Convenience.** The parties may withdraw from this Agreement by mutual consent affirmed in writing;
  - j) **For Force Majeure.** By written notice by either party of the occurrence of an event of “force majeure,” that is, an event that prevents completion of the grant activities or prevents grant funding that is beyond the control and without the fault of either party;

- k) **Gross Negligence or Malfeasance.** In the event of gross negligence or malfeasance on the part of the Grantee including any incidence of fraud, Chemonics may terminate the Grant Agreement immediately. Chemonics will notify USAID in writing at least five (5) days prior to proceeding with a termination based on failure to comply with the terms and conditions of an award.
- l) **USAID.** USAID retains the ability to terminate the grant activities unilaterally in extraordinary circumstances.

The Grantee hereby agrees that it will hold Chemonics, USAID, and CCAP blameless in the event of termination or suspension of this Agreement for any reason.

- 31. Mandatory and Required As Applicable Standard Provisions for Fixed Obligation Grants to Non-Governmental Organizations – The Grantee agrees to abide by the terms of the Mandatory and as Required As Applicable Standard Provisions as cited at:

<http://transition.usaid.gov/policy/ads/300/303mat.pdf>

and Annex 2 of this Grant Agreement respectively. This Agreement is being awarded and administered by Chemonics as an authorized USAID Contractor. References to the “USAID Agreement Officer” or “Grant Officer” and “USAID” or “AID” in such Standard Provisions shall hereby be deemed to refer, respectively, to Chemonics’ designated Chief of Party for the CCAP Project.

- 32. Branding and Marking Strategy –Pursuant to ADS 320.3.3.2, all Grantees are required to have an approved branding strategy and marking plan incorporated into their Grant Agreement (Annex 4). The Grantee will provide the contractor with their branding strategy and marking plan at the time of award using a template provided by Chemonics.
- 33. *Only include this clause if the grant agreement includes a translation in another language.* Controlling Language – In the event of ambiguity or discrepancy between the English and Portuguese versions of this Grant Agreement, the English version shall control.
- 34. Prohibition against Support for Terrorism – The Grantee is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Grantee to ensure compliance with these Executive Orders and laws.
- 35. *(Clause 35 must be included in all grant agreements.)* Prohibition of Assistance to Drug Traffickers – Chemonics reserves the right to terminate this Agreement, to demand a refund or take other appropriate measures if the Grantee is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140. The undersigned shall review USAID ADS 206 to determine if any certifications are required for Key Individuals or Covered Participants. *For grants in covered countries when the grant includes any training, the following sentence must also be included,* “USAID reserves the right to terminate assistance to or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.” *To determine if you work in a covered country per ADS 206, effective October 1, 2011, per Presidential Determination No. 2011-16 of September 15, 2011 (<http://www.gpo.gov/fdsys/pkg/FR-2011-09-26/html/2011-24887.htm>), the Presidential Determination on Major Illicit Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2012 are: Afghanistan, The Bahamas, Belize, Bolivia, Burma, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, India, Jamaica, Laos, Mexico, Nicaragua, Pakistan, Panama, Peru, and Venezuela.*
- 36. Anti-Trafficking in Persons – Chemonics prohibits Trafficking in Persons as defined in Mandatory Standard Provision “Trafficking in Persons.” No employee, consultant, agent, or volunteer employed by the Grantee shall: engage in any forms of trafficking in persons (as defined in the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially

Women and Children, supplementing the UN Convention against Transnational Organized Crime), procure a commercial sex act, or use forced labor. If a person employed by the Grantee is made aware that a Grantee employee, consultant, subcontractor, agent, vendor, or volunteer has engaged in conduct that violates this policy, s/he must notify Chemonics immediately. Failure to do so could result in Grant Agreement termination.

**Statement of Agreement**

If after having reviewed in its entirety this Grant Agreement, you in your capacity as your organization's designated Agent fully and unconditionally agree with all of the above, you may enter into this Grant Agreement with the Chemonics by initialing each page and affixing your signature below. The Grantee represents that the designated agent as identified in Clause 2 above and whose signature and name appears below is authorized to negotiate on the grantee's behalf and to bind the grantee in connection with this grant.

On behalf of **Grantee**:

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Name (Print)	Title
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Signature	Date
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On behalf of **Chemonics**:

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Name (Print)	Title
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Signature	Date
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## ANNEX C IN-KIND GRANT TEMPLATE

*This template is for **In-Kind Standard Grants to non-US Organizations**. The purpose of an in-kind standard grant agreement is to use when Chemonics is paying for 100% of the grant costs in-kind. In other words, the grantee is not receiving any money or being reimbursed for anything under the Grant Agreement. This type of Grant Agreement is most often used when the grantee has limited capacity to fund grant activities but for various reasons, Chemonics must award a grant to this particular organization. In some cases, the grantee may be able to receive reimbursement for very small incidental expenses under the grant as long as proper documentation is provided. If you have any questions, please do not hesitate to contact the PMU or the Grants Department. All disbursements made under an In-Kind Standard Grant must be supported by complete receipt documentation.*

*Note that in some cases, it may be beneficial depending on the grantee, to NOT include the amount of the in-kind grant. In this case, instead of listing the amount of in-kind contributions, the grant document would list the types of contributions (commodities and services) the grantee will receive. A separate document with the budget would accompany Chemonics' copy of the grant agreement for purposes of tracking.*

Please note the following:

- Changes cannot be made to the text of this template without advance approval from the director of the grants department.
- Grant agreements must be in English. If grant agreements are translated, they should be translated using a professional translator in a side-by-side format with a statement that in case of dispute, the English version shall prevail (ADS 303.3.19).
- If the total value of this grant is under the Chief of Party's Delegation of Authority, then the Chief of Party is authorized to execute this agreement. However, if the total value is over the COP's DOA, then it needs to be 1) reviewed by the Grants Department prior to any execution and prior to seeking USAID approval, and 2) executed by the Senior Vice President of Contracts.
- All grants are negotiated, denominated and paid in local currency. The USD equivalent is stated in the memorandum of negotiation, but NOT in the grant agreement. The memorandum of negotiation template can be found on the QMS [here](#).
- For procurement of commodities and services, please see [Chemonics Guidance on ADS 303](#) to determine if Chemonics or the grantee will be responsible for procuring commodities and services under the Grant Agreement. See Clause 27 for the options.
- Please review the entire template. **Yellow highlights represent template language that will need to be tailored to the grant.** Grey text denotes guidance and additional information.
- Please note that per changes to ADS 303 dated August 22, 2013, construction is no longer authorized under grants. (ADS 303.3.30).

## USAID Coastal City Adaptation Project

In-Kind Standard Grant Agreement No. \_\_\_\_\_

**“Insert Grant Title”**

The Coastal City Adaptation project is financed by the United States Agency for International Development (USAID) and implemented by Chemonics International Inc., hereinafter referred to as “Chemonics.” In accordance with the Terms and Conditions detailed below, Chemonics and the Grantee enter into this Grant Agreement.

### Terms & Conditions

1. Grantee:
2. Agent of Grantee and Title:

Address:

Telephone:

Fax:

E-mail:

3. Agent of Chemonics and Title:

Point of Contact of Chemonics and Title: *If this is the same as the Agent, you may delete this reference.*

USAID Coastal City Adaptation Project

Address:

Telephone:

Fax:

E-mail:

4. Grant Title:
5. Grant Agreement No.:
6. Grant Start Date: *Grant start and completion dates should be written out, for example: December 1, 2011.*
7. Grant Completion Date:
8. Grant Activity Description: *Provide a brief description of grant objectives.*
9. Final Approved Grant Budget is shown as **Annex 1**; the total Chemonics Grant Budget Commitment in **INSERT LOCAL CURRENCY** for this grant is: **INSERT AMOUNT**. Chemonics is not obligated to pay for costs on behalf of the Grantee in excess of the approved budget amount. The availability of grant funding is subject to the availability of funding from USAID.
10. *Note that all cost share contributions must be substantiated by the Grantee with receipts. It is a best practice to only include cost share when it is required by your contract. Cost share presents an additional burden on the project to track, so if it is not a requirement, do not include it. You have two options for clauses. Option A is if cost share is a requirement. Option B is when cost share is not a requirement but you would like to include a grantee contribution. If you are not required to have cost share and do not wish to have a grantee contribution, this clause may be deleted.*

**Option A** Grantee Cost-Share – The total value of the contribution to this activity by the Grantee is **INSERT COST SHARE AMOUNT IN LOCAL CURRENCY**. The total activity budget is

**TOTAL ACTIVITY BUDGET AMOUNT IN LOCAL CURRENCY** of which the Grantee cost share represents **XX%** and the Chemonics Grant Budget Commitment represents **XX%** of the total activity budget.

**Option B** Grantee Contribution – The total value of the contribution to this activity by the Grantee is **INSERT GRANTEE CONTRIBUTION AMOUNT IN LOCAL CURRENCY**. The total activity budget is **TOTAL ACTIVITY BUDGET AMOUNT IN LOCAL CURRENCY** of which the Grantee Contribution represents **XX%** and the Chemonics Grant Budget Commitment represents **XX%** of the total activity budget. The Grantee Contribution is not Cost-Share.

11. Incorporated Documents. The following documents, hereinafter referred to as “Incorporated Documents,” are hereby agreed to be an integral part of this Agreement.

#### Annex 1. Grant Application and Final Approved Grant Budget (if applicable)

*Please make it a practice to mark ‘Final’ on the final negotiated budget. Often times many versions are created during negotiation, and it can become unclear which version is final.*

#### Annex 2. Mandatory and Required as Applicable Standard Provisions for Non-U.S. Non-Governmental Recipients

*For each individual grant agreement you must indicate which of the Required as Applicable Standard Provisions apply. Not all RAASP should apply for each grant. For example, you’ll either use RAASP #1 or #2, but NOT both. You must go through the list and check off those that apply. [Here](#) is the checklist to use. Note: The full text of the Mandatory Standard Provisions and applicable RAASPs must be provided to the grantee.*

#### Annex 3. Certifications and Assurances

*You must tailor this to your grant program; not all countries require all certifications (some are only for ‘covered countries’ – see Clause 37) and some certifications are only required for grants over \$100,000. All certifications are listed below, but in most cases, not all certifications must be signed. To figure out which certifications your grants must include use the Required Certifications Tool found in the QMS [here](#).*

- o. Assurance of Compliance with Laws and Regulations Governing Nondiscrimination in Federally Assisted Programs
- p. Certification on Lobbying
- q. Certification Regarding Terrorist Financing
- r. Key Individual Certification Narcotics Offenses and Drug Trafficking
- s. Participant Certification Narcotics Offenses and Drug Trafficking
- t. Certification of Recipient
- u. Representation by Corporation Regarding a Delinquent Tax Liability or a Felony Criminal Conviction (Deviation OAA-DEV-14-02c) (August 2014)

#### Annex 4. Branding Strategy and Marking Plan

*Each grant must have a branding strategy and marking plan, which should be in accordance with the contract and its approved branding strategy and marking plan. Use the template found [here](#). For each individual grant, the grant manager should walk the Grantee through the branding strategy and marking plan and come up with an individual plan that makes sense for that particular grant.*

## Annex 5. Environmental Screening Checklist and Mitigation Plan

*Per 22 CFR 216 no grant funds shall be disbursed until documentation exists that the project will not have detrimental environmental impact. USAID regulations specify that no funds shall be disbursed for grant activities except those qualifying for a Categorical Exclusion or already covered by an existing Environmental Review and Evaluation. The grants manager will work with the project's Initial Environmental Examination (IEE) to ascertain what type of environmental assessment is needed (Environmental Impact Assessment, Environmental Review, Environmental Evaluation, or other type of requirement).*

*Not all projects have these, but it is a resource for Grantees that is highly recommended. To see examples of these, look [here](#).*

## Annex 6. Progress Report Templates *(to be tailored to each project's grant program)*

*This list may not be exhaustive and you may tailor it to your grants program. If there are other documents that should be incorporated please include them.*

12. Compliance with U.S. Laws; Regulations Incorporated by Reference – The Grantee agrees to adhere to applicable U.S. laws and regulations, including the following regulations incorporated by reference: 22 CFR 226 and OMB Circular A-122.
13. Order of Precedence – In the event that any parties believe there is a conflict of intent or interpretation between any sections of this Grant Agreement and the Incorporated Documents and References listed under **Clause 11 and 12** above and **33** below, the order of precedence shall be: first, the Certifications, second, the Mandatory and Required as Applicable Standard Provisions, third 22 CFR 226 and OMB Circular A-122, fourth, the Grant Agreement, and finally, any additional documents listed above.
14. Allowable Costs – The Grantee shall neither request nor be reimbursed for expenditures incurred that are not allowable costs under this Agreement as detailed in the Final Approved Grant Budget in Annex 1 or that are in excess of the Chemonics Grant Budget Commitment. Costs allowed are those that are both included in the Final Approved Grant Budget and allowable under all applicable USAID, Chemonics, and Grantee regulations including OMB Circular A-122. Chemonics may adjust the budget up to ten percent to adjust costs among line items of the Final Approved Grant Budget, as long as the Chemonics Grant Budget Commitment is not exceeded.
15. Authority of Agents – It is agreed that the designated agents on behalf of the Grantee and Chemonics, as identified in Clauses 2 and 3 above, have unrestricted and sole authority to represent their respective organizations in all matters related to this Grant Agreement.
16. Statement on Objectives of Grant – The Grantee agrees that all commodities and services provided under this Grant Agreement shall be used exclusively towards the attainment of the proposed Grant Activity Description as described in Clause 8. Furthermore, if at any time the Grantee should determine that achievement of the stated objectives is no longer feasible, for any reason, the Grantee agrees to notify Chemonics in writing immediately to initiate discussion on steps to be taken.
17. Period of Grant – With reference to Clause 6, Grant Start Date, and Clause 7, Grant Completion Date, it is agreed that all activities financed with Chemonics funds will be completed within the period of the grant unless Chemonics' Grant Agent provides approval of extension in writing prior to the specified Grant Completion Date. Chemonics will not finance any activities completed outside of the period of the grant without the aforementioned approval. It is the Grantee's responsibility to request an extension if needed at a minimum of 30 days in advance of the Grant Completion Date.
18. Modification – The Grant Agreement may only be modified by issuance of a formal written Grant Agreement Modification jointly executed by the Grantee's Agent and Chemonics' Agent.

19. Payment terms and schedule – Chemonics International will issue direct payments to all vendors and service providers in accordance with **Annex 1**, Final Approved Grant Budget. Chemonics may withhold payments at any time during project implementation if the Grantee fails to comply with grant objectives and/or any terms or conditions of this Grant Agreement. The following is a list of documentation required for Chemonics to make payments to vendors or individuals on behalf of the Grantee:

- **Travel Reimbursement** – For each transportation charge the grantee should submit original airline ticket stubs, bus tickets, taxi receipts, or mileage tracker. For per diem payments, the grantee will provide Chemonics with a copy of the per diem policy. Lodging receipts will always be required.
- **Procurement of commodities** – Three written quotations from vendors are required for procurement of commodities over \$500 per unit. For any procurement transactions \$5,000 or greater, Chemonics will take the lead in obtaining the quotations.
- **Other payments** – Chemonics will provide the grantee with guidance regarding what types of back up documentation will be required for other expenses included within the Program Budget.

Note that Per ADS 303.3.30 and the ADS 303 Mandatory Reference entitled, “USAID Implementation of Construction Activities” dated August 22, 2013, construction is not eligible for reimbursement under this grant. Construction also includes improvements, renovation, alteration, and refurbishment.

20. Grantee Fiduciary Responsibilities – The Grantee acknowledges its full understanding of the following:

- That its failure to fully execute the abovementioned responsibilities may result in Chemonics requesting the Grantee to refund some or all of the funds disbursed under this Agreement;
- That the Grantee hereby promises to make such refunds immediately if requested by Chemonics; and
- That its failure to fully execute the above mentioned responsibilities may result in the termination of this Agreement by Chemonics.

21. Reporting Requirements – All reports should be clearly marked with the Grant number assigned above, and submitted to: the Chemonics Agent identified in Clause 3 above, or sent by email, marked with the Grant number, to **INSERT EMAIL ADDRESS**. The Grantee agrees to the following financial and programmatic reporting requirements and schedule:

- d) **Progress Report.** The Grantee shall submit a monthly progress report. Monthly progress reports are on average approximately **5** pages in length and should be submitted no later than the **10<sup>th</sup>** of each month. Chemonics will provide the Grantee with guidance regarding report content including, but not limited to, indicators that should be reported. Chemonics reserves the right to withhold reimbursement pending timely submission of monthly progress/narrative reports.

*This should be modified to meet needs of individual grants. Not all grants will require monthly reports, and it may not be realistic to expect monthly reports. This could be changed to quarterly, or the period of performance is short, the only report might be the completion report.*

- e) **Grantee Completion Report.** Within 30 days after completion of all Grant activities the Grantee will be required to submit a Grantee Completion Report. The report will include the following sections:
- A summary of the activity objectives and achievements;

- A summary of the activity implementation process, lessons learned and recommendations;
- Description of project impact and results, based on the indicators presented in the application as well as any other anecdotal information, stakeholder or observer commentary;
- A discussion of how Chemonics' grants funding contributed to the objectives of the program.

*Only include paragraph c) of this clause if the project has agreed to reimburse the grantee directly for minor incidental expenses.*

- c) **Financial Report for Incidental Expenses.** The grantee may be reimbursed directly for minor incidental expenses based on receipts. These receipts must include the documentation listed in **Clause 19** as well as additional documentation required by CCAP.
22. *(Delete this clause if it is not expected that the grantee will be incurring incidental expenses for project reimbursement as part of this agreement.)* Audit and Financial Record-Keeping and Reporting – The Grantee agrees to meet and maintain the standards as set forth under 22 CFR 226. Chemonics may audit the Grantee in accordance with the requirements in the Mandatory Standard Provision “Accounting, Audit, and Records.” The Grantee is required to maintain all grant-related financial records in accessible and auditable condition for three years after the completion of the grant activity. In addition, Chemonics reserves the right to audit the Grantee at any time during or after the Grant Completion Date.
23. *(Delete this clause if it is not expected that the grantee procure any commodity over \$500. Given that this grant is in-kind, it will be rare for a grantee to procure a commodity over \$500.)* Foreign Tax Reporting – The Grantee hereby agrees to record and report all payments of taxes assessed by the Government of Mozambique on eligible commodity purchase transactions(s) in accordance with the requirements for Foreign Tax Reporting detailed in the Required As Applicable Standard Provision “Reporting Host Government Taxes.” The Grantee agrees to request VAT exemption for purchases financed by the Grant Agreement. *(Include this last sentence only if applicable. Since VAT is handled differently in every country, you will need to collaborate with USAID about the approved approach for dealing with VAT.)*
24. *Include this clause only if the grant activity will generate program income. There are two options for this clause. Option # 1 is for non-profit organizations and Option # 2 is for for-profit commercial organizations. This is as per the “Program Income” Required As Applicable Standard Provision.*

**Option #1 for non-profit organizations:** Program Income – Program income earned during the period of the grant shall be retained by the Grantee and added to the funds committed by Chemonics and the Grantee to this grant activity. Program income shall be used to further the objectives of the grant. Program income is defined as gross income earned by the Grantee that is directly generated by a supported activity or earned as a result of this grant. The Grantee agrees to include a summary of program income earned in the monthly progress report.

**Option #2 for commercial organizations:** Program Income – Program income earned during the period of the grant will be deducted from the U.S. government share of this award. Program income is defined as gross income earned by the Grantee that is directly generated by a supported activity or earned as a result of this grant. This program income is reflected in the final approved budget in **Annex 1**.

25. **NOTE:** *Since this is an in-kind grant, except for rare instances, all procurement will be conducted directly by Chemonics.* Procurement of Commodities and Services - The Grantee is not authorized to procure any commodities or services under this Grant Agreement. If there are commodities and services in the approved Grant Budget in **Annex 1**, Chemonics will procure the commodities and services on behalf of the Grantee. If the Grantee procures these commodities

and services, Chemonics reserves the right to refuse reimbursement to the Grantee for the procurement. In exceptional cases, Chemonics may authorize the grantee in writing to procure commodities or services. In such cases, Chemonics will review and approve all procurement documentation in advance of the procurement. Procurement under this Agreement, including sub-agreements, shall be conducted in full compliance with USAID regulations governing procurement under grants. The Grantee should refer to Mandatory Standard Provisions “Procurement Policies” and “USAID Eligibility Rules for Procurement of Commodities and Services”, for more details on procurement procedure regulations. Under no circumstances may the Grantee procure Ineligible Commodities and Services (military equipment, surveillance equipment, commodities and services for support of police or other law enforcement activities, abortion equipment and services, luxury goods and gambling equipment, or weather modification equipment), and the Grantee must have prior written approval by Chemonics to procure Restricted Commodities (agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, pesticides, used equipment, U.S. Government-owned excess property, or fertilizer). In the event the grantee procures any Ineligible Commodities/Services or any Restricted Commodities without prior written approval, Chemonics will not reimburse the Grantee for these procurements.

26. *NOTE: This clause is based on the changes to the regulations dated June 28, 2012. If your grant manual contains language that the CO must approve disposition for grantees, please get in touch with the grants department to discuss options.* Disposition of Property - Per the Mandatory Standard Provision “Title To and Use of Property”, property procured under this Agreement will vest with the Grantee upon completion of the Agreement and after the Grantee has signed a Chemonics provided form entitled “Property Disposition Report and Deed of Donation.” If the Agreement is terminated as described in **Clause 32**, all Property shall be returned to Chemonics within 7 days of the termination date. The Grantee will use and conserve the property for the purposes of the grant, as specified in Mandatory Standard Provision “Title to and Use of Property.”
27. Source and Nationality – The authorized geographic code for procurement of commodities and services is 935 defined as the United States, the Cooperating Country (Maputo, Mozambique), and developing countries other than advanced developing countries, and excluding prohibited sources.
28. *You must ensure that the Grantee understands what a conflict of interest is and that anyone involved with the grant must be free of COI and the Grantee must report any instances of COI to Chemonics.* Conflict of Interest – All Grantee staff involved with a Chemonics-financed grant activity must be free of real or apparent conflict of interest. If the Grantee becomes aware of any real or potential conflict of interest, the Grantee’s Agent shall immediately notify the Chemonics’ Agent in writing.
29. Right of Visitation and Inspection – Through its authorized representative, Chemonics shall have the right, at all reasonable times, to inspect or otherwise evaluate the work being performed as a result of the grant. Chemonics shall have the right to inspect documents related to the performance of the project and to require additional explanations and information from the Grantee. Chemonics agrees to conduct any site visits in a manner that does not impede the day-to-day operations of the Grantee. USAID will also have direct and unrestricted access to the Grantee’s Chemonics-related financial records, reports, supporting documentation, etc. Chemonics and USAID have the right of visitation and inspection for three years following the end date of the grant, per 22 CFR 226.53.
30. Arbitration – In the event that any dispute arises concerning any aspect of this Grant Agreement that is not specifically addressed in these Terms & Conditions, it is hereby agreed that the matter will be presented to the CCAP Grants Evaluation Committee, and such committee will be the final and binding arbitrator of such dispute. The Chief of Party chairs the committee and will have final authority in resolving disputes.

31. **Liability** – The Grantee agrees that under no circumstances will it hold Chemonics, USAID, and the CCAP Project liable for any claims by the Grantee or any third party for damages arising from the implementation of any activity funded under this Grant Agreement. The Grantee assumes full responsibility for compliance with the laws and regulations of the Government of Mozambique.
32. **Grant Termination or Suspension** – Per the Mandatory Standard Provision “Award Termination and Suspension”, this Grant Agreement may be terminated or suspended for an indefinite period with advance written notice by Chemonics or the Grantee for the reasons stated in the “Award Termination and Suspension” Standard Provision and the following:
- m) **For Cause.** Should Chemonics or the Grantee determine that it is unlikely that the “Objective of Grant” will be achieved or if any of the Terms and Conditions of this Agreement are not adhered to by either party;
  - n) **For Convenience.** In the event USAID stops, delays, or transfers the services of or funding to Chemonics for any reason. Chemonics serves at the convenience of USAID, and may be impeded by the actions of USAID in executing this Grant Agreement;
  - o) **For Mutual Convenience.** The parties may withdraw from this Agreement by mutual consent affirmed in writing;
  - p) **For Force Majeure.** By written notice by either party of the occurrence of an event of “force majeure,” that is, an event that prevents completion of the grant activities or prevents grant funding that is beyond the control and without the fault of either party;
  - q) **Gross Negligence or Malfeasance.** In the event of gross negligence or malfeasance on the part of the Grantee including any incidence of fraud, Chemonics may terminate the Grant Agreement immediately. Chemonics will notify USAID in writing at least five (5) days prior to proceeding with a termination based on failure to comply with the terms and conditions of an award.
  - r) **USAID.** USAID retains the ability to terminate the grant activities unilaterally in extraordinary circumstances.

The Grantee hereby agrees that it will hold Chemonics, USAID, and CCAP blameless in the event of termination or suspension of this Agreement for any reason.

33. **Mandatory and Required As Applicable Standard Provisions** – The Grantee agrees to abide by the terms of the Mandatory and as Required As Applicable Standard Provisions as cited at <http://www.usaid.gov/policy/ads/300/303mab.pdf> and **Annex 2** of this Grant Agreement respectively. This Agreement is being awarded and administered by Chemonics as an authorized USAID Contractor. References to the “USAID Agreement Officer” or “Grant Officer” and “USAID” or “AID” in such Standard Provisions shall hereby be deemed to refer, respectively, to Chemonics’ designated Chief of Party for the CCAP Project.

34. **Branding and Marking Strategy** – Pursuant to ADS 320.3.3.2, all Grantees are required to have an approved branding strategy and marking plan incorporated into their Grant Agreement (**Annex 4**). The Grantee will provide the contractor with their branding strategy and marking plan at the time of award using a template provided by Chemonics.

35. **Controlling Language** – In the event of ambiguity or discrepancy between the English and Portuguese versions of this Grant Agreement, the English version shall control. *Only include this clause if the grant agreement includes a translation in another language.*

36. **Prohibition against Support for Terrorism** – The Grantee is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Grantee to ensure compliance with these Executive Orders and laws.

37. *(Clause 37 must be included in all grant agreements.)* Prohibition of Assistance to Drug Traffickers – Chemonics reserves the right to terminate this Agreement, to demand a refund or take other appropriate measures if the Grantee is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140. The undersigned shall review USAID ADS 206 to determine if any certifications are required for Key Individuals or Covered Participants. *For grants in covered countries when the grant includes any training, the following sentence must also be included,* “USAID reserves the right to terminate assistance to or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.” *To determine if you work in a covered country per ADS 206, effective October 1, 2011, per Presidential Determination No. 2011-16 of September 15, 2011 (<http://www.gpo.gov/fdsys/pkg/FR-2011-09-26/html/2011-24887.htm>), the Presidential Determination on Major Illicit Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2012 are: Afghanistan, The Bahamas, Belize, Bolivia, Burma, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, India, Jamaica, Laos, Mexico, Nicaragua, Pakistan, Panama, Peru, and Venezuela.*

38. Anti-Trafficking in Persons - Chemonics prohibits Trafficking in Persons as defined in Mandatory Standard Provision “Trafficking in Persons.” No employee, consultant, agent, or volunteer employed by the Grantee shall: engage in any forms of trafficking in persons (as defined in the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children, supplementing the UN Convention against Transnational Organized Crime), procure a commercial sex act, or use forced labor. If a person employed by the Grantee is made aware that a Grantee employee, consultant, subcontractor, agent, vendor, or volunteer has engaged in conduct that violates this policy, s/he must notify Chemonics immediately. Failure to do so could result in Grant Agreement termination.

**Statement of Agreement**

If after having reviewed in its entirety this Grant Agreement, you in your capacity as your organization's designated Agent fully and unconditionally agree with all of the above, you may enter into this Grant Agreement with the Chemonics by initialing each page and affixing your signature below. The Grantee represents that the designated agent as identified in Clause 2 above and whose signature and name appears below is authorized to negotiate on the grantee's behalf and to bind the grantee in connection with this grant.

On behalf of **Grantee**:

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Name (Print)	Title
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Signature	Date
-----------	------

On behalf of **Chemonics**:

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Name (Print)	Title
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Signature	Date
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## ANNEX D STANDARD GRANT TEMPLATE

*This template is for **Standard Grants to non-US Organizations**. Follow the instructions throughout, remember to insert project name or other text where applicable, and delete all italicized text (instructions for filling out template) throughout—it's highlighted in grey, like this text. If you have any questions, please contact the PMU or the Grants Department. All disbursements made under a Standard Grant must be supported by complete receipt documentation. Also, under a Standard Grant:*

- *Changes cannot be made to the text of this template without advance approval from the director of the grants department.*
- *To use this Grant Agreement template, first read [Chemonics Guidance on ADS 303](#).*
- *Advances may be given provided the Grantee meets the responsibility requirements. **The Required As Applicable Standard Provision entitled “Advance Payment and Refunds” changed on June 28, 2012 to now only allow 30 day advances.** As such, an initial advance may not be more than 30 days worth of expenses, 30% of the total budget, or \$150,000, whichever is less. Subsequent advances can be for no more than 30 days worth of expenses. Exceptions to this policy must be approved in advance by Chemonics' Chief Financial Officer.*
- *Per ADS 303.3.9.2.d, a special award condition clause has been added.*
- *Indirect costs are allowed if the Grantee can substantiate them, but if it can be avoided, Chemonics prefers to convert what might be included in an organization's indirects, and bill those costs directly (ex. office rent, utilities, etc.).*
- *Grant agreements must be in English. If grant agreements are translated, they should be translated using a professional translator in a side-by-side format with a statement that in case of dispute, the English version shall prevail (ADS 303.3.19).*
- *If the total value of this grant is under the Chief of Party's Delegation of Authority, then the Chief of Party is authorized to execute this agreement. However, if the total value is over the COP's DOA, then it needs to be 1) reviewed by the Grants Department prior to any execution and prior to seeking USAID approval, and 2) executed by the Senior Vice President of Contracts.*
- *All grants are negotiated, denominated and paid in local currency. The USD equivalent is stated in the memorandum of negotiation, but NOT in the grant agreement. The memorandum of negotiation template can be found on the QMS [here](#).*
- *For procurement of commodities and services, please see [Chemonics Guidance on ADS 303](#) to determine if Chemonics or the grantee will be responsible for procuring commodities and services under the Grant Agreement. See Clause 27 for the options.*
- *Please review the entire template. **Yellow highlights represent template language that will need to be tailored to the grant.** Grey text denotes guidance and additional information.*
- ***Please note that per changes to ADS 303 dated August 22, 2013, construction is no longer authorized under grants. (ADS 303.3.30).***

## USAID Coastal City Adaptation Project

Standard Grant Agreement No. \_\_\_\_\_

**“Insert Grant Title”**

The Coastal City Adaptation project is financed by the United States Agency for International Development (USAID) and implemented by Chemonics International Inc., hereinafter referred to as “Chemonics.” In accordance with the Terms and Conditions detailed below, Chemonics and the Grantee enter into this Grant Agreement.

### Terms & Conditions

1. Grantee:
2. Agent of Grantee and Title:

Address:

Telephone:

Fax:

E-mail:

DUNS #: *This is the Dun and Bradstreet number which is required for all grants over \$25,000. See the grants department for instructions about how to obtain this number.*

3. Agent of Chemonics and Title:

Point of Contact of Chemonics and Title: *If this is the same as the Agent, you may delete this reference.*

USAID Coastal City Adaptation Project

Address:

Telephone:

Fax:

E-mail:

4. Grant Title:
5. Grant Agreement No.:
6. Grant Start Date: *Grant start and completion dates should be written out, for example: December 1, 2011.*
7. Grant Completion Date:
8. Grant Activity Description: *Provide a brief description of grant objectives.*
9. Final Approved Grant Budget is shown as Annex 1; the total Chemonics Grant Budget Commitment in **INSERT LOCAL CURRENCY** for this grant is: **INSERT AMOUNT.** Chemonics is not obligated to reimburse the Grantee for the expenditure of amounts in excess of the approved budget amount. The availability of grant funding is subject to the availability of funding from USAID.

*If in-kind contributions are expected, leave the sentences below. If not, delete them. An in-kind contribution means that Chemonics will pay for a commodity or service on behalf of the Grantee. It is important to distinguish in the budget and in the grant agreement the specific items and their related costs being paid for in-kind. It is a best practice to provide commodities or services in-kind for several reasons, including avoiding cash flow issues, avoiding providing an advance,*

*and (most commonly) because the Grantee does not understand USAID procurement rules/regulations.*

Chemonics will provide for **INSERT LOCAL CURRENCY** as an in-kind donation. This in-kind donation includes: **LIST BELOW IN BULLETS ALL COMMODITIES/ SERVICES AND THEIR TOTAL VALUES BEING PROVIDED IN-KIND.**

*The language below is optional. Based on the total value of the grant, the results of the pre-award responsibility determination, and the prime contract obligated amount, you have the option of incrementally obligating the grant. This grant is incrementally obligated. Chemonics hereby obligates the amount of **INSERT LOCAL CURRENCY** as available funds under this grant. The Grantee is responsible for informing Chemonics in writing when 75 percent of obligated funds have been spent and for requesting a new obligation.*

10. *Note that all cost share contributions must be substantiated by the Grantee with receipts. It is a best practice to only include cost share when it is required by your contract. Cost share presents an additional burden on the project to track, so if it is not a requirement, do not include it. You have two options for clauses. Option A is if cost share is a requirement. Option B is when cost share is not a requirement but you would like to include a grantee contribution. If you are not required to have cost share and do not wish to have a grantee contribution, this clause may be deleted.*

**Option A** Grantee Cost-Share – The total value of the contribution to this activity by the Grantee is **INSERT COST SHARE AMOUNT IN LOCAL CURRENCY**. The total activity budget is **TOTAL ACTIVITY BUDGET AMOUNT IN LOCAL CURRENCY** of which the Grantee cost share represents **XX%** and the Chemonics Grant Budget Commitment represents **XX%** of the total activity budget.

**Option B** Grantee Contribution – The total value of the contribution to this activity by the Grantee is **INSERT GRANTEE CONTRIBUTION AMOUNT IN LOCAL CURRENCY**. The total activity budget is **TOTAL ACTIVITY BUDGET AMOUNT IN LOCAL CURRENCY** of which the Grantee Contribution represents **XX%** and the Chemonics Grant Budget Commitment represents **XX%** of the total activity budget. The Grantee Contribution is not Cost-Share.

11. Incorporated Documents. The following documents, hereinafter referred to as “Incorporated Documents,” are hereby agreed to be an integral part of this Agreement.

#### Annex 1. Grant Application and Final Approved Grant Budget

*Please make it a practice to mark ‘Final’ on the final negotiated budget. Often times many versions are created during negotiation, and it can become unclear which version is final.*

#### Annex 2. Mandatory and Required as Applicable Standard Provisions for Non-U.S. Non-Governmental Recipients

*For each individual grant agreement you must indicate which of the Required as Applicable Standard Provisions apply. Not all RAASP apply for each grant. You must go through the list and check off those that apply. [Here](#) is the checklist to use. Note: The full text of the Mandatory Standard Provisions and applicable RAASPs must be provided to the grantee.*

#### Annex 3. Certifications and Assurances

*You must tailor this to your grant program; not all countries require all certifications (some are only for ‘covered countries’ – see Clause 40) and some certifications are only required for grants over \$100,000. All certifications are listed below, but in most cases, not all certifications*

*must be signed. To figure out which certifications your grants must include use the [Required Certifications Tool](#).*

- Assurance of Compliance with Laws and Regulations Governing Nondiscrimination in Federally Assisted Programs
- Certification on Lobbying
- Certification Regarding Terrorist Financing
- Key Individual Certification Narcotics Offenses and Drug Trafficking
- Participant Certification Narcotics Offenses and Drug Trafficking
- Certification of Recipient
- Representation by Corporation Regarding a Delinquent Tax Liability or a Felony Criminal Conviction (Deviation OAA-DEV-14-02c) (August 2014)

#### Annex 4. Branding Strategy and Marking Plan

*Each grant must have a branding strategy and marking plan, which should be in accordance with the contract and its approved branding strategy and marking plan. Use the template found [here](#). For each individual grant, the grant manager should walk the Grantee through the branding strategy and marking plan and come up with an individual plan that makes sense for that particular grant.*

#### Annex 5. Environmental Screening Checklist and Mitigation Plan

*Per 22 CFR 216, no grant funds shall be disbursed until documentation exists that the project will not have detrimental environmental impact. USAID regulations specify that no funds shall be disbursed for grant activities except those qualifying for a Categorical Exclusion or already covered by an existing Environmental Review and Evaluation. The grants manager will work with the project's Initial Environmental Examination (IEE) to ascertain what type of environmental assessment is needed (Environmental Impact Assessment, Environmental Review, Environmental Evaluation, or other type of requirement).*

#### Annex 6. Instruction Packet for Grantees

*Not all projects have these, but it is a resource for Grantees that is highly recommended. To see examples of these, look [here](#).*

#### Annex 7. Financial and Progress Report Templates *(to be tailored to each project's grant program)*

*This list may not be exhaustive and you may tailor it to your grants program. If there are other documents that should be incorporated please include them.*

12. Compliance with U.S. Laws; Regulations Incorporated by Reference – The Grantee agrees to adhere to applicable U.S. laws and regulations, including the following regulations incorporated by reference: 22 CFR 226 and OMB Circular A-122
13. Order of Precedence – In the event that any parties believe there is a conflict of intent or interpretation between any sections of this Grant Agreement and the Incorporated Documents and References listed under **Clauses 11 and 12** above and **36** below, the order of precedence shall be: first, the Certifications, second, the Mandatory and Required as Applicable Standard Provisions, third 22 CFR 226 and OMB Circular A-122, fourth, the Grant Agreement, and finally, any additional documents listed above.

14. Allowable Costs – The Grantee shall neither request nor be reimbursed for expenditures incurred that are not allowable costs under this Agreement as detailed in the Final Approved Grant Budget in **Annex 1** or that are in excess of the Chemonics Grant Budget Commitment. Costs allowed are those that are both included in the Final Approved Grant Budget and allowable under all applicable USAID, Chemonics, and Grantee regulations including OMB Circular A-122. The Grantee is authorized up to ten percent (10%) flexibility to adjust costs among major line items of the Final Approved Grant Budget, as long as the Chemonics Grant Budget Commitment is not exceeded.
15. *This is based on ADS 303.3.9.2.d. SACs are also contained in the memorandum of negotiation. If there are no special award conditions, delete this clause.* Special Award Conditions – Based on the result of the pre-award responsibility determination, this grant contains the following special award condition(s) (SAC):

Description of Special Award Condition(s)	Purpose and Justification of Special Award Condition(s)	Time frame for Meeting Condition(s)
<p><i>Describe the special award condition as it appears in the grant agreement.</i></p> <p><i>Example: More frequent financial reporting: The Grantee will submit financial reports on the 10<sup>th</sup> and 25<sup>th</sup> of each month.</i></p>	<p><i>Describe the purpose and rationale for including this condition and explain how the condition will mitigate the risk.</i></p> <p>To increase understanding of financial reporting requirements and assist in establishing reporting routine.</p>	<p><i>State the time frame for meeting each special award condition.</i></p> <p>Six months from Grant Start Date</p>

Within **one month** (*adjust the date as appropriate – review may also happen each month*) of grant award, Chemonics will conduct a review of the grantee’s systems to verify compliance with the above-stated SAC(s). Continuation of the grant is predicated on the grantee correcting the SAC(s) in the time frame stated above. Once the SAC(s) have been satisfied and its/their conditions fully met, Chemonics will modify the grant agreement to remove the SAC(s). For SACs that cover the entire period of award, this is stated above in the time frame column.

16. Authority of Agents – It is agreed that the designated agents on behalf of the Grantee and Chemonics, as identified in Clauses 2 and 3 above, have unrestricted and sole authority to represent their respective organizations in all matters related to this Grant Agreement.
17. Statement on Objectives of Grant –The Grantee agrees that all funding disbursed under this Grant Agreement shall be used exclusively towards the attainment of the proposed Grant Activity Description as described in Clause 8. Furthermore, if at any time the Grantee should determine that achievement of the stated objectives is no longer feasible, for any reason, the Grantee agrees to notify Chemonics in writing immediately to initiate discussion on steps to be taken.
18. Period of Grant – With reference to Clause 6, Grant Start Date, and Clause 7, Grant Completion Date, it is agreed that all activities financed with Chemonics funds will be completed within the period of the grant unless Chemonics’ Grant Agent provides approval of extension in writing prior to the specified Grant Completion Date. Chemonics will not finance any activities completed outside of the period of the grant without the aforementioned approval. It is the Grantee’s responsibility to request an extension if needed at a minimum of 30 days in advance of the Grant Completion Date.

19. Modification – The Grant Agreement may only be modified by issuance of a formal written Grant Agreement Modification jointly executed by the Grantee’s Agent and Chemonics’ Agent.
20. Subawards – *Delete this clause if subawards are not expected. Chemonics’ guidance discourages the use of subawards under grants. Subawards represent additional risk to Chemonics and should only be used in rare circumstances with advance approval from the PMU. Subawards are only allowed under a Standard type grant, provided the Grantee has the capacity to monitor and implement subawards. Subgrants may only be in the format of fixed obligation grants and the Grantee must have advance approval from the field office in writing.* In the case of all subawards, including subcontracts, purchase orders, and subgrants, the Grantee will seek prior written approval of the subaward from Chemonics which will include an explanation of the competition process that was followed. Any exceptions to competition will require a written justification compliant with ADS 303.3.6.6. Chemonics must approve the subaward in advance of the execution of any agreement by the Grantee.
21. Bank Account – *Delete this clause if Grantee does not require advances.* The Grantee shall deposit all advances issued under this Grant Agreement into a separate interest bearing bank account and shall make all disbursements for commodities and services from this account. The Grantee may not co-mingle Chemonics grant funding with other donor or organization funds nor can it transfer money out of the account unless it is for the explicit coverage of expenses incurred under the Grant Agreement. The bank account should be named “**INSERT GRANTEE ORGANIZATION NAME**– USAID Coastal City Adaptation Project” and the Grantee should provide Chemonics with a monthly bank statement that includes the bank account name, number, and balance. The Grantee may retain up to \$250 a year in interest earned. This funding will be used to offset administrative expenses.
22. *This clause is about disbursement of funds. There are two versions: the first version pertains to payments that are advances; the second pertains to payments that are reimbursement-based. Use the first paragraph if advances are required and approved. Note that per the Required as Applicable Standard Provision entitled, “Advance Payment and Refunds”, advances may not be more than 30 days worth of projected expenses. In addition, per Chemonics policy, advances may not exceed 30% of the total budget, or \$150,000, whichever is less. Any exception to this policy must be approved in advance by Chemonics’ Chief Financial Officer. Use the second paragraph if payments will be made on a reimbursement basis only. Delete the paragraph that does not apply.* Disbursement of Funds from Chemonics to the Grantee (Advance and Liquidation Basis) – The Grantee will be issued an advance to fund the first 30 days of activity implementation. This advance will be issued to the bank account opened exclusively for this Grant Agreement as described in **Clause 21** above. The advance will be issued either by check or bank transfer to the Grantee’s account in Mozambique. On a monthly basis the Grantee will submit a monthly Financial Report described below to liquidate the advance and request another disbursement. If the reporting is complete and approved by Chemonics, the disbursement will be processed within 10 days of receipt. If Chemonics requires additional information or documentation regarding any individual cost(s) in a disbursement request, Chemonics may withhold payment for those costs until all requested information is provided and the cost is approved, but will not delay payment for the other costs approved for disbursement. The final payment will be made on a reimbursement basis (not an advance). **Note that Per ADS 303.3.30 and the ADS 303 Mandatory Reference entitled, “USAID Implementation of Construction Activities” dated August 22, 2013, construction is not eligible for reimbursement under this grant. Construction also includes improvements, renovation, alteration, and refurbishment.**

**OR**

Disbursement of Funds from Chemonics to the Grantee (Reimbursement Basis) – All disbursements to the Grantee will be made on a cost-reimbursement basis in local currency, either by check or bank transfer to the Grantee’s account in Mozambique. The Grantee will submit a request for reimbursement with the monthly Financial Report described below. If the

reporting is complete and approved by Chemonics, the reimbursement will be processed within 10 days of receipt. If Chemonics requires additional information or documentation regarding any individual cost(s) in a reimbursement request, Chemonics will withhold payment for those costs until all requested information is provided and the cost is approved, but will not delay payment for the other costs approved for reimbursement. Note that Per ADS 303.3.30 and the ADS 303 Mandatory Reference entitled, "USAID Implementation of Construction Activities" dated August 22, 2013, construction is not eligible for reimbursement under this grant. Construction also includes improvements, renovation, alteration, and refurbishment.

23. Grantee Fiduciary Responsibilities – The Grantee accepts the responsibility for the:

- Establishment of a separate and segregated financial accounting system that will effectively and properly record and report the deposit and expenditure of all funds disbursed under this Agreement. For purposes of control and review this may be a simple dual entry ledger and journal system that meets generally accepted accounting standards and financial control requirements;
- Proper, fully documented expenditure and accounting of all funds disbursed/reimbursed under this Agreement as per guidelines established by USAID, Chemonics, this Agreement, and the Grantee;
- Full, transparent, accountable and timely reporting to Chemonics of all funds disbursed/reimbursed under this Agreement.

The Grantee acknowledges its full understanding of the following:

- That its failure to fully execute the abovementioned responsibilities may result in Chemonics requesting the Grantee to refund some or all of the funds disbursed under this Agreement;
- That the Grantee hereby promises to make such refunds immediately if requested by Chemonics; and
- That its failure to fully execute the above mentioned responsibilities may result in the termination of this Agreement by Chemonics.

24. Reporting Requirements – All reports should be clearly marked with the Grant number assigned above, and submitted to: the Chemonics Agent identified in Clause 3 above, or sent by email, marked with the Grant number, to INSERT EMAIL ADDRESS. The Grantee agrees to the following financial and programmatic reporting requirements and schedule:

- f) **Financial Reporting:** The Grantee shall submit a monthly financial report, using the format in Annex 7, accompanied by copies of all receipts and other supporting documentation. The monthly Financial Reports should be submitted by no later than the 15<sup>th</sup> adjust the date as appropriate day of the following month. The Financial report shall include:
- Financial Expenditure Report; and
  - Copies of individual bona fide receipts (required for ALL expenditures, including expenditures under sub-awards).

The request for reimbursement or advance liquidation shall include a certification signed by an authorized representative of the Grantee, as follows:

*The undersigned hereby certifies: a) that payment of the sum claimed as total spent or to be spent in this request is proper and due and that all funds were or will be expended solely for the purposes described in the Grant Agreement and in accordance with all of the terms and conditions therein; b) that appropriate refund or credit to Chemonics will be made in the event of a subsequent disallowance in accordance with the terms of the Agreement, for nonperformance in whole or in part under the Grant Agreement; c) that information in the*

*financial report is correct and any detailed supporting information as Chemonics may require will be furnished by the Grantee promptly upon request; and, d) that all requirements called for by the Grant Agreement have been met up to the date of this certification.*

BY: \_\_\_\_\_

Name:

Title:

Date:

- g) **Progress Report.** The Grantee shall submit a monthly progress report. Monthly progress reports are on average approximately 5 pages in length and should be submitted no later than the 10<sup>th</sup> of each month. Chemonics will provide the Grantee with guidance regarding report content including, but not limited to, indicators that should be reported. Chemonics reserves the right to withhold reimbursement pending timely submission of monthly progress/narrative reports.

*This should be modified to meet needs of individual grants. Not all grants will require monthly reports, and it may not be realistic to expect monthly reports. This could be changed to quarterly, or the period of performance is short, the only report might be the completion report.*

- h) **Grantee Completion Report.** Within 30 days after completion of all Grant activities the Grantee will be required to submit a Grantee Completion Report. The report will include the following sections:
- A summary of the activity objectives and achievements;
  - A summary of the activity implementation process, lessons learned and recommendations;
  - Description of project impact and results, based on the indicators presented in the application as well as any other anecdotal information, stakeholder or observer commentary;
  - A discussion of how Chemonics' grants funding contributed to the objectives of the program.
  - A final financial report summarizing total expended by category. Any variation of more than 10% per major expense category must be accompanied by Chemonics' written approval to exceed a major expense category by more than 10% (reference **Clause 14**, Allowable Costs of this Agreement).

Chemonics reserves the right to withhold final reimbursement until the Grantee Completion Report has been received and is considered acceptable. Upon review and acceptance by Chemonics of the Grantee Completion Report including all required administrative and financial reports, Chemonics will provide the Grantee with a Grant Completion Certificate that will serve to close the Grant.

25. **Audit and Financial Record-Keeping and Reporting** – The Grantee agrees to meet and maintain the standards as set forth under 22 CFR 226. Chemonics may audit the Grantee in accordance with the requirements in the Mandatory Standard Provision “Accounting, Audit, and Records.” The Grantee is required to maintain all grant-related financial records in accessible and auditable

condition for three years after the completion of the grant activity. In addition, Chemonics reserves the right to audit the Grantee at any time during or after the Grant Completion Date.

26. Foreign Tax Reporting – The Grantee hereby agrees to record and report all payments of taxes assessed by the Government of Mozambique on eligible commodity purchase transactions(s) in accordance with the requirements for Foreign Tax Reporting detailed in the Required As Applicable Standard Provision “Reporting Host Government Taxes.” The Grantee agrees to request VAT exemption for purchases financed by the Grant Agreement. *(Include this last sentence only if applicable. Since VAT is handled differently in every country, you will need to collaborate with USAID about the approved approach for dealing with VAT.)*
27. *Include this clause only if the grant activity will generate program income. There are two options for this clause. Option # 1 is for non-profit organizations and Option # 2 is for for-profit commercial organizations. This is as per the “Program Income” Required As Applicable Standard Provision.*

**Option #1 for non-profit organizations:** Program Income – Program income earned during the period of the grant shall be retained by the Grantee and added to the funds committed by Chemonics and the Grantee to this grant activity. Program income shall be used to further the objectives of the grant. Program income is defined as gross income earned by the Grantee that is directly generated by a supported activity or earned as a result of this grant. The Grantee agrees to include a summary of program income earned in the monthly progress report.

**Option #2 for commercial organizations:** Program Income – Program income earned during the period of the grant will be deducted from the U.S. government share of this award. Program income is defined as gross income earned by the Grantee that is directly generated by a supported activity or earned as a result of this grant. This program income is reflected in the final approved budget in **Annex 1**.

28. *NOTE: Per [Chemonics Guidance on ADS 303](#), if the Grantee does not have the capacity to procure in accordance with USAID procurement regulations, it is a Chemonics best practice to procure on behalf of the Grantee and provide the equipment/services as an in-kind contribution. Choose the first option of Clause 26 if the grantee is authorized to procure equipment and choose the second option of Clause 26 if the grantee is not authorized to procure equipment.*

**Option #1:** Procurement of Commodities and Services – The Grantee is authorized to conduct the procurement of commodities and/or services as detailed in the approved Grant Budget in **Annex 1**. For any procurement transaction over the local currency equivalent of \$3,000, the Grantee shall send Chemonics the following documentation for Chemonics’ review and advance written approval.

- Specifications for the equipment/scope of work for services.
- At least three quotations from suppliers or service providers.
- Memo with summary of competitive process, description of evaluation, and recommendation for selected vendor.

If Chemonics’ advance approval is not received, Chemonics reserves the right to refuse reimbursement to the Grantee for the procurement. In addition, for any transactions above the local currency equivalent of \$500, the documentation stated above must be included in the monthly financial reports referenced in Clause 22 above. Procurement under this Agreement, including sub-agreements, shall be conducted in full compliance with USAID regulations governing procurement under grants. The Grantee should refer to Mandatory Standard Provisions “Procurement Policies” and “USAID Eligibility Rules for Procurement of Commodities and Services”, for more details on procurement procedure regulations. Under no circumstances may the Grantee procure Ineligible Commodities and Services (military equipment, surveillance equipment, commodities and services for support of police or other law enforcement activities, abortion equipment and services, luxury goods and gambling equipment,

or weather modification equipment), and the Grantee must have prior written approval by Chemonics to procure Restricted Commodities (agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, pesticides, used equipment, U.S. Government-owned excess property, or fertilizer). In the event the grantee procures any Ineligible Commodities/Services or any Restricted Commodities without prior written approval, Chemonics will not reimburse the Grantee for these procurements.

**OR, Option #2:**

Procurement of Commodities and Services – The Grantee is not authorized to procure any commodities or services under this Grant Agreement. If there are commodities and services in the approved Grant Budget in **Annex 1**, Chemonics will procure the commodities and services on behalf of the Grantee. If the Grantee procures these commodities and services, Chemonics reserves the right to refuse reimbursement to the Grantee for the procurement. In exceptional cases, Chemonics may authorize the grantee in writing to procure commodities or services. In such cases, Chemonics will review and approve all procurement documentation in advance of the procurement. Procurement under this Agreement, including sub-agreements, shall be conducted in full compliance with USAID regulations governing procurement under grants. The Grantee should refer to Mandatory Standard Provisions “Procurement Policies” and “USAID Eligibility Rules for Procurement of Commodities and Services”, for more details on procurement procedure regulations. Under no circumstances may the Grantee procure Ineligible Commodities and Services (military equipment, surveillance equipment, commodities and services for support of police or other law enforcement activities, abortion equipment and services, luxury goods and gambling equipment, or weather modification equipment), and the Grantee must have prior written approval by Chemonics to procure Restricted Commodities (agricultural commodities, motor vehicles including motorcycles, pharmaceuticals, medical equipment, pesticides, used equipment, U.S. Government-owned excess property, or fertilizer). In the event the grantee procures any Ineligible Commodities/Services or any Restricted Commodities without prior written approval, Chemonics will not reimburse the Grantee for these procurements.

29. *There are 2 options for Clause 29. You must use one or the other. For all contracts that have geographic code 935 authorized in the prime contract, use **Option #1**: Source and Nationality – The authorized geographic code for procurement of commodities and services is 935, “Special Free World”. The grantee will follow the Mandatory Standard Provision “USAID Eligibility Rules for Procurement of Commodities and Services”, and such commodities and services must meet the source and nationality requirements set forth in 22 CFR 228.*

**OR, for all contracts that have a geographic code other than 935 authorized in the prime contract, use **Option #2**: Source and Nationality –** When the total procurement element of the grant is valued at the local currency equivalent of \$250,000 or less, the authorized geographic code for procurement of commodities and services is 935, “Special Free World.” The total procurement element includes procurement of all commodities (for example, equipment, materials, and supplies) and services. When the total procurement element of the grant exceeds the local currency equivalent of \$250,000, the geographic code is *(enter the geographic code of the contract or CO approved geographic code for grants)*. The grantee will follow Mandatory Standard Provision “USAID Eligibility Rules for Procurement of Commodities and Services”, and such commodities and services must meet the source and nationality requirements set forth in 22 CFR 228.

30. *NOTE: This clause is based on the changes to the regulations dated June 28, 2012. If your grant manual contains language that the CO must approve disposition for grantees, please get in touch with the grants department to discuss options.* Disposition of Property – Per the Mandatory Standard Provision “Title To and Use of Property”, property procured under this Agreement will vest with the Grantee upon completion of the Agreement and after the Grantee has signed a Chemonics provided form entitled “Property Disposition Report and Deed of Donation.” If the

Agreement is terminated as described in Clause 35, all Property shall be returned to Chemonics within 7 days of the termination date. The Grantee will use and conserve the property for the purposes of the grant, as specified in Mandatory Standard Provision “Title to and Use of Property.”

31. *You must ensure that the Grantee understands what a conflict of interest is and that anyone involved with the grant must be free of COI and the Grantee must report any instances of COI to Chemonics.* Conflict of Interest – All Grantee staff involved with a Chemonics-financed grant activity must be free of real or apparent conflict of interest. If the Grantee becomes aware of any real or potential conflict of interest, the Grantee’s agent shall immediately notify Chemonics’ Agent in writing.
32. Right of Visitation and Inspection – Through its authorized representative, Chemonics shall have the right, at all reasonable times, to inspect or otherwise evaluate the work being performed as a result of the grant. Chemonics shall have the right to inspect documents related to the performance of the project and to require additional explanations and information from the Grantee. Chemonics agrees to conduct any site visits in a manner that does not impede the day-to-day operations of the Grantee. USAID will also have direct and unrestricted access to the Grantee’s Chemonics-related financial records, reports, supporting documentation, etc. Chemonics and USAID have the right of visitation and inspection for three years following the end date of the grant, per 22 CFR 226.53.
33. Arbitration – In the event that any dispute arises concerning any aspect of this Grant Agreement that is not specifically addressed in these Terms & Conditions, it is hereby agreed that the matter will be presented to the CCAP Grants Evaluation Committee, and such committee will be the final and binding arbitrator of such dispute. The Chief of Party chairs the committee and will have final authority in resolving disputes.
34. Liability – The Grantee agrees that under no circumstances will it hold Chemonics, USAID, and the CCAP Project liable for any claims by the Grantee or any third party for damages arising from the implementation of any activity funded under this Grant Agreement. The Grantee assumes full responsibility for compliance with the laws and regulations of the Government of Mozambique.
35. Grant Termination or Suspension – Per the Mandatory Standard Provision “Award Termination and Suspension”, this Grant Agreement may be terminated or suspended for an indefinite period with advance written notice by Chemonics or the Grantee for the reasons stated in the “Award Termination and Suspension” Standard Provision and the following:
  - s) **For Cause.** Should Chemonics or the Grantee determine that it is unlikely that the “Objective of Grant” will be achieved or if any of the Terms and Conditions of this Agreement are not adhered to by either party;
  - t) **For Convenience.** In the event USAID stops, delays, or transfers the services of or funding to Chemonics for any reason. Chemonics serves at the convenience of USAID, and may be impeded by the actions of USAID in executing this Grant Agreement;
  - u) **For Mutual Convenience.** The parties may withdraw from this Agreement by mutual consent affirmed in writing;
  - v) **For Force Majeure.** By written notice by either party of the occurrence of an event of “force majeure,” that is, an event that prevents completion of the grant activities or prevents grant funding that is beyond the control and without the fault of either party;
  - w) **Gross Negligence or Malfeasance.** In the event of gross negligence or malfeasance on the part of the Grantee including any incidence of fraud, Chemonics may terminate the Grant Agreement immediately. Chemonics will notify USAID in writing at least five (5) days prior to proceeding with a termination based on failure to comply with the terms and conditions of an award.

- x) **USAID.** USAID retains the ability to terminate the grant activities unilaterally in extraordinary circumstances.

The Grantee hereby agrees that it will hold Chemonics, USAID, and CCAP blameless in the event of termination or suspension of this Agreement for any reason.

36. Mandatory and Required As Applicable Standard Provisions – The Grantee agrees to abide by the terms of the Mandatory and as Required As Applicable Standard Provisions as cited at <http://www.usaid.gov/policy/ads/300/303mab.pdf> and **Annex 2** of this Grant Agreement respectively. This Agreement is being awarded and administered by Chemonics as an authorized USAID Contractor. References to the “USAID Agreement Officer” or “Grant Officer” and “USAID” or “AID” in such Standard Provisions shall hereby be deemed to refer, respectively, to Chemonics’ designated Chief of Party for the CCAP Project.
37. Branding and Marking Strategy – Pursuant to ADS 320.3.3.2, all Grantees are required to have an approved branding strategy and marking plan incorporated into their Grant Agreement (**Annex 4**). The Grantee will provide the contractor with their branding strategy and marking plan at the time of award using a template provided by Chemonics.
38. *Only include this clause if the grant agreement includes a translation in another language.* Controlling Language – In the event of ambiguity or discrepancy between the English and Portuguese versions of this Grant Agreement, the English version shall control.
39. Prohibition against Support for Terrorism – The Grantee is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the Grantee to ensure compliance with these Executive Orders and laws.
40. *(Clause 40 must be included in all grant agreements.)* Prohibition of Assistance to Drug Traffickers – Chemonics reserves the right to terminate this Agreement, to demand a refund or take other appropriate measures if the Grantee is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140. The undersigned shall review USAID ADS 206 to determine if any certifications are required for Key Individuals or Covered Participants. *For grants in covered countries when the grant includes any training, the following sentence must also be included,* “USAID reserves the right to terminate assistance to or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.” *To determine if you work in a covered country per ADS 206, effective October 1, 2011, per Presidential Determination No. 2011-16 of September 15, 2011 (<http://www.gpo.gov/fdsys/pkg/FR-2011-09-26/html/2011-24887.htm>), the Presidential Determination on Major Illicit Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2012 are: Afghanistan, The Bahamas, Belize, Bolivia, Burma, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, India, Jamaica, Laos, Mexico, Nicaragua, Pakistan, Panama, Peru, and Venezuela.*
41. Anti-Trafficking in Persons – Chemonics prohibits Trafficking in Persons as defined in Mandatory Standard Provision “Trafficking in Persons.” No employee, consultant, agent, or volunteer employed by the Grantee shall: engage in any forms of trafficking in persons (as defined in the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children, supplementing the UN Convention against Transnational Organized Crime), procure a commercial sex act, or use forced labor. If a person employed by the Grantee is made aware that a Grantee employee, consultant, subcontractor, agent, vendor, or volunteer has engaged in conduct that violates this policy, s/he must notify Chemonics immediately. Failure to do so could result in Grant Agreement termination.

**Statement of Agreement**

If after having reviewed in its entirety this Grant Agreement, you in your capacity as your organization's designated Agent fully and unconditionally agree with all of the above, you may enter into this Grant Agreement with the Chemonics by initialing each page and affixing your signature below. The Grantee represents that the designated agent as identified in Clause 2 above and whose signature and name appears below is authorized to negotiate on the grantee's behalf and to bind the grantee in connection with this grant.

On behalf of **Grantee**:

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Name (Print)	Title
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Signature	Date
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On behalf of **Chemonics**:

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Name (Print)	Title
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Signature	Date
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