

Final Proposal for Support Under the
Agency for International Development
Institutional Grants Program

Name of Applicant: Michigan State University

Date of Application: June 16, 1970

Title: A Grant to Increase the University's Capability In
Agricultural Economics Related to the Less Developed
Countries

Duration: Five years from the date established by the grant

Amount of the Grant: \$625,000

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I. Preamble

1. The Institutional Grant, made by AID under authority of Section 211d of the Foreign Assistance Act of 1961 as amended, is one of several intended to develop and strengthen the competence of cooperating Universities in the field of agricultural economics as it relates to the problems of developing countries, and to increase their ability and the ability of significant numbers of their staff to contribute to the solution of these problems.
2. There is a growing need for skilled analytical work on agricultural sector problems in the less developed countries as agricultural production increases, movement is generated toward a market-oriented system, and decisions are required concerning possible alternative uses of resources. Many of the developing countries are unable to do the analytical work needed for appropriate decisions on these matters, and to assess the effect of their decisions on the economy as a whole. They need and want skilled professional advice and assistance in developing their own capabilities for this type of analysis.
3. These requirements can be met in part by increasing the agricultural economic capability of certain Universities which have been active in the international field, and by developing a group of agricultural economists in these Universities who will maintain a continuing interest in the problems of the less developed countries, who will acquire some practical experience in dealing with them, and who will be provided reasonable assurance that their activities in their field will receive continuing support.
4. AID has a substantial interest in strengthening the capability of institutions which are able and willing to assist in these areas, and increasing their competence and expertise by providing opportunities and incentives to members of their professional staff who are interested in devoting a significant part of their career to work on agricultural development in the less developed countries. Recognizing that the

accumulation and dissemination of knowledge concerning these problems will be of benefit to the development process, AID wishes to encourage research in this area and the publication of results.

5. The University, considering that agricultural economists who devote a portion of their careers to dealing first-hand with practical problems of agricultural development will thereby strengthen their professional competence, undertakes to facilitate their acceptance of assignments with AID and other development institutions. Recognizing the enhanced contribution that individuals with this type of experience can make to both teaching and research, the University will make every effort to provide them appropriate assignments upon their return to campus.

6. AID and the University recognize that participants in these arrangements will have a natural community of interests and that the individual and collective effectiveness of the group will be increased by a continuing interchange of ideas and insights growing out of their experience. AID and the University will endeavor to promote such interchanges through conferences, workshops and other appropriate arrangements. The participation of other professionals interested in agricultural development in the less developed countries will be encouraged.

II. Objectives

The grants made to several selected universities in furtherance of the purposes stated in Section I have common objectives. The first of these objectives, which are listed below, will require continuing cooperation among the grantee universities and between them and AID.

1. To create a framework within which a significant number of U.S. agricultural economists interested in the international aspects of their discipline can work cooperatively on certain research problems of urgent importance to developing countries, thereby increasing the effectiveness of their efforts, and making the most efficient use of scarce research resources; to provide an efficient means for applying the product of this research in a way which will be helpful to the developing countries; and to contribute to the development of professional contacts and collaboration among agricultural economists in the United States and in the developing countries.
2. To increase the competence of the University in the area of economic development problems, particularly as they relate to the agricultural sector and the relationship between agriculture and other economic sectors, by providing a continuing arrangement for faculty members to conduct research on campus and abroad and to carry on work in developing countries.
3. To enable the University to provide increased training in economic development and agricultural economics at the graduate level for students from the U. S. and the developing countries.
4. To provide members of the University faculty the enriching experience of dealing directly with problems of agricultural development in the less developed countries by

arranging for them to serve with AID in capacities which will contribute to the development of their professional skills and to their understanding of how to accelerate agricultural growth in the less developed countries and deal with the practical problems involved in the process.

III. University Capabilities

The Department of Agricultural Economics has developed a sustained and expanding international program including overseas technical assistance and on-campus education. Financial support from the AID and the foundations has been a critical resource in bringing about the development of this effort.

AID-Supported Research - A considerable number of faculty members in the Department of Agricultural Economics have had experience in agricultural and economic development research, institution building, and consultation in developing countries. This has included work in Nigeria, Colombia, Brazil, Boliva, Thailand, Pakistan, Taiwan, and Turkey. This experience has been gained via participation in AID research and institution-building contracts, in programs sponsored by the Ford, Rockefeller, and Kellogg Foundations, and consulting arrangements with AID, FAO, the World Bank, and the United States Department of Agriculture.

These experiences have been successful in serving the interests of granting institutions, recipient countries and the University's academic pursuits. In most cases these projects have involved multidisciplinary work to effectively deal with the problems and they often have involved the coordination of several United States and host country efforts.

The success of these projects have been due to:

1. The willingness of key members of the Department of Agricultural Economics to immerse themselves in the task of finding solutions to the important problems of the recipient countries in close cooperation with funding organization personnel, host country decision-makers, and United States and host country universities.
2. The application of applicable theory and quantitative techniques to the solution of these practical problems and, where necessary, the development of improved theory and techniques.
3. The involvement of competent persons from other disciplines as necessary to deal with the specific problem. This has resulted in multidisciplinary approaches to complex problems having a central focus in agricultural development.

The grant program outlined in this proposal will facilitate the further development of competence in the Department of Agricultural Economics and will enable this group to continue and to expand research and training activities dealing with agricultural development problems in the less developed countries.

Graduate Training - The Department of Agricultural Economics is heavily committed to graduate training in international economic development. Among the 105 graduate students now in residence, 47 are from 23 countries outside the United States. Several students are overseas collecting data and analyzing information for their doctoral dissertation. A significant number of the Department's graduates have embarked upon careers in agricultural development, with such institutions as the World Bank, AID, Ford Foundation, the Rockefeller Foundation, as well as serving on faculties and participating in a number of contract projects overseas, operated by other universities. Most of the overseas students have been admitted to the Department of Agricultural Economics with financial support from institutional donors, including Rockefeller, Ford, and Kellogg Foundations, the Agricultural Development Council, AID, FAO, or directly by the governments such as West Germany, Belgium, Canada, or the UAR.

Courses are being introduced or changed to provide a larger international dimension. For example, a new two course sequence in agricultural administration, and a course sequence in international agriculture, agricultural development, and a workshop in agricultural planning provide ample opportunity to learn how to apply economic, statistical, administrative and other tools to the process of development. Special seminars or workshops are offered from time to time, such as the three-day seminar on South Asia in June 1968, the summer long development planning workshop on Nigeria in 1968, and a similar seminar-workshop on Pakistan planned for the summer of 1971. Other graduate courses in production economics, marketing, land economics, and agricultural policy contain significant treatment of economic development problems and concepts. Other university departments provide students with opportunities to select a series of courses in other disciplines, including economics, communications, political science and sociology which deal with development concepts and problems.

IV. Administrative Structure

The Department of Agricultural Economics is one of 14 departments in the College of Agriculture and Natural Resources. The chairman reports directly to the dean and maintains liaison with the Director of the Agricultural Experiment Station, Director of the Cooperative Extension Service, or Assistant Dean for Resident Instruction. The Dean reports to the Provost and the President of the University; to the Provost on international and academic problems, and to the President on external and broad public policy issues. Normally, the channels are from President-Provost-Dean-Department Chairman, or vice versa. Certain issues may be discussed with one of the Vice Presidents before going to the Provost or President for final policy determination.

The Dean of International Programs also represents coordinating link between the Department, the College and the President. An Institute of International Agriculture coordinates international activities within the College of Agriculture and Natural Resources and the three area centers on Latin America, Africa and Asia help coordinate and stimulate inter-college and inter-disciplinary programs.

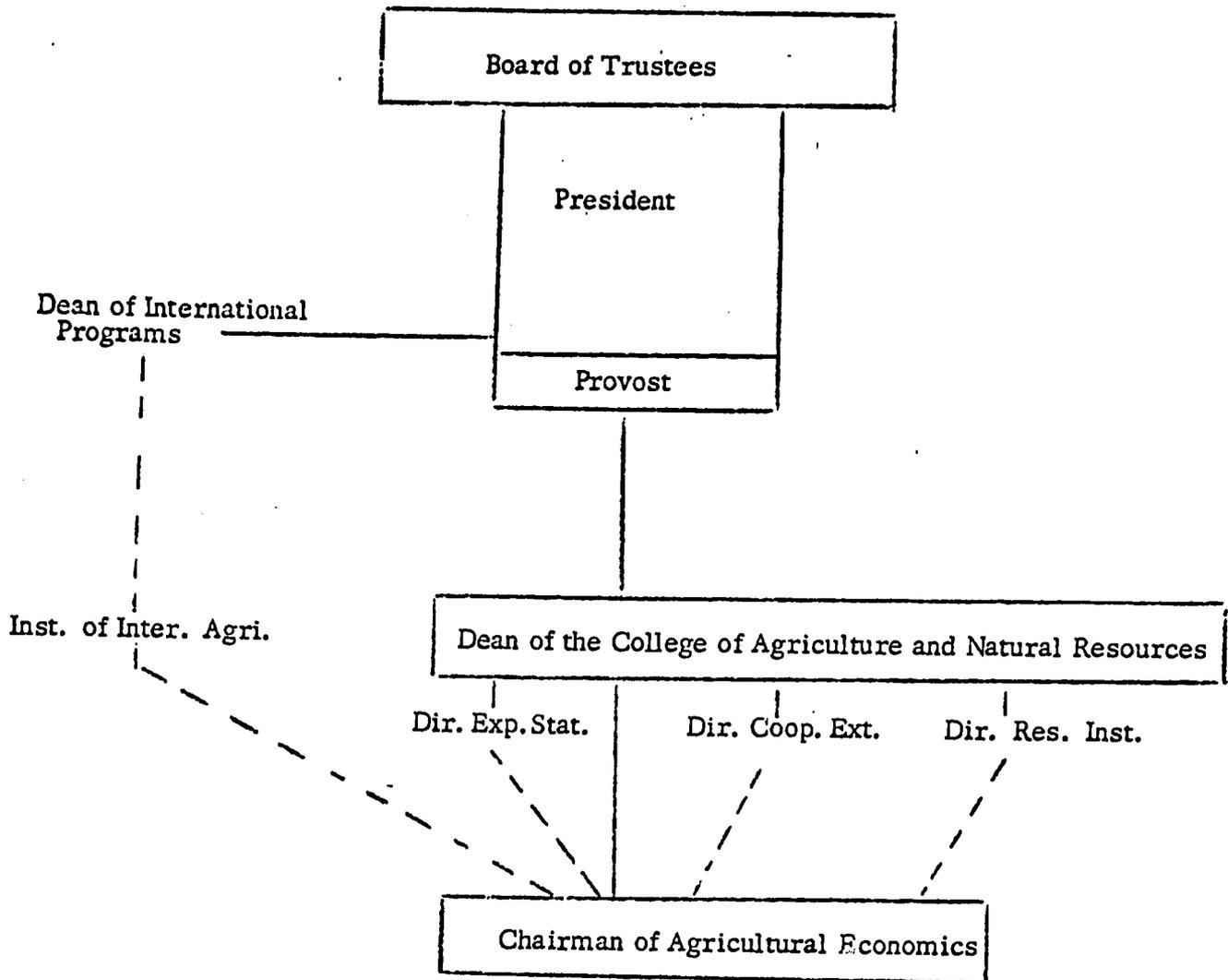
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(For a more detailed statement on organizational structure of the University see MSU Policy and Administrative Manual on International Programs on file with the Office of Procurement, AID Washington.)

University Contributions

The Department of Agricultural Economics currently operates on a budget of approximately two and one-half million annually with funds being provided from state, federal and private sources. Funds requested in this proposal will not replace existing funding. Activities provided for in this proposal will be additive to existing and planned programs of the Department.

Existing Department and University resources will provide :

All indirect costs of administration, including time of deans and other senior officers of the University.

Office, classroom and auditorium space for faculty, students, special seminars or workshops related to this grant program.

Library and reference facilities.

Access to the University computer facilities.

Consultation with faculty members not directly supported by this grant.

The Department and the University will continue to seek additional support for the development of the international program of the Department of Agricultural Economics. The Department intends that the present grant be used to strengthen the international competence of the Department and that this competence be shared with the Technical Assistance Bureau of AID.

VI. Scope

The grant is for \$625,000 to be made available for use over a period of five years. It will be used to support activities within the framework of the following program outline which describes the overall scope of work for increasing the capabilities of selected universities participating in a joint program with AID.

1. To help finance high priority elements of a problem-oriented research and training program. The elements in this program will change over time as the economies of the developing countries evolve; initially it will include:

(a) Theoretical, methodological and selected empirical studies on sectoral analysis, with emphasis on the use of human and capital resources to increase institutional competence; on public policy alternatives in the area of prices, taxes and trade; and on intersectoral obstacles to increase rates of economic and social development. These studies will analyze the potential impact of various agricultural policies, programs and projects on factors such as total output, economic efficiency, income distribution, employment, balance of payments, and price stability.

(b) Welfare and income redistribution aspects of rural development. Emphasis will be placed on employment opportunities in the rural area

with particular attention to the disadvantaged rural tenant and small landowner; on the development of institutions to produce and deliver essential services efficiently; and on the spatial distribution of employment and population. Implications of different sectoral growth patterns and technologies on output and employment will be studied. The economic and social consequences of the latter on the rural-urban migration will be analyzed.

(c) Selected production oriented projects with special emphasis on water resource use, including consideration of water as the principal factor determining regional specialization or comparative advantage, water distribution systems, systems of water rights, cost benefit analysis, repayment schedules related to productivity and the interaction of legal, economic and political factors.

(d) Selected problems in the area of markets and trade, including problems of assembly, distribution and changes in product form; issues of economic feasibility, storage, price and transfer policies, farm size and structural alternatives for necessary capital accumulation.

(e) Selected economic policy problems related to the inducement, generation and diffusion of new technical knowledge and to the production and distribution of new industrial inputs by research and technical assistance institutions and by agricultural supply firms.

2. To increase the quality and quantity of undergraduate and graduate instruction in agricultural economics with an international orientation. The grant may provide support for graduate assistantships and research associates from the U.S. and other countries. The research component of the graduate training programs will be linked to the high priority program and project areas identified above. The international dimension in undergraduate education will improve indirectly through improved competence of the faculty.

3. To increase the supply of U.S. agricultural economic talent directed at operational or problem-oriented development issues in emerging countries. By increasing the capabilities of the University's agricultural economics faculty the grant will enable the University to provide additional skilled personnel for short and long-term assignments with AID. Such assignments will give to participating faculty members first-hand experience with the problems of developing countries, and, thereby, further increase their professional capability.

VII. Implementation of Program

The Chairman of the Department of Agricultural Economics will organize and administer this program with the assistance of the department faculty having major interests in the area of international economic development. The core group participating in the program will include faculty (either in Agricultural Economics or other departments) who wish to work on problems within the scope of this Grant Agreement. Because of the

multidisciplinary nature of some of the problems, it will be necessary and desirable to arrange for some participation of faculty from other departments such as Economics, Sociology, Resource Development, Communications and Systems Science. Although there now exists within the Department of Agricultural Economics a substantial aggregation of faculty competence in international economic development, this grant program will further increase the competence of existing faculty and train new faculty and graduate students to deal effectively with problems of developing countries. In order to achieve this goal the grant will be used to support faculty and graduate student research on agricultural development problems in developing countries. Initially, these efforts will be focused mainly on those countries or areas where the Department has already had experience as described in Section III above. Particular attention will be devoted to Tropical Africa, with special emphasis on those problems of rural employment and rural development outlined in Section VI 1 (a) and (b) and (e) above. Selection of research activities will be influenced by the participation of Department faculty in the workshops and planning activities of the International Agricultural Economics Panel as they meet with staff of the Agricultural Economics and Sectoral Analysis Division of the Technical Assistance Bureau of AID. Where appropriate, the overseas research of faculty and graduate students may be organized to complement the work of faculty on long-term assignments with AID.

On-campus activities will include workshops focused on topics directly related to the research interests of the faculty. Professionals from developing countries, from AID or from other universities will be invited to participate in workshops, seminars and in regular graduate courses dealing with agricultural development and related topics. Close working liaison will be maintained with the other Universities participating in this joint program.

VIII. The International Agricultural Economics Panel

1. The University will nominate, and with AID will jointly designate certain of its faculty who, together with faculty members from the other cooperating Universities similarly designated, will constitute an International Agricultural Economics Panel. A panel member will be selected on the basis of (1) recognition as a specialist in a problem area of significance in world agricultural development; (2) expressed willingness to serve from time to time on short-term or long-term assignments for AID in the United States or abroad; (3) expressed willingness to engage in research in his special field and on problems of significance to AID and cooperating nations including undertaking any necessary foreign travel, supervision of research assistants, etc.; and in the research funded through this grant.
2. If the University considers it desirable, it may nominate as members of the Group, any or all of the additional staff members employed under the terms of this Grant.
3. Changes in personnel serving on the Panel may be made from time to time by the University in consultation with AID. Individuals affected will be separately notified when action is taken.

4. The University will use its best efforts to make available to AID, under arrangements mutually agreed at the time, the services of at least two members of the Panel throughout the period of the grant. The University undertakes to make available from the Panel as originally constituted, or as subsequently modified, ten man years of time.
5. AID undertakes, subject to the availability of funds and applicable laws and regulations, to seek to place Panel members who become available for service with the Agency in positions in Washington or in the field which are commensurate with their academic rank, related to their special fields of interest and promise to provide experience of significant value to their career development. These individuals, whether serving in Washington or in the field, will have responsibilities of a highly professional character, which will, however, include a significant operational component, involving short-run analyses of project and program alternatives, economic evaluations of existing program elements and similar assignments. They will also have the opportunity to broaden their professional experience by assisting in the development of methodology for conducting sectoral analysis and other research programs important to agricultural growth in the developing countries, and performing substantive work in some of the research areas identified in Section VI. They will be concerned with expanding the capacity of institutions in the developing countries to do significant research in the field of agricultural economics and will endeavor to develop linkages between these institutions and university research and training programs in the United States.
6. Although normally expected to serve two years, it is recognized that from time to time AID and the University may agree that circumstances justify a shorter or longer period of service.
7. Members of the Panel who accept long-term assignments under the terms of this agreement will be granted leave from the University for the period of their service. Faculty who accept short-term assignments with AID will be compensated as consultants within the limits set by University and Agency policy.
8. The University will exert its best efforts to make economists available to AID from the members of the Panel throughout the period of the agreement, such individuals to be employed and paid directly by the Agency. The University will employ additional staff if such action is considered necessary to maintain the effectiveness of on-campus activities while meeting this objective.

IX. Reports and Reviews

1. Each year designated representatives of the University and of AID will meet to review progress under the agreement, including the effectiveness of personnel serving with AID, and to consider work plans and potential University nominees in the years ahead.
2. Both AID and the University consider that the potential benefits of the arrangements established by this agreement will probably not be fully realized in the

five-year period for which the grant runs. In recognition of this fact, and provided both parties are agreed that the arrangements have worked satisfactorily and promise to yield further benefits, they will initiate discussions during the third year of the grant looking to its extension for an additional period.

BUDGET

Salaries and Wages	\$510,000
Equipment	10,000
Travel	50,000
Other	<u>55,000</u>
	\$625,000

STANDARD PROVISIONS

1. Adherence to Aims

The Grantee is responsible for adherence to the conditions of this grant. Although the Program Director is encouraged to seek the advice and opinion of the Agency for International Development (A.I.D.) on special problems that may arise, such advice does not diminish Grantee's responsibility for making sound technical and administrative judgments. If a deviation from the grant is contemplated, written approval must be obtained from the Grant Officer, Office of Procurement, Contract Services Division, A.I.D.

2. Graduate Students

A. The Grantee institution has the responsibility for the selection of students to be trained under this grant. Students receiving support under this program do not incur any formal obligation to the Government of the U.S., nor are they required to perform any work which is not an integral part of the training program.

B. Students will be granted stipends and allowances in accordance with University policy and practice.

3. Foreign Country Nationals

When authorized in writing by the Grant Officer, the Grantee shall be reimbursed for the costs of bringing Foreign Country Nationals to the Grantee institution for purposes consonant with the objectives of this Grant.

4. Reports

A. Technical Reports

The Grant shall submit a technical report to TA/RUR in a form as advised by TA/RUR and in the number of copies requested by TA/RUR. The final technical report shall be submitted within six months after the expiration or termination of the grant. It shall include a statement of major accomplishments under the grant, the number of degrees granted, a bibliography of publications produced as a result of the work under the grant, and sufficient data for evaluation of progress in all aspects of the project.

B. Fiscal Reports

The Grantee shall submit three copies of an annual fiscal report to the A.I.D. Grant Officer. This report shall include a summary by line item (See Budget) of how much has been spent during the reporting period on an accrued basis and how much has been spent cumulatively. Two copies of a final fiscal report shall be submitted within 90 days after the expiration of termination of the grant. The final report shall include a summary by line item of all funds expended under the grant.

5. Publications

A. As agreed upon by A.I.D. and the Grantee, appropriate acknowledgment of A.I.D.'s support shall be made in connection with the publication of any material based on, or developed under this Grant. The acknowledgment shall state that the information and conclusions in the paper do not necessarily reflect the position of A.I.D. or the U.S. Government. A.I.D. also reserves the right to dissociate itself from sponsorship or publication of the above materials.

B. The Grantee shall provide TA/RUR with one copy of all published works developed under the Grant. The Grantee shall provide TA/RUR with lists of other written work performed under the Grant.

C. When the cost of publishing material is provided for in this Grant, any royalties or profits up to the amount charged to the grant for publishing the material shall be credited to this Grant.

D. Rights In Data

Any copyrights or patents shall be in the name of the Grantee. However, the Government shall have a royalty-free non-exclusive irrevocable license for the use of all publications produced or composed under this grant.

6. Adherence to Budget

A. In no case may the Grantee exceed the total amount of the grant. If additional funds to conduct the project are required, a request to this effect should be submitted to the A.I.D. Grant Officer, who may approve the request by amending the grant to provide additional funds after consultation with TA/RUR.

B. Adjustments among the line items of this grant are unrestricted.

7. Allowable Costs and Payment

The Grantee shall be reimbursed for direct costs incurred in carrying out the aims of this Grant as determined by the Administrator to be allowable in accordance with Bureau of the Budget Circular A-21 (Principles for Determining Costs Applicable to Research and Development under Grants and

Contracts with Educational Institutions); and the terms of this grant. It is mutually understood and agreed, unless otherwise provided herein, that the Grantee will not allocate any costs to this Grant which are normally charged as indirect costs (overhead) in accordance with the Grantee's normal accounting practices.

Payment of costs incurred under this Grant shall be in accordance with the procedure set forth in Appendix A.

8. Accounting, Records, and Audit

The final records, including documentation to support entries on the accounting records and to substantiate charges to the grant, shall be kept in accordance with the institution's usual accounting procedures and must be readily available for examination and audit by A.I.D. The Comptroller General of the United States and his representatives shall have the same rights of examination and audit. No such records shall be destroyed, or otherwise disposed of, within three years after termination of the project. However, all records must be retained until an audit has been completed and all questions about expenditures resolved, unless written approval has been obtained from the A.I.D. Grant Officer to dispose of the records. A.I.D. follows generally accepted auditing practices in determining that there is proper accounting and use of grant funds.

9. Refunds

A. Any funds remaining in the custody of the Grantee at the expiration of the Grant shall be refunded to A.I.D.

B. If, at any time, it is determined by the Administrator of A.I.D. that funds provided under the Grant have been expended for purposes not in accordance with the terms of the Grant, the Grantee will credit such amounts to the corpus of the Grant.

10. Salaries

All salaries, wages, fees, stipends and allowances reimbursed under this Grant shall be in accordance with the Grantee's usual policy and practice.

11. Regulations Governing Employees Performing Work Outside the United States

(A) The Grantee shall not send any individual outside the United States to perform work under the grant nor shall the Grantee employ any person outside the United States to perform work outside the United States without first obtaining written notification from the Grant Officer that the USAID Mission has been advised and/or has provided clearance, as appropriate. For this purpose the Grantee shall advise the Grant Officer at least thirty (30) days in advance of any travel to be performed outside the United States.

Travel to certain countries shall, at A.I.D.'s option, be funded from U.S.-owned local currency. When A.I.D. intends to exercise this option, it will so notify the Grantee after receipt of advice of intent to travel required above. A.I.D. will issue a Government Transportation Request (GTR) which the Grantee may exchange for tickets, or A.I.D. will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

B. Sale of Personal Property or Automobiles. The sale of personal property or automobiles by Grantee employees and their dependents in the

foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire A.I.D. personnel employed by the Mission.

C. Conflict of Interest. Other than work to be performed under this grant for which an employee or consultant is assigned by the Grantee, no regular or short term employee or consultant of the Grantee shall engage, directly or indirectly, either in his own name or in the name or through the Agency of another person, in any business, profession, or occupation in the foreign countries to which he is assigned, nor shall he make loans or investments to or in any business, profession or occupation in the foreign countries to which he is assigned.

D. It is understood by the parties that the Grantee's responsibilities shall not be restrictive of academic freedom. The Grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.

E. In the event the conduct of any Grant employee is not in accordance with the preceding paragraphs, the Program Director shall consult with the Mission Director and the employee involved and upon agreement of these parties shall resolve a course of action with regard to such employee.

F. The parties recognize the right of the United States Ambassador to direct the removal from a country of any United States citizen employed under this Grant or the discharge from this Grant of any third country national or foreign country national when, in the discretion of the Ambassador, the interests of the United States so require.

G. Travel and Transportation Expenses. The Grantee agrees to travel by the most direct and expeditious route, and to use less-than-first-class transportation unless such use will result unreasonable delay or increased costs.

(1) Limitation on Transportation

(a) International Air Transportation. All international air travel under this grant shall be made on United States flag carriers. Exceptions to this rule will be allowed in the following situations provided that the Grantee certifies to the facts in the voucher or other documents retained as part of his grant records to support his claim for reimbursement and for post audit:

(b) where a flight by a United States carrier is scheduled but does not have accommodations available when reservations are sought;

(c) where the departure time, routing, or other features of a United States carrier flight would interfere with or prevent the satisfactory performance of official business;

(d) where a scheduled flight by a United States carrier is delayed because of weather, mechanical or other conditions to such an extent that use of a non-United States carrier is in the Government's interest;

(e) where the appropriate class of accommodations is available on both United States and non-United States carriers, but the use of the United States carrier will result in higher total United States dollar cost to the grant due to additional per diem or other expenses; and

(f) where the appropriate class of accommodations is available only on a non-United States carrier and the cost of transportation and related

per diem is less than the cost of available accommodations of another class on a United States carrier and related per diem.

All international air shipments under this grant shall be made on United States flag carriers unless shipment would, in the judgment of the Grantee, be delayed an unreasonable time awaiting a United States carrier either at point of origin or transshipment, provided that the Grantee certifies to the facts in the vouchers or other documents retained as part of the grant records to support his claim for reimbursement and for post audit.

(2) International Ocean Transportation. All international ocean transportation of persons and things which is to be reimbursed in United States dollars under this grant shall be by United States flag vessels to the extent they are available.

(a) Transportation of Things. Where United States flag vessels are not available, or their use would result in a significant delay, the Grantee may obtain a release from this requirement from the Resources Transportation Division, Agency for International Development, Washington, D. C., 20523, or the Mission Director, as appropriate, giving the basis for the request.

(b) Transportation of Persons. Where United States flag vessels are not available, or their use would result in a significant delay, the Grantee may obtain a release from this requirement from the Grant Officer or the Mission Director, as appropriate.

(3) Transportation of Foreign-Made Motor Vehicles. Unless otherwise authorized by the Grant Officer no reimbursement will be made for the costs of transportation of any foreign (non-United States) made motor vehicle between

the United States and a foreign country or any intermediate points. Such authorization will be granted by the Grant Officer in accordance with the Uniform State/AID/USIA, Foreign Service Travel Regulations, as from time to time amended.

12. Conversion of United States Dollars to Local Currency. Whenever practicable Grantee agrees to convert all United States dollars to local currency through the United States Disbursing Officer, American Embassy, unless the Disbursing Officer certifies that no local currency is available.

13. Military Service

A.I.D. will not intercede for any individual in relation to his military status. An educational stipend may be continued for a period not to exceed 15 days in any one year in which the trainee is on active military duty.

14. Visa Status of Non-U.S. Citizens

A.I.D. will not intercede on behalf of non-U.S. citizens participating in a project when the stay of such noncitizens in the U.S. may be affected by their visa status. It is the responsibility of the Grantee institution to establish, before accepting a noncitizen, that his visa allows him to remain in the country a sufficient length of time to be productive on the project.

15. Procurement of Equipment, Vehicles, Materials and Supplies

(a) No vehicles shall be purchased without the prior written approval of the Grant Officer.

(b) Except as may be specifically approved or directed in advance by the Grant Officer, or as provided in paragraph (c) below, all equipment, vehicles, materials, and supplies purchased under this Grant and to be financed with United States dollars shall be purchased in and shipped

from the United States. In addition, for any purchase transaction in excess of \$2,500 the Institution shall notify the seller that the item(s) must be of U.S. source and production and comply with the componentry limitations and other requirements applicable to suppliers under A.I.D. Regulation 1, and that the supplier must execute and furnish Form AID-282 "Suppliers Certificate and Agreement with the Agency for International Development".

(c) Printed or audio visual teaching materials may, to the extent necessary, be purchased outside the United States when:

(1) effective use of the materials depends on their being in the local language; and

(2) other funds including U.S. owned and controlled local currencies are not readily available for procurement of such material.

The order of preference as to countries in which such purchases outside the United States are made shall be:

(1) The A.I.D. receiving country.

(2) Countries falling within AID Geographic Code 901.

(3) Other countries falling within AID Geographic Code 899.

AID Geographic Codes are defined in AIDPR 7-6.5201-1.

The Grantee shall purchase all English language books, magazines and other periodicals from the current A.I.D. Contractors providing purchasing services of such material at discount prices; Provided, however, that the Grantee may purchase books, magazines, or periodicals from other sources if the terms, price delivery, and other factors considered, are as good as, or better than, those offered by the current A.I.D. Contractors. The

procedures to be followed, the name and address of the Contractors, and pertinent provisions of the Contracts are set forth in A.I.D. Manual Orders 1425.3 (books) and 1425.3.1 (subscriptions of magazines and periodicals).

Title to equipment purchased with grant funds vests in the Grantee institution. The equipment must be used during the project period for activities furthering the purpose of the program for which it was purchased. Grant funds may not be used for new construction.

16. Amendment

The Grant Agreement may be amended by means of an exchange of letters between the A.I.D. Grant Officer and an appropriate official of the institution.

17. Termination

This Grant may be terminated by the Administrator upon written notice to the Grantee after due consultation between representatives of the Grantor and Grantee. Upon the Grantee's receipt of notice of such termination it shall take immediate action to minimize expenditures and obligations financed by this Grant and shall cancel such obligations wherever possible. No further reimbursement shall be made after the effective date of termination, and the Grantee shall within thirty (30) calendar days after the effective date of such termination repay to the Grantor all unexpended portions of funds theretofore paid by the Grantor to the Grantee which are not otherwise obligated by a legally binding transaction with the purposes of this Grant. Should the funds theretofore paid by the Grantor's termination of this Grant, be insufficient to cover the Grantee's obligations pursuant to the aforementioned legally binding transaction, the Grantee may submit to the Grantor within ninety (90) calendar days after the effective date of such termination

a written claim covering such obligations and, subject to the limitations contained in this Grant, the Grantor shall determine the amount or amounts to be paid by the Grantor to the Grantee under such claim.

18. Equal Opportunity Employment

With regard to the employment of persons in the U.S. under this grant Grantee agrees to take all reasonable steps to insure equality of opportunity in its employment practices without regard to race, religion, sex, color or national origin of such persons and that, in accordance with Title VI of the Civil Rights Act of 1964 when work funded by this grant is performed in the U.S. no person shall, on the grounds of race, religion, sex, color or national origin, be excluded from participation, be denied benefits, or be subjected to discrimination. In addition, the Grantee agrees to comply in accordance with its written assurance of compliance, with the provisions of Part 209 of Chapter II, Title 22 of the Code of Federal Regulations, entitled "Non-Discrimination in Federally Assisted Programs of the Agency for International Development - Effectuation of Title VI of the Civil Rights Act of 1964."

19. Nonliability

A.I.D. does not assume liability with respect to any claims for damages arising out of work supported by its grants.

20. Covenant Against Contingent Fees

The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure this grant upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial or selling agencies maintained by the Grantee for the purpose of securing business. For breach or violation

of this warranty, A.I.D. shall have the right to cancel this grant without liability or, in its discretion, to deduct from the grant amount, or otherwise recover, the full amount of each commission, percentage, brokerage, or contingent fee.

21. Assignment of Claims

A. Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 USC 203, 41 USC 15), if the grant provides for payments aggregating \$1,000 or more, claims for monies due or to become due the Grantee from the Government under this grant may be assigned to a bank, trust company, or other financing institution including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under the grant and not already paid and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing.

B. In no event shall copies of any documents relating to the grant project, if marked "Top Secret", "Secret", or "Confidential", be furnished to any assignee of any claim arising under the grant or to any person not entitled to receive the same. However, a copy of any part or all of the grant so marked may be furnished, or any information contained therein may be disclosed, to the assignee upon proper written authorization of the Grant Officer.

22. Officials Not to Benefit

No member of or delegate to the Congress or resident Commissioner shall be admitted to any share or part of the grant or to any benefit that

may arise therefrom; but this provision shall not be construed to extend to this grant if made with a corporation for its general benefit.

23. Notices

Any notice given by any of the parties hereunder shall be sufficient only if in writing and delivered to the following:

To A.I.D.: Administrator
Agency for International Development
Washington, D. C. 20523
Attention: Grant Officer
Office of Procurement
Contract Services Division

To Grantee: At address shown on covering letter

APPENDIX A

A. At the convenience of the Grantee, but not more often than once a month, the Institution shall submit to the A.I.D./Washington/Controller/FRD, a Voucher Form SF 1034 (original) and SF 1934(a) in three (3) copies. In every instance, a complete and separate set of Vouchers representing expenditures of local currency shall be sent to the Mission Controller. No copy of this voucher need be sent to A.I.D./W. Each voucher shall be identified by the appropriate A.I.D. Agreement number, properly executed, in the amount of U.S. dollar expenditures made during the period covered. The voucher forms shall be supported by:

(1) Original and two copies of a certified fiscal report rendered by the Institution in the form and manner satisfactory to A.I.D.

(2) The fiscal report shall include a certification signed by an authorized representative of the Institution as follows:

"The undersigned hereby certifies: (i) that payment of the sum claimed under the cited Agreement is proper and due and that appropriate refund to A.I.D. will be made promptly upon request in the event of disallowance of costs not reimbursable under the terms of the Agreement, and (ii) that information on the fiscal report is correct and such detailed supporting information as the cognizant A.I.D. Controller or the Agreement Officer may reasonably require will be furnished by the Institution to A.I.D. upon request.

BY _____

TITLE _____

DATE _____ "

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JUN 29 1970

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10 AUG 1970

Dr. Clifton Wharton
President
Michigan State University
East Lansing, Michigan

Dear Dr. Wharton:

I am pleased to inform you that pursuant to the authority contained in Section 211(d) of the Foreign Assistance Act of 1961, as amended, Grant AID/csd-2825 in the amount of \$625,000 is hereby made to Michigan State University. This Grant is for the purpose of implementing the project "To Increase the University's Capability in Agricultural Economics Related to the Less Developed Countries," as set forth in the Final Proposal, dated June 16, 1970, and agreed to by the Agency for International Development and Michigan State University.

The Grant funds are obligated as of the date of this letter, and shall apply to costs incurred for furtherance of the project for five years.

This Grant is made by A.I.D. to Michigan State University on condition that the Grantee shall administer the funds provided under this Grant in accordance with the terms and conditions set forth in the Final Proposal, the Standard Provisions, the Budget, and Appendix A, attached hereto and made a part hereof. To the extent of any inconsistency between the Proposal and the Standard Provisions and any other provisions which are made a part of this Grant, by reference or otherwise, the Standard Provisions shall control.