



KATHMANDU, NEPAL

AUG 27 1981

Mr. David Walker
Nepal Project Director
World Education, Inc.
P.O. Box 390
Kathmandu, Nepal

Subject: PVO Co-Financing Project 367-0144:
Non-Formal Education to promote Health,
Family Planning and other related activities

Dear Mr. Walker:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to World Education, Inc. (hereinafter referred to as "W.E.Inc." or "Grantee") the sum of \$499,238 to provide support for a Project in Nepal as more fully described in the attachment to this Grant entitled "Project Description".

A.I.D.'s contributions to the Project will be provided in increments. An initial increment of \$200,000 of A.I.D. support is being made available under this Grant Agreement. Subsequent increments are subject to the availability of funds to A.I.D., and to the mutual agreement at the time of subsequent incremental payment, that the Project should be continued.

At the exclusive option of A.I.D. disbursements under this Grant may be suspended or the Grant can be terminated if A.I.D. concludes that relations between the Grantee and the Government of Nepal or any entity thereof are such that the purposes of the Grant are being frustrated.

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of project objectives during the period August 27, 1981 to August 26, 1984.

This Grant is made to W.E., Inc. on condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment A entitled "Project Description", and Attachment B entitled "U.S. Grantee and U.S. Sub-grantee: Other than Educational Institutions, Index of Standard Provisions", and Attachment C entitled "Financial Plan", which have been agreed to by your organization.

Mr. David Walker

Page Two

Please sign the "Statement of Assurance of Compliance", enclosed herein, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Please return the "Statement of Assurance of Compliance" and the original and six (6) copies of this Grant to the Program Office of AID/Nepal.

Sincerely yours,

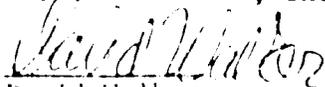

Dennis J. Brennan
Director, USAID/Nepal

Attachments:

1. Project Description
2. Standard Provisions
3. Financial Plan
4. Statement of Assurance of Compliance

Accepted:

World Education, Inc.

BY: 
David Walker

Title: Project Director

Date: August 26, 1981

Fiscal Data:

Appropriation: Population

Allotment: 144-50-367-00-44-11

Project No: 367-0144

Total Grant Amount: \$499,238

STATEMENT OF ASSURANCE OF COMPLIANCE
WITH THE AGENCY FOR INTERNATIONAL DEVELOPMENT
REGULATION UNDER TITLE VI OF THE CIVIL RIGHTS
ACT OF 1964

World Education, Inc. (hereinafter called the "Grantee")
(Name of Grantee)

HEREBY AGREES THAT it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Regulation of the Agency for International Development (22 CFR Part 209, 30 FR 317) issued pursuant to that title, to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Grantee receives Federal financial assistance from the Agency; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Grantee by the Agency, this assurance shall obligate the Grantee, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance shall obligate the Grantee for the period during which it retains ownership or possession of the property. In all other cases, this assurance shall obligate the Grantee for the period during which the Federal financial assistance is extended to it by the agency.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Grantee by the Agency, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The Grantee recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Grantee, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Grantee.

World Education, Inc.
(Grantee)

BY (Signature) David Walker

TITLE Project Advisor

TYPED NAME David Walker

DATE August 27, 1981

Project Description

A. Purpose of Grant:

1. Purpose:

The purposes of this grant are to:

- a. Strengthen the Ministry of Education's institutional capability to refine and implement existing non-formal educational techniques for illiterate Nepalese adults.
- b. To refine non-formal teaching and learning technologies with specific application to health, sanitation, nutrition, family planning and health related subjects appropriate for Nepalese rural poor.
- c. To reach a core group of trainers, who will in turn prepare existing and newly recruited Ministry of Education (MOE) field personnel to carry out the non-formal teaching/learning approaches among Nepalese rural poor in various geographical locales of the country.
- d. To develop the capability of the MOE staff to administer, coordinate and financially support non-formal adult education (with emphasis on health and family planning during the life of this sub-project).
- e. To explore ways in which the existing Functional Literacy Program (F.L.P.) can interact with a non-formal education program and progressively introduce into the F.L.P. methods and materials as appropriate, with particular emphasis on health subjects during the life of this sub-project.
- f. To expand the functional content of the existing non-formal education program of the MOE with appropriate motivational, informational and follow-up materials that give predominant emphasis to subjects such as health, nutrition, family planning, sanitation, water supply and related health activities.

2. Scope of Work:

The AID/W funded Operational Program Grant to W.E., Inc., for the Pilot Project entitled "Integrated Non-formal Education to promote Rural Development in Nepal", has made important progress in the development of non-formal educational materials and learning approaches appropriate for Nepalese villagers.

The "Non-formal Education to promote Health, Family Planning and other related activities" sub-project, of the AID/Nepal PVO Co-Financing Project, is a follow on sub-project which will build upon the

accomplishments of the Pilot Project. The aim of the sub-project is to assist the G.O.N. to institutionalize on a permanent basis within the Adult Education Section of the Ministry of Education, a program of Non-formal Adult Education.

The sub-project will include the following elements:

- a. The introduction of consciousness-raising and confidence building educational materials that will enable pre-literate community groups to begin tackling their developmental needs,
- b. The flexible introduction of literacy and numeracy educational materials to learning groups according to their expressed needs,
- c. The expansion of the repertoire of learning materials designed to create awareness and provide information about specific functional topics, with a special emphasis on health and family planning concerns,
- d. The development of follow-up materials which will enable graduates of the Non-formal Educational Program, to retain and upgrade their literacy skills while at the same time pursue a wide variety of interests which are meaningful to their daily lives, and
- e. To link the sub-project with community development services and opportunities provided by other programs. (i.e. health, family planning, sanitation, credit, agricultural inputs, training and rural public works.)

The sub-project will continue to develop and refine the Pilot Project curriculum and materials in order to increase the program's responsiveness to an ever widening variety and sophistication of adult learning needs. At the same time, new types of activities will be introduced. Such activities will include those which the Pilot Project was unable to fully develop. These activities will include games, comic book treatments and photo-novellas that will stimulate the demand for literacy while at the same time aid in increasing the retention of the students. These follow-up literacy materials will be designed to motivate readers and increase their awareness as well as provide useful information. Health and population issues will be the major emphasis in such training materials. The sub-project will also contain a strong training component which will enable supervisors and facilitators to apply various learning approaches to the specific needs of each village group in health and family planning.

Integrating aspects of the non-formal education program into the Functional Literacy Program will yield not only programmatic benefits but will result in a much larger pool of available personnel to carry out the innovations developed by the World Education sub-project. It is recognized that the materials developed by the Program are only a means to an end, and that their effectiveness will be greatly reduced

If they are not properly used. One of the keys to successful adult education activities is the skill of the facilitator or teacher. The sub-project will train Ministry of Education trainers so that they in turn, can train existing personnel as well as additional teachers recruited as the two programs expand into new areas of the country. These trainers could also be available to assist in the training of field staff from other ministries.

Sub-project activities will be directed by the Under Secretary for Adult Education. He will be assisted by a Project Co-ordinator who will have program responsibilities such as curriculum and materials development. A training Officer will be responsible for developing training components and upgrading staff qualifications throughout the life of the Project. A technical staff consisting of specialists in health and family planning, agriculture, home science, and a project artist, along with other consultants where needed, will prepare the content and form of the program's materials. A full-time Research and Evaluation Specialist will monitor field activities and provide feedback for the improvement of training, curriculum and materials.

An important part of the follow-up endeavor is to see that the research and development activities are continued after the termination of the Pilot Project. One important area that the sub-project will address is functional materials. These will provide motivation and communicate useful information in specific areas and focus particularly on topics related to population issues: family planning, child care, health and nutrition, ways to increase family income, and ways to improve the quality of community life. These are all components that have been shown to have a direct bearing on family size. It is expected that these functional materials will lead to concrete, verifiable accomplishments, such as better health practices, improved economic conditions, or greater receptivity to family planning measures. It is also important that follow-up materials and activities be developed for learning groups after the initial class cycle is completed. Once interest and motivation have been kindled, ways must be explored to channel that motivation into tangible outcomes. Follow-up materials will be specifically aimed at helping groups to pursue activities that they have identified as important.

3. Evaluation Plan:

Twenty-nine indicators will be used to measure sub-project success. The evaluation scheme will be designed to generate information related to these indicators. At the same time, it will be flexible enough to generate data about the learners' own interests and notions of success that might not be anticipated at the sub-project's outset.

The first set of indicators focuses on the educational approach to be used and includes the following criteria against which judgements will be made:

- Village residents have a role in selecting the individuals to lead learning groups and in other ways take part in the educational program at the community level.
- The facilitators selected by the community use a variety of materials and approaches in a nondirective mode to involve village learners and stimulate discussion among them with special emphasis on topics related to Family planning and health issues.
- Learning-group members set their own group objectives with emphasis on population and health related issues.
- Groups participate in activities leading to the achievement of their objectives and the subsequent selection of new ones.
- Group meetings are characterized by active discussion among participants.
- Group learning activities are closely linked with existing resources, organizations and services. Participants are members of other groups; providers of community services participate in project activities; and village leaders are consulted whenever appropriate.
- Group members participate in evaluation processes.
- The majority of participants regularly attend learning-group meetings.
- The majority of group members, in their own view, experience more success than failure in reaching their personal learning objectives.
- The group, in the view of village leaders, experiences more success than failure in reaching group objectives.
- Village leaders assist and facilitate group projects and activities.
- Spouses of participants see benefit in project activities particularly as they relate to Population and family planning issues.
- Spouses of participants assist and participate in group projects.

The second set of indicators includes items that indicate that the outcome of the educational program are parallel to development goals. It is not expected that any given group will demonstrate abilities associated with all these indicators as needs and abilities will differ from group to group. Outcome-related indicators include the following:

- Participants' views of their own abilities to contribute to family and community life change positively particularly related to Population and health related issues.
- Participants become functionally competent in reading and writing; they are able to read and understand simply written materials relevant to their lives; they seek out and use follow-up literacy materials particularly those related to family planning and health related issues.

- Participants learn and use appropriate family planning measures.
- Participants' confidence in themselves as parents increase: confidence to provide for children in general, to provide adequate, nutritious food, and to provide sanitary living conditions.
- Participants value positively and act on certain basic health, Family planning and nutrition principles: eating protein-rich food (e.g., eggs, poultry, legumes); seeking immunization; keeping water supplies clean; safely disposing of waste, etc.
- Status of the participants' children changes positively, children enroll in school; their general nutrition improves; they receive available health services (e.g., immunization), etc.
- Status of participants' dwellings changes positively; home improvements are evident, general sanitation practices improve, etc.
- Participants learn and use appropriate agricultural techniques.
- Participants learn and use appropriate animal husbandry practices.
- Group members join or develop one or more income-generating endeavours.
- Individuals participate in these income-generating activities over time.
- Group members adequately learn the specific skills of the income generating activities and endeavor to a level of competence that enables generation of income, e.g., poultry raising, beekeeping, etc.
- Participants develop skills associated with income endeavours, e.g., participate in a savings plan, become a credit guarantor, develop an accounting/budgeting system, participate in literacy learning, develop systems for organizing and managing activities, etc.
- Individuals' incomes are increased by participation in these economic activities.
- Participants assume or are given leadership positions in the village.
- Individuals increase their participation in community-sponsored development activities; they contribute time, money or labour to water projects, school projects, etc.; or they initiate development projects of their own.
- Data will be collected at six major points in time, before each class cycle begins, and at its conclusion. At the end of each cycle the entire sub-project staff will be extensively interviewed. In addition, a random sample of spouses, village officials and other villagers who do not belong to learning groups will be interviewed.

An ongoing system will be used to track group meetings over the sub-project period in order to describe the processes at work. Through interviews, observation and an ongoing feedback system (which includes class logs kept by facilitators and monthly reports submitted by sub-project administrators), data will be collected at each site from sub-project participants and staff members.

In addition to the class logs and monthly reports, the field supervisors will report on events each month that are outside the sub-project but that might exert influence on sub-project activities. Technical consultants, not involved in the day-to-day operation of activities, will also make observations and conduct interviews.

In summary, the major sources of data and indicators that will be used for the sub-project's evaluation include the following:

1. The implementation of training seminars and workshops with emphasis in health/family planning concerns.
2. The facilitator's class logs, including attendance records.
3. The field supervisor's observation and external event forms.
4. On-site observations at specified times by technical consultants to the sub-project.
5. Responses of each facilitator and supervisor to an extensive interview to be conducted at the end of each class cycle with emphasis on the retention of Family Planning and health related subject matter.
6. Responses of a core group of participants (learners) to a series of questions posed by evaluators before classes begin and at the end of each class cycle with emphasis on Family planning and health related issues.
7. The number of people trained as Facilitators (at least 600).
8. The number of people trained as Supervisors and Assistant Supervisors (at least 30).
9. The production of a training manual for the use of Supervisors and Facilitators (at least 1) with emphasis on Family planning and health related issues.
10. The publication of a comprehensive guide or monograph related to the Evaluation of non-formal Education Programs (at least 1).
11. The publication of manual or guide outlining the MOE's strategy, methodology, and approach for developing and supporting functional Non-formal Education Programs for rural adults.
12. The establishment of adequate administrative, support and delivery systems to nurture and sustain a Non-formal Education Program.
13. Tested and published learning materials with special emphasis on Family planning and health related issues, for use by rural adults enrolled in functional Non-formal Education Programs.

An extension of the Non-formal Education Program will also contribute toward achievement of the Ministry of Education's ambitious Sixth Plan goal of providing basic functional literacy to 900,000 adults. By conducting an estimated 1,175 classes with an average of 30 participants in each class. The program will therefore reach more than 35,000 adults throughout Nepal.

World Education, Inc. of Nepal shall undertake jointly with AID/Nepal and other concerned GON Ministries interim evaluations of this grant at the end of the twelfth, twenty-fifth and thirty-six months from its inception.

A final evaluation will also be prepared at the end of the grant period. Ten copies of all evaluation reports will be furnished to AID/Nepal.

B. Specific Objectives:

1. Expand the existing teaching-learning methodology in accordance with the accomplishments of the Pilot Project.
2. Strengthen the institutional capability of the Ministry of Education (MOE) to administer, coordinate and find ways to financially support a permanent Non-formal Education Program.
3. Develop and refine the present curriculum and materials, including motivational, informational, and follow-up materials, appropriate to the needs of adult learners, with a specific allocation of grant resources to health and population related activities.
4. Develop and introduce various types of training methods and materials to improve literacy teaching. Health and population will be the major emphasis in such teaching/training methodologies and materials.
5. Explore ways in which the existing Functional Literacy Program can interact with the Non-formal Education Program (N.F.E.P.) and progressively incorporate methods and materials developed by the Program that meet village needs, especially in health and family planning matters.
6. Train a core of trainers to prepare existing and newly recruited M.O.E. field personnel to conduct learning activities in various parts of the country. The trainers will be responsible for training supervisors and facilitators.
7. Conduct functional Non-formal Education Programs for adults in a minimum of 1175 rural communities.

C. Implementation:

To achieve the above objectives, the Grantee shall carry out the following activities during the 36 month (August 27, 1981 to August 26, 1984) life of the sub-project.

Phase I: Start-up - World Education Project Advisor on-site

(2 months: August 27 - October 26, 1981).

a. Recruit staff

- Project Director (Under Secretary for Adult Education).
- Curriculum and Materials Development Officer, who will also coordinate the work of the other technical staff members.
- Training Officer
- Research and Evaluation Specialist
- Health and Family Planning Specialist
- Agriculture Specialist
- Home Science Specialist
- Artist

b. Review Pilot Project and Functional Literacy Program

- Select best curricula, methods and materials from Pilot Projects
- Identify new curricula and materials to be developed for health, Family Planning and related activities.

c. Explore linkages with other agencies involved in rural development and in health sectors and family planning.

d. Ministry of Education will initiate process of creating permanent Non-formal Educational Program (N.F.E.P.) staff positions.

e. Formulate program for initiating interaction between Non-formal Education Project and Functional Literacy Project.

f. Prepare for field cycle

- Select five districts. In two additional districts, teachers in the Functional Literacy Project will be trained to use select materials from the Non-formal Education Program. These project sites will be studied carefully in order to formulate policy decisions regarding the integration of N.F.E.P. materials into the Functional Literacy Program.

- Recruit and train field supervisors and assistant supervisors. Supervisors in the Functional Literacy Program will also take part in selected aspect of the training program. (Training to take place in Kathmandu).
- Assemble materials for the field. (These will be primarily existing materials.)

Phase II: Field Cycle

(7 months: October 27, 1981 - May 26, 1982).

One Month

- a. Supervisors and assistant supervisors arrive at selected districts.
- b. Identification of villages and facilitators.
- c. Training of facilitators - World Education consultant to assist in training component.
- d. Gathering baseline data.

Six Months

- a. Conduct Non-formal education classes.
- b. Monitoring of program centers. This will be carried out primarily by the field supervisors and assistant supervisors, but central staff will also visit field sites. The Research and Evaluation Specialist will be responsible for gathering data from all supervisors and alerting the Curriculum Specialist to new needs that have been identified. The Training Officer will be primarily concerned with the functioning of the facilitators and will seek ways to improve their effectiveness.
- c. Curriculum and materials development will continue.
- d. Gathering of post-class data.

Phase III: Evaluation, Revision and Development

(5 months: May 27, 1982 - October 26, 1982)

- a. Workshop for supervisors and central staff to review field activities.
- b. Prepare district reports on first cycle. Copies of reports to AIE/Na; al.
- c. Prepare and print new materials for second class cycle.

- d. 1st Annual Evaluation, September 1982, with AID/Nepal participation and W.E., Inc. Director for Asia Programs.
- e. Revise and improve evaluation strategy - W.E., Inc. consultant to assist in revising and improving evaluation strategy.
- f. Formulate policies for further integration of non-formal education activities into the Functional Literacy Program based on the experience of the first class cycle.
- g. Formulate policies for assisting groups that want to continue meeting after the 6 months cycle is completed.
- h. Prepare and print functional "follow-up" materials for learners who have completed one class cycle, giving particular emphasis to health and family planning concerns.
- i. Continue establishment of linkages with other organizations involved in rural development. Particular attention shall be given to Ministry and organizations in involved health family planning.
- j. Prepare for second field cycle.
 - Select a "regional" training site outside of Kathmandu Valley.
 - Recruit and train new assistant supervisors. Supervisors from the Functional Literacy Program will also take part in selected portions of the training.

Phase IV: Second Field Cycle

(7 months: October 27, 1982 - May 26, 1983)

One Month

- a. Supervisors and assistant supervisors arrive at their districts, identify villages and facilitators and carry out training of facilitators as in first field cycle.
- b. Gathering of baseline data.

Six Months

- a. Conduct classes.
- b. Monitoring of program locations.
- c. Curriculum and materials development will continue.

- d. "Follow-up" activities will be carried out with qualifying groups from the first class cycle. These activities will be negotiated by each learning group on the basis of Phase III activities 'f' and 'g'.
- e. Gather post-class data.

Phase V: Evaluation, Revision and Development

(5 months: May 27, 1983 - October 26, 1983)

- a. Workshop for supervisors, assistants and central staff to review field activities.
- b. Prepare district reports on second class cycle. Copies of report to AID/Nepal.
- c. Second Annual Evaluation, September 1983, with AID/Nepal participation and W.E., Inc. Director for Asia Programs.
- d. Prepare and print new materials for third class cycle.
- e. Prepare strategy and instruments for final evaluation.
- f. Continue preparation of materials and policies for functional "follow-up" activities.
- g. The Functional Literacy Program will continued to absorb appropriate methods and materials from the Non-formal Education Program.
- h. Prepare for third field cycle
 - Recruit new assistant supervisors and train them at the regional training center. New supervisors from the Functional Literacy Program will also take part.

Phase VI: Third Field Cycle

(7 months: October 27, 1983 - May 26, 1984)

- a. Same activities as those listed in Phase IV. Second Field Cycle.
- b. Final evaluation will be carried out during this phase, incorporating findings from the first two field cycles.
- c. World Education consultant to assist in final evaluation and planning for final wrap-up.

Phase VII: Wrap up

(3 months: May 27, 1984 - August 26, 1984)

- a. Workshop for supervisors to be conducted in each region by the regional coordinators.
- b. Supervisors prepare report on field activities in each district.
- c. Coordinators summarize district reports and forward them to center.
- d. Continue development of curricula and preparation of materials. (The above activities will continue after the termination of the sub-project.)
- e. Prepare final evaluation with AID/Nepal and other interested GON parties and World Education, Inc. Director, Asia.

D. Reporting

1. W.E., Inc. Nepal shall submit to AID/Nepal a Program Performance Report (or technical report) in narrative detail for each calendar quarter. An Annual report will be also submitted. Each report will be in original plus three copies. The reports shall include but not be limited to (a) brief discussion of the progress made against the established schedule, objectives and/or functions involved, and (b) A detailed description of program developments, accomplishments, problems or impediments encountered during the course of the reporting period.
2. W.E., Inc. Nepal may report at any time it deems necessary to AID/Nepal concerning specific problems or delays related to implementation of the sub-project.
3. W.E., Inc. Nepal shall submit to AID/Nepal a Final Project Report including final financial data no later than ninety (90) days after the scheduled project completion date of August 26, 1984. Final payment of grant funds will be withheld pending receipt of a Final Project Reports.

To assist W.E., Inc. Nepal to prepare the required reports, the concerned AID/Nepal technical office will conduct an orientation for W.E., Inc. Nepal personnel responsible for the preparation of such reports.

E. Special Provisions:

1. The following conditions are additions to the Standard Provisions provided in Attachment B;

a. Suspension or Termination of the Grant:

At the exclusive option of AID, disbursement under the Grant may be suspended or the Grant can be terminated if AID concludes that relations between the Grantee and the Government of Nepal or any entity thereof are such that the purposes of the Grant are being frustrated.

b. The Authority of the Grant Officer:

The authority of the Grant Officer shall be exercised by the Director, AID/Nepal, except where a delegation of authority by the Director allows otherwise.

c. Prior Approval of Sub-Grants:

AID/Nepal shall approve in writing any expenditure of grant funds, prior to the disbursement of such funds for any sub-grant under the sub-project, except as AID may otherwise agree in writing.

2. The following covenants are additions to the Standard Provisions provided in Attachment B:

a. Inter-Ministry Collaboration:

W.E., Inc. will submit to AID/Nepal, a plan for the establishment of a mechanism to promote collaboration between the relevant divisions of the Ministries of Health and of Education which are concerned with the implementation of the sub-project.

b. Institutionalization of a Non-formal Adult Education Program:

W.E., Inc., in collaboration with the Ministry of Education will develop a plan to permanently institutionalize within the M.O.E. the Non-formal Adult Education Program envisioned in the sub-project proposal.

c. Sponsoring Agency Contribution:

W.E., Inc. will be responsible for the timely provision of the Sponsoring Agency contribution as set forth in the summary budget as shown in Attachment C "Financial Plan", except as A.I.D. may otherwise agree in writing.

F. Overhead Rate:

The World Education, Inc. provisional overhead rate is calculated at 36 percent per annum of the sum of the direct, and technical assistance costs of the sub-project. This provisional overhead rate will cover the initial year of the sub-project life with subsequent annual overhead rates being subject to adjustments based on audits of World Education, Inc.

ATTACHMENT B

Specific Support Grant

U.S. Grantees and U.S. Subgrantees: September 1977 (OTEI)
OTHER THAN EDUCATION INSTITUTIONSINDEX OF
STANDARD PROVISIONS

- | | |
|---|---|
| 1. Allowable Costs & Payment
(Other than Educational Institutions) | 13. Conversion of United States
Dollars to Local Currency |
| 2. Accounting, Records, and Audits | 14. Termination |
| 3. Refunds | 15. Voluntary Participation |
| 4. Equal Opportunity in Employment | 16. Prohibition on Abortion
Related Activities |
| 5. Negotiated Overhead Rates -
Other than Education Institutions | 17. Voluntary Participation
Requirements for
Sterilization Programs |
| 6. Limitation of Funds | 18. Publications |
| **7A. Payment - Federal Reserve Letter
of Credit (FRLC) Advance | 19. Patents |
| **7B. Payment - Periodic Advance | 20. Regulations Governing Employees
outside the United States |
| **7C. Payment - Reimbursement | 21. Subordinate Agreements |
| 8. Travel and Transportation | 22. U.S. Officials Not to
Benefit |
| 9. Ocean shipment of Goods | 23. Covenant Against Contingent
Fees |
| 10. Procurement of Goods and
Services Under \$250,000 | 24. Nonliability |
| 11. Government Furnished Excess
Personal Property | 25. Amendment |
| **12A. Title to and Use of Property
(Grantee Title) | 26. The Grant |
| **12B. Title to and Care of Property
(U.S. Government Title) | 27. Notices |
| **12C. Title to and Care of Property
(Cooperating Country Title) | |

* Select only 1 payment provision from Group 7.

** Select only 1 property provision from Group 12, if title to all property is to vest in one entity; however, if title is to be split by categories among two or more entities, select the appropriate provisions from Group 12 and identify the categories and entities in Attachment 1 of the Grant.

ATTACHMENT B
Specific Support Grant
September 1977 OTEI)

1. ALLOWABLE COSTS AND PAYMENT (OTHER THAN EDUCATIONAL INSTITUTIONS)

(This provision is applicable to other than educational institutions.)
The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this Grant which are determined by the Grant Officer to be allowable in accordance with the terms of this Grant and subpart 15.2 (Contracts with Commercial Organizations) of the Federal Procurement Regulations (41 CFR 1-15-2) in effect on the date of this Grant. Payment of allowable costs shall be in accordance with the payment provision of this Grant.

2. ACCOUNTING, RECORDS, AND AUDIT

The Grantee shall maintain books, records, documents, and other evidence in accordance with the Grantee's usual accounting procedures to sufficiently substantiate charges to the Grant. The Grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives (a) until the expiration of three years from the date of termination of the program and (b) for such longer period, if any, as is required to complete an audit and to resolve all questions concerning expenditures unless written approval has been obtained from the AID Grant Officer to dispose of the records. AID follows generally accepted auditing practices in determining that there is proper accounting and use of Grant funds. The Grantee agrees to include the requirements of this clause in any subordinate agreement hereunder.

3. REFUNDS

- (a) If use of the Grant funds results in accrual of interest to the Grantee or to any other person to whom Grantee makes such funds available in carrying out the purposes of this Grant, the Grantee shall refund to AID an amount equivalent to the amount of interest accrued.
- (b) Funds obligated hereunder but not disbursed to the Grantee at the time the Grant expires or is terminated, shall revert to AID, except for funds encumbered by the Grantee by a legally binding transaction applicable to this Grant. Any funds disbursed to but not expended by the Grantee at the time of expiration or termination of the Grant shall be refunded to AID.
- (c) If, at any time during the life of the Grant, it is determined by AID that funds provided under the Grant have been expended for purposes not in accordance with the terms of the Grant, the Grantee shall refund such amounts to AID.

ATTACHMENT 2
Specific Support Grant
September 1977 (OTEI)

4. EQUAL OPPORTUNITY IN EMPLOYMENT

(This provisions is applicable to all grantees and subgrantees who either perform work in the United States or who recruit personnel in the United States to do work abroad.)

- (a) With regard to the employment of persons in the U.S. under this grant, the Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to race, color or national origin of such persons and, 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, 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."
- (b) In addition, the Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to sex, religion, age and handicap, in accordance with P.L. 92-261, P. L. 93-259, P. L. 93-112 and P. L. 93-508. When work funded by AID under this Grant is performed in either the U.S. or overseas no person shall, on the grounds of sex, religion, age or handicap, be excluded from participation, be denied benefits, or be subjected to discrimination.

5. NEGOTIATED OVERHEAD RATES - OTHER THAN EDUCATIONAL INSTITUTIONS

(This provision is applicable to other than educational institutions.)

- (a) Pursuant to this provision, an overhead rate shall be established for each of the Grantee's accounting periods during the term of this Grant. Pending establishment of a final rate, the parties have agreed that provisional payments on account of allowable indirect costs shall be at the rate(s), on the base(s), and for the period shown in Attachment 1 to this Grant. (b) The Grantee, as soon as possible but not later than 90 days after the close of each of its accounting periods during the term of this Grant, shall submit to the Grant Officer with copies to the Overhead and Special Costs Branch, Special Operations Division, Office of Contract Management, AID, Washington, D.C. and to the Office of the Auditor General, AID, Washington, D.C., proposed final

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rate(s) for the period, together with supporting cost data. Negotiation of final overhead rates by the Grantee and the Grant Officer shall be undertaken as promptly as practicable after receipt of the Grantee's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with Subpart 1-15.2 (Contracts with Commercial Organizations) of the Federal Procurement Regulations as in effect on the date of this Grant.

(d) The results of each negotiation shall be set forth in written overhead rate agreement executed by both parties. Such agreement shall specify (1) the agreed final rate(s). (2) the base(s) to which the rate(s) applies, and (3) the period(s) for which the rate(s) applies. The overhead rate agreement shall not change any monetary ceiling, Grant Obligations, or specific cost allowance or disallowances provided for this Grant.

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

6. LIMITATION OF FUNDS

(This provision is applicable to all incrementally or, partially funded grants; it become inapplicable when the grant is fully funded).

(a) It is estimated that the cost to the Government for the performance of this Grant will not exceed the estimated cost set forth in Attachment C (hereinafter referred to as "the Schedule") to this Grant, and the Grantee agrees to perform the work specified in the Schedule and all obligations under this Grant within such estimated cost.

(b) The amount presently available for payment and obligated under the grant, the Items covers thereby and the period of performance which it is estimated the obligated amount will cover, are specified in the Schedule. It is contemplated that from time to time additional funds will be obligated under this Grant up to the full estimated cost set forth in the Schedule. The Grantee agrees to perform or have performed work on this Grant up to the point at which the total amount paid and payable by the Government pursuant to the terms of this Grant approximates but does not exceed the total amount actually obligated under the Grant.

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- (c) If at any time the Grantee has reason to believe that the costs which it expects to incur in the performance of this Grant in the next succeeding 30 days, when added to all costs **previously** incurred, will exceed 75 percent of the total amount then obligated under the Grant, the Grantee shall notify the Grant Officer in writing to the effect. The notice shall state the estimated amount of additional funds required to continue performance for the period set forth in the Schedule. Thirty days prior to the end of the period specified in the Schedule, the Grantee will advise the Grant Officer in writing as to the estimated amount of additional funds, if any, that will be required for the timely performance of the work under the Grant or for such further period as may be specified in the Schedule or otherwise agreed to by the parties. If, after such notification, additional funds are not obligated by the end of the period set forth in the Schedule or an agreed date substituted therefor, the Grant Officer will, upon written request by the Grantee, terminate this Grant pursuant to the "Termination" provision of this Grant on such a date. If the Grantee, in the exercise of its reasonable judgment, estimates that the funds available will allow it to continue to discharge its obligations hereunder for a period extending beyond such date, it shall specify the later date in its request and the Grant Officer, in his discretion, may terminate this Grant on that later date.
- (d) Except as required by other provisions of this Grant specifically citing and stated to be an exception from this provision, the Government shall not be obligated to reimburse the Grantee for costs incurred in excess of the total amount obligated under the Grant, and the Grantee shall not be obligated to continue performance under the Grant (including actions under the "Termination" provision) or otherwise to incur costs in excess of the amount obligated under the Grant, unless and until the Grant Officer has notified the Grantee in writing that such obligated amount has been increased and has specified in such notice and increased amount constituting the total amount then obligated under the Grant. To the extent the amount obligated exceeds the estimated cost set forth in the Schedule, such estimated cost shall be correspondingly increased. No notice, communication or representation in any other form or from any person other than the Grant Officer shall affect the amount obligated under this Grant. In the absence of the specified notice, the Government shall not be obligated to reimburse the Grantee for any costs in excess of the total amount then obligated under the Grant. Whether those excess costs were incurred during the course of the Grant or as a result of termination. When and to the extent that the amount obligated under the Grant has been increased, any costs incurred by the Grantee in excess of the amount previously obligated shall be allowable to the same extent as if such costs had been incurred after such increase in the amount

obligated; unless the Grant Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

(e) Nothing in this provision shall affect the right of the Government to terminate this Grant. In the event of this Grant is terminated, the Government and the Grantee shall negotiate an equitable distribution of all property produced or purchased under the Grant based upon the share of cost incurred by each.

7A. PAYMENT-FEDERAL RESERVE LETTER OF CREDIT (FRLC) ADVANCE

(This provision is applicable when the Grantee's total AID grants and cost-reimbursement contracts exceed \$ 250,000 per annum and AID has, or expects to have a continuing relationship with the Grantee for at least one year.)

(a) AID shall open a Federal Reserve Letter of Credit (hereinafter referred to as an "FRLC") in the amount of this Grant, against which the Grantee may present payment vouchers (i.e., TUS 5401). The payment vouchers shall not ordinarily be submitted more frequently than daily and shall not be less than \$ 10,000 or more than \$ 1,000,000. Since the FRLC method enables the recipient organization to obtain funds from the U.S. Treasury concurrently with and as frequently as disbursements are made by the recipient, there need be no time lag between disbursements by the recipient organization and drawdowns from the U.S. Treasury by FRLC. Therefore, there is no necessity for the recipient to maintain balances of Federal cash other than small balances.

(b) In no event shall the accumulated total of all such payment vouchers exceed the amount of the FRLC.

(c) If at any time, SER/FM determines that the Grantee has presented payment vouchers in excess of the amount or amounts allowable in (a) and (b) above, SER/FM shall advise the Grant Officer who may: (1) cause the FRLC to be suspended or revoked; or (2) direct the Grantee to withhold submission of payment vouchers until such time as, in the judgement of SER/FM, an appropriate level of actual, necessary and allowable expenditures has occurred or will occur under this Grant, and/or (3) request the Grantee to repay to AID the amount of such excess. Upon receipt of the Grant Officer's request for repayment of excess advance payments, the Grantee shall promptly contact SER/FM to make suitable arrangements for the repayment of such excess funds. Advances made by primary recipient organizations (those which receive payments directly from the Government) to secondary recipients shall conform to the same standards outlined above applicable to advances made by the Government to primary recipient organizations.

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(d) Procedure for Grants

- (1) After arranging with a commercial bank of its choice for operation under the FRLC and obtaining the name and address of the Federal Reserve Bank or branch serving the commercial bank, the Grantee shall deliver to the AID Controller 3 originals of Standard Form 1194, "Authorized Signature Card for Payment Vouchers on Letters of Credit" signed by those official(s) authorized to sign payment vouchers against the FRLC and by an official of the Grantee who has authorized them to sign.
- (2) The Grantee shall subsequently receive one certified copy of FRLC.
- (3) The Grantee shall confirm with his commercial bank that the FRLC has been opened and is available when funds are needed.
- (4) To receive payment, the Grantee shall:
 - (A) Periodically, although normally not during the last five days of the month, prepare payment vouchers (Form TUS 5401) in an original and three copies.
 - (B) Have the original and two copies of the voucher signed by the authorized officials whose signature(s) appear on the Standard Form 1194.
 - (C) Present the original, duplicate and triplicate copy of the Form TUS 5401 to his commercial bank.
 - (D) Retain the quadruplicate copy of the voucher.
 - (E) After the first payment voucher (Form TUS 5401) has been processed, succeeding payment vouchers shall not be presented until the existing balance of previous payments has been expended or is insufficient to meet current needs.
- (6) In preparing the payment voucher, the Grantee assigns a voucher, number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the FRLC.
- (7) A report of expenditures (i.e. SF 269, "Financial Status Report") shall be prepared and submitted not less than quarterly within 30 days of the end of the period to the Office of Financial Management, AID, Washington, D.C. 20523. This SF 269 Report, submitted with Standard Form 1034, "Public Voucher for Purchases and Services Other Than Personal", shall be in an original and 2 copies.
- (8) The SF 269 report is revised against the Grant provisions, and any improper disbursement is disallowed. The Grantee is notified of the reason for the disallowance and is directed to adjust the next periodic report of expenditures to reflect the disallowance and to reduce its next payment voucher against the FRLC by the amount of the disallowance.

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(9) In addition to the submission of the SF 269 and the SF 1034, the Grantee shall submit an original and 2 copies of SF 272, "Federal Cash Transaction Report" as follows:

(A) For advances totaling less than \$1 million per year, the Grantee shall submit the SF 272 within 15 working days after the end of each month, and

(C) The Grantee's cash needs for the ensuing period (i.e., quarter or month) shall be explained under the "Remarks" Section of the SF 272.

(e) Refund of Excess Funds

(1) If all costs have been settled under the Grant and the Grantee fails to comply with the Grant Officer's request for re-payment of excess FRLC funds, the Government shall have the right, on other contracts or grants held with the Grantee, to withhold reimbursements due to the Grantee in the amount of the excess being held by the Grantee.

(2) If the Grantee is still holding excess FRLC funds on a grant, contract, or similar instrument under which work has been completed or terminated but all costs have not been settled, the Grantee agrees to:

(A) Provide within 30 days after requested to do so by the Grant Officer, a breakdown of the dollar amount which have not been settled between the Government and the Grantee. (The Grant Officer will assume no costs are in dispute if the Grantee fails to reply within 30 days.)

(B) Upon written request of the Grant Officer, return to the Government the sum of dollars, if any, which represents the difference between (i) the Grantee's maximum position on claimed costs which have not been reimbursed and (ii) the total amount of unexpended funds which have been advanced under the Grant, and

(C) If the Grantee fails to comply with the Grant Officer's request for repayment to excess FRLC funds, the Government shall have the right, on other contracts, grants or similar instruments held with the Grantee, to withhold reimbursements due the Grantee in the amount of the excess being held by the Grantee.

7B. PAYMENT--PERIODIC ADVANCE

(This provision is applicable when the Grantee's total AID grants and cost-reimbursement contracts do not exceed \$ 250,000 per annum or if the advance to the Grantee aggregates more than \$ 250,000 per annum but there is not a continuing relationship of at least one year.) (a) Each month (or quarter, if the Grantee is on a quarterly basis) after the initial advance, the

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Grantee shall submit to the AID Controller an original and 2 copies of SF 272, "Federal Cash Transactions Report" as follows:

- (1) The Grantee shall submit the SF 272 within 15 working days after the end of the reporting period, and (2) The Grantee's cash needs for the ensuing period (i.e., quarter or month) shall be explained under the "Remarks" section of the SF 272.
- (b) Along with each SF 272 submission, the Grantee shall submit an original and 3 copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personnel"; each voucher shall be identified by the Grant number and shall state the total actual expenditures for the reporting period.
- (c) Each quarterly voucher (i.e. SF1034) or third monthly voucher, if the Grantee is on a monthly basis shall also be supported by an original and 2 copies of a SF 269, "Financial Status Report". The SF 269 shall be submitted within 30 days after the end of the reporting quarter and may be submitted separately from the SF 1034 and the SF 272; however, the SF 269 shall cover the same quarterly period as the SF 1034(s) and the SF 272(s).
- (d) Refund of Excess Funds
 - (1) If all costs have been settled under the Grant and the Grantee fails to comply with the Grant Officer's request for repayment of excess advance funds, the Government shall have the right, on other contracts or grants held with the Grantee, to withhold reimbursements due to the Grantee in the amount of the excess being held by the Grantee.
 - (2) If the Grantee is still holding excess advance funds on a grant, contract, or similar instrument under which the work has been completed or terminated but all costs have not been settled, the Grantee agrees to:
 - (A) Provide within 30 days after requested to do so by the Grant Officer, a breakdown of the dollar amounts which have not been settled between the Government and the Grantee. (The Grant Officer will assume no costs are in dispute if the Grantee fails to reply within 30 days.)
 - (B) Upon written request to the Grant Officer, return to the Government the sum of dollars, if any, which represents the difference between (i) the Grantee's maximum position on claimed costs which have not been reimbursed and (ii) the total amount of unexpended funds which have been advanced under the Grant; and
 - (C) If the Grantee fails to comply with the Grant Officer's request for repayment of excess advance funds, the Government shall have the right, on other contracts, grants or similar instruments held with the Grantee, to withhold payment of other

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advances and/or withhold reimbursement due the Grantee in the amount of the excess being held by the Grantee.

7C. PAYMENT--REIMBURSEMENT

(This provision is applicable to grants for construction or to grants which do not provide for either a periodic advance or an FRLC in accordance with AID Handbook 13, paragraph 10.5.)

(a) Each month the Grantee shall submit to the AID Controller an original and 3 copies of SF 1034, "Public Voucher for Purchases and services Other Than Personal"; each voucher shall be identified by the Grant number and shall state the total amount of costs incurred for which reimbursement is being requested.

(b) In addition to the SF 1034, each non-construction grant voucher shall be supported by an original and 2 copies of SF 270, "Request for Advance or Reimbursement", and each construction grant voucher shall be supported by an original and 2 copies of SF 271, "Outlay Report and Request for Reimbursement for Construction Programs."

(c) Each quarterly voucher (or each third monthly voucher) shall also be supported by an original and 2 copies of a SF 269, "Finance Status Report". The SF 269 shall be submitted within 30 days after the end of the reporting quarter and may be submitted separately from the SF 1034; however, the SF 269 shall cover the same quarterly period as the SF 1034(s).

8. TRAVEL AND TRANSPORTATION

(This provision is applicable when domestic or international air travel or shipment costs are reimbursement under the Grant.)

(a) The Grant Officer hereby approves international air travel hereunder provided that the Grantee shall obtain written concurrence from the cognizant Project Officer in AID prior to sending any individual outside the United States to perform work under the Grants; the Grantee shall advise the Project Officer at least 30 days in advance of any travel to be undertaken outside the United States. After concurrence is received the Grantee shall provide the cognizant Mission or U.S. Embassy advance notification (with a copy to the Project Officer) of the arrival date and flight identification of Grant financed travellers.

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

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(c) All international air travel and all international air shipments 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 and other documents retained as part of his Grant records to support his claim for reimbursement and for post audit:

- (1) Where the traveler, while enroute, has to wait 6 hours or more to transfer to a U.S. flag air carrier to proceed to the intended destination, or
- (2) Where a flight by a U.S. flag air carrier is interrupted by a stop anticipated to be 6 hours or more for refueling, reloading, repairs, etc. and no other flight by a U.S. flag air carrier is available during the 6 hour period, or
- (3) Where by itself or in combination with other U.S. flag air carriers (if U.S. flag air carriers are "unavailable") it takes 12 hours or longer from the original airport to the destination airport to accomplish the Grantee's program than would service by a non-U.S. flag air carrier or carriers, or
- (4) When the elapsed traveltime on a scheduled flight from origin to destination airports by non-U.S. flag air carrier(s) is 3 hours or less, and services by U.S. flag air carrier(s) would involve twice such traveltime.

NOTE: Where U.S. Government funds are used to reimburse Grantee's use of other than U.S. flag air carriers for international transportation, the Grantee will include a certification on vouchers involving such transportation which is essentially as follows:

CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS

I hereby certify that the transportation service for personnel (and their personal effects) or property by U.S. flag air carrier was unavailable for the following reason(s): (State appropriate reason(s) as set forth above; see 41 CFR 1-1.323-3 for further guidance).

(d) Travel allowances shall be reimbursed in accordance with the Federal Travel Regulations (FTR), however, if the Grantee's domestic and international travel allowance policies and procedures have been reviewed and approved by AID or another Federal department or agency pursuant to the applicable Federal cost principles, the Grantee may use its travel allowance system in lieu of the FTRs after it has furnished the Grant Officer with a copy of such approval.

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9. OCEAN SHIPMENT OF GOODS

(This provisions is applicable when ocean shipment costs are reimbursable under the Grant.)

(a) 50% of all international ocean shipments made by the Grantee, to be financed hereunder, shall be made on U.S. flag vessels. Where U.S. flag vessels are not available, or their use would result a release from this requirement from the Transportation Support Division, Office of Commodity Management, AID, Washington, D.C. 20523, giving the basis for the request.

(b) When the AID Transportation Support Division makes and issues a determination to the Grantee that U.S. flag vessels are not available, the ocean shipment costs on foreign flag vessels, as named in the determination, will be eligible for reimbursement under the Grant. In all instances Grantee vouchers submitted for reimbursement under the Grant which include ocean shipment costs will include a certification essentially as follows: "I here by certify that a copy of each ocean bill of lading concerned has been submitted to the Maritime Administration, Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bill(s) of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement, and indicate the applicable AID Grant Number."

(c) Shipment by voluntary non-profit relief agencies (i.e., PVO's) shall be governed by paragraphs (a) and (b) above and by AID Regulation 2, "Overseas Shipments of Supplies by Voluntary Non-Profit Relief Agencies" (22 CFR 202).

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

(This provision is applicable when the total procurement element (i.e., the sum of all purchase orders and contracts for goods and services) of this Grant does not exceed \$ 250,000.)

(a) Geographic Source and Order of Preference

Except as may be specifically approved or directed in advance by the Grant Officer, all goods (e.g., equipment, vehicles, materials, and supplies) and services, the costs of which are to be reimbursable under this Grant and which will be financed with United States dollars, shall be purchased in and shipped from only "special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference:

- (1) the United States (AID Geographic Code 000),
- (2) "Selected Free World" countries (i.e., AID Geographic Code 935)

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- (3) the cooperating country.
- (4) "Special Free World" countries (AID Geographic Code 935).

(b) Application of Order of Preference

When the Grantee procures goods and services from other than U.S. sources, under the order of preference in (a) above, it shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the Grantee's documentation:

- (1) the procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (2) the price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. sources,
- (3) impelling local political considerations precluded consideration of U.S. sources,
- (4) the goods or services were not available from U.S. sources, or
- (5) procurement of locally available goods or services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance Program under the Grant.

(c) Ineligible Goods and Services

Under no circumstances shall the Grantee procure any of the following under this Grant:

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

(For a more detailed discussion of the subject, see AID Handbook 1, Supplement 8, paragraph 4D.)

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

(d)

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(d) Restricted Goods

The Grantee shall not procure any of the following goods or services from a non-U.S. source (i.e., other than AID Geographic Code 000) without the prior written authorization of the Grant Officer:

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

(For a detailed discussion of the subject, see AID Handbook 1, Supplement B, paragraph 4C.)

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

(e) The Grantee's Procurement System

- (1) The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and order of preference requirements of this provision and paragraphs 3. and 4., Attachment O of OMB Circular No. A-110.
- (2) If the Grantee's procurement policies and procedures have been reviewed against the procurement requirements of paragraphs 3. and 4. of Attachment O to OMB Circular No. A-110 and have been approved by AID or another Federal department of agency, the Grantee shall furnish the Grant Officer with a copy of such approval; otherwise the Grantee's procurement policies and procedures shall conform to the specified requirements of OMB Circular No. A-110. (See AID Handbook 13, Chapter 1, paragraph 1U.)

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(f) Small Business

To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this Grant, the Grantee, shall, to the maximum extent possible, provide the following information to the Small Business Office, AID, Washington, D. C. 20523 at least 45 days prior (except where a shorter time is requested of, and granted by the Small Business Office) to placing any order or contract in excess of \$25,000:

- (1) Brief general description and quantity of goods or services;
- (2) Closing date for receiving quotations, proposals, or bids; and
- (3) Address where invitations or specifications can be obtained.

(g) Ineligible Suppliers

Funds provided under this Grant shall not be used to procure any commodity or commodity-related services furnished by any supplier whose name appears on the List of Ineligible Suppliers under AID Regulation B, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing" (22 CFR 20B). The Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be reimbursable under this Grant. AID will provide the Grantee with this list.

11. GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY

(This provision applies when personal property is furnished under the Grant.)

The policies and procedures of AID Handbook 16, "Excess Property", and the appropriate provisions of 41 CFR 101-43 apply to the government furnished excess personal property under this Grant.

124. TITLE TO AND USE OF PROPERTY (GRANTEE TITLE)

(This provision is applicable when the Government vests title in the Grantee only.)

Title to all property financed under this Grant shall vest in the Grantee, subject to the following conditions:

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- (a) The Grantee shall not charge for any depreciation, amortization, or use of any property, title to which remains in the Grantee under this provision under this Grant or any other U.S. Government grant, subgrant, contract or subcontract.
 - (b) The Grantee agrees to use and maintain the property for the purpose of the Grant in accordance with the requirements of paragraph 1T of Chapter 1, AID Handbook 13.
 - (c) With respect to nonexpendable property having an acquisition cost of \$1,000 or more, title to which vests in the Grantee, the Grantee agrees:
 - (1) To report such items to the Grant Officer from time to time as they are acquired and to maintain a control system which will permit their ready identification.
 - (2) To transfer title to any such item to the Government in accordance with any written request therefore issued by the Grant Officer at any time prior to final payment under this Grant.
- 12B. Title to and Care of Property (U.S. Government)
(This provision is applicable when title to property is vested in the U.S. Government.)
- (a) Property, title to which vests in the Government under this Grant, whether furnished by the Government or acquired by the Grantee, is subject to this provision and is hereinafter collectively referred to as "Government property." Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personality by reason of affixation to any realty.
 - (b) Use of Government Property
Government property shall, unless otherwise provided herein or approved by the Grant Officer, be used only for the performance of this Grant.
 - (c) Control, Maintenance and Repair of Government Property
The Grantee shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this Grant. The Grantee shall take all reasonable steps to

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comply with all appropriate directions or instructions which the Grant Officer may prescribe as reasonably necessary for the protection of the Government property.

The Grantee shall submit, for review and written approval of the Grant Officer, a records system for property control and a program for orderly maintenance of Government property; however, if the Grantee's property control and maintenance system has been reviewed and approved by another Federal department or agency pursuant to Attachment N of OMB Circular No. 4-110 (see paragraph 1F of Chapter 1. AID Handbook 13), the Grantee shall furnish the Grant Officer proof of such approval in lieu of another approval submission.

- (1) Property Control
The property control system shall include but not be limited to the following:
 - (A) Identification of each item of Government property acquired or furnished under the Grant by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of U. S. Government."
 - (B) The price of each item of property acquired or furnished under the Grant.
 - (C) The location of each item of property acquired or furnished under the Grant.
 - (D) A record of any usable components which are permanently removed from items of Government property as a result of modification or otherwise.
 - (E) A record of disposition of each item acquired or furnished under the Grant.
 - (F) Date of order and receipt of any item acquired or furnished under the Grant.

The official property control records shall be kept in such condition that at any stage of completion of the work under this Grant, the status of property acquired or furnished under this Grant may be readily ascertained. A report of current status of all items of property acquired or furnished under the Grant shall be submitted yearly concurrently with the annual report.

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(2) Maintenance Program

The Grantee's maintenance program shall be such as to provide for, consistent with sound business practice and the terms of the Grant: (i) disclosure of need for and the performance of preventive maintenance, (ii) disclosure and reporting of need for capital type rehabilitation, and (iii) recording of work accomplished under the program.

(4) Preventive maintenance - Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences.

(B) Records of maintenance - The Grantee's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.

A report of status of maintenance of Government property shall be submitted annually concurrently with the annual report.

(d) Risk of Loss

(1) The Grantee shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage except that the Grantee shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the Grantee's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of all or substantially all of the Grantee's business, or all or substantially all of the Grantee's operations at any one plant, laboratory, or separate location in which this Grant is being performed:

(ii) Which results from a failure on the part of the Grantee, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above, (A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of Government property as required by (i) above, or (B) to take all reasonable steps to comply with any appropriate written directions of the Grant Officer under (c) above:

(iii) For which the Grantee is otherwise responsible under the express terms of the article or articles designated in Attachment 1 to this Grant.

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- (iv) Which results from a risk expressly required to be insured under some other provision of this Grant, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or
 - (v) Which results from a risk which is in fact covered by insurance for which the Grantee is otherwise reimbursed, but only to the extent of such insurance or reimbursement;
- Provided, that, if more than one of the above exceptions shall be applicable in any case, the Grantee's liability under any one exception shall not be limited by any other exception.
- (2) The Grantee shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the Grantee to carry such insurance under any other provision of this Grant.
 - (3) Upon the happening of loss or destruction of or damage to the Government property, the Grantee shall notify the Grant Officer thereof, shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Grant Officer a statement of:
 - (i) The lost, destroyed, and damaged Government property;
 - (ii) The time and origin of the loss, destruction, or damage;
 - (iii) All known interests in commingled property of which the Government property is a part; and
 - (iv) The insurance, if any, covering any part of or interest in such commingled property.
- The Grantee shall make repairs and renovations of the damaged Government property or take such other action as the Grant Officer directs.
- (4) In the event the Grantee is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, it shall use the proceeds to repair, renovate or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the Grant, or shall otherwise reimburse the Government, as directed by the Grant Officer. The Grantee shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage, and upon the request

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of the Grant Officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suit and the execution of instruments of assignments in favor of the Government) in obtaining recovery.

- (e) Access
The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.
- (f) Final Accounting and Disposition of Government property
Upon completion of this Grant, or at such earlier dates as may be fixed by the Grant Officer, the Grantee shall submit, in a form acceptable to the Grant Officer, inventory schedules covering all items of Government property not consumed in the performance of this Grant or not therefore delivered to the Government, and shall prepare deliver, or make such other disposal of the Government property as may be directed or authorized by the Grant Officer.
- (g) Communications
All communications issued pursuant to this provision shall be in writing.
- 12C. TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE)
(This provision is applicable to property titled in the name of the cooperating country or such public or private agency as the Cooperating Government may designate.)
- (a) Except as modified by Attachment A of this Grant, title to all equipment, materials and supplies, the cost of which is reimbursable to the Grantee by AID or by the Cooperating Government, shall at all times be in the name of the Cooperating Government or such public or private agency as the Cooperating Government may designate, unless title to specified types or classes of equipment is reserved to AID under provisions set forth in Attachment A of this Grant; but all such property shall be under the custody and control of the Grantee until the owner of title directs otherwise or completion of work under this Grant or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.
- (b) The Grantee shall prepare and establish a program, to be approved by the Mission, for the receipt, use, maintenance, protection,

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custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The Grantee shall be guided by the requirements of paragraph 11 of Chapter 1, AID Handbook 13.

- (c) Within 90 days after completion of this Grant, or at such other date as may be fixed by the Grant Officer, the Grantee shall submit an inventory schedule covering all items of equipment, materials and supplies under his custody, title to which is in the Cooperating Government or public or private agency designated by the Cooperating Government, which have not been consumed in the performance of this Grant. The Grantee shall also indicate what disposition has been made of such property.

13. CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY

Upon arrival in the Cooperating Country, and from time to time as appropriate, the Grantee's Chief of Party shall consult with the Mission Director who shall provide, in writing, the procedure the Grantee and its employees shall follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of said currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

14. TERMINATION

- (a) For Cause. This Grant may be terminated for cause at any time, in whole or in part, by the Grant Officer upon written notice to the Grantee, whenever for any reason he/she shall determine that such termination is in the best interest of the Government.
- (b) For Convenience. This Grant may be terminated for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the Grant would not produce beneficial results commensurate with the further expenditure of funds. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the Grant Officer to the Grantee.
- (c) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the Grantee shall forthwith take immediate action to minimize all expenditures and obligations financed by this Grant, and shall cancel such unliquidated obligations whenever possible.

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Except as provided below, no further reimbursement shall be made after the effective date of termination, and the Grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended of funds theretofore paid by the Government to the Grantee which are not otherwise obligated by a legally binding transaction applicable to this Grant. Should the funds paid by the Government to the Grantee prior to the effective date of the 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 Government within 90 calendar days after the effective date of such termination a written claim covering such obligations, and subject to the limitations contained in this Grant, the Grant Officer shall determine the amount or amounts to be paid by the Government to the Grantee under such claim in accordance with the applicable Federal cost principles.

15. VOLUNTARY PARTICIPATION

(This provision is applicable to all grants involving any aspects of family or population assistance activities, and all Title X grants in particular)

- (a) The Grantee agrees to take any steps necessary to ensure that funds made available under this Grant will not be used to coerce any individual to practice methods of family planning inconsistent with such individual's moral, philosophical, or religious beliefs. Further, the Grantee agrees to conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.
- (b) The Grantee shall insert paragraphs (a) and (b) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder.

16. PROHIBITION ON ABORTION-RELATED ACTIVITIES

(This provision is applicable to all grants involving any aspects of family or population assistance activities, and all Title X grants in particular.)

- (a) No funds made available under this Grant will be used to finance, support, or be attributed to the following activities: (1) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (2) special fees or incentives to women to coerce or motivate them to have abortions

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(3) payments to persons to perform abortions or to solicit persons to undergo abortions; (4) information, education, training, or communication programs that seek to promote abortion as a method of family planning.

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

17. VOLUNTARY PARTICIPATION REQUIREMENTS FOR STERILIZATION PROGRAMS

(This provision is applicable when any surgical sterilization will be supported in whole or in part from funds under this Grant.)

- (a) None of the funds made available under this Grant shall be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to practice sterilization.
- (b) The Grantee shall insure that any surgical sterilization procedures supported in whole or in part by funds from this Grant are performed only after the individual has voluntarily presented himself or herself at the treatment facility and has given his or her informed consent to the sterilization procedure. Informed consent means the voluntary, knowing assent from the individual after he or she has been advised of the surgical procedures to be followed, the attendant discomforts and risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and his or her option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress or other forms of coercion or misrepresentation.
- (c) Further, the Grantee shall document the patient's informed consent by (1) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (2) when a patient is unable to read adequately, a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the

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performance of the operation. The receipt of the oral explanation shall be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall be of the same sex and speak the same language as the patient.

- (d) Copies of informed consent forms and certification documents for each voluntary sterilization (VS) procedure must be retained by the Grantee for a period of three years after performance of the sterilization procedure.
- (e) The Grantee shall insert paragraphs (a), (b), (c), (d) and (e) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder involving the performance of any sterilization which will be supported in whole or in part from funds under this Grant.

18. PUBLICATIONS

(This provision is applicable to any grant which produces any book, publication, or other copyrightable materials.)

- (a) If it is the Grantee's intention to identify AID's contribution to any publication resulting from this Grant, the Grantee shall consult with AID on the nature of the acknowledgement prior to publication.
- (b) The Grantee shall provide the Project Manager with one copy of all published works developed under the Grant. The Grantee shall provide the Project Manager with lists of other written work produced under the Grant.
- (c) In the event Grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the Grant.
- (d) The Grantee is permitted to secure copyright to any publication produced or composed under the Grant in accordance with paragraph 1T9.b. of Chapter 1, AID Handbook 13. Provided, the Grantee agrees to and does hereby grant to the Government a royalty-free, non-exclusive and irrevocable license throughout the world to use, duplicate, disclose, or dispose of such publications in any manner and for any purpose to permit others to do so.

19. PATENTS

(This provision is applicable to any Grant which produces patentable items, patent rights, processes, or inventions.)

- (a) Grantee agrees to notify the Grant Officer, in writing, of any invention or discovery conceived or first actually reduced

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to practice in the course of or under this Grant. The Grant Officer will determine the patent rights to be afforded the Grantee in accordance with the Presidential Memorandum and Statement of Government Patent Policy (36 FR 16889) and paragraph 1T8.a. of Chapter 1, AID Handbook 13.

- (b) Nothing contained in this provision shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

20. REGULATIONS GOVERNING EMPLOYEES OUTSIDE THE UNITED STATES

(This provision is applicable only to the Grantee's U.S. and third country national employees; it is not applicable to the Grantee's cooperating country national employees.)

- (a) The Grantee's employees, when employed in work overseas, shall maintain private status and may not rely on local U.S. Government offices or facilities for support while so engaged.
- (b) The sale or 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 AID personnel employee by the Mission, except as this may conflict with host government regulations.
- (c) 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 name or in the name or through an 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) 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 Grantee employee is not in accordance with the preceding paragraphs, the Grantee's

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chief of party shall consult with the Mission Director and the employee involved and shall recommend to the Grantee a course of action with regard to such employee.

- (f) The parties recognize the right of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this Grant of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.
- (g) If it is determined, under either (e) or (f) above, that the services of such employee shall be terminated, the Grantee shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

21. SUBORDINATE AGREEMENTS

The placement of subordinate agreements (e.g., leases, options, etc.), grants, or contracts with other organizations, firms or institutions and the provisions of such subordinate agreements are subject to prior written consent of the Grant Officer if they will be funded hereunder, unless the Grantee's procurement systems has been reviewed and approved pursuant to the appropriate section(s) of paragraph 1U, Chapter 1 of AID Handbook 13. In no event shall any such subordinate agreement, grant, or contract be on a cost-plus-a-percentage-of-cost basis. Subordinate contractors (including suppliers) shall be selected on a competitive basis to the maximum practicable extent consistent with the obligations and requirements of this Grant.

22. U.S. OFFICIALS NOT TO BENEFIT

No member of or delegate to the U.S. Congress or resident U.S. commissioner shall be admitted to any share or part of this 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. 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

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violation of this warranty, AID 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.

24. NONLIABILITY

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

25. AMENDMENT

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

26. THE GRANT

The letter to the Grantee signed by the Grant Officer, the Project Description, the Standard Provision and the Financial Plan which have been reviewed and agreed to by the Grantee, constitute the Grant.

27. NOTICES

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

To the AID Grant Officer at the address specified in the Grant

To Grantee - At Grantee's address shown in the Grant, or to such other address as either of such parties shall designate by notice given as herein required. Notices hereunder, shall be effective when delivered in accordance with this provision or on the effective date of the notice, whichever is later.

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Non-U.S. Grantees and Non-U.S. Subgrantees
(BOTH EDUCATIONAL INSTITUTIONS AND OTHER THAN EDUCATIONAL INSTITUTIONS)

28. ALTERATIONS IN STANDARD PROVISIONS

The Standard Provisions of the SEPTEMBER 1977 Edition have been changed as follows:

a. Standard Provision 7A. PAYMENT - FEDERAL RESERVE LETTER OF CREDIT (FRLC) ADVANCE

- (1) Delete the applicability statement and substitute the following therefor:

(This provision is applicable when all the following conditions are met: (1) the sum of all the advances under the Grantee's contracts and grants with AID exceeds \$ 120,000 per annum; (2) AID has, or expects to have, a continuing relationship with the Grantee for at least a year; and (3) the Grantee's commercial bank has ready access to a U.S. Federal Reserve Bank.)

- (2) Delete the term "TUS" in paras. (a), (d) (4) (A), (d) (4) (C), and (d) (5) and substitute the term "TFS" therefor.
- (3) Delete the term "SER/FM" wherever it appears in para (c) and substitute the term "the AID Controller"; also delete the term "Office of Financial Management" in para. (d) (7) and substitute the term "the AID Controller" therefor.
- (4) Delete the figures "\$10,000" and "\$1,000,000" in para (a) and substitute the figures "\$5,000" and "\$5,000,000", respectively, therefor.
- (5) Delete the words "less than" in para. (d) (7) and substitute the words "more than" therefor.

b. Standard Provision 7B. PAYMENT - PERIODIC ADVANCE

Delete the entire provision and substitute the following therefor:

7B PAYMENT - PERIODIC ADVANCE

(This provision is applicable when any one of the following conditions is met: (1) the sum of all the advances under the

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Grantee's contracts and grants with AID does not exceed \$120,000 per annum; or (2) the sum of all such advances to the Grantee exceeds \$120,000 per annum, but there is not a continuing relationship with the Grantee of at least one year; or (3) the Grantee's commercial bank does not have ready access to a U.S. Federal Reserve Bank.)

- a. Each month (or quarter, if the Grantee is on a quarterly basis) after the initial cash advance, the Grantee shall submit to the AID Controller voucher form SF 1034 (original) and SF 1034-A (three copies).
- b. Each voucher shall be identified by the appropriate grant number and shall be accompanied by an original and three copies of a report in the following format:

FEDERAL CASH ADVANCE STATUS REPORT

A. Period covered by this report:	Period covered by the next report:
FROM (month, day, year) _____	FROM (month, day, year) _____
TO (" " ") _____	TO (" " ") _____

B. Cash Advance Use and Needs.

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

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- 8. Amount of cash advances available at the end of this reporting period (Line 6 minus Line 7).....\$ _____
- 9. Projected disbursements, including subadvances, for the next reporting period (see footnote 2).....\$ _____
- 10. Additional cash advance requested for the next reporting period (Line 9 minus Line 8).....\$ _____
- 11. Total interest earned on cash advance from the start of Grant to the end of this reporting period, but not remitted to AID\$ _____
- 12. Total cash advance to sub-grantees, if any, as of the end of this reporting period.....\$ _____

FOOTNOTES:

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

C. Certification.

The undersigned hereby certifies: (1) that the report in para. B. 9 above represents the best estimates of funds needed for the disbursements to be incurred over the period described, (2) that appropriate refund or credit to the Grant will be made in the event of disallowance in accordance with the terms of the Grant, (3) that appropriate refund or credit to the Grant will be made in the event funds are not expended, and (4) that any interest accrued on the funds made available herein will be refunded to AID.

DATE _____ BY _____
TITLE _____

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

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C. Standard Provision 10. PROCUREMENT OF GOODS AND SERVICES UNDER \$250,000

Delete the entire provision and substitute the following therefor:

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

(This provision is applicable when the total procurement element (i.e., the sum of all purchase orders and contracts for goods and services) of this Grant does not exceed \$250,000.)

(a) Ineligible Goods and Services

Under no circumstances shall the Grantee procure any of the following under this Grant:

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

(For a more detailed discussion of the subject, see AID Handbook 1, Supplement B, paragraph 4D.)

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

(b) Restricted Goods

The Grantee shall not procure any of the following goods or services from a non-U.S. source (i.e., other than AID Geographic Code 000) without the prior written authorization of the Grant Officer:

- (1) agricultural commodities,

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- (2) motor vehicles,
- (3) pharmaceuticals,
- (4) pesticides,
- (5) plasticizers,
- (6) used equipment, or
- (7) U.S. Government-owned excess property.

(For a detailed discussion of the subject, see AID Handbook 1, Supplement B, paragraph 4C.)

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

(c) Geographic Source and Order of Preference

Except as may be specifically approved or directed in advance by the Grant Officer under paragraph 10(b) above, all other goods (e.g., equipment, materials, and supplies) and services, the costs of which are to be reimbursable under this Grant and which will be financed with United States dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference:

- (1) The United States (AID Geographic Code 000)
- (2) "Selected Free World" countries (AID Geographic Code 941),
- (3) the cooperating country,
- (4) "Special Free World" countries (AID Geographic Code 935).

(d) Application of Order of Preference

When the Grantee procures goods and services from

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other than U.S. sources, under the order of preference in 10(c) above, it shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the Grantee's documentation:

- (1) the procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (2) the price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
- (3) impelling local political consideration precluded consideration of U.S. sources,
- (4) the goods or services were not available from U.S. sources, or
- (5) procurement of locally available goods or services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance Program under the Grant.

(e) The Grantee's Procurement System

- (1) The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and order of preference requirements of this provision and paragraphs 3 and 4, Attachment C of OMB Circular No. A-110.
- (2) If the Grantee's procurement policies and procedures have been reviewed against the procurement requirements of paragraphs 3 and 4 of Attachment C to OMB Circular No. A-110 and have been approved by AID or another Federal department or agency, the Grantee shall furnish the Grant Officer a copy of such approval; otherwise the Grantee's procurement policies and procedures shall conform to the specified requirements of OMB Circular No. A-110. (See AID Handbook 13, Chapter 1, paragraph 1U.)

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(f) Small Business

To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended to give United States small business firms an opportunity to participate in supplying commodities and services procured under this Grant, the Grantee, shall, to the maximum extent possible, provide the following information to the Small Business Office, AID, Washington, D.C. 20523 at least 45 days prior (except where a shorter time is requested of, and granted by the Small Business Office) to placing any order or contract in excess of \$25,000:

- (1) Brief general description and quantity of goods or services;
- (2) Closing date for receiving quotations, proposals, or bids; and
- (3) Address where invitations or specifications can be obtained.

(g) Ineligible Suppliers

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

ATTACHMENT C

FINANCIAL PLAN

The funds, including local currency, herein shall be used to finance the following items, in accordance with the requirements of Section 7B of ATTACHMENT B "Standard Provisions".

Item	Estimated Cost		Estimated Total Costs	
	Aug. 27, 1981 to Aug. 26, 1982	Aug. 27, 1981 to Aug. 26, 1984	Aug. 27, 1981 to Aug. 26, 1984	Aug. 27, 1981 to Aug. 26, 1984
	Foreign Exchange	Local Currency	Foreign Exchange	Local Currency
	(Dollar Equivalent)		(Dollar Equivalent)	
I. Local Project Costs				
A. Personnel Salaries:				
1. Technical		6,673		20,019
2. Administrative		2,178		6,534
3. Field-Staff		33,311		152,920
4. Part-time		3,360		10,080
B. Travel		4,201		12,603
C. Training		4,538		26,661
D. Classroom Expenses:		10,084		59,244
E. Office Expenses		4,900		14,700
F. Equipment	18,310		21,990	
G. Supplies	750	2,941	2,250	8,823
H. Materials Production		15,000		45,000
Sub-Total	19,060	87,186	24,240	356,584
II. T.A. Costs				
A. Project Advisor	24,000		79,440	
B. Benefits @23%	5,520		18,271	
C. Air Fare	3,500		11,000	
D. Field Support		7,200		21,600
E. Consultants				
1. Average Salary	1,500		4,500	
2. Travel	1,150		3,450	
3. Per diem	600		1,800	
Sub-Total	36,270	7,200	118,461	21,600
III. W.E., Inc. Costs				
A. Dir. Asia Programs	5,000		16,550	
B. Asia Tech. Support	2,500		8,275	
C. Research Staff	2,500		8,275	
D. Benefits @23%	2,300		7,613	
E. Air Fares	4,500		11,500	
F. Per Diem	2,000		6,000	
G. Communications	3,600		10,800	
H. Supplies	1,200		3,600	
I. Overhead rates 36%:	24,145		76,563	
Sub-Total	47,145		149,176	
TOTAL	103,075	94,386	291,877	378,184

Summary Project Budget

Sponsoring Agency (W.E., Inc.) contribution	\$ 170,824
A.I.D. Contribution	\$ 499,238
Total Project Cost	\$ 670,062