

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

AUG 31 1977

The Reverend Edwin E. Broderick, D. D.
Executive Director
Catholic Relief Services
U.S. Catholic Conference
1011 First Avenue
New York, New York 10022

Subject: Grant No. AID/NE-G-1431

Dear Bishop Broderick:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as from time to time amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby grants to Catholic Relief Services, U.S.C.C. (hereinafter referred to as "CRS" or "Grantee") the sum of \$80,000 to provide partial support for the implementation of the CRS Integrated Pre-School Feeding Project in Tunisia, as more fully described in the attachment hereto entitled "Program Description".

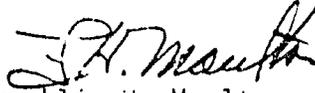
This grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period September 1977 through September 30, 1980. The funds presently granted are intended to cover expenditures incurred during the first year of project activities. Additional funds will be provided for subsequent years contingent upon:

1. The Grantee showing satisfactory progress toward the project goals.
2. The availability of funds.
3. The timely submission by the Grantee of a revised budget for the subsequent funding period as outlined in Attachment A.

The grant is made to CRS on the condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A entitled "Program Description", Attachment B entitled "Standard Provisions", and Attachment C entitled "Payment Provisions", which have been agreed to by your organization.

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.

Sincerely yours,



Franklin H. Moulton
Grant Officer
Regional Operations Division-NE
Office of Contract Management

CATHOLIC RELIEF SERVICES

ACCEPTED BY _____

TITLE _____

DATE _____

PROGRAM DESCRIPTION

A. Project Purpose

To improve the effectiveness of the pre-school feeding program and to integrate preventative health, sanitation, nutrition, pre- and post natal mother and child care and domestic education within the existing program, over the course of 3 years.

B. Target Group of Beneficiaries

The target beneficiaries are the family units that have children enrolled in the Pre-school Feeding Program. The 62,611 enrollees, in the 3-6 age group, represent a total of 344,361 persons on a family-unit basis or 11.5 percent of the total population and 13 percent of the 0-6 age group in the project area. This latter age group has been designated as a high priority group by the Government of Tunisia. The mothers and under-six children will be benefitted by the health-care and educational activities of the project, as indirectly will the fathers and older children. The project will not necessarily be restricted to the mothers who have children enrolled in the Pre-school Feeding Program, thus presenting a potentially broader beneficiary base.

C. Specific Objectives

1. The project purpose of improvement of the infrastructure and effectiveness of the pre-school feeding program will include:

a. Improvement of the quality of meals served, through recipe variation, attention to the cooking operation, and promotion of the increased local donation and/or growing of other foods.

b. Providing sufficient furniture and kitchen/dining equipment for orderly and timely serving of meals.

c. Improving, augmenting or reestablishing the physical plant necessary for proper storage, preparation and serving of foods.

d. Analysis of localized dietary deficiencies for the purpose of providing appropriate nutritional supplements, principally through promotion of parent-operated vegetable gardens.

e. Analysis of the commodity logistics system to effect timely delivery and usage and reduce feeding interruptions and wastage through overstocking.

f. Improve the monitoring and surveillance of feeding center operations by the NCSS staff in coordination with CRS. These improvements will be effected by the NCSS staff, local NCSS committees, social assistants of the Ministry of Social Welfare, the CRS personnel and project staff and Peace Corps nutritionists. The centers plant and equipment improvements will be based on a complete center by center pre-project situation assessment to be carried out during September-December 1977. This evaluation will examine the administrative and logistical system and establish the framework for management improvements.

2. The project purpose of integration of environmental health (including sanitation, nutrition, and preventative health), and training for women will include:

a. Periodic age-weight and anthropomorphic measuring of the children enrolled in the pre-school feeding centers, their younger brothers and

sisters, and other children to the extent the mothers of non-enrollees will participate.

b. Institution of a regularized immunizations program for the children.

c. Periodic and to-need health assessments of the participants, and doctor referrals as is required.

d. Pre- and post natal counseling and examinations for mothers and their new-born children.

e. Group nutrition education classes for women, including dietary considerations during and after pregnancy and illness.

f. Environmental sanitation, including food hygiene education.

g. Food preparation demonstrations based in local low-cost nutritionally-sound foods.

h. Child-care classes and counseling including the importance of breast-feeding and proper weaning foods.

This phase of the project entails the integration of two classes of in-place para-professionals, the public health nurses and social workers. The PHNs in rural areas are involved to a large extent in curative practice of minor ills and injuries. The formalization of group activities based in existing feeding centers will enable these nurses to practice preventative health to a greater extent and will assure more constant and earlier contact of a high-risk group of children and their mothers with required medical care.

The social workers operate largely on a house to house contact basis. Integration of their activities into an established center framework will

help to optimize their productivity and constancy of contact with their target population. These feeding centers have not been used for these projected purposes heretofore. The ongoing feeding program will continue, with utilization of the same facilities for the amplified program of environmental health, thus avoiding the sometimes detrimental relating of food distributions to attendance. A sampling of local NCSS committees indicates that no attendance problem will obtain.

Similar programs of environmental health exist in a relatively small number of Government MCH and health centers located principally in urban and semi-urban areas. This project therefore will concentrate on semi-rural locations, and in urban and semi-urban areas to the extent the mothers of feeding program enrollees are not accommodated in existing centers.

D. Conditions Expected at End of Project

1. All of the existing feeding centers will have adequate and properly equipped locations and will have upgraded their feeding operation by the end of the project.

2. All of the target beneficiaries will be receiving health screening consultation and referral services by the end of the project.

3. All of the target beneficiary mothers will be participating in preventative health, nutrition, sanitation, child-care and food preparation budgeting education by the end of the project.

4. Realization of a Government of Tunisia long-range operational plan for continuation of a pre-school feeding/environmental health/women's training program by the end of the project.

E. Implementation Plan

The implementation will be divided into a series of time frames wherein the two basic purposes of the project will be carried forward concurrently.

The baseline data for the improvement of the pre-school feeding program will be developed separately and will be available by the end of December, 1977, in the areas of information on:

1. Current center facilities and equipment inventories with consideration of their adequacy for (a) the pre-school feeding program activities, and (b) the health screening environmental health education activities.

2. A report on the current logistics surveillance recordkeeping and reporting systems.

3. General operations observations which could contribute to improvements in cooking, serving menu variation and sanitation at the centers.

The implementation schedule will be:

a. Months 1-6

As the project is both developmental and operational, the normal feeding program will be operated, while a series of developmental plans are initiated. These latter will include:

- (1) Evaluation of the pre-project survey baseline data, and will include:

- i. Development of improved logistics, reporting and records keeping systems.

- ii. Plans for center renovations/replacements and augmentation of equipment.

(2) Development of recipe variations and an evaluation of locally , produced food input potentials.

(3) Surveys of the types and frequency of medical care normally available to families of feeding enrollees, and of the numbers of mothers who have/had environmental health education.

(4) Preparation of training seminars for the field personnel, including the public health nurses, social assistants, and NCSS regional personnel.

(5) Design and production of educational materials.

(6) An evaluation of the foregoing activities in the final month.

b. Months 7-18

The implementation of the various program activities will commence in this period, as 1) training seminars for the social workers will be held, 2) organizational courses for the PHNs will be scheduled, 3) orientation of NCSS regional and center responsibilities will take place, 4) initiation of health screening and environmental health education, 5) field trials of feeding program recipes, 6) promotion of locally produced food inputs to the feeding program, 7) initiation of logistical and reporting improvements and 8) equipping and renovating the feeding centers.

At month 9 the PCV couples will be inserted, at representational geographical points, as the coastal, desert and agricultural regions, will begin a period of learning about the region and its project relevant problems, and will initiate their assigned activities. At approximately month 10, 11, or 12, an offshore nutrition education consultant will review the project progress, its directions, and aid in formulating further planning.

The final month of the period will include an evaluation of progress.

c. Months 19-30

The project period will be a continuation of the above activities and will reach full implementation of center renovation, health, and educational activities. A second seminar will be held for social workers and will be a refresher for those who remain on-station. The PHNs will receive a re-orientation.

The month 18 evaluation report and the constant monitoring findings will be used to modify the program where warranted. Also, special efforts will be made to augment educational training beneficiaries and to initiate similar programs in non-feeding center locations, in coordination with the MOH, the MSW, and the NIN.

d. Months 31-36

The PCVs will terminate their assignments in the initial month and will file end-of-tour reports for evaluation. Where warranted, indigenous replacements will be sought through the involved GOT ministries. In many of the centers, a second cycle of educational activities will have started due to new mothers entering and original participants leaving as their children mature. With the required subjects for education incorporated into the curriculum of the training school for social assistants together with their in-record experiences, the need for continued seminars is not foreseen. Exit arrangements for continuation of the program with in country resources will be effected. A terminal evaluation will give particular attention to longitudinal nutritional effects.

F. Project Support

CRS will be expected to operate in the field with no administrative or logistic support from the AID Mission or the Embassy. CRS will consult as needed with AID/W and USAID personnel in the country of operation, in addition to submitting reports as required under this Grant Agreement.

G. Procurement

1. The Grantee is hereby authorized, pursuant to Standard Provision p., to purchase ten (10) non-U.S. vehicles for which a source/origin waiver has been approved.

2. Pursuant to Standard Provision p., Grantee is hereby authorized to purchase locally, center furniture, training/education visual aids and equipment as described above.

3. Dollar funds provided hereunder, the local expenditure (in Tunisia) of which is authorized only after conversion to Tunisian Dinars, may not exceed \$355,000 during the entire Grant period and must be converted through the United States Disbursement Office before expenditure in Tunisia.

4. Funds provided hereunder may be subgranted in whole or in part to CRS/Tunisia.

5. All commodities and equipment will be titled to the Government of Tunisia.

H. Measurement and Evaluation of Project Accomplishment

The basis for measurement will largely be established by the pre and initial project activities and will range from establishing overall center facility and equipment requirements, to the health care status of the

health care/weight chart records and dietary patterns, and will be used by the evaluators and by the project personnel monitoring activities to measure:

1. Improvements in the feeding program.
2. Effectiveness of the preventative health screening.
3. Effectiveness of the environmental health education.

The CRS, provincial and center level records will provide the principal basis for accomplishment measuring. The scheduled evaluations will be included with and used as a basis for period reports to the counterparts, CRS headquarters and USAID.

I. Reporting

The Grantee will provide semi-annual reports to USAID/Tunis (2 copies) and the Grant Officer (3 copies). Such reports will provide a summary of progress to date and will include data progress achieved in improving the effectiveness of the existing feeding program (refer to earlier listing of activities pages 1,2 and 3) and a description of efforts made to integrate preventative health measures into the existing program. These reports are required within 30 days following the end of the report period. The final semi-annual report shall be considered the final report.

J. New York Consultation Support

It is proposed that funds be provided for multi-disciplinary consultative support for the project. Since a major part of the project is developmental and innovative it will be necessary to obtain advice and assistance of a technical nature in a number of disciplines for its proper execution. Consultation may be required in the following areas to name a few: nutrition and health education; food storage and distribution;

monitoring and evaluation; construction techniques; food processing and preparation; and public health. Based upon the above the Grantee is hereby authorized to contract for necessary short and medium term consultants, as required, during the term of the project.

K. Budget

The funds provided herein shall be used to finance the following items:

1. <u>Personnel Costs</u> .	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>Totals</u>
Project Director	10,000	20,000	20,000	10,000	60,000
Field Nutritionist	3,120	6,552	6,880	3,612	20,164
Translator/Secretary ($\frac{1}{2}$ time)	<u>1,580</u>	<u>3,476</u>	<u>3,824</u>	<u>2,003</u>	<u>10,883</u>
	14,700	30,028	30,704	15,615	91,047
2. <u>Training Costs</u>					
Training seminars for 87 Social Assistants, 174 Nurses, and NCSS Field Staff	-	18,370	17,387	-	35,757
3. <u>Commodity Costs</u>					
Production of educational materials, and purchase of audio-visual materials and equipment	-	13,250	9,500	4,750	27,500
Vehicles (8 x 3600, 2 x 7,800)	44,400	-	-	-	44,400
Furniture and equipment for 174 Centers x \$526	<u>-</u>	<u>61,016</u>	<u>30,508</u>	<u>-</u>	<u>91,524</u>
	44,400	92,636	57,395	4,750	199,181

4. <u>Other Costs</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>Totals</u>
Local Travel Expenses	701	2,000	2,000	1,000	5,701
Fuel	5,184	10,386	10,386	5,184	31,140
Vehicle repair, maintenance and insurance	7,680	15,510	16,760	8,230	48,180
Administrative support for consultants 150 days x \$50	750	2,250	1,500	750	5,250
Administrative support for personnel	2,765	1,515	1,525	876	6,681
Evaluation fees	-	2,850	2,850	5,700	11,400
	17,080	34,511	35,021	21,740	108,352
Subtotal Field Expenses	76,180	157,175	123,120	42,105	398,580
<u>U.S. Consultation/Support</u>					
Salary (105 days x \$125)	1,875	5,625	3,750	1,875	13,125
Travel (7 x 1000)	1,000	3,000	2,000	1,000	7,000
Per diem (147 days x \$45)	945	2,835	1,890	945	6,615
Subtotal - U.S. Consultation support	3,820	11,460	7,640	3,820	26,740
Total US/AID Financed:	80,000	168,635	130,760	45,925	425,320

It is recognized that the total funds required for this project are estimated at \$5,800,000 of which \$426,000 is expected to be provided by AID/W under this Grant. Total contributions for the CRS portion include:

NCSS	1,189,420
MSW	40,716
MCH	128,618
NIN	3,300
Peace Corps	104,490
CRS/USCC	<u>129,600</u>

TOTAL \$1,596,054

The Grantee may not exceed the total amount of the budget. The Grantee may adjust, as reasonably necessary, any of the line items in the budget without obtaining prior written approval of the Grant Officer, provided such adjustments do not result in an increase in the Grand Total of the budget.

L. Special Provisions

1. Notwithstanding the provisions of Standard Provision "q", title to all commodities and equipment shall vest in the Government of Tunisia upon *Completion of project Activities.* (GOT), and where the term "Government" appears in Standard Provision "q", it shall mean GOT except in Paragraph (9); and delete the second paragraph of Paragraph (2), and substitute the following: "Grantee shall establish and maintain a records system for property control and a program for orderly maintenance of GOT property."

2. Delete Paragraph (4) in Specific Support Grant Optional Provision No. r., entitled "Travel and Transportation", and in lieu thereof insert the following:

"(4) Travel allowances shall be reimbursed in accordance with the following numbered and dated pages of the Catholic Relief Services - United States Catholic Conference, Inc. Manual of Personnel Policies which have been accepted by AID:

<u>Page No.</u>	<u>Date</u>
1	12/1/74
2	11/15/72
2a	8/1/72
2b	12/1/74
7	9/1/73
19	9/1/73
19a	11/15/72
19b	2/14/75."

3. Delete Paragraph (6) in Special Support Grant Optional Provision No. s., entitled "Regulations Governing Employees Outside the United States", and in lieu thereof insert the following:

"(6) Allowances for employees assigned overseas shall be reimbursed in accordance with the following numbered and dated pages of the Catholic Relief Services - United States Conference, Inc. Manual of Personnel Policies which have been accepted by AID:

<u>Page No.</u>	<u>Date</u>
14	1/1/70
16	8/1/74
17	1/1/73
17a	8/1/73
17b	1/1/73
19	9/1/73
19a	11/15/72
19b	2/14/75

4. In Standard Provision r. "Travel and Transportation", in paragraph (3)(a), delete subparagraphs 4 and 5 and insert in lieu thereof Appendix A. Preference for U.S. Flag Air Carriers.

STANDARD PROVISIONS

a. Allowable Costs and Payment (Oct. 1974)

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 of the Federal Procurement Regulations (FPR) (Principles and Procedures for use in Cost Reimbursement Type Supply and Research Contracts with Commercial Organizations)* in effect on the date of this Grant. Payment of allowable costs shall be in accordance with Attachment C of this Grant.

[*If this Grant is made to a university, the applicable cost principles are "Federal Management Circular, 73-8 (Cost Principles for Educational Institutions)" instead of Subpart 15.2 of the FPR as cited above]

b. Accounting, Records, and Audit (Oct. 1974)

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 (1) until the expiration of three years from the date of termination of the program and (2) 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.

c. Refunds (Oct. 1974)

(1) 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, Grantee shall refund to AID an amount equivalent to the amount of interest accrued.

(2) 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.

(3) 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.

d. Equal Opportunity Employment (Oct. 1974)

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

e. Termination (Oct. 1974)

This Grant may be terminated at any time, in whole or in part, by the Grant Officer upon written notice to the Grantee, whenever for any reason he shall determine that such termination is in the best interest of the Government. Upon receipt of and in accordance with such notice, 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. Except as provided below, no further reimbursement shall be made after the effective date of termination, and the Grantee shall within thirty (30) calendar days after the effective date of such termination repay to the Grantor all unexpended portions of funds theretofore paid by the Grantor to the Grantee which are not otherwise obligated by a legally binding transaction applicable to this Grant. Should the funds paid by the Grantor to the Grantee prior to the effective date of this termination of this Grant, be insufficient to cover the Grantee's obligations pursuant to the aforementioned legally binding transaction, the Grantee may submit to the Grantor within (90) calendar days after the effective date of such termination a written claim covering such obligations, and, subject to the limitations contained in the Grant, the Grant Officer shall determine the amount or amounts to be paid by the Grantor to the Grantee under such claim.

f. Officials Not to Benefit (Oct. 1974)

No member of or delegate to Congress or resident 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.

g. Covenant Against Contingent Fee (Oct. 1974)

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

h. Nonliability (Oct. 1974)

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

i. Amendment (Oct. 1974)

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

j. Grant Agreement (Oct. 1974)

The letter to the Grantee signed by the Grant Officer, the Program Description and the Standard Provisions which have been reviewed and agreed to by the Grantee, constitute the Grant Agreement.

k. Notices (Oct. 1974)

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 cognizant AID Grant Officer

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

1. Conversion of United States Dollars to Local Currency (Oct. 1974)

In countries designated "excess" or "near-excess" currency countries, Grantee agrees to convert all United States dollars to local currency through the United States Disbursing Officer, (USDO), American Embassy, unless the Disbursing Officer directs the Grantee otherwise or certifies that no local currency is available.

m. Ineligible Countries (Oct. 1974)

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

n. Subordinate Agreements (Oct. 1974)

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. 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.

o. Publications (Oct. 1974)

(1) 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.

(2) 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.

(3) 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.

(4) The Grantee is permitted to secure copyright to any publication produced or composed under the Grant. 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 and to permit others to do so.

P. Procurement of Equipment, Vehicles, Supplies, Materials, and Services (Oct. 1974)

(1) Except as may be specifically approved or directed in advance by the Grant Officer, or as provided in paragraphs (2), (3), and (4) below, all equipment, vehicles, materials, supplies and services the costs of which are to be attributed to this Grant and which will be financed with United States dollars shall be purchased in and shipped from the United States. In addition, for any U.S. purchase transaction in excess of \$2,500 the Grantee shall notify the seller that the item(s) must be of U.S. source and production and comply with the componentry limitations and other requirements applicable to suppliers under AID Regulation 1, and that the supplier must execute and furnish Form AID-282 "Suppliers Certificate and Agreement with the Agency for International Development".

(2) Exceptions to the foregoing are as follows (for Title X Grants only):

Grantee may permit a subgrantee (or the Grantee on his behalf) to procure commodities already in its country (with the exception of contraceptives, drug products, pharmaceuticals, and motor vehicles) in an amount not exceeding a total cost of \$5,000 per subgrantee per annum without regard to limitations, rules and procedures applicable to commodity transactions financed by AID. Such commodities shall not be considered "Already in its country" within the meaning of the aforementioned exception if the commodities have been imported or otherwise brought into the country at the request of the Grantee or subgrantee. A subgrantee's own country for this purpose shall in no event include any of the following: Australia, Austria, Belgium, Canada, Denmark, France, Germany, Spain, Italy, Japan, Luxembourg, Monaco, Netherlands, New Zealand, Norway, South Africa, Sweden, Switzerland, and United Kingdom. The Grantee shall take all reasonable precautions to ensure that the subgrantee does not procure any commodity which has as its country of origin any of the following countries: Albania, Bulgaria, China (Mainland and other Communist-controlled areas), including Manchuria, Inner Mongolia, the provinces of Tsinghai and Sikang, Sinkiang, Tibet, and former Kwantung Leased Territory, the present Port Arthur Naval Base Areas, and Liaoning Province, Cuba, German Democratic Republic, Hungary, North Korea, North Vietnam, Outer Mongolia, Poland, Rumania, and the Union of Soviet Socialist Republics.

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

(a) Effective use of the materials depend on their being in the local language, and

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

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

1. The AID receiving country
2. Countries falling within AID Geographic Code 901
3. Other Countries falling within AID Geographic Code 899

AID Geographic Codes are defined in AIDPR 7-C.5201.1.

(4) Procurements in the country in which an activity is being undertaken and which are less than \$2,500 and are for materials (regularly available and normally sold on the local market) which are to be consumed or expended during the period of this Grant, are exempt from the conditions of Paragraph 1 above, provided that the origin of such materials and supplies and the component parts thereof is a free world country as described in AID Geographic Code 935.

(5) All international air shipments made by the Grantee, to be financed hereunder, shall be made on U.S. flag carrier unless shipment would, in the judgement of the Grantee, be delayed an unreasonable time awaiting a U.S. carrier, either at the point of origin or transshipment, provided that the Grantee certifies to the facts in the documents referenced part of his Grant records for post audit by AID. All international ocean shipment 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 in a significant delay, the Grantee may obtain a release from this requirement from the Transportation Support Division, Office of Quality Management, AID, Washington, D.C. 20523, as appropriate, giving the basis for the request.

(6) The Grantee shall obtain competition to the maximum extent possible for any procurement to be financed hereunder. Procurement by the Grantee without consideration of more than one source must be approved by the Grant Officer. In no event will any procurement be on a cost-plus-a-percentage of cost basis. The Grantee shall take all reasonable steps necessary to insure that subgrantees procuring in accordance with Paragraph (2) obtain competition to the maximum extent possible. In addition to the foregoing, for purchases made in the United States the cost of which are to be attributed to this Grant, the Grantee shall comply with the following requirements:

8

To permit AID, in accordance with the Small Business Provisions of the Mutual Security Act, 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 Office of Small Business, AID, Washington, D.C. 20523 at least 45 days prior to placing any order or contract in excess of Five Thousand (\$5,000) Dollars, except where a shorter time is requested of, and granted by the Office of Small Business:

- (a) Brief general description and quantity of commodities or services;
- (b) Closing date for receiving quotations or bids;
- (c) Address where invitations or specifications may be obtained.

(7) 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", Grantee agrees to review said list prior to placing any procurement the cost of which is to be attributed to this Grant. AID will provide Grantee with this list.

9. Title to and Care of Property (U.S. Government) (Oct. 1974)

Property, title to which vests in the Government under this Grant, whether furnished by the Government or acquired by the Grantee, is subject to the provisions of this clause 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 personalty by reason of affixation to any realty.

(1) Use of Government Property

The Government property shall, unless otherwise provided herein or approved by the Grant Officer, be used only for the performance of this Grant.

(2) 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 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.

(3) 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.

(4) Maintenance Program

The Grantee's maintenance program shall be such as to provide for, consistent with sound industrial 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.

(a) 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.

(5) Risk of Loss

Unless otherwise provided in this Grant, the Grantee assumes the risk of, and shall be responsible for, any loss of or damage to Government property provided under this Grant upon its delivery to him or upon passage of title thereto to the U.S. Government, except for reasonable wear and tear and except to the extent that such property is consumed in the performance of this Grant.

23

(6) 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.

(7) 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 theretofore 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.

(8) Communications

All communications issued pursuant to this clause shall be in writing.

(9) Government Furnished Excess Personal Property

When Government furnished excess personal property is provided under a grant, the appropriate provisions of the Federal Property Management Regulations, Part 101-43, shall be included.

24

Travel and Transportation (Oct. 1974)

r.

(1) The Grant Officer hereby approves international travel hereunder provided that the Grantee shall obtain written concurrence from the cognizant technical office in AID prior to sending any individual outside the United States to perform work under the Grant. For this purpose the Grantee shall advise the Project Manager at least thirty (30) days in advance of any travel to be undertaken outside the United States. After concurrence is received the Grantee shall provide the cognizant USAID 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.

(2) 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.

(3) The Grantee agrees to travel by the most direct and expeditious route, and to use less than first class transportation unless such use will result in unreasonable delay or increased costs.

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

1. Where a flight by a United States carrier is scheduled but does not have accommodations available when reservations are sought;

2. Where the departure time, routing, or other features of a United States carrier would interfere with or prevent the satisfactory performance of official business;

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

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

5. Where the appropriate class of accommodations is available only on a non-United States carrier and the cost of transportation and related per diem on the non-U.S. carrier is less than the cost of available accommodations of another class on a United States carrier and related per diem.

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

(4) Travel allowances shall be reimbursed in accordance with the Federal Travel Regulations (FTR).

white

26

s. Regulations Governing Employees Outside the United States (Oct. 1974)

(1) 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.

(2) The sale of personal property or automobiles by Grantee employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire AID personnel employed by the mission, except as this may conflict with host government regulations.

(3) Other than work to be performed under this Grant for which an employee or consultant is assigned by the Grantee, no regular or short term employee or consultant of the Grantee shall engage, directly or indirectly, either in his own name or in the name or through an agency of another person, in any business, profession or occupation in the foreign countries to which he is assigned.

(4) 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.

(5) On the written request of the Grant Officer or of a cognizant Mission Director, the Grantee will terminate the assignment of any individual to any work under the Grant and, as requested, will use its best efforts to cause the return to the United States of the individual from overseas or his departure from a foreign country or a particular foreign locale.

(6) Allowances for employees assigned overseas shall be reimbursed in accordance with the Federal Travel Regulations (FTR).

t. Prohibition on Abortion Related Activities (Oct. 1974)

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

u. Salaries (Oct. 1974)

All salaries, wages, fees, and stipends reimbursed under this Grant shall be in accordance with the Grantee's policy and practice as reviewed and approved by the Grant Officer. In the absence of an approved policy the Grantee shall follow the regulations contained in Section 7-15.205-6 of the Agency for International Development Procurement Regulations.

PAYMENT PROVISIONPeriodic Grant Disbursement

Each month, or at less frequent intervals as agreed upon in advance, Grantee will submit to the Office of Financial Management, FM/CSD, AID, Washington, D.C. 20523 Voucher Form SF 1034 (original) and SF 1034-A, three copies, each voucher identified by the appropriate grant number, in the amount of estimated cash needs for the following month. The voucher shall be supported by an original and two copies of a report rendered as follows:

Amount of Grant	\$xxx
Expended to date	\$xxx
Expended this period (by line item as set forth in budget)	
1.	\$xxx
2.	\$xxx
3.	\$xxx
etc.	
TOTAL THIS PERIOD	\$xxx
Advances outstanding to subgrantees (if any)	\$xxx
Anticipated expenditures next month (dates)	\$xxx
Cash received to date	\$xxx
Cash required next month	\$xxx

The report shall include a certification as follows:

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

BY _____

TITLE _____ DATE _____

PREFERENCE FOR U.S. FLAG AIR CARRIERS

(a) Pub. L. 93-623 requires that all Federal agencies and Government contractors and subcontractors will use U.S. flag air carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carriers is available. It further provides that the Comptroller General of the United States shall disallow any expenditure from appropriated funds for international air transportation on other than a U.S. flag air carrier in the absence of satisfactory proof of the necessity therefor.

(b) The contractor agrees to utilize U.S. flag air carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carriers is available.

(c) In the event that the contractor selects a carrier other than a U.S. flag air carrier for international air transportation, he 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 transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reasons: (state reasons).

(d) The terms used in this clause have the following meanings:

(1) "International air transportation" means transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States.

(2) "U.S. flag air carrier" means one of a class of air carriers holding a certificate of public convenience and necessity issued by the Civil Aeronautics Board, approved by the President, authorizing operations between the United States and/or its territories and one or more foreign countries.

(3) The term "United States" includes the fifty states, Commonwealth of Puerto Rico, possessions of the United States, and the District of Columbia.

(e) The contractor shall include the substance of this clause, including this paragraph (e), in each subcontract or purchase hereunder which may involve international air transportation.

Expenditures for service furnished by a noncertificated air carrier generally will be allowed only when service by a certificated air carrier or carriers is "unavailable" as indicated by the June 17, 1973, Comptroller General's memorandum (B-130040) entitled "Guidelines for Implementation of Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974." The criteria contained in the memorandum are reproduced in this section.

(a) Passenger or freight service by a certificated air carrier is considered "available" even though:

(1) Comparable or a different kind of service by a noncertificated air carrier costs less, or

(2) Service by a noncertificated air carrier can be paid for in excess foreign currency, or

(3) Service by a noncertificated air carrier is preferred by the agency or traveler needing air transportation, or

(4) Service by a noncertificated air carrier is more convenient for the agency or traveler needing air transportation.

(b) Passenger service by a certificated air carrier will be considered to be "unavailable":

(1) When the traveler, while en route, has to wait 6 hours or more to transfer to a certificated air carrier to proceed to the intended destination, or

(2) when any flight by a certificated 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 certificated air carrier is available during the 6 hour period, or

(3) when by itself or in combination with other certificated or noncertificated air carriers (if certificated air carriers are "unavailable") it takes 12 or more hours longer from the original airport to the destination airport to accomplish the agency's mission than would service by a noncertificated air carrier or carriers

20