



SEP 29 1983

Mr. David M. Chambers
Associate Executive Director
World Relief Corporation
P.O. Box WRC
Wheaton, Illinois 60187

Subject: Grant No. PDC-0233-G-SS-3150-00

Dear Mr. Chambers:

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 the World Relief Corporation (hereinafter referred to as "WRC" or "Grantee") the sum of \$400,000 as partial support for an estimated grant of \$1,400,000 in WRC's program to strengthen agencies of national evangelical associations or consortia to facilitate the development work of local PVOs, churches, and missions as more fully described in Attachment 2, entitled "Program Description."

This grant is effective and obligation is made as of September 26, 1983 and shall apply to commitments made by the Grantee in furtherance of its program objectives during the period beginning September 26, 1983 and ending September 25, 1986.

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This grant is made to WRC on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled "Schedule," Attachment 2, entitled "Program Description," and Attachment 3 entitled "Standard Provisions," which have been agreed to by your organization.

Please sign the original and seven (7) copies of this letter to acknowledge your receipt of the grant, and return the original and six (6) copies to the Office of Contract Management.

Sincerely yours,



Judith Johnson
Grant Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

WORLD RELIEF CORPORATION

By: David Chambers

Title: ASSOCIATE EXEC. DIR. / INTERNATIONAL OPERATIONS

Date: OCTOBER 21, 1983

FISCAL DATA

Appropriation: 72-1131021-3
Budget Plan Code: EDAA83 1381OAG11 343-38-099-00-76-31
PIO/T No.: 3834025
Project No.: 938-0233
Total Estimated Amount: \$1,400,000
Total Obligated Amount: \$400,000
IRS Employer Identification Number: 23-6393344
Funding Source: AID/W

0124190
FUNDS AVAILABLE

SEP 21 1983
William
Program Acctg. Division
OFFICE OF FINANCIAL MANAGEMENT

Schedule

A. Purpose: The purpose of this grant is the expansion of WRC's program to strengthen the development agencies/arms of national evangelical associations or consortia to facilitate the development work of local PVOs, churches, and missions as more fully described in Attachment 2 entitled "Program Description." WRC's program is synopsised as follows:

1. WRC plans to implement at least 100 small to medium sized projects in a total of ten countries. These projects will average approximately 11 per agency and will result in the development of a training capacity at each of the ten agencies.
2. WRC plans to host and sponsor a consultation for directors of their counterpart development agencies during each year of this grant, and
3. WRC plans to conduct three to five sets of training workshops in each target country.

B. Period of Grant

1. The effective date of this grant is September 26, 1983. The expiration date of this grant is September 25, 1986.
2. Funds obligated hereunder are available for program expenditures for the estimated period September 26, 1983 to September 25, 1984 as shown in the Financial Plan below.

C. Amount of Grant and Payment

1. The total estimated amount of this Grant for the period shown in B.1 above is \$1,400,000.
2. AID hereby obligates the amount of \$400,000 for program expenditures during the period set forth in B.2. above as shown in the Financial Plan below.
3. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 Standard Provision No. 7A entitled "Payment Federal Reserve Letter of Credit."
4. Additional funds up to the total amount of the grant shown in C.1 above may be obligated by AID subject to the availability of funds, and to the requirements of the Standard Provision of the Grant, entitled "Revision of Financial Plans."

D. Financial Plan

The following is the Financial Plan for this Grant. Revisions to this plan shall be made in accordance with Standard Provision of this Grant, entitled "Revision of Financial Plans."

<u>Cost Element</u>	<u>9/26/83- 9/25/84</u>	<u>9/26/84- 9/25/86</u>	<u>Total Estimated Cost</u>
1. Office Program and Coordination	\$186,130		
2. Latin American Program and Coordination	151,000		
3. East Asia Program and Coordination	101,100		
4. International Coordination-USA	321,770		
5. Overhead	40,000		
Total Costs	\$800,000	\$2,000,000	\$2,800,000
WRC's Contribution	\$400,000	\$1,000,000	\$1,400,000
AID's Contribution	\$400,000	\$1,000,000	\$1,400,000

E. Reporting and Evaluation

WRC will prepare an annual narrative and financial report on a country by country basis of the work undertaken in the cost-shared grant program (i.e., activities supported with AID monies and WRC's private match). Each annual report should include an analytical section, which includes an overview of the program in terms of the specific objectives outlined in the project paper. The report will be submitted at least six weeks prior to the beginning of the subsequent funding period to permit a full review of grant progress prior to additional obligation of funds. WRC officers are expected to participate in a formal review session in Washington about a month prior to the subsequent funding period.

The second report of the grant shall include a comprehensive self-evaluation of grant progress using the logical framework as a basis. Near the middle of the third year of this grant, it is envisioned that AID and WRC will collaborate in a field evaluation of the grant program to include an assessment of the development of selected local agencies. Additionally, from time to time and with prior notification to WRC, representatives of AID may visit selected project sites.

F. Special Provisions

1. Alterations in Grant dated July 1982 are hereby incorporated as Attachment 3A to this Grant.

2. The following Standard Provisions are deleted as inapplicable.

- 5A - Negotiated Overhead Rates-Predetermined
- 7B - Payment-Periodic Advance
- 7C - Payment-Reimbursement
- 10B-Procurement Goods and Services over \$250,000
- Title) 13B-Title to and Care of Property (U.S. Government
- Title) 13C-Title to and Care of Property (Cooperating Country
- 26-Participant Training
- 27-Health and Accident Coverage for AID Participant Trainees.

3. The following Standard Provision entitled "Matching Provision" is hereby incorporated into this Grant.

G. Matching Provisions

a. For each year (or funding period) under this grant, the Grantee agrees to expend from non-Federal funds an amount at least equal to 50% of the total expenditures under this grant.

b. Eligibility of non-Federal funds applied to satisfy cost sharing/matching requirements under this grant are set forth in paragraph (b) of the Standard Provision of this grant entitled "Allowable Cost and Contributions".

c. Individual expenditures do not have to be shared or matched provided that the total expenditures incurred during the year (or funding period) are shared or matched in accordance with the agreed percentage set forth in paragraph (a) above.

d. If at the end of any year (or funding period) hereunder, the grantee has expended an amount of non-Federal funds less than the agreed percentage of total expenditures, as set forth in paragraph (a) above, the difference may be applied to reduce the amount of AID funding the following year (or funding period), or, if this grant has expired or been terminated, the difference shall be refunded to AID.

e. Extended failure to meet the cost sharing/matching requirements set forth in paragraph (a) above shall be considered sufficient reasons for termination of this grant entitled "Termination and Suspension", paragraph (a) entitled "For Cause".

f. The restrictions on the use of AID grant funds hereunder set forth in the Standard Provisions of this grant are applicable to expenditures incurred with AID funds provided under this grant. Except for paragraph (b) of the Standard Provisions of this grant entitled "Allowable Costs and Contributions", the Standard Provisions are not applicable to expenditures incurred with funds provided from non-Federal sources. The grantee will account for the AID funds in accordance with the Standard Provision of this grant entitled "Accounting, Audit and Records"

g. Notwithstanding paragraph (c) of the Standard Provisions of this grant entitled "Refunds", the parties agree that in the event of any disallowance of expenditures from AID grant funds provided hereunder, the Grantee may substitute expenditures made with funds provided from non-Federal sources provided they are otherwise eligible in accordance with paragraph (b) of this provision. At the expiration or termination of this grant amounts of disallowances of expenditures from AID grant funds for which substitution with eligible expenditures from non-Federal funds cannot be made will be refunded to AID

H. Overhead Rate

The provisional overhead rate of 5% of total direct cost is effective from September 26, 1983 until otherwise amended in accordance with Standard Provision 5B entitled "Overhead." This overhead rate applies to the total WRC matching grant program. (This includes AID funds and WRC private funds). There is no requirement that AID funds be matched for any single line item including overhead. Any adjustment in the overhead will not alter the estimated amount of the Grant. A lower overhead rate will make funds available for other line items. A higher overhead rate will reduce funds available for other line items.

Program Description

PROPOSED PROGRAM

The purpose of the program outlined in this proposal is to enhance the capability of communities among the poor majority in nine countries to improve the quality of their lives. World Relief will accomplish this by establishing and/or enabling national counterpart agencies to provide development assistance services at the community level.

By the end of the grant period, qualified national development agencies will be providing assistance in project planning, implementing, and evaluating to communities among the poor majority in the Philippines, Papua New Guinea, Sri Lanka, Kenya, Upper Volta, Mali, Haiti, Honduras, and Bolivia.

a. History of Program Development.

In the late 1970's World Relief was functioning as a small foundation, granting funds for relief and development activities upon the basis of written requests without a field structure for assessment, monitoring, and follow-up. Since that time World Relief has established a worldwide infrastructure, expanded its funding base, acquired and integrated a development assistance department, and provided technical assistance, management and development training, and project funding in over 30 countries to improve the quality of life among the poor majority.

The institutionalization of development assistance within World Relief is due to three primary factors: (1) organizational commitment to enable those who are suffering at the grassroots level to improve their lives,

(2) the acquisition of Development Assistance Services, Inc. in 1979 which provided expertise in project funding, technical assistance and training, and (3) a centrally funded management services support grant from AID/FVA which has provided funds for a development staff, travel and office expenses, and training in 15 countries.

As the wholly owned, subsidiary, non-profit corporation of the National Association of Evangelicals (NAE), World Relief has the corporate will, expanded funding base, and experience to make effective use of a matching grant from AID/FVA.

From a grant-making philosophy of the mid to late 1970's; World Relief has developed an operational mode of enabling churches and missions to help the poor majority in socio-economic activities. This basic enablement concept included funding, technical assistance, and some training at the project level.

More recently this approach has been refined to include the enablement of the same churches and missions through national consortia, or national counterpart agencies. Counterpart enablement has been a significant aspect of the existing MSS grant. This approach has been so deeply ingrained in World Relief that the board of directors recently revised the organizational purpose statement to emphasize the enablement concept as opposed to direct assistance.

The present counterpart enablement strategy has begun in Kenya, Haiti, and the Philippines in an operational sense and the concept and plans are being developed in Papua New Guinea, Sri Lanka, Upper Volta, Mali, Honduras, and Bolivia. This grant proposes

a more intensive approach than under the MSS grant.

The MSS grant has paved the way for an expansion of the counterpart enablement strategy through management training, workshops, institutional development consultation, and technical assistance from World Relief staff.

Further training within existing MSS grant countries cannot be effectively absorbed without the coordinating assistance of national institutions. World Relief cannot effectively serve all the proposed projects without assistance of such national structures and without increased project funding. Survey results and workshop analysis under the MSS show the effectiveness of the program to date and the demand for additional services.

Survey results are complete for six of the nine proposed countries, and there is overwhelming demand for project funding, technical assistance, and training. Consultation on an informal basis in the absence of completed surveys in Haiti, Sri Lanka, and Papua New Guinea confirm the same needs for assistance. Specific figures for the surveyed countries are in Appendix C.

Continuation of the existing grant would be more effective only if combined with increased emphasis on counterpart enablement and project funding. This matching grant proposes discontinuation of the training grant in favor of concentration on fewer countries, institutionalization of training capacity in national counterparts, and institutionalization of development assistance capabilities in funding and other project services.

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b. Objectives of Proposed Program

The objectives of this proposed program include the implementation of at least 100 small to medium-sized projects (up to \$30,000 per year with an average size of about \$15,000 per project per year) in ten countries, the enablement of ten national counterparts to provide development assistance services through training, consultation and funding.

Specifically, the program will establish training capacities in each counterpart agency along the lines of present World Relief management and planning workshops, provide consultation in institutional development for each counterpart agency, provide initial operational funds for each, provide project funds for each, and develop three-year plans for each in the areas of finance, management, operations, and program development. At the end of the grant period each agency will have a plan for financial survival independent of the AID matching grant and each agency will be sufficiently developed to qualify for funding from international and governmental or non-governmental agency funding in theory, if not in practice. Such a standard means all requirements of a technical nature are met.

During the grant period an average of 11 projects per agency will be implemented, some completed and others in progress. Assistance to specific counterpart agencies will be phased in over the three-year grant period.

The existing or proposed counterparts are in different stages of their own development, so assistance from World Relief will vary in each case, but the end product will be basically the same. It will be accomplished through continuation of existing workshops in all grant countries leading to training capacities for all counterparts. This will

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be accomplished primarily through in-house training officers who are responsible for training project lead staff.

Institutional development consultation will be provided to develop capabilities in financial accounting, personnel management, planning, evaluating, and general PVO management.

Project funds will be established and the size will be determined by existing capabilities. For newer agencies it might be only a project or two in the first year leading to more projects subsequently. For those enabled through the existing MSS grant, funds for as many as ten projects would be available in the first grant year.

c. Regional Strategies

On the following pages are regional and country strategies for nine countries proposed to be included in this grant. In each case, World Relief has had some relationship with the organization, be it project or operations funding, training, or consultation. Each organization listed has expressed interest in working with World Relief in such a program of counterpart enablement. In most cases, there is a tie between the organization and an interchurch Protestant association, similar to the relationship of World Relief and the National Association of Evangelicals in the U.S.A.

The degree of detail in the country strategies varies, but for each country, the first order of business is a formalized three-year plan, with an accompanying working agreement and budget. These will be mutually agreed to between World Relief and the organization before any funds are released for programs or operations under the matching grant. An example of working agreement is in Appendix D.

In each case, the goal is increased support for the organization within

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its own country. One hundred percent financial self-sufficiency is not a reasonable goal given existing economic conditions in these countries, but steps in this direction are essential. A plan for such will be developed early in the grant for each country, recognizing that each agency may be dependent on World Relief for some operational support at the close of the grant.

While financial self-sufficiency is not a realistic goal, technical self-sufficiency in the areas of planning, implementing, and evaluating is more realistic. Those countries considered as "fast track" in the grant will have this aspect of self-sufficiency, while it will be near that, if not achieved, in the "slow track" countries.

Africa Strategy

The three countries selected for involvement in Africa in this grant are Mali, Upper Volta, and Kenya. In each country there are major goals in the areas of food production, health, and income generation, especially as they pertain to women. There are counterparts in each country with national leadership which are developing assistance skills for servicing the needs of their constituencies.

There is a strong emphasis on training and technical assistance in the Africa strategy, especially as it relates to establishing local training capacity. When the present World Relief coordinator first visited the region a year ago, there was a strong demand in each country for training and technical assistance. The strategy revolves around this expressed need and back it up with project funding.

Through this grant, World Relief will enable KENRADA in Kenya, World Relief/Upper Volta, and the Association of Evangelicals in Mali to provide such services within their respective countries. Enablement is progressing already in Kenya through the Evangelical Fellowship of Kenya's arm, KENRADA, with assistance from World Relief, utilizing private and AID funding. Upper Volta, along with Kenya, would be considered "fast track" while the situation in Mali would develop more slowly.

Kenya Strategy

The national counterpart in Kenya is KENRADA (Kenya Relief and Development Alliance), and it is the development arm of the Evangelical Fellowship of Kenya. The purpose of the matching grant in Kenya is to enable KENRADA to become a fully functioning development organization, a process already begun with technical assistance provided through the MSS grant and WRC funds.

Within two years KENRADA will be fully equipped to provide development assistance services in planning, implementing, and evaluating projects through churches and missions in Kenya. At the end of this period it will be functioning effectively with a development coordinator, a women-in-development coordinator, an accountant, and a secretary.

A training team will be developed as the coordinator develops the skills of training others. The team will focus on basic human needs at the village level and work in tandem with a demonstration center to be developed around an existing project. The center will emphasize replication of low-cost development activity appropriate to rural Kenya. This will be operational in the first year of the grant.

A women's program will also be developed along the lines of the Upper Volta program, but appropriate to Kenya. The first will be the development of a plan by the end of 1983.

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Upper Volta Strategy

The counterpart agency in Upper Volta is World Relief/Upper Volta, which is a government-registered PVO run by Upper Voltans. The focus of this counterpart is village-level training with funding for small projects, predominantly under \$5,000 each.

By the end of 1984, this agency will be fully functioning and coordinating training and projects, functioning out of Ouagadougou. An interim step will be to develop a national advisory board to support, critique, and give direction to World Relief/Upper Volta by the end of 1983.

Under the existing grant, funds have been utilized to broaden the training capacity of World Relief/Upper Volta. This will continue to include a male and a female training officer. An early focus will be to enable these to become trainers themselves. (The present female training officer is an expatriate; by the beginning of 1984, this will be a Voltaique.)

The female training officer will concentrate on training animateurs in 30 villages, initially in the Volta Noire region. The animateurs will help villages to develop skills appropriate for meeting basic and income-generating needs. The animateur aspect of the program will be operational by the end of 1984 and fully implemented by the end of 1985. 1983 will be spent in developing the system, training coordinators, and selecting animateurs.

The male training officer will concentrate on developing national and district leadership within those churches served by World Relief/Upper

Volta to increase their capability to carry out socio-economic activities, again on a small scale.

One or two training sites will be developed to demonstrate techniques appropriate to Upper Volta with the potential for replication. World Relief has enabled an oxen credit, reforestation, and well program in the Volta Noire for the last three years. This project is one likely site to use for demonstration purposes. At least one location will be in use as a local training center by the end of 1984.

The budget for Upper Volta reflects the emphasis on personnel and training, which are included under operations with a director and office support in Ouagadougou.

Mali Strategy

The Mali country strategy centers on the enablement of the Mali evangelical association. By the end of 1985, the association will have a development office with a training project coordinator. The coordinator will supervise a team of trainees who will work in the southeast region of the country (the Dougan)

The training team will be similar to the Upper Volta program in that it will have men's and women's programs and utilize village level training with a demonstration center. It will be smaller in scope and require more training and consultation at the start, including a more specific plan for the program. Activity in Mali has started at a low-level with a volunteer coordinator working part-time with several projects. These will expand, and an operational center will be established in 1984 as the training takes root.

Asia Strategy

Under the current MSS grant, World Relief has been involved in five Asian countries: the Philippines, Papua New Guinea, Indonesia, Bangladesh, and Sri Lanka. It is proposed to include three of these in the matching grant: the Philippines, Papua New Guinea, and Sri Lanka. Each of these has an existing or potential consortium for evangelicals in development. Each has been involved in surveying their constituency and providing training through World Relief workshops.

Projects in this region will focus on economic development with an emphasis on cooperative activity.

The Philippines is on a "fast track" with an existing counterpart called Philippines Relief and Development Services (PHILRADS). Counterpart enablement in this case will bring the organization to maturity in development assistance.

In Papua New Guinea and Sri Lanka, there are fledgling consortia which have some experience in development and are ready, within one year or so, to establish a formal structure for planning, implementing, and evaluating development assistance activities. These are on a slower track but will be able to provide competent development assistance services by the end of the grant.

Philippines Strategy

For three years, World Relief has been enabling the Philippine Council of Evangelical Churches to provide assistance to its members in the area of development. This has led to the creation of its development arm, Philippine

Relief and Development Services (PHILRADS). The purpose of the matching grant in the Philippines is to bring PHILRADS to full maturity as an indigenous counterpart in the provision of development assistance. By the end of the grant PHILRADS will be able to fully plan, implement, and evaluate programs of development through its constituency without external assistance apart from specific project funding.

In the first year of the grant, PHILRADS will develop the capability of training its constituency. It will further refine existing procedures for planning, implementing, and evaluating projects and develop standardized guidelines. It will continue to provide project funding to its members, but emphasize smaller projects, under \$15,000 per year, implemented directly by members of PCEC, which focus on income-generation, primarily through agricultural activity

In subsequent years PCEC will expand its ability to provide services by establishing regional representatives or coordinators to service its constituents. Project activities will focus in Mindanao, especially among tribal groups, and the Visayas.

Operational expenses are expected to increase each year, but local support is also expected to increase.

Sri Lanka Strategy

The strategy in Sri Lanka centers on the enablement of the Lanka Evangelical Alliance Development Services (LEADS), the development arm of the Evangelical Alliance of Sri Lanka (EASL). LEADS is in the process of formation and represents a small but dynamic group within the country.

At the close of the grant period LEADS will be an effective community development service agency, working through its constituency to bring self-reliance and self-support to deprived communities regardless of color, caste, or creed. LEADS will be able to bring

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local constituents to implement appropriate development activities.

Further LEADS will monitor and evaluate all such activities.

As a demonstration of its ability to effectively channel assistance, LEADS will meet the general standards set by international, governmental, and non-governmental organizations for need assessment, project implementation, and evaluation. To accomplish these activities, LEADS will be formally organized with a board of directors, director, project officer(s), and support staff for clerical and bookkeeping functions. Project activities will focus on job training, agriculture, public health, and other activities which will alleviate poverty brought on by long-standing drought conditions. Funds for administration will increasingly be generated locally with at least 40% being the responsibility of LEADS by the end of the grant period.

Funds for the first year will pay the salary of the director, help LEADS to formally organize, and provide initial project funds. World Relief will assist in project design-making until a formal project approval mechanism is established. LEADS self-support will increase in year three and subsequent years.

Papua New Guinea Strategy

World Relief has recently been assisting the Evangelical Alliance of the South Pacific Islands (EASPI) in Papua New Guinea through the current MSS grant. A survey has been conducted and workshops in project design and management conducted. Under the matching grant a development arm of the EASPI will be established and function fully in planning, implementing, and evaluating development activity.

In the first year of the grant, World Relief staff will assist with institutional planning and help EASPI to formally establish a development

office. EASPI has informally been assisting its constituency in development through the Christian Leaders Training Center (CLTC) but wants to establish a formalized office with regularized procedures.

The first year will see additional workshops and a small project fund. In the second and third years additional funds will be utilized for organizational enablement on a larger scale and increased project funding. A more specific plan will be completed by the end of the first year.

Latin America/Caribbean Strategy

Haiti, Bolivia and Honduras are the three poorest countries in the region as measured by GNP per capita and the physical quality of life index. These three countries had a per capita GNP of under \$360 and a PQLI score of fifty-one or less (on a scale of 100) according to 1979 statistics. The Dominican Republic, the fourth target country, is not as desperately needy, but needs assistance more than the majority of countries in the region.

Needs exist everywhere. Strategically, however, World Relief can respond best to the needs of the three countries mentioned above because of the infrastructure of counterpart agencies with which World Relief has developed relationships. Leadership development efforts will take place both at the regional and the national level.

Internationally, World Relief hosted and sponsored, with AID assistance under the current MSS grant, a consultation for directors of development agencies with which World Relief works in the region during August of 1982. A similar session is anticipated in 1983 because of the success of the first one, and it will probably be continued on a yearly basis and broadened

to include other evangelical international development agencies like World Relief and other national agencies like those described below under the national strategy.

The purpose of the consultation is fourfold:

1. Strengthen relationships among professionals and agencies with similar challenges, problems, and visions.
2. Strengthen the vision and morale of the participants.
3. Refine the national development agencies' action plans for the coming year and allow the international development agencies to see where their resources of technical assistance, training, and funds could make the greatest impact.
4. Focus training seminars on one specific subject each year, such as working with a board of directors, personnel issues, finance and accounting, evaluation, and management training.

Haiti and Honduras have strong development agencies representative of the churches. Their proven track record in development and their well-established infrastructure extending throughout the country allow World Relief to work with them on a "fast track" of immediate high-level involvement. World Relief has a longstanding relationship with the Evangelical Council of Haitian Churches (CEEH) and its development arm (CODEPLA), having worked with them for five years in the area of development. The development of CODEPLA as a significant arm of CEEH has been due in large part to World Relief's encouragement and enabling.

Similarly, in Honduras World Relief personnel were instrumental in the founding of the Evangelical Committee for Development and National Emergencies (CEDEN). While in recent years World Relief has not been as actively involved with CEDEN, discussions over the past year have led to a renewed relationship in working together in development.

Bolivia has a church-based development agency in the making. World Relief is committed to seeing this agency develop as have CEEH/CODEPLA

and CEDEN, pursuing this outcome on a "slow track" as it extends its infrastructure and national base.

The National Association of Evangelicals of Bolivia (ANDEB) is a well-established, government-recognized interchurch and intermission agency. The executive secretary in consultation with World Relief is pursuing the addition of a relief and development arm, much like CSEH in Haiti has done with CODEPLA. This will be presented to ANDEB's board in late 1982 to formalize development activities and commitment that are already evident in ANDEB.

World Relief anticipates the following outcomes over the next three years in enabling these counterpart agencies:

1. Three to five sets of training workshops (phase one and, about seven months later, a follow-up workshop) will be conducted in each target country. The "fast track" countries of Haiti and Honduras would have five, while the other two might have as few as three. Two project management workshops will be held in both Haiti and Honduras and one in Bolivia, training a minimum of seventy-five people actually involved in development projects. These management workshops will not have a prior agenda clearly spelled out in the same way as the phase one workshop; instead the agenda will surface from the participants through a survey taken about two months before the workshop. Thus, each management workshop will be adapted to focus on the issues and problems being encountered by the local participants, while still giving the instructors time to plan lecturettes, exercises, case studies, and discussion questions.

2. An average of six churches will sponsor community development projects for each set of workshops. Some of these would be funded by other sources, but we would anticipate funding small projects (average of \$8,000) and medium-sized projects (average of \$25,000) from each workshop.
3. Each agency will have a full-time qualified national coordinator heading up a team of two or three national workshop instructors by the end of the three years. The training capacity presently available in World Relief will be transferred to a team of national instructors in each of these three countries. The full-time national coordinator is necessary because most projects will be carried out by communities and churches unfamiliar with development work.
4. On the basis of the track record they will have established, two of the three national counterpart agencies will be able to function independently of World Relief in pursuing funding, management of funds and personnel, and overseeing community development projects successfully.

Because these three-year outcomes require that the initial stages already be planned, World Relief has already scheduled a set of workshops in Haiti for 1982 and two sets of workshops in Bolivia and Honduras under the current grant. Projects from these workshops will become operational at the end of the first year. Anticipating more regionally based activity and developing a closer hands-on training model, World Relief's program coordinator will be moving to Latin America around September 1983.

The regional budget distinguishes between the "fast track" countries of Haiti and Honduras and the "slow track" for Bolivia.

Haiti and Honduras are sufficiently operational that substantial funding could be used in the first year. Bolivia is not as far along, but will use seed money to fund a training coordinator and the projects that would emerge at the beginning of the first year.

While recognizing variances in each country, the budgets for Haiti or Honduras would resemble the following. The lesser amounts in Bolivia would be used in somewhat similar proportions as outlined below, only coming to a total of about \$220,000 rather than \$335,000

	Typical Country Budget			
	1983	1984	1985	Total
Projects	60,000	80,000	100,000	240,000
In-country travel to communities*	11,000	12,000	12,000	35,000
Training workshops	2,000	4,000	3,000	9,000
Training coordinator**	10,000	10,700	11,500	32,200
Secretary**	3,000	3,300	3,500	9,800
Office expenses	3,000	3,000	3,000	9,000
	<u>\$89,000</u>	<u>\$113,000</u>	<u>\$133,000</u>	<u>\$335,000</u>

*Includes maintenance and repairs, vehicle insurance and depreciation and running costs.

**Includes salary and employee insurance.

Project funds reflect 70% of the national budget. At the same time, the remaining 30% of the national budget enables these agencies to use funds from other sources to fund yet more projects and develop their own fund-raising capability and would further the agencies' training capacity and enable the training function to become institutionalized in the national agency.

Project funds would be focused primarily in three areas: food production, preventive health, and income generation. Projects related to these three critical needs will be expressed differently from country to country. For instance, food production projects in Haiti will include a special emphasis on forestry, on school gardens to make present child feeding programs self-sustaining, and on irrigation that would permit the present yield to double in many cases. On the other hand, animal production would be a high priority in all three countries since it contributes both to the need of food production and to the need of income generation.

d. Program Beneficiaries

The primary beneficiaries of this proposal are those in communities assisted by project funding. In keeping with World Relief's philosophy of development, beneficiaries will be integrally involved in project planning, implementation, and evaluation.

The activities of the grant at the input level focus on enabling national counterpart agencies on a partnership basis. The outputs of this activity are increased socio-economic activity at the community level. Secondary beneficiaries will be the counterpart agencies themselves.

Enablement and partnership imply a strong sense of self-determined direction and an agreement on the part of both parties to work together. To this end, World Relief and the counterparts must work together, taking into consideration the needs and desires of both in a reciprocal relationship.

The policies and procedures which are established as working guidelines for the counterpart agencies in their development assistance activities will ensure local participation in all phases of a project as a prerequisite for project funding.

PROGRAM MANAGEMENT AND COORDINATION

a. Major Tasks and Schedule

The overall strategies for each country included in the grant are provided in the previous section on the proposed program.

The first step for all countries will be the development of an agreement between World Relief and the counterpart agency which lays out the basic working relationship. This step has already been started with some agencies such as CODEPLA/CEEH (Haiti) and PHILRADS/PCEC (Philippines). An unapproved draft of one such agreement is in Appendix D. Accompanying the agreement will be the development of a three-year plan which will be reviewed annually.

After working agreements and three-year plans are developed, the general plans for each country are as follows.

Kenya

Year One: Continued provision of technical assistance to EFK/KENRADA as initiated under the MSS grant leading to established procedures and guidelines. KENRADA operational by the end of the first year with a project fund, a team for training project staff, and a training center built around an existing project. Plan for women's programs and financial sufficiency developed.

Year Two: Operational program for women in development building on training team work. Experience in project planning, implementation, and evaluation leading to technical self-sufficiency in these areas.

Year Three: Additional experience in project funding and related activities and growth toward financial self-sufficiency.

Mali

Year One: Assistance in planning a project office and employment of key person by the end of the year. Limited project fund activity.

Year Two: Formal project office functioning with standardized procedures and guidelines. Development of training program for men and women with village level demonstration center. Plan for financial needs developed.

Year Three: Experience and growth in all areas of project activity and growth as an organization leading to technical competency.

Upper Volta

Year One: Development of national advisory board and enablement of indigenous training team including women-in-development component. Continued project funding on small scale.

Year Two: Full implementation of women's program. Additional experience in small scale project activity and development of a training center around existing project.

Year Three: Institutionalization in areas of training and funding accomplished and additional experience as self-sufficiency achieved in technical areas.

Papua New Guinea

Year One: Formation of a distinct project office under the EASPI alliance. Employment of a project officer by end of grant year. Ongoing consultation from World Relief staff in organizational development. Several small projects started.

Year Two: Development of standardized procedures, policies, and operational guidelines for project activities. Training for project officer and field staff. Development project fund created. Work on local support base.

Year Three: Continued operation of development fund with increased experience in project planning, implementation, and evaluation leading to technical self-sufficiency.

Philippines

Year One: Immediate implementation of development project fund as detailed guidelines and operational plans established. Development of plan for financial support of PHILRADS. Establishment of in-house training capacity.

Year Two: PHILRADS staff training project staff and overseeing project funding through planning, implementation, and evaluation. Progress toward achievement of financial self-support. Establish regional coordinators.

Year Three: Growth in ability of PHILRADS and in quality of development activity. Technical self-sufficiency in project assistance.

Sri Lanka

Year One: Incorporation and establishment of functional project office (LEADS) by the end of year one. Project director hired and initial project funding as a formalized committee for project approval is operational with established guidelines. Ongoing consultation in organizational development from World Relief.

Year Two: Full-scale operation of project office with project fund fully operational. Office procedures and project planning, implementation, and evaluation standardized. Development of local support base initiated. Establishment of local training capacity for project staff.

Year Three: Increased experience in project activity, broader base of support, and near technical self-sufficiency for project planning, implementation, and evaluation.

Year One: Development of project office within ANDEB with hiring of project director, training workshops, and limited project funding.

Year Two: Local training capacity developed as project funding expands with criteria, guidelines, and procedures. Plan for financial needs developed.

Year Three: Achieving technical competency in project activities and developing local income base.

Haiti

Year One: Establishment of project fund for small projects throughout Haiti. Formalized guidelines established. In-house training capacity developed. Plan for financial needs.

Year Two: Continued experience in project assistance activities with training needs met by CODEPLA.

Year Three: Technical competence and self-sufficiency in all project areas.

Year One: Establishment of project fund and in-house training capability. Formalized guidelines established for project funding. Plan for financial needs.

Year Two: Continued experience in project assistance activities with training needs met by CEDEN.

Year Three: Technical competence and self-sufficiency in all project areas.

b. Staffing Patterns

For administrative purposes, World Relief divides the world into three regions: Africa, Asia, and Latin America/Caribbean. For each region there is a regional director and at least one program coordinator; Asia has two program coordinators. In countries where there are large programs, World Relief utilizes a country director. There are country directors for Upper Volta and the Philippines among proposed grant countries.

The overall responsibility for the fostering of counterpart relationships belongs to the regional director, but this is generally delegated on a day-to-day basis to the respective country director or program coordinator. The following are the local people responsible for the implementation of the grant in the respective countries:

1. Philippines: Country director
2. Papua New Guinea: East Asia program coordinator
3. Sri Lanka: West Asia program coordinator
4. Kenya: Africa program coordinator
5. Mali: Africa program coordinator
6. Upper Volta: Country director
7. Haiti: Latin America program coordinator
8. Honduras: Latin America program coordinator
9. Bolivia: Latin America program coordinator

In the event that a program outgrows the capacity of the regional director to oversee, then a country director will be employed.

The regional directors are responsible to the associate executive director/international operations for operations in their regions. In turn the associate executive director is responsible for the overall implementation of the matching grant.

Consultants will be employed for technical aspects of the program for which World Relief does not have in-house capability. Whenever in-country consultants are available, these are preferred when all other factors are equal. The use of consultants is expected in the overall areas of training trainers in grant countries, institutional development, and specific project technical areas, such as appropriate technology, agriculture, etc.

The following indicates estimated time usage of key personnel in grant activity:

Associate executive director--20%
 Regional director/Asia--33%
 Africa program coordinator--90%
 East Asia program coordinator--90%
 West Asia program coordinator--25%
 Latin America program coordinator--100%
 Evaluation officer--100%

The evaluation officer, as detailed in the evaluation section of this

proposal, would report to the associate executive director.

c. Management/Monitoring

World Relief activities are planned on a yearly basis on the outcomes-methods-resources model. Plans are approved by the management cabinet of World Relief, which is a staff advisory group to the executive director. The process is directed by a corporate planning committee. The budget implications of the plan are approved by the board of directors.

Staff members submit monthly reports to their supervisor on the activities of the prior month and the plans of the future month. Quarterly summaries of World Relief activity are submitted to the board of directors.

Financial reports are generated monthly for each manager to determine expense against budget. Budgets are reviewed quarterly with each manager reviewing a variance report which indicates whether expenses are over or under budget. This allows for quarterly revision of plans and budgets according to level of activity, income and expense.

Personnel appraisals for all staff are conducted every six months.

The activities of the grant will fit into this overall management system from initial planning to final evaluation. Field staff have already generated the basic country strategies and budget proposed in the grant. Monthly reports and quarterly revisions will serve as the basis for reports submitted to AID.

All grantees are expected to provide quarterly financial and descriptive reports. This is taken a step further with counterpart agencies who are expected to provide monthly reports and yearly audits.

EVALUATION

All projects and training funded by World Relief are monitored to ensure progress toward stated outcomes. A portion of all activities are selected for more intensive evaluation based on criteria of accessibility, cost-effectiveness, and replicability.

Every project funded by World Relief is required to submit quarterly and end-of-project descriptive and financial reports. With this mechanism, it is possible to determine whether a project is satisfactorily achieving the desired outcomes within financial and temporal restraints. This project monitoring system will be incorporated into evaluation procedures utilized under the matching grant. Every project will be monitored, and selected projects will be evaluated.

In addition to basic project evaluation, World Relief is concerned with overall program and policy evaluation. Is the development program as a whole as cost-effective as it can be? Are counterpart agencies making appropriate progress in developing their capacity for development work? Is the project evaluation system as a whole functioning efficiently? In terms of policy, evaluation would assist in determining whether projects and programs funded and implemented achieve the purpose of World Relief to enable the poor majority to meet their own development needs.

Three basic objectives apply to evaluation activities in the matching grant. At the fundamental level, evaluations will determine the success or impact of a given project. In addition, however, the evaluation process

will be used as a training vehicle for those involved in project design and implementation. When a project is selected for evaluation, project directors from as many as ten surrounding projects within the country will gather for an evaluation exercise. The selected project is evaluated from an individual perspective and collectively, and serves as a learning experience for all participants. Thirdly, the lessons learned from the evaluation process serve as a basis for information-sharing between agencies or groups within the country as well as through the World Relief international network.

Projects to be evaluated are selected according to several criteria. These include accessibility of the project for World Relief staff and participants from other projects; feasibility or cost-effectiveness of an evaluation against the size and budget of the project; likelihood that the project can be replicated in other areas; and potential for constructive, concrete lessons to be learned from the experience of the project. A minimum of one project in every ten funded by the matching grant will be evaluated, although this number may often be more. As a rule, the larger the project is, the greater the likelihood that a formal evaluation will be conducted.

Formal evaluations utilize at least one World Relief staff member, a representative from the in-country counterpart agency, and an outside third party. The procedure results in a written document to be circulated within the country and outside the country.

During the matching grant period, an evaluation officer will be installed in the international operations division of World Relief. This individual will be responsible to oversee all evaluation activities, including

monitoring, reporting, and assessing the impact of projects. The evaluation officer will examine existing procedures, codify them as necessary and implement them on an organization-wide basis. The officer will select projects for evaluation in consultation with the associate executive director for international operations and concerned program staff and coordinate the logistics of formal project evaluations.

Guidelines for the approval of projects for World Relief funding have been established. The guidelines also serve as indicators of the success or impact of project activity. Guidelines for the evaluation process can be stated as follows:

1. Keep it simple.
2. Maintain the focus on the need and how it is being met.
3. Use project participants in design and implementation of evaluation system for their project.
4. Ensure participants understand and benefit from the evaluation.
5. Use a system flexible enough to indicate both negative and positive aspects of the project or program.
6. Remember that the project is one small facet of the development of a community. Factors beyond the control of the project may have a positive or negative effect.

Success of grant activity will also be measured in terms of the creation of sustainable institutions and the effective development of people through capable institutions. The outcome of more firmly established institutions is ability on the local level for people to gain control over their own environments and quality of life. The progress of each counterpart organization within the grant program will be reviewed on a formal basis annually. Regular visits of field staff will provide periodic informal

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review of counterpart purpose, policy, and procedure.

In summary, the impact of grant activity will be primarily measured at the grassroots level where projects are implemented and secondarily at the counterpart agency level, thus placing the emphasis on the output of the agency, not the agency itself.

LOGICAL FRAMEWORK

WORLD RELIEF MATCHING GRANT 1983-1985

NARRATIVE	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS																																													
<p><u>GOAL:</u></p> <p>To enable the poor majority to more fully meet their own needs and control their environment.</p>	<p><u>MEASUREMENT OF GOAL ACHIEVEMENT:</u></p> <p>Projects at the grassroots level effectively implemented by communities within the poor majority through the enablement of counterpart agencies which focus on improving socio-economic conditions.</p>	<p><u>GOAL:</u></p> <ol style="list-style-type: none"> 1. Project plans, reports, and evaluations. 2. Comparison of pre-project and post-project data regarding quality of life. 3. Counterpart agency reports and evaluations. 	<p><u>GOAL:</u></p> <ol style="list-style-type: none"> 1. Stable international political situation. 2. Stable international economic situation. 3. Willingness of community level poor to undertake activities to improve socio-economic conditions. 																																													
<p><u>IMPULSE:</u></p> <p>To increase economic and social development assistance activity at the community level through the effective functioning of national counterpart agencies in grant countries in the areas of project planning, implementation, and evaluation.</p>	<p><u>END OF PROJECT STATUS:</u></p> <p>Increased community participation in self-help development as evidenced by assistance in planning, implementing, and evaluating projects from ten counterpart agencies leading to:</p> <ol style="list-style-type: none"> 1. Increased disposable income. 2. Increased employment. 3. Improved health. 4. Increased food supply. 5. Increased literacy. 	<p><u>PURPOSE:</u></p> <ol style="list-style-type: none"> 1. Regular monitoring of all projects. 2. Evaluation of selected projects. 3. Periodic reviews and annual evaluations of counterpart agencies. 4. Reports on project and national level. 5. Field visits by WRC staff. 	<p><u>PURPOSE:</u></p> <ol style="list-style-type: none"> 1. Counterpart agencies willing to accept AID funds. 2. Development staff available in each country. 3. Local government approval where necessary. 																																													
<p><u>INPUTS:</u></p> <p>Socio-economic projects planned, implemented, and evaluated at the community level. Development expertise in project planning, implementation, and evaluation institutionalized in counterpart agencies.</p>	<p><u>MEASURE OF OUTPUTS:</u></p> <ol style="list-style-type: none"> 1. An average of fifteen projects partially or completely planned, implemented, and evaluated by each counterpart agency by the end of the three year grant period. (Total 150 projects with average size of \$15,000.) 2. Ten national counterparts with trained development staffs capable of planning, implementing, and evaluating a minimum of ten small to medium-sized projects per agency per year at the community level. 	<p><u>OUTPUTS:</u></p> <ol style="list-style-type: none"> 1. Quarterly financial and descriptive reports from all projects. 2. End project reports from all projects. 3. Evaluations of counterpart agencies. 4. Evaluations of selected projects. 	<p><u>OUTPUTS:</u></p> <ol style="list-style-type: none"> 1. International travel possible and visas available. 2. Worldwide inflation does not escalate beyond control. 																																													
<p><u>FIN:</u></p> <p>Project proposals from communities within the poor majority. Training and consultation for development staff of counterpart agencies. Training and consultation for project leaders and staff at community level. Project funds from WRC and AID. Operational funds from WRC and AID. WRC international staff. Training and institutional development consultants.</p>	<p><u>INPUTS:</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="5" style="text-align: center;">BUDGET SUMMARY</th> </tr> <tr> <th></th> <th style="text-align: center;">1981</th> <th style="text-align: center;">1984</th> <th style="text-align: center;">1985</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>Int'l Coord</td> <td style="text-align: right;">121,075</td> <td style="text-align: right;">132,125</td> <td style="text-align: right;">143,675</td> <td style="text-align: right;">396,875</td> </tr> <tr> <td>Africa</td> <td style="text-align: right;">314,220</td> <td style="text-align: right;">402,975</td> <td style="text-align: right;">424,095</td> <td style="text-align: right;">1,141,290</td> </tr> <tr> <td>Asia</td> <td style="text-align: right;">260,510</td> <td style="text-align: right;">197,255</td> <td style="text-align: right;">463,080</td> <td style="text-align: right;">1,120,845</td> </tr> <tr> <td>Latin Am</td> <td style="text-align: right;">288,655</td> <td style="text-align: right;">323,300</td> <td style="text-align: right;">431,225</td> <td style="text-align: right;">1,043,200</td> </tr> <tr> <td>Subtotal</td> <td style="text-align: right;">984,460</td> <td style="text-align: right;">1,055,655</td> <td style="text-align: right;">1,462,125</td> <td style="text-align: right;">3,752,210</td> </tr> <tr> <td>Indir (15%)</td> <td style="text-align: right;">147,655</td> <td style="text-align: right;">195,848</td> <td style="text-align: right;">219,319</td> <td style="text-align: right;">562,832</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">1,132,115</td> <td style="text-align: right; border-top: 1px solid black;">1,251,503</td> <td style="text-align: right; border-top: 1px solid black;">1,681,444</td> <td style="text-align: right; border-top: 1px solid black;">4,315,042</td> </tr> </tbody> </table>	BUDGET SUMMARY						1981	1984	1985	Total	Int'l Coord	121,075	132,125	143,675	396,875	Africa	314,220	402,975	424,095	1,141,290	Asia	260,510	197,255	463,080	1,120,845	Latin Am	288,655	323,300	431,225	1,043,200	Subtotal	984,460	1,055,655	1,462,125	3,752,210	Indir (15%)	147,655	195,848	219,319	562,832		1,132,115	1,251,503	1,681,444	4,315,042	<p><u>INPUTS:</u></p> <ol style="list-style-type: none"> 1. Annual audit. 2. Monthly financial statements. 3. Quarterly and annual status reports. 	<p><u>INPUTS:</u></p> <ol style="list-style-type: none"> 1. Timely and adequate funding for operations and projects.
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ALTERATIONS IN GRANT

The following alterations have been made in the provisions of this grant:

1. Change the title of Standard Provision 15*, dated "2-82, to read:
"TERMINATION AND SUSPENSION".

2. Insert a new paragraph "(d)" in Standard Provision 15* as follows:

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

3. Delete the applicability statement in Standard Provision 16, Voluntary Participation, and substitute the following therefor:

"(This provision is applicable to all grants involving any aspect of family planning or population assistance activities.)"

4. Delete the applicability statement in Standard Provision 17, Prohibition on Abortion-Related Activities, and substitute the following therefor:

*This is Standard Provision 5 for AID Forms 1420-53, and -54

"(This provision is applicable to all grants involving any aspect of family planning or population activities.)"

5. Add the following to the last line of paragraph (a) of Standard Provision 17: "; (5) lobbying for abortion."

6. Delete paragraph (b) of Standard Provision 17 and substitute the following therefor:

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

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

7. *Delete Paragraph (c) of Standard Provision 10A entitled "Procurement of Goods and Services Under \$250,000" and substitute the following therefore:

"(c) Geographic Source and Order of Preference

All goods (e.g., equipment, materials, and supplies) and services, the costs of which are to be reimbursed 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) the cooperating country,
- (3) "Selected Free World" countries (AID Geographic Code 941),
- (4) "Special Free World" countries (AID Geographic Code 935)."

8. **Delete Paragraph (d) of Standard Provision 10B entitled "Procurement of Goods and Services Over \$250,000," and substitute the following therefore:

*This is Standard Provision 12A for AID Forms 1420-53 and -54.
**This is Standard Provision 12B for AID Forms 1420-53 and -54

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

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

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

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

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

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

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

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

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

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

(B) The corporation or partnership:

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

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

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

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

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

(iv) A duly authorized officer of a firm or nonprofit organization shall certify that the participating firm or nonprofit organization meets either the requirements of paragraphs (d)(2)(ii)(A), (d)(2)(ii)(B), or (d)(3) of this clause. In the case of corporations, the certifying officer shall be the corporate secretary. With respect to the requirements of paragraph (d)(2)(ii)(A), the certifying officer may presume citizenship on the basis of the stockholder's record address, provided the certifying officer certifies, regarding any stockholder (including any corporate fund or institutional stockholder) whose holdings are material to the corporation's eligibility, that the certifying officer knows of no fact which might rebut that presumption.

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

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

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

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

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

(5) Joint ventures. A joint venture or unincorporated association is eligible only if each of its members is eligible in accordance with paragraphs (d)(1), (3), or (4) of this clause.

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

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

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