

P.D-AA2-329 61359

*In March - April/1974
R. [unclear]*

FUNDS AVAILABLE

Date 6/28/74
Project No. 698-11-945-154
Obligation No. 6148101
Object Class 4170
Allotment 502-61-698-00-19-41
Amount \$ 434,000.00
By (initials) V. [unclear]

ORIGINAL

GRANT AGREEMENT NO. AID/afr-G-1079

AID/CONT/ACC/WAB

BETWEEN

THE UNITED STATES OF AMERICA

AND

CREDIT UNION NATIONAL ASSOCIATION, INC.

PIO/T 698-154-3-6148101

This Grant Agreement is made and entered into as of the 28th day of June 1974 between the Government of the United States of America, acting through the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor"), and the Credit Union National Association, Inc. (hereinafter referred to as "CUNA" or the "Grantee"), a non-profit corporation organized and existing under the laws of the State of Wisconsin, whose address is 1617 Sherman Avenue, Box 431, Madison, Wisconsin 53701.

WITNESSETH THAT:

WHEREAS, the Grantee has requested the Grantor to furnish financial support for the promotion, growth and consolidation of the cooperative savings and credit movement in Africa through the development and strengthening of the Africa Cooperative Savings and Credit Association (ACOSCA);

WHEREAS, the Grantee will seek to accomplish these purposes through the provision of technical staff and financial assistance to ACOSCA;

WHEREAS, the Grantee will undertake to provide and seek the provision or assistance to ACOSCA from other international donors.

ORIGINAL

3/1

WHEREAS, the Grantor desires to provide financial assistance to the Grantee for increasing the extent of the aid available for the provision of technical assistance to ACOSCA;

WHEREAS, it is intended that A.I.D. assistance to ACOSCA will be provided through direct agreement with that organization; and

WHEREAS, such assistance is authorized by the provisions of Sections 206 and 209(b) of the United States Foreign Assistance Act of 1961, as amended.

NOW THEREFORE, a Grant is hereby made subject to the following conditions:

ARTICLE I - OBJECTIVE AND PURPOSE OF THE GRANT

A. Objective. To assist certain African countries with their five-year development plans to increase savings, maximize agricultural production and increase income of small farmers through credit union production credit programs, and to assist the Africa Cooperative Savings and Credit Association (ACOSCA) in expanding credit union institutions to ensure the eventual viability of a cooperative system on a self-sufficient basis throughout Africa.

B. Purpose. To these ends, a Grant is made by A.I.D. to the Credit Union National Association, Inc. (CUNA) to: (1) assist ACOSCA in developing economically viable national credit savings and production systems capable of mobilizing savings at the local village level, and capable of channeling these resources into agricultural production activities; (2) demonstrate, under the auspices of ACOSCA, the viability and effectiveness of the production credit methodology of the Directed Agricultural Production Credit (DAPC) program in Cameroon, Lesotho and Zambia, for replication in other areas of these countries and in other African

2/8

countries; and (3) to strengthen the program directional activities of ACOSCA for the purpose of expanding credit unions and ensuring the development and maintenance of an economically viable, pan-African credit union structure.

ARTICLE II - SCOPE OF WORK

A. Personnel and Functions. The Grantee will provide four U.S. technical experts to work under the auspices of ACOSCA on the development and implementation of the methodology of Directed Agricultural Production Credit and to assist ACOSCA in its Africa-wide credit union development programs. The technical experts will provide these services in ACOSCA headquarters (Nairobi, Kenya), ACOSCA's Southern Regional Training Center (Maseru, Lesotho), the pilot countries of Cameroon, Lesotho, and Zambia, and in other African countries as mutually agreed upon by A.I.D., CUNA and ACOSCA. The four U.S. technicians will have the following specialities and assignments:

1. One senior-level Regional Production Credit Specialist based at ACOSCA headquarters will have overall responsibility for the design, supervision, and implementation of the DAPC program. He will supervise and implement DAPC and related credit union-management training programs, train ACOSCA counterpart staff in DAPC methodology and promotion techniques, and evaluate DAPC program progress and the progress of ACOSCA in achieving its Africa-wide objectives.

2. Three country DAPC Specialists, one each assigned to Cameroon, Lesotho and Zambia, will implement the DAPC program in pilot rural credit unions, in cooperation with host governments and national credit union leagues.

B. ACOSCA Sub-Grant. A portion of the grant funds allotted to the Grantee will be made directly available to ACOSCA on a 50/50 matching fund basis for training activities, counterpart salaries, African travel, and local procurement of goods and services necessary for both the successful operation of ACOSCA and of the DAPC country programs and requisite administrative support to Grantee technicians. The Grantee will have responsibility for monitoring expenditures and reporting on expenditures of funds sub-granted to ACOSCA.

C. Training. The Grantee will provide training in credit union and Directed Agricultural Production Credit techniques for appropriate project technicians and participants.

D. Letters of Agreement. Within four months after the effective date of this grant, the Grantee will submit to the Grant Officer signed copies of letters of agreement with host governments authorizing the implementation of Directed Agricultural Production Credit Programs on a pilot basis for three years in Cameroon, Lesotho and Zambia. These letters of agreement, shall be signed by ACOSCA, the Ministries of Agriculture of the respective national governments (or equivalent Ministry), and the national credit union associations. These letters of agreement will specify the details of the DAPC pilot programs in each country of implementation, the services to be provided to the pilot programs by the national governments and the national credit union associations, and the extent to which the Grantee and ACOSCA will have access to data generated by the DAPC pilot programs.



ARTICLE III - REPORTS AND EVALUATIONS

A. Bi-Monthly Reports. The Grantee will provide A.I.D. with bi-monthly reports on the substantive progress of the Grant project either orally or in writing, as required by the A.I.D. Technical Officer in AFR/NARA. These reports will be used as a vehicle for monitoring and controlling the progress of the Grant scope of work consistent with the terms and conditions of the Grant.

B. Semi-Annual and Annual Written Reports. The Grantee will submit both semi-annual and annual written reports to the Grant Officer. These reports will comment on the progress of the Grant project and will include detailed attachments on the following: (1) Project funding and expenditures, including ACOSCA revenues and expenditures; (2) Travel of Grantee technicians and Grant-funded travel of ACOSCA and project personnel; (3) Accomplishments during the reporting period; and (4) Quantification of Grant project progress. Initially these reports will be submitted in draft to the A.I.D. Technical Officer in AFR/NARA not later than thirty (30) days after the period covered by the report. The drafts will be returned to the Grantee along with comments and suggested revision by the Grantee as necessary. Twenty (20) copies of the final version of the semi-annual and annual reports will be submitted to the Grant Officer not later than sixty (60) days after the end of the period covered by the report.

C. Project Completion Reports. The grantee will provide to the Grant Officer detailed project reports incorporating the substance of previous semi-annual and annual reports, at the completion of the first phase of the project, i.e. three years from the effective date of the

111

Grant, and, if the Grant is extended an additional two years, at the completion of the second phase of the project, i.e. five years from the effective date of this Grant. In addition to material reported in the semi-annual and annual reports, such completion reports will include a project design and implementation analysis and recommendations for any further assistance in credit union and DAPC programs. These reports will be due two months after the end of the period covered by the report.

D. The grantee will submit to a detailed A.I.D. program evaluation between the completion of the second and third year of the implementation of Grant activities at the discretion of the A.I.D. Technical Officer in AFR/NARA.

ARTICLE IV - AMOUNT OF GRANT

This Grant makes available \$434,000 which shall be the limit of Grantor's obligation hereunder. Of this total, up to \$134,150 may be made available, as specified above, to ACOSCA.

ARTICLE V - PERIOD OF GRANT

This Grant is effective as of the date of the last signature hereto, for a period of ~~thirty-six (36) months~~. A.I.D. may require the Grantee to continue to perform services under this Grant for up to an additional 2 years in addition to the 3 year period of the Grant, or a total of 5 years. The Grant Officer may exercise this option at any time not later than thirty (30) days before this Grant is to expire, by giving written notice to the Grantee. Costs incurred by Grantee after the expiration of such period ("Grant Expiration Date") shall not be reimbursable hereunder, except as A.I.D. may otherwise agree in writing.

ARTICLE VI - DISBURSEMENT OF FUNDS

A. For the performance of this Grant, A.I.D. shall reimburse the Grantee the actual, necessary, reasonable and allocable cost thereof as determined by the Grant Officer to be allocable in accordance with:

1. Subpart 1-15.3 of the Federal Procurement Regulations (hereafter referred to as FPR), in effect as of the date of this Grant.

2. The terms of this Grant.

The Grantee agrees that any refunds, rebates, credits, or other amounts accruing to or received by the Grantee or any assignee under this Grant shall be paid by the Grantee to A.I.D. to the extent that they are properly allocable as costs for which the Grantee has been reimbursed by A.I.D. under this Grant. Reasonable expenses incurred by the Grantee for the purpose of securing such refunds, rebates, credits or other amounts shall be allowable costs hereunder when approved by the Grant Officer.

B. Grant funds for the exclusive use of CUNA, Inc. shall be apportioned between technician expenditures and the subgrant to ACOSCA as specified in Article IV, and shall be used only for allowable costs incurred in accordance with the accepted budget (Appendix A).

C. Grant funds disbursed to CUNA Inc., shall be administered by CUNA, Incorporated through a separate account and shall not be commingled with monies received by CUNA, Inc., from other sources and shall be applied to budget items under I "CUNA Budget" of Appendix A. Funds subgranted to ACOSCA as specified in Articles IV and VI, B, above shall be commingled

with monies from other donor and ACOSCA membership sources on a 50/50 matching fund basis in order to jointly support costs incurred as provided for in II "ACOSCA Sub-Grant Budget" of Appendix A.

ARTICLE VII - EXAMINATION OF RECORDS

A. The Grantee shall maintain books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated.

B. The Grantee agrees that the Auditor General, A.I.D., and the Comptroller General of the United States or any of their duly authorized representatives shall, until expiration of 3 years after final payment under this grant, have access to and the right to examine any directly pertinent books, documents, papers, and records involving transactions related to this grant.

C. The Grantee further agrees to include in all of its subordinate agreements hereunder a provision to the effect that the subordinate contractor agrees that the Auditor General, A.I.D., and the Comptroller General of the United States or any of their duly authorized representatives shall, until expiration of 3 years after final payment under the subordinate agreement, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subordinate contractor, involving transactions related to the subordinate agreement.

ARTICLE VIII - TERMINATION

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 appropriate action to minimize all expenditures and obligations financed by this Grant, and shall cancel such obligations whenever possible. Except as provided below, no reimbursement shall be made to the Grantee for costs incurred after receipt of such notice.

Within ninety (90) days after the effective date of such notice of termination, the Grantee shall submit his final claim for reimbursement of costs incurred for obligations which were in effect but could not be cancelled as of the effective date of such termination. Subject to the limitations contained in the Grant, the A.I.D. Grant Officer shall determine the amount or amounts to be paid by A.I.D. to the Grantee for such claim.

ARTICLE IX - OFFICIALS NOT TO BENEFIT

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.

ARTICLE X - COVENANT AGAINST CONTINGENT FEES

The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure this Grant upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial or selling agencies maintained by the Grantee for the purpose of securing business. For breach or violation of this warranty, A.I.D. shall have the right to cancel this Grant without liability or, in its discretion, to deduct from the Grant amount, or otherwise recover the full amount, of each commission, percentage, brokerage, or contingent fee.

ARTICLE XI - EQUAL OPPORTUNITY EMPLOYMENT

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

ARTICLE XII - CONFORMITY TO LAWS AND REGULATIONS OF COOPERATING COUNTRIES

The Grantee agrees to use its best effort to assure that its personnel abide by all applicable laws and regulations in countries in which they serve.

ARTICLE XIII - LOCAL CURRENCY

Grantee agrees to convert United States dollars to local currency through the United States Disbursing Officer, American Embassy, unless the Disbursing Officer certifies that no local currency is available or unless the Grantee does not have ready access to U.S. facility Disbursing Officers.

ARTICLE XIV - CONFLICT OF INTEREST

An employee or consultant assigned by the Grantee, whose expenses may be reimbursable hereunder, shall not engage, directly or indirectly, either in his own name or in the name or through the agency of another person, in any business, profession, or occupation in any country to which he is assigned; nor shall he make loans to or investments in any business, profession or occupation in any country to which he is assigned.

ARTICLE XV - ASSIGNMENT

Grantee shall not assign, transfer, pledge, or make other disposition of this grant without the prior written approval of the Grant Officer.

ARTICLE XVI - CONVICT LABOR

In connection with the performance of work under this Grant, the Grantee agrees not to employ any person undergoing sentence or imprisonment of hard labor.

ARTICLE XVII - TRAVEL AND TRANSPORTATION EXPENSES

Unless otherwise approved in writing by the Grant Officer, the reasonableness of expenses incurred under this Grant for travel, related allowances, and shipping will be determined in accordance with the Standard Government Travel Regulations in effect at the time the costs are incurred.

The Grantee agrees under this Grant to use less-than-first-class transportation unless such use will result in unreasonable delay or increased costs, and that travel will be by the most direct and expeditious route.

ARTICLE XVIII - LIMITATION ON TRANSPORTATION AND TRAVEL

A. Intercontinental Air Transportation. All intercontinental travel by air of persons as well as necessary air shipment of thing which is to be reimbursed in U.S. dollars under this Grant shall be made by U.S. flag

aircraft in less-than-first-class accommodations to the extent available. If such aircraft do not serve a required origin or destination, any free world flag connecting aircraft may be used only to and from the nearest transfer point; if necessary, less-than-first-class accommodations on free world flag aircraft will be taken in preference to the first class non-U.S. flag aircraft.

B. Travel in Africa. The Grantee will periodically inform A.I.D. regarding the African countries to which the technicians may travel under this Grant.

C. Emergency and Irregular Travel and Transportation. Actual transportation costs and travel allowances while enroute, as provided in this section will be authorized expenditures under the following conditions:

1. Subject to the prior written approval of the Mission Director or his designated representative or principal A.I.D. officer at the foreign country of assignment, the costs of going from post of duty in the foreign country to the United States or other approved location for staff members and dependents, when because of reasons or conditions beyond his control, staff member has not completed his required service in the foreign country of assignment. The Mission Director or his designated representative or principal A.I.D. officer may also authorize the return from the United States or such other approved location to the foreign country of assignment of such staff member and/or his dependents.

2. It is agreed that Paragraph 1, next above, includes but is not necessarily limited to the following:

- a. Need for medical care beyond that available within the area to which staff member is assigned;

- b. Serious effect on physical or mental health if residence is continued at assigned post of duty;
- c. Death or serious illness in the immediate family (parents and children) of staff member or spouse.
- d. Emergency evacuation, including, subject to the Mission Director's approval, the transportation of household effects and automobiles or storage thereof, and a per diem allowance for subsistence.

ARTICLE XIX - PROCUREMENT OF GOODS AND SERVICES

Procurement of goods and services for core operating expenses for which reimbursement is sought hereunder will be of goods of U.S. source to the maximum extent practicable. "Source" means the country from which the commodity is shipped to the foreign country of assignment, or the foreign country of assignment if the commodity is located there at time of purchase. However, when a commodity is shipped from a free port or bonded warehouse in the form in which received therein, "source" means the country from which the commodity was shipped to the free port or bonded warehouse.

ARTICLE XX - SALARY ADJUSTMENT ON TERMINATION

In the event Grantee's services are terminated by A.I.D. pursuant to Article VIII or in the event that an employee's services are terminated by the Grantee at the request of A.I.D. or in consultation with ACOSCA for reasons other than misconduct, Grantee's expenditures will be authorized for salary payments to staff members of salaries (excluding overseas incentive, differential and allowances) to the extent Grantee is liable to make such payments under its agreements with such staff members, provided that such staff members are not otherwise gainfully employed, but at a lesser compensation, payments will be made to equalize the difference between such lesser compensation and the employee's salary (excluding overseas incentive,

49

differential and allowances) and provided further, that such payments shall not extend beyond one year from the date of the employee's termination, or the date on which this contract would have expired but for termination, whichever is earlier. Grantee agrees to exert its best efforts to minimize costs under this provision.

ARTICLE XXI - CONSTRUCTION

Except as approved in advance by A.I.D., expenses under contracts for construction will not be eligible for reimbursement hereunder.

ARTICLE XXII - NON-LIABILITY

A.I.D. disclaims all liability with respect to any claims for injury or damages arising out of or connected with projects supported by this grant and Grantee agrees to hold the United States and its agencies harmless in the event any liability is imposed upon the United States or any of its agencies for any and all such claims.

ARTICLE XXIII - INSPECTION

The Government, through any authorized representatives, has the right at all reasonable times, to inspect, or otherwise evaluate the work performed or being performed hereunder and the premises where it is being performed. If any inspection or evaluation is made by the Government, the Grantee shall provide all reasonable facilities and assistance for the safety and convenience of the Government representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

ARTICLE XXIV - NOTICES

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

TO A.I.D.:

Grant Officer
Africa Branch
Regional Operations Division
Office of Contract Management
Agency for International Development
Washington, D.C. 20523

TO GRANTEE:

Global Project Director
CUNA, International Inc.
1730 Rhode Island Avenue, N.W.
Washington, D.C. 20036

IN WITNESS WHEREOF, the parties hereto have executed this Grant on the day and year first hereinabove written, which is the date of signing by the last signatory hereto.

UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL
DEVELOPMENT

BY William E. Golan
TYPED NAME William E. Golan
TITLE Grant Officer
DATE June 28, 1974

CREDIT UNION NATIONAL ASSOCIATION, INC.

BY J. F. Brady
TYPED NAME J. F. BRADY
TITLE COMPTROLLER
DATE JUNE 28, 1974

51

- 16 -

Appendix A
Grant AID/afr-G-1079

GRANT BUDGET

| <u>Item</u> | <u>Firm Budget</u> <u>6/28/74 - 6/27/75</u> | <u>Projected Budget</u> <u>6/28/74 - 6/27/77</u> | <u>Total Budget</u> <u>6/28/74 - 6/27/77</u> |
|---|--|---|---|
| I. <u>CUNA Budget</u> | | | |
| Salaries | \$ 85,000 | \$117,060 | \$ 262,060 |
| Consultants | 30,000 | 20,000. | 50,000 |
| Fringe Benefits | 15,300 | 32,010. | 47,310 |
| Overhead (63% Base Salaries) | 53,550 | 111,594 | 165,144 |
| Travel and Transportation | 68,000 | 25,332 | 93,332 |
| Allowances | 22,000 | 30,666 | 52,666 |
| Logistics Support | 26,000 | 2,666 | 28,666 |
| | <hr/> | <hr/> | <hr/> |
| Sub-Total | \$ 299,850 | \$399,328 | \$ 699,178 |
| II. <u>ACOSCA Sub-Grant Budget</u> | | | |
| Salaries | \$ 23,900 | \$ 45,314 | \$ 69,214 |
| Fringe Benefits | 1,070 | 2,434 | 3,504 |
| Travel and Transportation | 46,790 | 68,556 | 115,346 |
| Other Direct Costs | 22,390 | 38,654 | 61,044 |
| Revolving Funds | 40,000 | 26,666 | 66,666 |
| | <hr/> | <hr/> | <hr/> |
| Sub-Total | \$ 134,150 | \$181,624 | \$ 315,774 |
| TOTAL GRANT BUDGET | <hr/> \$ 434,000 | <hr/> \$580,952 | <hr/> \$1,014,952 |

[Handwritten Signature]