PD-ABD-041

# UNITED STATES OF AMERICA

## AGENCY FOR INTERNATIONAL DEVELOPMENT

REGIONAL ECONOMIC DEVELOPMENT SERVICES OFFICE
FOR EAST AND SOUTHERN AFRICA (REDSO/ESA)


United States Postal Address
REDSO/ESA
BOX 221
APO NEW YORK 09675

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POST OFFICE BOX 30261
NAIROBI, KENYA


May 6, 1988

Mr. Paavo Faerm
Country Representative (Ethiopia)
Lutheran World Federation
Lutheran Center
360 Park Ave.
New York, N.Y. 10010

Subject: Grant No. 623-0000-G-SS-8014-00

Dear Mr. Faerm:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby provides to The Lutheran World Federation (hereinafter referred to as ("Grantee") the sum of two hundred twenty five thousand dollars ($225,000) to provide relief and rehabilitation to victims of the drought disaster in Ethiopia, as more fully described in Attachment 1 of this Grant entitled "Schedule" and Attachment 2 entitled "Program Description."

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives from the period April 1, 1988 and ending on the estimated completion date of May 1, 1989.

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

Please sign the original and five (5) copies of this letter to acknowledge your acceptance of this Grant, and return the original and four (4) copies to the undersigned. Please ensure that any/all copies stamped "Funds Available" are returned.

Sincerely yours,

Peter W. Shirk
Grant Officer
REDSO/ESA/RCO

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

THE LUTHERAN WORLD FEDERATION RELIEF

BY: Norman E. Barth

TYPED NAME: Norman E. Barth

TITLE: Executive Director

DATE: 10 June 1988

FISCAL DATA

Total Estimated Amount: $225,000
Total Obligated Amount: $225,000
Project No.: N/A
AID Project Office: Office of the AID Representative (OAR)/Ethiopia
Payment Office: AID/W, M/FM/PAFD
DUNS Number: 07-885-8487

Control No.: 8077008; State 146535 ('88)
Budget Plan Code: JSSA-88-10700-HG41
Appropriation Symbol: 72-1181014

ATTACHMENT 1

## SCHEDULE

### A. PURPOSE OF GRANT

1. The purpose of this Grant is to provide a program of relief and rehabilitation to victims of the drought disaster In Ethiopia, as more fully described in Attachment 2 of this Grant entitled "Program Description".

### B. PERIOD OF GRANT

1. The effective date of this Grant is the date of the Cover Letter and the estimated completion date is May 1, 1989.

### C. AMOUNT OF GRANT

1. AID hereby obligates the amount of $225,000 for the purposes of this Grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in the (Optional) Standard Provision No. 1 of this Grant entitled "Payment - Letter of Credit", as shown in Attachment 3

### D. GRANT BUDGET

1. The following is the Budget for this Grant. The Grantee may not exceed the grand total or the total estimated amount (see below) or the obligated amount (see Part C above), whichever is less. Except as specified in the Standard Provision of this Grant entitled "Revision of Grant Budget", as shown in Attachment 3, the Grantee may, with prior written approval of the OAR Project Officer, adjust line item amounts within the grand total as may be reasonably necessary for the attainment of program objectives.

2. Notwithstanding the effective date of this Grant, and subject to the Standard Provision entitled "Allowable Costs", costs incurred on or after April 1, 1988 shall be eligible for reimbursement hereunder. Such costs are included in the Grant Budget shown below.

3. Budget

| Cost Element | Amount (USD) |
|---|---|
| 1. Seed - Approx. 500 MT (Wheat, maize, barley, sorghum, teff, field peas, chick peas) | $225,000 |
| TOTAL ESTIMATED GRANT AMOUNT | $225,000 |

E. REPORTING

1. Financial Reporting

(a) Financial reporting requirements shall be in accordance with the Standard Provision of this Grant entitled "Payment - Letter of Credit", as shown in Attachment 3.

(b) All financial reports shall be submitted to AID, Office of Financial Management, Program Accounting and Finance Division (M/FM/PAFD), Washington, D.C. 20523. In addition, one copy of all financial reports shall be submitted to the AID Project Office specified in the Cover Letter of this Grant.

2. Technical Reporting

(a) Program Performance Reports

In accordance with the Program Description set forth as Attachment 2 of this Grant, the Grantee shall prepare and submit quarterly program progress reports, and a final report which presents the following information.

(1) A description of actual accomplishments compared with the goals established for the period. If the output/achievements of the program can be readily quantified, such quantitative data should be related to cost data for computation and verification of unit costs:

1.1 Quantity of inputs purchased
1.2 Type of input
1.3 Comparison of actual costs and expenditure compared with budget for both the AID and the cooperating agency resources
1.4 Source and location of inputs
1.5 Distributions to date, by number and locations of beneficiaries to at least the Woreda level
1.6 An operational plan for the succeeding quarter.

(2) Reasons why established goals were not met.
(3) Other pertinent information including the status of finances and expenditures and, when appropriate, analysis and explanation of cost overruns or high unit costs.

(b) Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform AID as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions that materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of program objectives. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any AID assistance needed to resolve the situation.

(2) Favorable developments or events that enable program objectives to be met sooner than anticipated.

(c) If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Grant entitled "Revision of Grant Budget", the Recipient shall submit a request for budget revision.

(d) All technical reports shall be submitted within 30 days from the end of each quarter.

(e) Distribution

(1). One copy of each quarterly program performance report shall be submitted to:

1.1 The AID Project Office specified in the Cover Letter of this Grant and;
2.2 OFDA
Agency for International Development
Rm. 1269A
Washington, D.C. 20523

2. The final program report shall be submitted to the above addressees within 90 days from the Grant completion date.

F. TITLE TO PROPERTY

Title to property acquired hereunder shall be in accordance with Standard Provision No. 20 of this Grant entitled "Title to and Use of Property (Grantee Title).

G. AUTHORIZED GEOGRAPHIC CODE

1. With respect to the Standard Provisions of this Grant entitled "Air Travel and Transportation", "Ocean Shipment of Goods", "Procurement of Goods and Services", and "AID Eligibility Rules for Goods and Services", the authorized geographic code for source and origin of goods and services, and for nationality of suppliers of goods and services, is as follows:

(a) Goods and services financed by AID under this Grant, except for drug products and ocean shipping, shall have their source and origin in countries included in AID Geographic Code 935, except as AID may otherwise agree in writing. Non-drug pharmaceutical products manufactured outside the United States and financed by AID hereunder shall not infringe on U.S. patent rights. Except for ocean shipping and drug products, the suppliers of goods or services financed by AID hereunder shall have the their place of nationality in countries included in AID Geographic Code 935, except as AID may otherwise agree in writing.

(b) Drug products financed by AID hereunder shall have their source and origin in the United States, except as AID may otherwise agree in writing. Suppliers of drug products financed by AID hereunder shall have the United States as their place of nationality, except as AID may otherwise agree in writing.

(c) While it is not anticipated that AID will finance ocean shipping hereunder, any such ocean shipping financed by AID hereunder shall be financed only on flag vessels of the United States, except as AID may otherwise agree in writing.

2. Source. Source means the country from which a commodity is shipped to the Cooperating Country or the Cooperating Country itself if the commodity is located therein at the time of purchase. However, where 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.

3. Origin. The origin of a commodity is the country or area in which a commodity is mined, grown, or produced. A commodity is produced when through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity results that is substantially different in basic characteristics, or in purpose or utility, from its components.

4. Componentry. Components are the goods that go directly into the production of a produced commodity. AID componentry rules are as follows:

(a) If a commodity produced in a country or area included in the authorized geographic code set forth above contains no imported component, it is eligible for AID financing.

(b) Unless otherwise specified herein, components from the United States, the Cooperating Country, and any other countries included in AID Geographic Code 941 may always be utilized in unlimited amounts, regardless of the authorized geographic code set forth above.

(c) Any component from a country not included in AID Geographic Code 935 makes the commodity ineligible for AID financing hereunder.

5. Nationality of Supplier. Except as specified in the Standard Provisions of this Grant entitled "Air Travel and Transportation", "Ocean Shipment Of Goods", and "AID Eligibility Rules for Goods and Services", in order to be eligible for AID financing hereunder, the Grantee, and any other supplier of goods or services hereunder, must fit one of the following categories:

(a) A privately-owned commercial (i.e., for profit) corporation or partnership supplying services must be incorporated or legally organized under the laws of a country or area included in the authorized geographic code set forth above; must have its principal place of business in a country or area included in the authorized geographic code; and must meet the criteria set forth in subparagraph (1) or (2) below:

(1) 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 of individuals is controlling; or

(2) The corporation or partnership·

(A) Has been incorporated or legally organized in the United States for more than 3 years prior to the issuance date of this solicitation; and

(B) 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 this solicitation; and

(C) Employs United States citizens in more than half its permanent full-time positions in the United States; and

(D) Has the existing capability in the United States to perform the contract.

(b) A nonprofit organization (e.g., educational institutions, foundations, and associations) supplying services must meet all the criteria in subparagraphs (A), (B), and (C) below. NOTE: 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 of the AID Bureau of Science and Technology (SAA/S&T), are considered to be of U.S. nationality.

(1) The nonprofit organization must be organized under the laws of a country or area included in the authorized geographic code; and

(2) The nonprofit organization must 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

(3) The nonprofit organization must have its principal facilities and offices in a country or area included in the authorized geographic code.

(c) An individual supplying services must be a citizen of a country or area included in the authorized geographic code; or, must be a non-U.S. citizen lawfully admitted for permanent residence in the United States. The foregoing nationality provision for an individual supplying services does not apply to the employees of the Grantee or contractors and subcontractors, but all Grantee, contractor and subcontractor employees engaged in providing services under this Grant must be citizens of countries included in Geographic Code 935, or non-U.S. citizens lawfully admitted for permanent residence in the United States.

(d) A joint venture or unincorporated association supplying services must consist entirely of individuals, corporations, partnerships, or nonprofit organizations which are eligible under paragraphs (a), (b), or (c) above.

(e) A supplier of goods must meet any one of the criteria in subparagraphs (1), (1), (3), or (4) below.

(1) The supplier must be an individual who is a citizen or legal resident of a country or area included in the authorized geographic code; or

(2) The supplier must be a corporation or partnership organized under the laws of a country or area included in the authorized geographic code; or

(3) The supplier must be a controlled foreign corporation of which more than 50% 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 USC 957); or

(4) The supplier must be a joint venture or unincorporated association consisting entirely of individuals, corporations, or partnerships which are eligible under any of the foregoing criteria.

(f) A Government Owned Organization, i.e. a firm operated as a commercial company 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 AID financing hereunder.

(g) A local supplier of construction services, when the Cooperating Country is an authorized source for services and the estimated cost of the construction services is $5 million or less, a corporation or partnership which is determined by AID to be an integral part of the local economy is eligible (such AID determination is contingent on first ascertaining that no U.S. construction company with the required capability is currently operating in the Cooperating Country, or, if there is such a company, that it is not interested in bidding for the proposed construction contract). A corporation or partnership is an integral part of the local economy provided:

(1) It has done business in the Cooperating Country on a continuing basis for not less than three years prior to the issuance date for the solicitation (i.e., invitation for bids, request for proposals);

(2) It has a demonstrated capability to undertake the proposed activity;

(3) All, or substantially all, of its directors of local operations, senior staff, and operating personnel are resident in the Cooperating Country;

(4) Most of its operating equipment and physical plant are in the Cooperating Country.

(h) Notwithstanding the foregoing, an AID Geographic Code 941 supplier of construction or engineering services must be approved in advance by the AID Project Office.

6. Eligibility of Commodities Determined by Ineligibility of Carrier and Marine Insurance

(a) Commodities shipped by a transportation medium owned, operated, or under the control of any country not included in AID Geographic Code 935 are ineligible for AID financing hereunder, regardless of whether such transportation costs are financed hereunder.

(b) Commodities are ineligible for AID financing hereunder if shipped on a vessel which AID has designated as ineligible, regardless of whether such transportation costs are financed hereunder.

(c) With respect to paragraph (c) of the clause of the Standard Provision of this Grant entitled "AID Eligibility Rules for Goods and Services", if the Cooperating Country discriminates against any marine insurance company authorized to do business in any state of the United States, failure to insure all AID-financed commodities with U.S. insurance companies shall render the commodities ineligible for AID financing hereunder.

(d) Commodities are ineligible for AID financing hereunder if shipped under an ocean or air charter that has not received prior approval of AID/Washington, regardless of whether such transportation costs are financed hereunder.

7. AID Geographic Codes

AID Geographic Codes are defined in Appendix D of AID Handbook 18, which, as from time to time amended, is incorporated herein as a part of this Grant by reference.

8. Approvals

In accordance with paragraph 13 of Attachment B of OMB Circular A-122, which requires prior AID approval of certain equipment and other capital expenditures, the Grant Officer does hereby provide approval for such expenditures; PROVIDED, however, that such purchases must be within the terms and conditions of this Grant, and shall serve to promote the specified purposes and objectives of this Grant.

9. Automation Equipment

Notwithstanding paragraph 8 above, the Grantee must obtain the approval of the AID Project Office specified in the Cover Letter of this Grant for any purchases of automation equipment (e.g. computers, word processors, etc.), software, or related services made hereunder, if the total cost of such purchases will exceed $100,000. The AID Project Office must, in turn, have the concurrence of AID/W, M/SER/IRM, before providing any such approvals.

## H. SPECIAL PROVISIONS

1. For the purposes of this Grant, references herein to the cost principles of OMB Circular A-122 shall include the AID implementation of such cost principles, as set forth in subpart 731.7 of the AID Acquisition Regulations (48 CFR Chapter 7).

2. With reference to paragraph (a)(3)(iii) of the Standard Provision of this Grant entitled "Procurement of Goods and Services", the requirement to notify the AID Office of Small and Disadvantaged Business Utilization (OSDBU) at least 45 days prior to placing an order or contract in excess of $25,000 is hereby waived, when time does not reasonably permit such prior notification. Prior notification continues to apply when time permits. This does not relieve the Grantee from prudent advance procurement planning, nor does it relieve the Grantee from the requirement of said Standard Provision to make positive efforts to utilize small business and minority-owned business sources of supply.

ATTACHMENT 2

## PROGRAM DESCRIPTION

### A) BACKGROUND

In 1987 the main rains failed in many areas of Ethiopia. Among the areas affected are large areas of Tigray, Wello, Shoa and pockets of the lowlands of Wellega and Illubabor. Farmers in these areas face to differing degrees a shortage of seeds, and tools and will need assistance in order to resume their production activities.

EECMY/LWF has operated relief distribution centers in these 5 locations since the drought of 1985. In addition to relief, it has conducted rehabilitation programs and seed and tool programs in these areas in 1986 and 1987.

### B) IMPLEMENTATION

In order to reduce the need for relief food and to enable large numbers of farmers to plant their farms, EECMY/LWF will distribute up to 1000 metric tons of wheat, maize, barley, sorghum, teff and other seeds and up to 21,000 pieces of plows and hand tools. EECMY/LWF will transport the inputs to the farmers at its distribution points and with the assistance of MOA, as needed, supervise the distribution.