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-PD-ABJ-722  
FSN-91347

# CONTRACT

CONTRACT/AGREEMENT  
DATA SHEET

**B** 2574

1. M/SER/CM/SD/SS  
Action Monitor:  
SKB FOR LB

2. Date PIO/T Received:  
7 / 10 / 84

PART ONE: COMPLETE EACH BLOCK FOR BOTH NEW ASSISTANCE/ACQUISITION AND MODIFICATION ACTIONS

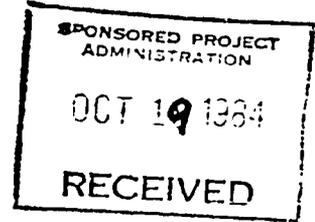
3. Contract/Agreement Number: <b>PDC - 0002 - GSS - 4175 - 00</b>		5. Organization Symbol: <b>UUNU</b>	
4. Contractor/Recipient Name: Northwestern University		6. Project Title: Investment Packaging - Training/Entrepreneurship Development	
7. Project Officer's Name: B. Bouchard		8. Organization Symbol: PRE/PPR	
9. Requisitioning Document ID No: 344-0706		19. Budget PDAA-84-13450-DG-11 Plan Code: 446-34-099-00-69-41 Appr. 72-1141021.6	
10. TYPE OF ACTION: A. New Acquisition/Assistance <input checked="" type="checkbox"/> B. Continuation of activities set forth in a contractual document C. Revision of work scope/purpose of award		20. Country or Region or Performance: <b>U.S.</b>	
11. Amount of Obl. this PIO/T: U.S. \$ <b>150,000</b>		21. a. This Action Increases TEC by \$ <b>149,987</b> b. Total Est. Cost of Contractual Document \$ <b>149,987</b>	
12. Amount Obligated/Subobligated/Decommitted by this Action: U.S. \$ <b>149,987</b>		22. Amount of Non-Federal Funds Pledged to the Project: U.S. \$ <b>4000</b>	
13. Cumulative Obligation: U.S. \$ <b>149,987</b>		23. Effective Date of this Action: <b>9/20/84</b>	
14. This Action Funded Through: <b>1/1 30/85</b>		24. Estimated Completion/Expiration Date: <b>1/1 30/85</b>	
15. Date Contractual Documents Signed by AID Official: <b>9/20/84</b>		25. Contractor DUNS Number: <b>005436803</b>	
16. Incrementally Funded Contract: <b>NO</b>		26. Consultant Type Award: <b>NO</b>	
17. Host Country/Counterpart Inst. (Univ. Contracts) <b>NA</b>		27. Number of Person Months (PASA/RSSA only) <b>NO</b>	
18. Campus Coordinator (Univ. Contracts) <b>NA</b>		28. Number of Persons (PASA/RSSA only) <b>NO</b>	
29. Negotiator's Typed Name: <b>John S. M...</b>		30. Negotiator's Signature: <i>[Signature]</i>	
31. Date Signed: <b>9/19/84</b>		32. Contract/Grant Officer's Organization Symbol: <b>CM/SOD/PDC</b>	
33. Contract/Grant Officer's Signature: <i>[Signature]</i>		34. Date Signed: <b>7/12/84</b>	

PART TWO: COMPLETE EACH BLOCK FOR NEW ASSISTANCE/ACQUISITION ACTIONS ONLY

35. SELECTION PROCEDURES: A. Formally Advertised B. Negotiated Price Competition, General Procedure C. A&E D. Ed. Inst. and/or Int'l. Research E. Collaborative Assistance F. Predominant Capability G. Unsolicited Proposal <b>502</b>		H. Procurement to be Performed by the Contractor in Person <input checked="" type="checkbox"/> I. Sole Source J. Impairment of Foreign Policy Objectives K. 8(a) Selection L. Competitive M. Noncompetitive N. Small Business Set Aside O. Overseas Procuring Activities	
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<p>36. CONTRACT TYPE:</p> <p>A. Fixed Price (Specify: FFP, FPRD, FPEPA, FPI) <span style="float: right;">D</span></p> <p>B. Cost Reimbursement (Specify: CR, CPFF, CS, CPAF, CPIF) <i>Grant</i></p> <p>C. IQC &amp; Requirements Contracts</p> <p>D. Other</p>	<p>45. LABOR SURPLUS AREA PREFERENCE: <span style="float: right;">D</span></p> <p>● Labor Surplus Area</p> <p>A. No Preference</p> <p>B. Tie Bid Preference</p> <p>C. Total Set Aside</p> <p>D. Not a Labor Surplus Area Preference Award</p>
<p>37. ADVANCE:</p> <p>A. No Advance</p> <p>B. Advance Non-FRLC <span style="float: right;">B</span></p> <p>C. Advance FRLC</p>	<p>46. Number of Bidders Offering Items or Services of Foreign Content: <span style="float: right;">C</span></p>
<p>38. SUBJECT TO STATUTORY REQUIREMENT: <span style="float: right;">E</span></p> <p>A. Walsh-Healey Act, Manufacturer*</p> <p>B. Walsh-Healey Act, Regular Dealer*</p> <p>C. Service Contract Act (U.S. ONLY - Guards, Maintenance, Laborers)</p> <p>D. Davis-Bacon Act (Construction)</p> <p>E. Not subject to Walsh-Healey; Service Contract or Davis-Bacon Act (Most AID Contracts)</p> <p>* Equipment, Supplies, Materials, and Commodities</p>	<p>47. TYPE OF BUSINESS: <span style="float: right;">K</span></p> <p>A. Source: Non-U.S. and Used Outside U.S. &amp; Possessions</p> <p>B. Source: Non-U.S. and Possessions (Foreign Purchases Used Inside U.S.) (If U.S. Source, complete C through Q)</p> <p>C. Firm - Profit Making &amp; PSC's</p> <p>● Non-Profit Organizations</p> <p>D. Private Educational Organizations</p> <p>E. Hospitals</p> <p>F. Research Institutions, Foundations, and Laboratories</p> <p>G. Other</p> <p>● Private Voluntary Organizations</p> <p>H. U.S. Registered</p> <p>I. U.S. Non-Registered</p> <p>J. Foreign</p> <p>● State/Local Government</p> <p>K. Educational Institutions</p> <p>L. Hospitals</p> <p>M. Research Organizations</p> <p>N. Other</p> <p>O. International Agricultural Research Organizations</p> <p>P. Public International Organizations</p> <p>Q. U.S. Cooperatives</p>
<p>39. Country of Manufacture (Specify) <u>US</u></p>	
<p>40. CURRENCY INDICATOR: <span style="float: right;">A</span></p> <p>A. U.S. Dollar</p> <p>B. Local Currency</p> <p>C. Combination</p> <p>D. Unfunded</p>	
<p>41. SUBCONTRACTS: Is There a Provision for a Subcontract? (Contracts only) <i>NO</i></p>	
<p>42. TYPE SERVICE: <span style="float: right;">F</span></p> <p>A. Training of Participants</p> <p>B. Technical Assistance to Host Country (Program, Project related except A&amp;E Services)</p> <p>C. A&amp;E Services</p> <p>D. Construction</p> <p>E. Research</p> <p>F. Technical Services to AID (other than training; usually operating expense)</p> <p>G. Training Service for AID</p> <p>H. Equipment, Materials, Supplies, Commodities</p> <p>I. Translation Service</p>	
<p>43. CONTRACT/AGREEMENT SOURCE: <span style="float: right;">A</span></p> <p>A. U.S. Contractor/Grantee</p> <p>B. Non-U.S. Contractor/Grantee</p> <p>C. Combination of A &amp; B</p>	<p>48. Women Owned Business? <i>NO</i></p>
<p>44. TYPE OF AMERICAN OWNERSHIP: <span style="float: right;">G</span></p> <p>● Minority</p> <p>A. Asian/Pacific Islander</p> <p>B. Black American</p> <p>C. American Aleuts or Eskimos</p> <p>D. American Indian</p> <p>E. Hispanic</p> <p>F. Other (Specify) _____</p> <p>G. Non-Minority</p>	<p>49. TYPE AWARD: <span style="float: right;">G</span></p> <p>● Small Business</p> <p>A. Not Set Aside</p> <p>B. Partial Set Aside</p> <p>C. Total Set Aside</p> <p>D. Personal Service Contract</p> <p>E. Individual Non-Personal Service Contract</p> <p>F. U.S. Government</p> <p>G. University</p> <p>H. Other Non-Profit Organizations</p> <p>I. Large Businesses</p>
	<p>50. Paying Office: Payment will be made by <i>AID/W</i></p>

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON DC 20523



SEP 20 1984

Ms. Barbara Siegel  
Northwestern University  
Sponsored Project Administration  
619 Clark Street  
Evanston, IL 60201

Subject: Grant No. PDC-0002-G-SS-4175-00

Dear Ms. Siegel:

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 Northwestern University (hereby referred to as "NWU" or "Grantee") the sum of \$149,987 to provide support for a program in MBAs for Development, as described in this Schedule of this grant and the 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 during the period beginning with the effective date and ending November 30, 1985.

This grant is made to Northwestern University on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, the 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 D. Johnson  
Grant Officer

ORIGINAL

Attachments:

- 1. Schedule
- 2. Program Description
- 3. Standard Provisions
- 4. Alterations in Grant

ACKNOWLEDGED:

Northwestern University

By: W. A. Kelly

Title: Director, Office of Research & Sponsored Programs

Date: 10/29/84

FISCAL DATA

Appropriation : 72-1141021.6

Budget Plan Code : PDAA 84-13450-DG-11  
(446-34-099-00-69-41)

PIO/T No. : 344-0706

Project No. : 940-0002

Total Estimated Amount: \$149,987

Total Obligated Amount: \$149,987

DUNS No. : 00-543-6803

Funding Source : AID/W

Project Office : PRE/PPR, Bruce Bouchard

FUNDS AVAILABLE

SEP 23 1984

*alc 4175*  
*R. Humphrey*

Program Acctg. Division  
OFFICE OF FINANCIAL MANAGEMENT

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for MBAs for Development, as more specifically described in Attachment 2 to this Grant entitled "Program Description."

B. Period of Grant

1. The effective date of this Grant is September 20, 1984. The expiration date of this Grant is November 30, 1985.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$149,987 for purposes of this Grant.
2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 4 - Alterations in Grant Provision #9 entitled Payment - Letter of Credit dated August 1984.

D. Financial Plan

The following is the Financial Plan for this Grant, including local cost financing items, if authorized. Revisions to this Plan shall be made in accordance with Standard Provision of this Grant, entitled "Revisions of Financial Plans."

<u>Line Item</u>	<u>Cost</u>
Salaries	\$ 42,021
Fees and Stipends	46,000
Travel	22,500
Supplies	10,100
Misc.	3,800
Indirect Costs	29,766
Total	<u>\$154,187</u>
A.I.D.	\$149,947
Grantee	4,200

E. Reporting and Evaluation

3. Reports: The following reports (original and three copies) will be required:

- Each intern, prior to convening the conference, will submit a report on his/her experience to the Northwestern program manager which will include:
  - Description of assignment;
  - Relevance to the business;
  - Problems encountered/how resolved;
  - Recommendations for program improvements;
  - Evaluation of performance by the responsible company official, including principle problems and how resolved.
  
- The Northwestern program manager will take these reports and compile them into a single report which will form the basis for discussion at the Conference. Based on an analysis of the individual reports, the program manager's report will address the following:
  - Nature and importance of assignments;
  - Principal problems encountered;
    - By interns
    - By firms
  - Recommendations for program improvements;

This report will be distributed to all participants prior to the Conference. In addition, three copies will be submitted to the project manager in PRE.

- The proceedings of the Conference will be summarized by the Northwestern program manager and submitted to all participants, plus three copies to the PRE project manager, within 15 days following conclusion of the Conference.

F. Special Provisions

1. The following Standard Provisions are not applicable and therefore are being deleted for the Grant:

- 5A Negotiated Overhead Rates - Predetermined
- 7A Payment - Federal Reserve Letter of Credit (FRLC) Advance
- 7B Payment - Periodic Advance
- 7C Payment - Reimbursement
- 10B Procurement of Goods and Services Over \$250,000
- 13B Title to and Care of Property (U.S. Government Title)
- 13C Title to and Care of Property (Cooperating Country Title)

2. Add Attachment #4 entitled Alterations in Grant to the remainder of the Standard Provisions.

G. Overhead Rate

In accordance with Standard Provision 5B of this Grant entitled "Negotiated Overhead Rates-- Educational Institutions", the following overhead rate is established for this Grant:

<u>Rate</u>	<u>Base</u>	<u>Period</u>
30.0%	Modified Total Direct Cost (MTDC)	9/1/84 until amended

I. Title to Property

Title to all property acquired hereunder will vest in the Grantee.



Activities to be Supported Under the Grant\*

1. Purpose: The purpose of this grant is to extend further support to two experimental programs currently underway at the J.L. Kellogg Graduate School of Management at Northwestern University. They are:
  - MBAs for Development
  - Microcomputer Applications Training for Development
2. Description: The following outlines the programs to which A.I.D. support funding will be provided.

- MBAs for Development

Northwestern envisages two eventual phases for this program: (1) The use of MBA graduates to work with private sector enterprises and institutions in developing countries, and (2) The use of MBA summer interns to assist such private sector organizations for two-to-three months periods during their study programs. PRF funding is for the latter of these two elements. Northwestern's strategy is to build up and institutionalize the summer internship program and then to use the base of experience and relationships to evolve into the full-time "MBAs in Development" program. Initially only one graduate management professional will be recruited; this assignment will be to work with the IBM supported microcomputer training center in Kenya (see part two below).

The proposed A.I.D. grant will support and expand Northwestern's summer internship project which currently receives partial support from the U.S. Office of Education, Business and International Education Program. A.I.D.'s support will complement and strengthen this international summer internship

\*Attached to this scope is a copy of the recent proposal submitted by the J.L. Kellogg Graduate School of Management at Northwestern University.

program. The experience with the DOE supported internship program has been one of extraordinary success. The grant for 1983/84 was for \$70,000, to be matched by contributions from U.S. and indigenous LDC industry and other sources. Seven interns were to have been placed abroad. To date a total of 16 placements have been made. Matching funds are likely to be closer to \$100,000 than the originally targeted \$70,000.

The program, which has generated great excitement among both Northwestern students and selected private U.S. firms with foreign operations, has a basic in-built strength. The interns are each placed with a private sector firm or association which provides them with a job assignment that is very meaningful for the organization as well as for the student. The employer takes total responsibility for the intern's supervision, welfare and housekeeping. For example, in addition to making a significant payment (generally \$7,500 for U.S. firms) the employing firms are typically providing living accommodations. The interns were selected by the firms following detailed application, screening and interviewing processes and, for the U.S. firms, are looked upon as potential permanent employees. So far there has been a very serious commitment on the part of all involved. The interns have received substantial cross-cultural training and orientation for their overseas assignments at special programs and in ongoing Northwestern University courses. On-site inspections and corrections, if needed, are programmed.

The interns are required to register for independent study credits (using tuition scholarships contributed by the university) in connection with their internships and each is required to produce a paper on their experience and contributions. A program of feedback meetings with Chicago area business people and others has been set up following their return, with the collaboration of the Chicago Association of Commerce and Industry (CACI). The internship program was represented at the 1984 CACI World Trade Conference with a contributed booth.

A.I.D. support will redress a major shortcoming, from development perspective, in the present program. The original intent had been to concentrate placements in developing countries, with a substantial number of interns going to indigenous LDC businesses and other private organizations. To date very few (three) students have been placed with indigenous LDC organizations. Demand is high among LDC businesses for such interns, however Northwestern could only afford to subsidize a limited number of placements in indigenous LDC firms under the program's financial constraints.

The limited federal funding forced Northwestern to become almost totally dependent on the income received from U.S. firms. Even the small number of indigenous LDC placements were only made possible by building a margin into the fee charged U.S. firms which could be used to finance the essentially non-paying indigenous firms (these local firms were asked to contribute within their means and at salary levels commensurate with local conditions -- normally this meant accommodations and nominal pocket money).

Northwestern faced great financial constraints in trying to make placements in indigenous LDC organizations and yet, from discussions with firms in Kenya, Sierra Leone, Egypt, Turkey and Thailand it was clear that there is great interest in having interns. These interns can make important contributions to the local firms; they are generally of a caliber that it would be difficult for the LDC firm to attract otherwise. The interns' average age is 27; nearly all have extensive travel, study and work experience abroad; they average 3-5 years' work experience, and have language and computer capabilities.

A.I.D. funds will be used to build the placements in indigenous LDC businesses and other private organizations and to institutionalize this aspect in the School of Management as the overall program now is. Northwestern would also actively spread the concept to other schools. Once the LDC program is

established at the Kellogg Graduate School of Management, a scholarship fund may be developed to support these placements indefinitely without the need for external support. It would be integrated into the total summer internship program administered by the school's placement office. Eight indigenous placements are targeted by summer 1985, with the objective of an increase in 1986. The project will be evaluated as part of an overall evaluation already scheduled.

The eight interns will be selected from students at the J.L. Kellogg Graduate School of Management, from schools at Northwestern (e.g., industrial engineering) and from other schools of management in the Midwest, in that order. While it will not be a major aspect of the program this year, the possibility of some placements through other schools will be a useful step in disseminating the concept to such institutions.

#### Microcomputer Applications Training for Development

The pilot program will further expand the intern program by providing funding for participation in the IBM-supported microcomputer training center at the Kenya Polytechnic Institute, Nairobi. Northwestern University will continue to explore the possibility of setting up similar programs with other computer companies such as NCR and Zenith.

The role planned for Northwestern in the project is to provide one person for a year to work with the two-person Kenya Polytechnic team and local IBM personnel to provide training in microcomputer applications and consulting to indigenous groups. This consultant will be given training by Volunteers In Technical Assistance (VITA) and will also help to identify and adapt software and courseware to be used at the center.

IBM has contributed equipment (25 computers and related hardware) and certain software with a value of approximately \$130,000 to the Institute. They also contribute direct expenses of \$90,000, for a total of about \$220,000.

PDC-0002-G-SS-4175-00  
Attachment 2 (Cont.)

The full time consultant will be under the full supervision of the IBM Institute while in Kenya. With the assistance of a software consultant, one person will devote the bulk of his time to collecting and adapting applications software. • Conference/Seminar

The culmination of the program will be the conference/seminar to be held in late September 1985 at the Allen Center, Northwestern University. This conference will bring together all interns, selected participating company officials, J.L. Kellogg School of Management project managers, and key PRE officers to:

- Learn about the experiences first hand.
- Determine value to the host country firm.
- Recommend any subsequent actions/support which may be appropriate.

## ABSTRACT

The basis of this proposal is the conviction that U.S. private sector firms, with their enormous fiscal, human and technological resources, could contribute significantly to management development programs in Third World countries; and further, that some of these firms are willing to provide this assistance when they are presented with appropriate opportunities.

In the course of working on various programs, Northwestern University has encountered instances of corporate willingness to provide assistance to developing countries. Some of these include an agreement with IBM to contribute a microcomputer training center to Kenya, contributions of expert time and possibly also, of obsolete equipment by several electronics firms, and similar offers of assistance. Offers of collaboration have also been received from business and trade associations. For example, the Chicago Association of Commerce and Industry has agreed to participate in and to help recruit corporate sponsors for an MBA summer internship program in developing nations. Another is discussions with leaders of several important U.S. women's business organizations to send executive volunteers to help train business women in Kenya. There have also been strong indications that U.S. agricultural and food industry organizations in the Midwest would participate in management and technical development programs in Third World countries. And finally, a Midwest firm which specializes in matching corporations with obsolete equipment or excess inventory with tax-exempt donees, is interested in working with the program.

Having ascertained that there is corporate and association interest in such programs, Northwestern also is cognizant of the typical limitations and needs. Corporate support must be actively sought through presentation of

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programs which are both exciting and will have some benefit for the firm, and which do not require too major a commitment at the outset. Additionally, they are more likely to provide contributions of personnel time, equipment and training, than actual cash donations or travel costs.

The goal of the proposed program is to demonstrate through a set of preparatory activities leading up to a series of workshops/conference that the U.S. private sector is willing to participate in and support AID programs, specifically by contributing significant resources. A constituency for further programs will be built as well as a model for industry/government/university relations in this area. Several other related programs with possibilities for expansion will be field tested for report to the conferences: (1) the start-up phase of an agricultural management program for countries of South and East Africa, (2) a program to obtain corporate sponsorships for MBAs who could be used as management resource people, and (3) the launching of a Midwest regional structure of cooperating firms, associations and universities to promote private sector programs in developing countries, and (4) exploration of the feasibility of setting up a commercial enterprise to recruit donations, find suitable AID recipients, and make all import/export arrangements.

Twelve industrial and commercial firms and another twelve agro-food industry firms will be recruited to participate in the conference program at which they will report on the tangible contributions that they intend providing to identified AID programs. Cooperation will also be developed with industry, regional and other appropriate associations, and possibilities for a larger and more integrated role of the International Executive Service Corps. will be studied and reported upon. The participating firms will also help to publicize the program and help recruit other organizations through

the meetings and various means. One or more firms which specialize in arranging corporate equipment donations will be recruited in an advisory capacity, and may participate in making arrangements. The programs for which contributions will be sought will be identified through working with AID (PRE as well as area, regional and country personnel and, where feasible, from the missions).

The proposed one-year program which will be largely concentrated in the Midwest will progress through a series of steps: (1) Selection of participating firms and associations; (2) Formation of a core informal advisory group to provide guidance and additional contacts; (3) Identification of program areas with the help of AID and corporations; (5) Organization of the specialized industry group meetings and the general conference to publicize the program further and to broadcast the results of the pilot programs.

## I. THE NEEDS AND OPPORTUNITIES

With their strong fiscal, human and technological resources, U.S. private sector firms could contribute significantly to management development programs in Third World countries. It has been the experience of this Northwestern University research group that U.S. corporations are willing to provide assistance for a variety of reasons: good-will and the enhancement of corporate image, particularly in countries where firms do business; the opportunity to contribute goods and services which provide tax write-offs, and the obvious commercial interest in developing potential markets.

The challenge to AID is to develop a strategy and to build up the necessary relationships that will make these resources accessible.

Northwestern University has become involved in a variety of activities and relationships that cumulatively point towards such a strategy.

1. Working in collaboration with Volunteers in Technical Assistance (VITA), Northwestern was successful in obtaining an agreement from IBM to contribute a microcomputer training center to Kenya, a package which includes 20 personal computers, software, maintenance, training and financial support. This program is receiving enthusiastic support from Kenyan institutions and the American ambassador, as confirmed in the appended letters. The microcomputers and other equipment will be sent to the U.S. Embassy, which will donate them to the Kenya Polytechnic Institute, thus avoiding prohibitive import duties and taxes.
2. NCR has promised a similar center to Sierra Leone with 6 machines at the University, plus a possible privately owned service bureau with a minicomputer that would lease time from the training center. In the process, the university obtains a computing center which it badly needs. See appended letter; a second letter from NCR to Ambassador Arthur Lewis making the above commitment is on the way .

3. As the result of a long-term Northwestern relationship with Intel Corporation, arrangements were made for two of the firm's senior technical experts in microprocessor and software applications to participate in developing country assistance programs. One of the specialists went on UNIDO-funded missions to Egypt, India, Thailand and Mexico, and the other recently completed a three-week assignment in India.

Encouraging preliminary discussions have also been held with Intel about the possibility of the firm contributing obsolete development and test equipment to developing country institutions. The concept is for the equipment to be contributed to Northwestern as a tax deductible donation, and Northwestern in turn would pass it on to the developing country (possibly via the U.S. embassy in an arrangement similar to the one with IBM). In other discussions with Intel, the Israel subsidiary agreed to accept people from African countries for training.

4. Similar discussions to those with Intel have been held with executives at Motorola concerning provision of training, obsolete equipment, and other possibilities. In Kenya recently, discussions were initiated between Motorola-Kenya and the Kenya Industrial Research and Development Institute for Motorola to provide training in electronics maintenance. There have been similar discussion with other electronics and computer firms, including Apple, CDC, Seeq, Texas Instruments and Zenith-Heath Kit. The Semiconductor Industry Association (SIA) also has expressed strong interest in being involved in Third World programs in collaboration with Northwestern. Various letters have been appended which reflect these expressions of industry interest.

5. Bell and Howell Corporation may agree to provide gratis audio-visual training systems for use with the microcomputers at the IBM training center in Kenya.
6. American Hospital Supply Corp. has expressed interest in becoming involved in PRE's programs (see appended letter), and recently, to help develop a health management consulting program in Kenya.
7. Northwestern has developed a program to provide summer internships in developing countries to MBA students in the university's J.L. Kellogg Graduate School of Management. The program calls for corporate sponsorships for the interns. The Chicago Association of Commerce and Industry (CACI) has agreed (see appended letter) to provide assistance in promoting the program to its members, to give returned interns experience in work on association projects, and to open its prestigious World Trade Conference to the program, thus providing a forum for publicizing it to important member corporations.
8. This example of cooperation between the Chicago Association of Commerce and Industry and Northwestern University in the developing country management context is just one example of several which are underway or being planned. CACI already has an AID project, to promote relations between Chicago area business and the Dominican Republic, and it has offered to assist AID/PRE in promoting relations with the Chicago area business community, in cooperation with Northwestern (see appended letter).
9. The previously-mentioned MBA summer internship program is one aspect of a general plan to use experienced MBA graduates as resource people. Several U.S. corporations have shown preliminary interest in sponsoring MBAs in foreign programs, providing pre-service training and possible

long-term post assignment employment. IBM-Europe has already offered to train an MBA to work at the Kenya microcomputer center.

10. Northwestern has initiated discussions with leaders of several important U.S. women's business organizations to enlist their support of the proposed Northwestern/PRE program in Kenya, particularly the training program with the Kenya Women Finance Trust. These U.S. organizations include The National Association of Women Business Owners (see appended letter), the National Association of Bank Women, and the National Association of Women Certified Public Accountants, as well as the prestigious "Committee of 200" (the 200 most influential businesswomen in the U.S.). These organizations may recruit members to serve as volunteers in Kenya to train members of the Kenya Women Finance Trust in management practices, and to provide other assistance. Financial support may be available through the Education Foundation of the National Association of Bank Women.
11. Discussions have been held concerning participation by U.S. agricultural and food industry firms in a management and technical development program in Third World countries. Mr. Anthony Cascino, Vice Chairman of International Minerals and Chemicals Corp., has taken a lead in working with Northwestern on this proposed project and has offered his own time to promote it. The Mid-America Committee is also interested in the project. The longer range plan is to develop an agricultural management program, of which the first steps are the contribution of personnel and equipment by cooperating U.S. agro and food industry firms. The start-up steps of the agricultural management initiative will therefore be subsumed under this proposal.

12. Arthur Andersen and Co., the world's largest accounting firm, has offered to assist PRE efforts wherever it has operations, and especially in Ivory Coast (see appended letter). Discussions have recently been initiated with the First National Bank of Chicago along similar lines. CITIBANK (in East Africa) has offered to provide substantial personnel assistance for the development of bank training materials for developing countries (see appended letter).
13. In assessing a possible program to provide artisan training to people in developing countries, offers of no-cost assistance were received from the manufacturers of various types of machinery -- pumps, electricals, equipment, etc. These firms included I.T.T., Bell & Gossett, Carrier Company, Allen Bradley, and Furnas Electric, as well as the Tool and Die Institute, The American Foundrymen's Society and The Portland Cement Association.
14. The Richard R. Hirsch Co. of Northbrook, Illinois, which specializes in finding tax-exempt donees for firms which have obsolete equipment or excess inventory to dispose of, is interested in working with the proposed program. The firm has worked with AID and VITA, as well as other aid agencies, in placing donations in Third World countries (see attached letters and exhibits).

Such corporations and organizations have traditionally contributed to Northwestern and other institutions to support relevant research and programs which they believe will help improve the environment in which they operate. The J.L. Kellogg Graduate School of Management has an enviable record for fund-raising, running into many millions of dollars. The school's blue-ribbon advisory board includes many top managers of firms that could be candidates for the program described below (see appended list). As a

specific example involving one of the firms mentioned above, Intel Corp. is currently consummating a \$90,000 gift of equipment to the university.

These actual and potential examples of support from the U.S. private sector did not result from any systematic or sustained recruitment effort, but rather are the result of contacts built over the past year in conjunction with Northwestern's activities for AID/PRE and other work, including studies of the electronics industry for the Department of Commerce and for NAS and UNIDO. Some conclusions can be drawn from the experiences in working with these firms and associations:

1. There is support for projects to aid developing countries, both material and political, but it must be sought out and won.
2. Winning this support requires exciting programs which promise to benefit the firms as well as to provide assistance to developing countries.
3. Many U.S. firms and business associations are attracted to the concept of a private-sector-based development strategy and are willing to become involved if they are presented with a very specific program. This involvement is separate from direct commercial involvement in trade, manufacturing, joint ventures, etc.
4. Contributions in kind (people's time, equipment, materials, training -- even where this has a very high value) are far easier to obtain than even small amounts of cash. The contribution of equipment which is obsolete in high technology U.S. firms but extremely valuable to developing country organizations, publishers' text books, and similar donations (that can be written-off at full value) is a potentially high pay-off strategy that has not been sufficiently explored by the aid community. Some private firms, however, have successfully exploited

this potential, to the benefit of non-profit recipients and the donor corporations.

5. In the case of business and trade associations, their frequently precarious budgetary situations preclude even in-kind efforts which generate costs. Their assistance will be primarily as linkage to the business community and in joint projects.
6. The type of personnel and material involvements described above seem to fit the current goals of many U.S. firms. They want to gain experience and to increase their Third World involvement, but not to become embroiled in ventures too quickly.

## II. PROGRAM GOALS AND OBJECTIVES

The general goal of the proposed program is to demonstrate that the U.S. private sector is willing to contribute significant support to assist development programs.

With the help of PRE funding, a demonstration program can be launched and disseminated to achieve some important results:

1. It will build a constituency which will be available to collaborate in further expansion of the program.
2. Its success will help persuade other universities and similar institutions that this type of collaborative enterprise is workable, and to point the way for them to participate.
3. It will demonstrate to officials in the other divisions of AID (the missions, regional offices, area bureaus, etc.) that collaboration with the private sector can be a productive option, and encourage them to participate.
4. The project will serve as an important opportunity to report on

field tests for activities such as sending MBAs abroad to assist with management development programs, setting up and making viable the IBM microcomputer center in Kenya, and similar joint activities with NCR, Bell and Howell, Motorola and others. The field tests will be a learning experience, and provide a basis for discussions with other firms.

In all, the program is intended to catalyze a process which offers enormous potential for leverage.

Following from this, a secondary goal is to explore and initiate, as appropriate, and report on four programs: (1) An agriculture management program, (2) A program to utilize MBAs as management resource people, (3) A Midwest regional structure of cooperating universities, associations and firms to promote private sector development programs, and (4) A commercial enterprise which would work with all of the cooperating entities to help catalogue available donations, match them with needs in selected development areas, and make all import/export arrangements.

The specific objectives or milestones of the overall program will be:

1. To recruit twelve industrial and commercial firms (plus another twelve agro/food industry firms -- see below), to provide tangible contributions to AID programs in developing countries (PRE, national missions or other divisions of AID), which have the prospect for long-term continuation. These tangible contributions may be personnel time, equipment, materials, technical or administrative support, cash or credits, or other appropriate donations. The hope is to recruit firms to make commitments analagous to IBM's contribution of a microcomputer training center in Kenya.

2. To develop cooperative programs with three to five business or trade associations or similar organizations focused on management and technical development in Third World countries. As a related spin-off effort, an attempt will be made to identify a strategy for an enlarged and more integrated use of the International Executive Service Corps (IESC) in PRE management development programs.
3. If the first two objectives are achieved successfully, to convince the collaborating firms and associations to participate in the next step aimed at reaching a larger number of U.S. private sector organizations as well as a broader spectrum of the AID and other aid communities. This will be done by holding a series of small industry or interest area group meetings at the J.L. Kellogg Graduate School of Management's Allen Center led by key executives from collaborating firms. One or more firms which specialize in arranging these kinds of corporate donations may be asked to participate. Finally, a larger scale, highly publicized but working conference (or workshop) would be held in the Allen Center in association with other Midwest universities and associations.
4. In the case of the agro and food industries, if the recruitment steps are successful, a full-scale agriculture management program will be presented at the Conference and also proposed to PRE.
5. As part of the corporate recruitment effort, to explore the desirability and feasibility of incorporating the MBAs' approach in a management development and assistance program (complementing a possible small pilot test of the concept with two MBAs in Kenya.)
6. To use the experience of this first pilot effort at Northwestern University to coopt the U.S. private sector, to sharpen and articulate an approach usable by others on a regional or national scale.

### III. PROGRAM PLAN

The one-year pilot program will be concentrated in the Midwest, except for working with firms and associations with which special relations exist, such as those in the electronics and computer industries.

The program will be carried out through the following steps:

#### 1. Selection of Firms and Associations

Industries will be targeted in terms of the appropriateness of their products, services, technologies, markets, etc., for specific developing countries, as well as other characteristics such as having operations or affiliates in key AID countries, a demonstrated interest in the program or a logical relationship to other corporate efforts (e.g., linking a Bell & Howell computer aided instruction contribution to an IBM microcomputer center contribution). Associations and other organizations (such as IESC) will be contacted either for their regional relevance (such as the Chicago Association of Commerce and Industry, the Mid-America Committee) or because of their access to particular resources (e.g., the women business associations, the Semiconductor Industry Association).

#### 2. Formation of a Core Informal Advisory Group

An advisory group of key executives will be selected. Candidates for such a committee would be people such as Anthony Cascino, vice chairman of International Minerals and Chemicals; Stanley Mitchell, executive director of the Chicago Association of Commerce and Industry; Terence Heslop, group vice president international of Bell and Howell Corporation; Noe Kenig, executive vice president international of Motorola Inc.; Robert Waller, president of American Hospital Supply, Equipping and Consulting; Sharon Poindexter, president of the National

Association of Women Business Owners; Clyde Dickey, partner of Arthur Andersen & Co.; Peter Powles, partner of Baker and Kenzie (international law firm), William H. Flely, vice-president of Richard R. Hirsch Co., and several others who have worked with Northwestern. This advisory group will provide general project guidance and will serve as a source of additional contacts.

### 3. Program Area Identification

The objective of this step is to have available an inventory of targeted projects and programs (for which AID would welcome U.S. corporate assistance) to provide a starting point for discussion of possible tangible corporate contributions. In addition, appropriate corporate suggestions will be sought, although Northwestern will select only those congruent with AID programs and plans.

Northwestern will work closely with PRE and other divisions of AID to identify an initial list of projects for which assistance from the U.S. private sector could be helpful. For feasibility, this first list will have as its core those private sector projects with which Northwestern is already associated. This list will be supplemented by other project areas identified by PRE and AID offices and missions.

The project list will be expanded in a two-way iterative process; (1) corporate proposals in new areas may lead to identifying programs for which specific AID interest can be found, and (2) as AID people become aware of the potential, new projects and opportunities for corporate support will be made known and possible contributors will then be sought in the U.S. private sector. Formalization of this two-way process will be one aspect of the long-run objective of the proposed project.

Steps 1, 2 and 3 will be iterated in the start-up phase, i.e., firms will be approached which have resources relevant to known projects and where Northwestern has good contacts, and vice versa.

#### 4. Establish Initial Contacts

In cases where contacts do not already exist, the counsel of the advisory group will be used to establish contacts with key executives of selected firms.

Meetings will be arranged between the key executives of interested firms and associations and a small group consisting of one to two people from Northwestern, one of the collaborating core advisory committee people and where possible an AID representative. At this meeting the private sector-based development strategy will be elaborated upon, some of the relevant projects and any company involvements described and the possible contribution by the firm of obsolete equipment, materials, training, etc., discussed. The longer term plans as well as the possibility of the executive (or a designate) becoming personally active (e.g., on the advisory committee) will also be reviewed. This meeting would be a first step in developing a specific commitment.

#### 5. Follow-Up Meetings and Explorations: Identifying Full Program

##### Participants

Detailed discussions will be continued with the firms and associations through a series of follow-up visits. Similar detailed discussions will be held with AID in the U.S., with a special effort made to obtain information regarding the various private sector-based programs to be found in AID missions around the world. A spin-off benefit of the program will be the obtaining of a more complete picture of such programs within AID. Contact will be made with overseas AID offices in

those other countries where either on-going programs require a Northwestern presence or where an already established relation allows for the maintenance of easy mail and phone linkage. At this time, it appears that this will be most easily achievable with the missions in Kenya (given the IBM project and the possible Northwestern PRE program), with Thailand (given the Northwestern MBA program at Chulalongkorn University), and with Sierra Leone (given the existing relation with the AIE mission and a possible program there). Northwestern (and CACI) contacts and projects in the Middle East, the Caribbean, other parts of Africa and South East Asia and South Asia contain the potential for a wider spectrum of opportunity. However, in general the project plan calls for exploiting existing rather than developing new AID mission relationships. For this reason, very little travel outside the U.S. has been included in the budget for this project.

Through a continuing and iterative process of discussions with the potential contributors from the U.S. private sector and AID, the sub-set of companies able and willing to make appropriate and welcomed contributions to projects important to AID will be identified. When such "sets" or "fits" become identified and established as projects, the firms will be considered as having become full program participants. The goal will be to have the projects reach a self-progressing and self-sustaining status, either in relation to some on-going Northwestern program (e.g., in Kenya) or a project that the firm can carry on in collaboration with AID, under its own momentum. The target will be to have projects "well launched" in a design sense within the grant time-frame; it would be surprising if substantial implementation were possible in many cases in the limited period involved.



While it would be desirable for programs to be totally self-sustaining, previous experience indicates that some companies are willing to contribute equipment, material, and personnel time, but not direct cash gifts, or frequently costs of shipping contributed materials or paying travel expenses. For example, a company may be willing to provide the services of a highly-trained individual, all necessary office support, shipment of test equipment needed by the expert, and even some of his subsistence and ground travel, but would ask that his air fare costs be covered by the program. These reactions are classic organizational realities, particularly during times of corporate cost-cutting, when even top managers find it difficult to commit resources to this type of program unless they can show matching participation, e.g., by AID. Therefore, some funding may be needed to complement corporate contributions; this is even more likely to be needed when dealing with associations. One of the objectives of the project will be to determine the frequency, level and form of complementary contributions required of AID.

Full corporate program participants will be asked to assist in the further promotion of the program via other firms (e.g., their suppliers, customers, even competitors, those in related fields, etc.), through participation in workshops or conferences in which they publicize their experience and planned contributions.

This process will probably result in some attrition as some firms turn out to be unwilling or unable to make significant contributions, or some program areas prove unproductive. As indicated earlier, the program's objective is to recruit twelve firms and three to five associations.

#### 6. Hold the Sub-Group Meetings and Working Conference

Depending on the industry mix of participating organizations, one or more meetings will be planned, each to provide a forum for the exchange of experiences and ideas, to recruit additional but not yet fully committed firms, and to attract others. The precise format of these meetings, e.g., held initially for small industry groups and followed by a larger working conference or organized as one conference/workshop will be determined after the mix of participants and projects is known and the optimal course can be determined.

The workshops and conference will be held in the tenth and eleventh months of the project, i.e., once a sufficiently attractive track record has been established. They would be held at Northwestern's J.L. Kellogg School's prestigious Allen Executive Center, with targeted publicity to attract other firms, associations and universities which could help strengthen the program, win political support and develop wider interest to the AID/PRE approach. The conference would be an opportunity for PRE to showcase its private sector philosophy and program; to exchange corporate experiences and opinions with respect to the program; to discuss opportunities and problems with import/export specialists and entrepreneurs who specialize in corporate donations, and to hear views of representatives from other international aid organizations and from developing countries. It will also be the opportunity to report on the IBM, MBA and other relevant projects in Kenya; possibly hear about others such as NCR in Sierra Leone; learn about the programs in Thailand; consider the attempt to further involve IESC; etc. The meeting will also provide an important opportunity to expand the MBA and Midwest regional structure aspects of the program discussed below.

Northwestern will take responsibility for inviting participants (in collaboration with PRE), organizing the meeting, and preparing and disseminating 100 copies of a professional proceedings. PRE will be given an additional 100 copies to disseminate. The proceedings will also be part of the final report.

#### 7. Agro/Food Industry Sub-Project

The longer term plan of this project is to recruit a group of firms which will help to address the specific needs of these industries in countries of the South and East African regions (and later, elsewhere). These needs will be identified through discussions with appropriate experts and leaders from AID, from the countries involved, and with other relevant people, and through an on-the-spot mission. This need-identification process will lay down the basis for the firms to participate in useful programs, joint ventures, etc., and to contribute assistance to help alleviate the needs. These programs of training assistance, contributions of equipment, joint ventures, etc, would be carried out in collaboration with REDSO, and would be viewed as models that could be reproduced in other regions.

The first step requires engendering corporate interest in the same manner as was discussed earlier, but focusing on the agro and food industry elements of the U.S. private sector. Only the start-up phase of the program will be undertaken; if successful, a full proposal will be developed in collaboration with the industry to implement a long term plan.

These first steps will be carried out as follows:

- (a) Working with Anthony Cascino of International Minerals and Chemicals Corporation, the initial lists of firms and associations

and key contacts will be developed and a special agro-food advisory sub-group set up (as for the rest of the project).

- (b) A preliminary round of visits will be made to make certain that the basic concept of the long-term program is viable and to recruit a group of five to six key firms to participate in a meeting to define needs.
- (c) Hold preliminary meeting. In addition to leaders of the collaborating firms, the meeting will be attended by two or three representatives from USDA, REDSO in South and East Africa, the AID Africa Bureau, PRE and other AID entities which have people who are knowledgeable about the needs and opportunities of agro and agro-related industries in the region, and others.

The goals of the meeting will be (1) to communicate to the firms information on AID agro-programs and plans, on the AID/USDA view of the situation and needs, and on areas of opportunity in which U.S. industry might be able to participate; (2) to launch consideration of and possibly elicit preliminary support for programs; (3) to identify other appropriate agro firms and elicit assistance in recruiting them; and (4) to stimulate other ideas for possible projects to which the firms and associations could contribute.

- (d) Contact additional firms through the iterative snow-balling process.
- (e) When ten to fifteen firms have been recruited and initial needs defined, hold another larger meeting. A major purpose will be to arrange a possible U.S. industry mission to Africa to obtain a first hand picture of needs and opportunities, and to initiate

programs. The mission to Africa and all follow-on activities will not be a part of this project, but will become part of any proposal that emerges from the above process.

(f) If warranted, prepare a collaborative proposal by the industry and Northwestern to implement the program developed through the above described meetings.

(g) Present the results of the project at the conference.

#### 8. MBAs as Management Resource People Sub-Project

This is not an independent program but a plan to pilot test the feasibility of using recent MBAs graduates to assist with management development programs. As a concept it is similar to that of the Peace Corps and the International Executive Service Corps. An ideal MBA candidate will have two to three years or more of experience, an interest or experience in developing countries, with those majoring in accounting, finance, marketing, information processing, operations and production are especially desirable. MBAs with specialities, such as agriculture or health management, would also be very desirable for specific applications situations.

In this program, the MBAs sub-project will be addressed as part of the general effort to recruit U.S. firms and associations, i.e., it will be one of the issues raised in discussions and meetings and will be on the agenda of any conferences. These deliberations will focus on the feasibility of recruiting recent MBA graduates with practical experience in developing countries, and, in particular, of obtaining corporate sponsorship. Firms and associations will be invited to sponsor an MBA as part of their contribution to the program. The sub-project will be

complemented by the small-scale pilot test on MBA performance in the field that may be going on in Kenya and possibly Sierra Leone.

The nature of the corporate sponsorship will be evolved through these discussions but is likely to range from a modest level of subsidy support to one based on substantial direct involvement. This latter type may include:

- (a) Recruitment into the firm, training and sending out to developing country programs on leave assignments.
- (b) Funding and training plus a continuing relationship but no employment commitment (e.g., as with the MBA going to the IBM microcomputer center in Kenya).
- (c) The funding of specific project assignments (e.g., a market study) that could be carried out by the MBA along with other projects.

An MBA "summer internship" will also be explored. There is precedent at Northwestern for U.S. private sector support of this kind of program in the Coulter Scholarship funded through the Chicago Association of Commerce and Industry by Chicago area firms, to send MBA students on summer internships in Japan. Japanese firms also co-fund the internships.

These ideas will be included on meeting agendas but no separate activities are planned. If Northwestern conducts an MBA summer internship pilot project in Kenya during 1983/84, it will interact with this program. A proposal to launch such a program has been submitted to the U.S. Department of Education (Title VI funds).

#### 9. Exploration of a Midwest Regional Structure Sub-Project

This sub-project will not involve additional activities either, but rather will implement evolving projects and relations.

The prime focus for recruitment will be Midwest organizations. Further, in selecting program areas and target industries, the special resources of the Midwest private sector will be kept in mind. The agro-food industry focus is especially appropriate because of the industry concentration in the region.

If setting up a regional structure to promote private sector activities in developing countries becomes a viable possibility, discussions will be intensified, especially with regional trade associations, and it will be a major agenda item for the Midwest "private sector in development" workshop described above.

First steps also will be taken to explore the feasibility of a Midwest consortium of universities interested in university-industry-government programs in developing countries. A possible outcome may be a detailed proposal to implement such a consortium.

10. Exploration of Feasibility of Commercial Enterprise to Arrange for Donations and Import/Export

Contact will be made with any firms currently involved in the business of arranging corporate donations of equipment and materials to non-profit organizations for a commission (that comes out of the tax deduction gain made by the contributing firm). Other firms interested in going into this area will also be contacted. The feasibility of extending this concept to Third World recipients, via a U.S. non-profit (e.g., Northwestern) will be explored. One possible approach will be to have the arranging firm split the commissions with the non-profit, so creating a fund to help defray costs, especially shipping costs when needed. In some cases the recipient organization may be able to pay shipping (and set up) costs; in other cases these will need to be subsidized. AID already does subsidize such shipping

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costs for equipment being donated through the Pan American Development Foundation. Contact has already been made with Hirsch & Associates who are involved in this type of business (see the appended letter and materials). A key requirement for the program to succeed will be that of linking possible donors to a network in developing countries that can identify appropriate recipients for available equipment and material. This will be explored on a modest pilot basis in this project.

If the approach seems productive, a specific proposal will be developed to help launch a venture (including building the recipient identification network), and the concept reported upon at the conference.

#### 11. Evaluation

The program will be evaluated in terms of:

1. The success in recruiting firms to participate in significant AID programs and the conditions of this participation:
  - (a) how many agree to participate;
  - (b) level and extent of contributions — an attempt will be made to cost out both the U.S. and local value of promised support. Help in making this assessment will be sought from AID and, as possible, from developing country people, i.e., on the value of these resources as they see it.
  - (c) the extent of complementary funding that will be needed to consummate corporate contributions; under what conditions, how much, whether needed only for start-up or indefinitely.
  - (d) the importance of the programs to which they agree to contribute — including the ability to identify such programs.
  - (e) the potential for the long term sustainability of the contributions (one-time versus on-going).

2. The cost-effectiveness of this approach to obtain useful resources. An assessment will be made of the likely continuing costs of such further U.S. private sector resource recruitment, beyond the start-up experimental period based on the pilot project experience.
3. The success achieved in persuading key people from the private sector and aid communities of the viability and potential of this type of program.
4. The success in recruiting firms for and setting the stage for an agro/food industry mission and program to Africa.
5. The number of firms indicating willingness to sponsor MBAs.
6. The number and significance of the associations agreeing to participate in the program in specific ways such as assistance in reaching member firms to obtain contributions, general publicity and dissemination, and collaboration on projects. The success in identifying opportunities for an enlarged and integrated role for IESC in PRE programs.
7. The number and type of universities interested in joining a Midwest consortium to participate in and support private sector development programs.
8. The success in organizing and attracting an important Midwest private sector constituency to the meetings and their response to the events.

Data for the evaluation will be obtained cumulatively as the project proceeds and results become evident. In addition, during the final month of the project, interviews will be conducted with corporate, AID and other people who are involved in or become aware of the project

activities; a special group will be those attending the final workshops (a questionnaire will be designed and administered to attendees).

#### 12. Reports and Relations with PRE

Three short quarterly reports and a full final report will be provided to AID/PRE describing progress and continuing plans including discussions of any changes that may be required. These formal reports will be in addition to a continuous process of informal interaction and collaboration with AID personnel directly involved in many of the activities.

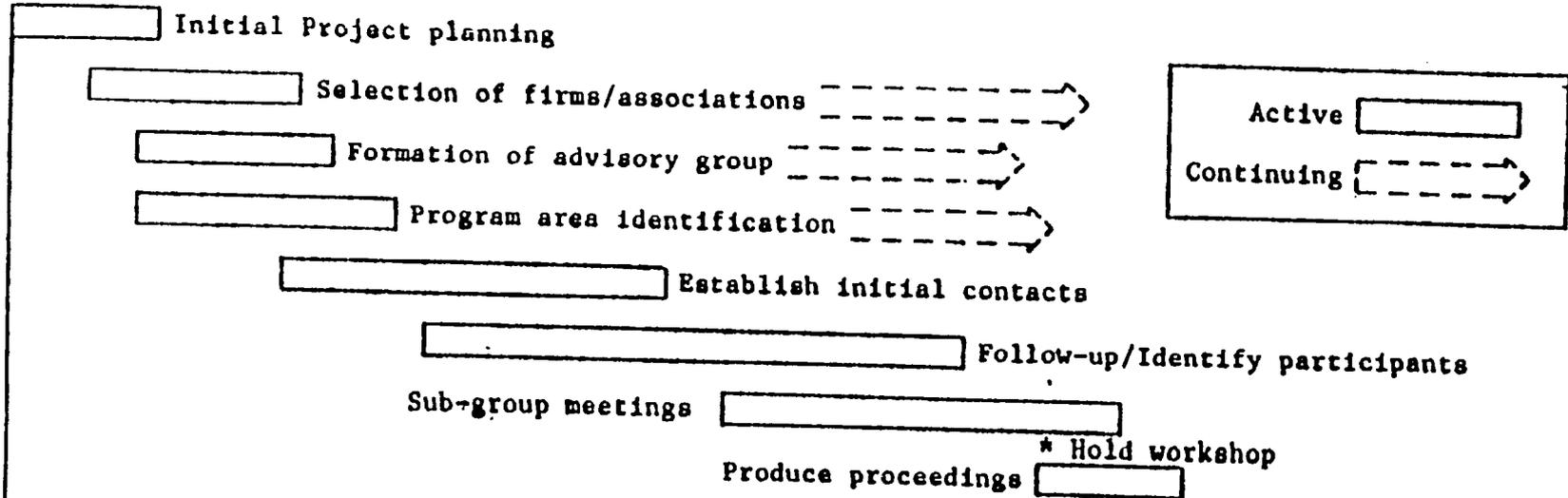
This project is essentially exploratory and feasibility-testing in nature. It is anticipated that changes will be required as the project progresses; not everything planned will work and new opportunities will appear. All such changes will be made only after full consultation and with PRE concurrence.

The final report will describe the activities and evaluate achievements of the project and put major emphasis on the demonstration aspects -- the feasibility and desirability of recruiting private sector contributions and support and the "how to do it" conclusions.

#### 13. Project Schedule

The twelve program steps and elements described above are detailed and laid out across the one year project period as shown in Figure 1.

General Program



Agro-Industry Program

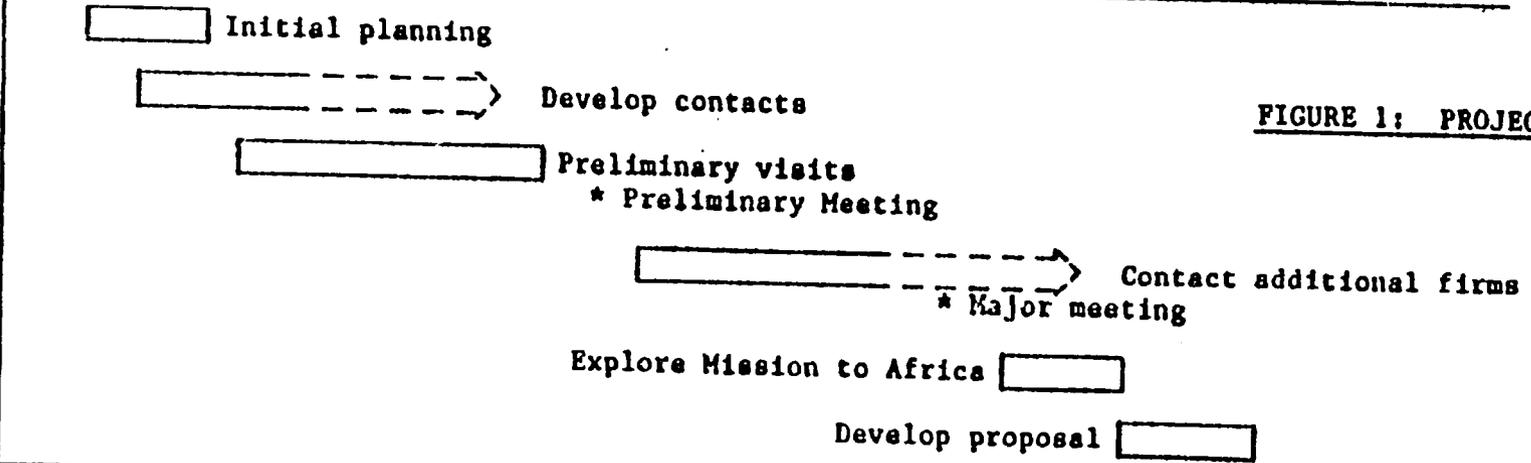
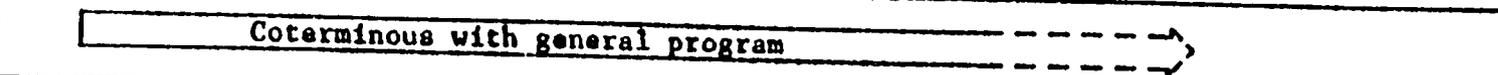
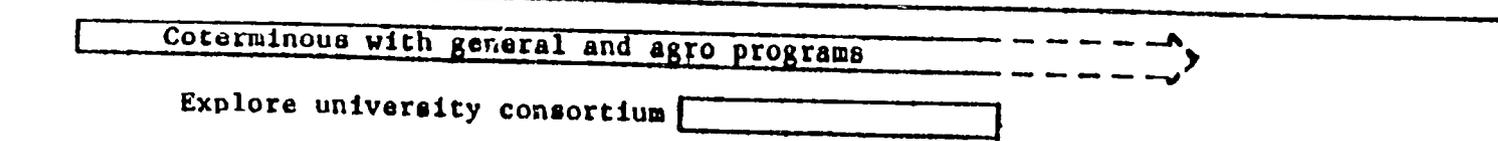


FIGURE 1: PROJECT SCHEDULE

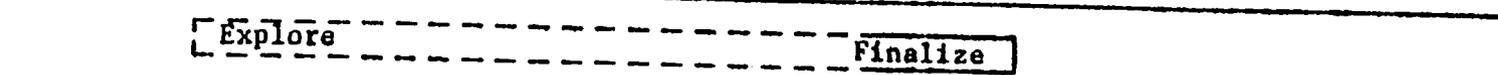
MBA Program



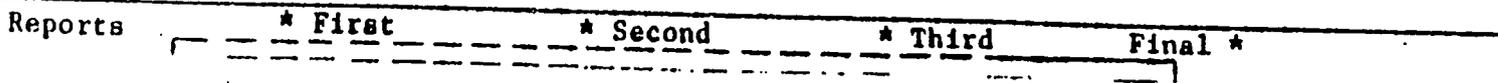
Midwest Program



Donations Firm



Evaluation



01/2/77

## VI. POTENTIAL PROGRAM OUTCOMES

1. A demonstration and report to the U.S. private sector and AID communities that corporate and association contributions to development programs are possible, useful and extremely cost-beneficial. Reports on the pilot programs, description of successful recruiting processes, and the strategies which could be employed by PRE and others to win corporate support. Similar information will assist firms and associations seeking ways to become involved in development programs.
2. Twelve firms (plus another twelve agro/food firms -- see below), and three to five associations will have been launched into programs in which they contribute substantial tangible support to programs of high AID priority.
3. The message and illustrated potential of this type of collaboration with the private sector will be brought to the wider AID and international development communities. Several U.N. agencies have been showing considerable interest recently in finding ways to harness private sector resources. Relatedly, PRE will have obtained an expanded picture of private sector activities in the missions and of the opportunities for the U.S. private sector to become involved.
4. The feasibility of a large-scale program involving the use of MBAs in development projects will have received further exploration, including the concept of obtaining corporate sponsorships. A number of specific commitments for sponsorships may be obtained.
5. The feasibility of a management and technical development program for the South/East Africa region supported by 10-12 firms from the U.S. agro/food industry will have been explored, a mission organized and a detailed proposal for the implementation phase developed.

6. A first step will have been taken towards setting up a Midwest regional structure of collaborating firms, associations and universities (in a consortium) to support private-sector-based management and technical development programs.
7. The feasibility of setting up one or more firms to identify and arrange donations of equipment and material on a commercial basis to developing country organizations (via U.S. non-profits) will have been explored and, if promising, publicized.

#### V. LONG TERM POTENTIAL

As a demonstration (even a reorientation) program addressed to both the U.S. private sector and the AED communities, the long term impact will be largely a function of the persuasiveness of the experiment. To the extent that important resources are recruited, cost-effectively and with a promise of continuity, then support will be won, more commitments developed, and antithetical attitudes altered.

More specifically the program will be recruiting a new community into the development endeavor. Possibility as many as 24 firms and three to five associations will have become involved and their people will have obtained a more direct experience of development issues and opportunities. The effects are likely to be very long lasting. If the commercial donations firm project works out, it will be inherently self perpetuating.

Finally, PRE funding is devoted primarily to the resource recruiting aspects of the program and not the delivery aspects. Once these resources have been recruited, the cessation of PRE funding at the program's conclusions should not have major negative repercussions. The specific corporate projects will for the most part have their own primary

self-sustaining rationales although it was recognized that some complementary funding might be needed at the start. Some of the projects launched here may also lead to independent proposals for new PRE support (e.g., for a joint venture with a developing country partner) but those proposals will be evaluated on their own terms. Such PRE support may also be valuable in expanding the program, within the Midwest and to other regions of the U.S..

## VI. CAPABILITY

### 1. Project Participants

The program will be carried out by three entities of Northwestern University.

The major responsibility will be carried jointly by the J.L. Kellogg Graduate School of Management and the Center for the Interdisciplinary Study of Science and Technology. Dr. Michael Radnor, the project director is professor of management in the Kellogg School and also Director of the Center for the Interdisciplinary Study of Science and Technology. Dr. Atul Wad is senior research fellow at the Center. Other Kellogg faculty will be available to assist the project as needed, especially those involved in working with the business community and the school's advisory council, most particularly Associate Dean Donald Cahill. The Dean, Donald J. Jacobs will take a special interest in this program. Dean Jacobs is very well connected to the U.S. business community; he is a member of board of directors of First National Bank of Chicago, Union Oil Company and several other major corporations. Also collaborating will be the university's prestigious Program of African Studies. The Program's Director, Dr. John Paden will be the project associate director and former U.S. Ambassador to Cameroun, Dr. Mable Smythe, Associate Director of the Program will also participate.

J.L. Kellogg Graduate School of Management

The J. L. Kellogg Graduate School of Management of Northwestern university is regarded as one of the foremost schools of its kind in the United States. It has unparalleled physical facilities and a 108-member faculty that has been independently evaluated as being among the best in the nation.

The most prestigious corporations from all over the United States and the world interview Kellogg students for positions in their organizations. The Kellogg student body is cosmopolitan -- drawing its 800 master's students and 90 doctoral students from virtually every state and 40 foreign countries. The Kellogg faculty offer a rich combination of experience in professional management problems and practice. Each faculty member teaches and conducts rigorous research. At the same time, the faculty often serve as consultants in industry, government, health care, education and transportation.

The J.L. Kellogg School has made a commitment to supporting the development of management training programs in developing countries. The most recent and notable example of this commitment is the establishment of the MBA program at Chulalongkorn University in Thailand. This support is a reflection of the complete commitment that has been made by Dean Donald P. Jacobs to support the development of management education in developing countries, and to participate in the types of private sector programs being pursued by PRE. Establishment of the PepsiCo Research Chair in International Management, the first endowed professorship in this field at the school, brings additional impetus to the school's increasing research and study in international business. Also attesting to the school's long-term commitment to international education is the executive program for top management of firms worldwide, given each year at the Bergenstock in Switzerland.

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The school's enormous experience with executive programs will be another useful resource. These executive programs, on virtually every important management topic, are held on a year-round basis in the U.S. (at the school's outstanding Allen Center) and abroad.

The Center for the Interdisciplinary Study of Science and Technology (CISST)

CISST has established a solid reputation for its research in the area of technology and management in developing countries, two areas which are just aspects of the Center's increasing involvement with issues of development.

Some recent developing country programs have included a project for UNDP to study needs and develop methodologies for promoting technical cooperation among developing countries; a study for the Foundation for International Training on the establishment of a regional technology development and training center for Southern and Eastern African countries, a UNIDO project on the application of microelectronics in developing countries and several projects for the World Bank in the energy area. One of the Center's recent projects involved a training program for the Sichuan Provincial Commission for Science and Technology in the Peoples' Republic of China. The Center has been collaborating with USAID's private enterprise program, having carried out missions in Kenya and Sierra Leone. Recently completed was a study of science and technology policies and priorities in Africa for the National Science Foundation and others are being conducted on technology assessment for UNESCO and a program to bring back Turkish managerial and technical experts to contribute assistance to private and public enterprises in their homeland, for the U.N. FSST.

The Center has worked closely with UNDP, UNCSTD, UNIDO, UNESCO, the OECD Development Center, ESCAP, the Foundation for International Training, the Asian Regional Center for Technology Transfer (in Bangalore) and the African

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Regional Center for Technology (in Dakar), and other national and international organizations concerned with development. The Center's on-going work with these organizations ensures that its personnel will be thoroughly familiar with the programs and key people in these agencies.

In addition, the Center maintains a network of relations with institutes and universities in many developing countries, including the African Regional center for Technology in Dakar, the Korean Advanced Institute of Science and Technology, the Asian Institute of Technology, the Indian Institute of Management in Bangalore, the Zimbabwe Industrial Advisory Services, the African Institute for Higher Technical Training and Research, Institute Universitaire Technologique in Dakar, Coordenacao dos Programas de PostGraduacao de Engenharia (COPPE) in Brazil, and several others.

#### The Program of African Studies

The PAS has over half a century of experience in teaching and research on Africa. As the oldest such program in the United States, it has had time to develop long standing relations while educating several generations of Africanists on both sides of the Atlantic; half its current graduate enrollment is from Africa. As a result, the program has useful contacts in all parts of the continent and is able to arrange for participants and specialists in a wide variety of subjects relevant to planning training programs. Its alumni include ministers, top officials, professionals, leading business people and other key decisionmakers in most African nations. Since PAS serves any department of the university with an interest in Africa, its 51 faculty can be found in engineering, computer science, the J.L. Kellogg Graduate School of Management, education and in the sciences. It is currently collaborating with the Kellogg School and CISST on plans to expand management training in Africa. It has participated in planning for the new

**U.S. Grantees and U.S. Subgrantees  
EDUCATIONAL INSTITUTIONS  
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STANDARD PROVISIONS**

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—SEE FOOTNOTE ON PAGE 22—

If the institution is not on a predetermined rate basis, omit 5A; otherwise use both provisions.

Select only 1 payment provision from Group 7.

Select only 1 procurement provision from Group 10.

Select only 1 title provision from Group 13, if title to all property is vested in one entity; however, if title is to be split by categories among two or more entities, select the appropriate provisions from Group 13 and identify the categories and entities in the Schedule of the Grant.

**1. ALLOWABLE COSTS AND CONTRIBUTIONS (EDUCATIONAL INSTITUTIONS)**

(This provision is applicable to educational institutions)

(a) The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the Grant Officer to be reasonable, allocable, and allowable in accordance

with the terms of (1) this grant, (2) any negotiated advance understanding on particular cost items, and (3) OMB Circular A-21 "Principles for Determining Costs Applicable to Grants, Contracts and Other Agreements with Educational Institutions," in effect on the date of this grant (hereinafter referred to as "applicable cost principles").

(b) If Grantee contributions in the form of cost sharing/matching are required under this grant, the

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allowability of costs applied to the grant for such contributions shall be determined by the Grant Officer in accordance with the terms of paragraph 1K, "Cost Sharing and Matching" of Handbook 13 in effect on the date of this Grant.

(c) The requirements set forth in this provision are only applicable to costs incurred with funds provided by AID under this grant. Except for paragraph (b) above, the requirements set forth in this provision are not applicable to costs incurred by the Grantee from non-Federal funds. Such costs will be considered allowable to the extent they conform to the requirements of paragraph (b) above and are incurred for purposes of the grant.

## 2. ACCOUNTING, AUDIT AND RECORDS

(a) With respect to accounting, records and audit, the Grantee shall comply with the requirements set forth in paragraphs 1I, 1J, 1L, and 1M of Handbook 13.

(b) The AID Inspector General and the Comptroller General of the United States or their duly authorized representatives (see paragraph 1I6 of Chapter 1 of Handbook 13) reserve the right to conduct an audit of the Grantee's books and records to determine whether the Grantee has expended AID's funds in accordance with the terms and conditions of this grant. The Grantee agrees to make available any further information requested by AID with respect to any questions arising as a result of the audit.

## 3. REFUNDS

(a) If use of the AID funds provided hereunder results in accrual of interest to the Grantee or to any other person to whom Grantee makes such funds available in carrying out the purposes of the grant, the Grantee shall refund to AID an amount equivalent to the amount of interest accrued.

(b) Funds obligated by AID hereunder, but not disbursed to the Grantee at the time the grant expires or is terminated, shall revert to AID, except for such funds encumbered by the Grantee by a legally binding transaction applicable to this grant. Any funds disbursed to but not expended by the Grantee at the time of expiration or termination of the Grant shall be refunded to AID.

(c) If, at any time during the life of the grant, or as a result of final audit, it is determined by AID that funds it provided under this Grant have been expended for purposes not in accordance with the terms of this grant, the Grantee shall refund such amount to AID.

## 4. NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

(a) No person in the United States shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from AID in accordance with:

(1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000-d) which prohibits discrimination on the basis of race, color or national origin, in programs and activities receiving Federal financial assistance.

(2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance.

(3) The Age Discrimination Act of 1975, as amended (Pub. L. 95-478), which prohibits discrimination based on age in the delivery of services and benefits supported with Federal funds.

(4) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, *et seq.*) which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance (whether or not the programs or activities are offered or sponsored by an educational institution); and

(b) In accordance with its written assurance, the Grantee agrees to comply with AID regulations implementing the above nondiscrimination laws, set forth in Chapter II of Title 22 of the Code of Federal Regulations.

## 5A. NEGOTIATED OVERHEAD RATES—PREDETERMINED

(This provision is applicable to educational or other nonprofit organizations or institutions that are on a predetermined overhead rate basis)

(a) Notwithstanding the provision of this grant entitled "Allowable Costs and Contributions," the allowable indirect costs under this grant shall be obtained by applying predetermined overhead rates to the base(s) agreed upon by the parties, as specified in the Schedule of this grant.

(b) The Grantee, except for educational institutions covered by OMB Circular A-88, as soon as possible but not later than 3 months after the close of each of its accounting periods during the term of this grant, shall submit to the AID Grant Officer with copies to the cognizant audit activity, the AID Inspector General, and the AID Overhead and Special Costs Branch, Services Operations Division, Office of Contract Management, AID/Washington, D.C.

20523, a proposed predetermined overhead rate or rates based on the Grantee's actual cost experience during that fiscal year, together with supporting cost data. Negotiation of predetermined overhead rates by the Grantee and the AID Grant Officer shall be undertaken as promptly as practicable after receipt of the Grantee's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the provisions of the applicable cost principles in effect on the date of this grant.

(d) Predetermined rates appropriate for the work under this grant in effect on the effective date of this grant shall be incorporated into the grant. Rates for subsequent periods shall be negotiated and the results set forth in a written overhead rate agreement executed by both parties. Such agreement shall be automatically incorporated into this grant upon execution and shall specify (1) the agreed predetermined overhead rates, (2) the base(s) to which the rates apply, (3) the fiscal year unless the parties agree to a different period for which the rates apply, and (4) the specific items treated as direct costs or any changes in the items previously agreed to be direct costs. The overhead rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.

(e) Pending establishment of predetermined overhead rates for any fiscal year or different period agreed to by the parties, the Grantee shall be reimbursed either at the rates fixed for the previous fiscal year or other period or at billing rates acceptable to the AID Grant Officer subject to appropriate adjustment when the final rates for the fiscal year or other period are established.

(f) Any failure by the parties to agree on any predetermined overhead rate or rates under this provision shall not be considered a dispute within the meaning of the "Disputes" provision of this grant. If for any fiscal year or other period specified in the grant the parties fail to agree to a predetermined overhead rate or rates, it is agreed that the allowable overhead costs under this grant shall be obtained by applying negotiated final overhead rates in accordance with the terms of the applicable "Negotiated Overhead Rates" provision of this grant.

## **5B. NEGOTIATED OVERHEAD RATES—EDUCATIONAL INSTITUTIONS**

(This provision is applicable to educational institutions which do not have predetermined rates; however, it shall also be included when the

**NEGOTIATED OVERHEAD RATES—PREDETERMINED** provision is used, under the conditions set forth therein)

(a) Pursuant to this provision, an overhead rate shall be established for each of the Grantee's accounting periods during the term of this Grant. Pending establishment of a final rate, the parties have agreed that provisional payments on account of allowable indirect costs shall be at the rate(s), on the base(s), and for the period shown in the Schedule of this grant.

(b) The Grantee, except educational institutions covered by OMB Circular A-88, as soon as possible but not later than 90 days after the close of each of its accounting periods during the term of this grant shall submit to the Grant Officer with copies to the Overhead and Special Cost Branch, Services Operations Division, Office of Contract Management, AID/Washington, D.C. 20523 and to the Office of the Inspector General, AID/Washington, D.C. 20523, a proposed final rate or rates for the period, together with supporting cost data. Negotiation of final overhead rates by the Grantee and the Grant Officer shall be undertaken as promptly as practicable after receipt of the Grantee's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with OMB Circular A-21 (Principles for Determining Costs Applicable to Grants, Contracts and other Agreements with Educational Institutions) as in effect on the date of this grant.

(d) The results of each negotiation shall be set forth in a written overhead rate agreement executed by both parties. Such agreement shall specify (1) the agreed final rates, (2) the bases to which the rates apply, and (3) the periods for which the rates apply. The overhead rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.

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

(f) Any failure by the parties to agree on any final rate or rates under this provision shall be considered a dispute within the meaning of the Standard Provi-

of this Grant, entitled "Disputes," and shall be disposed of in accordance therewith.

## 6. REVISION OF FINANCIAL PLANS

(a) The Financial Plan, i.e., grant budget, is the financial expression of the project or program as approved during the application and/or award process.

(b) The Grantee shall immediately request approval from the Grant Officer when there is reason to believe that within the next 30 calendar days a revision of the approved Financial Plan will be necessary for any of the following reasons:

1. To change the scope or the objectives of the project or program.

2. Additional funding is needed.

3. The Grantee expects the amount of AID authorized funds will exceed its needs by more than \$5,000 or five percent of the AID award, whichever is greater.

4. The Grantee plans to transfer amounts for indirect costs to absorb increases in or vice versa.

5. The Grantee plans to transfer funds budgeted training allowances (direct payments to trainees) to other categories of expense.

6. The Grantee plans to incur an expenditure which would require approval under the terms of this grant and was not included in the approved Financial Plan.

7. The Grantee intends to subcontract or subgrant any of the substantive programmatic work under this grant, and such subcontracts or subgrants were not included in the approved Financial Plan.

(c) When requesting approval for budget revisions, the Grantee shall use the budget forms that were used in the application unless a letter request will suffice.

(d) Within 30 calendar days from the date of the receipt of the request for budget revisions, the Grant Officer shall review the request and notify the Grantee whether the budget revisions have been approved. If the revisions are still under consideration at the end of 30 calendar days, the Grant Officer shall inform the Grantee in writing of the date when the Grantee may expect the decision. The Grant Officer shall obtain the Project Officer's clearance on all such requests prior to communication with the Grantee.

(e) If the requested budget revision requires the obligation of additional funding, and, if after notification pursuant to this Standard Provision, AID determines not to provide additional funds, the AID Grant Officer will, upon written request of the

Grantee, terminate this grant pursuant to the Standard Provision of this grant, entitled "Termination."

(f) Except as required by other provisions of this grant specifically citing and stated to be an exception from this provision, the Government shall not be obligated to reimburse the Grantee for costs incurred in excess of the total amount obligated under the grant, and the Grantee shall not be obligated to continue performance under the grant (including actions under the "Termination" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the Grant Officer has notified the Grantee in writing that such obligated amount has been increased and has specified in such notice an increased amount constituting the total amount then obligated under the Grant.

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

(This provision is applicable when the following conditions are met: (i) the total advances under all the Grantee's cost-reimbursement contracts and assistance instruments with AID exceed \$120,000 per annum, (ii) AID has, or expects to have, a continuing relationship with the Grantee of at least one year; (iii) the Grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof, (iv) the Grantee's financial management system meets the standard for fund control and accountability required under the standard provision of this grant, entitled "Accounting, Audit and Records"; and, either (v) the foreign currency portion of the total advance under this grant is less than 50%; or (vi) the foreign currency portion of the total advance under this grant is more than 50%, but more than one foreign currency country is involved)

(a) AID shall open a Federal Reserve Letter of Credit (hereinafter referred to as "FRLC") in the amount of funding obligated by this grant, against which the Grantee may draw cash only for immediate disbursing needs. The term "immediate disbursing needs" when applied to FRLC's is defined as the cash requirements for a three-day period. Any subgrantee funded by the Grantee from funds provided by this grant, shall obtain such funds from the Grantee only as needed for disbursement. The financial management system of the Grantee shall provide for effective control over and accountability for Federal funds as stated in paragraph 1L of Handbook 13.

**(b) FRLC Operational Requirements**

(1) The Grantee will select a commercial bank that agrees to receive payment vouchers, TFS Form 5401, "Payment Voucher on Letter of Credit," drawn on the U.S. Treasury and to forward such payment vouchers to the applicable Federal Reserve Bank or branch. The Grantee shall select a commercial bank that will credit the account of the Grantee at the time of presentation of the completed payment voucher. Immediate credit by the commercial bank will enable the Grantee to meet its responsibilities to draw cash only when actually needed for disbursements.

(2) After arranging with a commercial bank for operations under the FRLC and obtaining the name and address of the Federal Reserve Bank or branch serving the commercial bank, the Grantee shall deliver to the AID Controller, three originals of Standard Form 1194, "Authorized Signature Card for Payment Vouchers on Letters of Credit," signed by those officials authorized to sign payment vouchers against the FRLC and by the designated official of the Grantee who has authority to specify individuals to sign payment vouchers. Only those officials whose signatures appear on the SF-1194 can sign the TFS Form 5401. New signature cards must be submitted whenever there is a change in the persons authorized to sign payment vouchers.

(3) The Grantee shall subsequently receive one certified copy of the Letter of Credit, SF-1193. No payment vouchers shall be presented to the commercial bank before the FRLC is opened. The SF-1193 indicates the effective date the FRLC is opened.

(4) As funds are required for immediate disbursement needs, the Grantee will submit a properly completed payment voucher (Form TFS 5401) to the commercial bank for transmission to the Federal Reserve Bank or branch. The commercial bank may at this time credit the account of the Grantee with the amount of funds being drawn down. Payment vouchers shall not ordinarily be submitted more frequently than daily and shall not be less than \$5,000 or more than \$5,000,000. In no event shall the accumulated total of all such payment vouchers exceed the amount of the FRLC.

(5) In preparing the payment voucher, the Grantee shall assign a voucher number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the FRLC.

(6) After the first payment voucher (Form TFS 5401) has been processed, succeeding payment vouchers shall not be presented until the existing

balance of previous drawdowns has been expended or is insufficient to meet current needs.

**(c) FRLC Reporting**

(1) A "Financial Status Report" SF-269, shall be prepared on an accrual basis and submitted quarterly no later than 30 days after the end of the period, in an original and two copies. If the Grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand. The final report must be submitted within 90 days after the conclusion of the grant. This report shall be submitted to the addresses specified by AID in the Schedule of this grant. In cases where grants are Mission funded, the Grantee will forward an information copy to the AID Mission accounting station at the same time the original and one copy are mailed to AID/Washington.

(2) The Grantee shall submit an original and two copies of SF-272, "Federal Cash Transactions Report", 15 working days following the end of each quarter to the address specified in the Schedule. Grantees receiving advances totaling more than \$1 million per year shall submit SF-272 on a monthly basis within 15 working days following the close of the month. Grantees shall report in the Remarks section of SF-272 all cash advances. Those cash advances in excess of immediate disbursement requirements in the hands of subrecipients or the Grantee's field organizations shall be supported by short narrative explanations of action taken by the Grantee to reduce the excess balances.

**(d) Suspension of FRLC**

(1) If at any time, the AID Controller determines that the Grantee has failed to comply with the terms and conditions of the FRLC, the AID Controller shall advise the Grant Officer who may cause the FRLC to be suspended or revoked.

(2) The Controller may recommend suspension or revocation to the Grant Officer on the grounds of an unwillingness or inability of the Grantee to: (A) establish procedures that will minimize the time elapsing between cash drawdowns and the disbursement thereof, (B) timely report cash disbursements and balances as required by the terms of the grant and (C) impose the same standards of timing of advances and reporting on any subrecipient or any of the Grantee's overseas field organizations.

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## 7B. PAYMENT—PERIODIC ADVANCES

(This provision is applicable when the conditions for use of an FRLC cannot be met (including those pertaining to mixed dollar and local currency advances) and when: (i) the Grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof, and (ii) the Grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this grant entitled: "Accounting, Audit and Records")

(a) Periodic advances shall be limited to the minimum amounts needed to meet current disbursement needs and shall be scheduled so that the funds are available to the Grantee as close as is administratively feasible to the actual disbursements by the Grantee for program costs. Cash advances made by the Grantee to secondary recipient organizations or the Grantee's field organizations shall conform substantially to the same standards of timing and amount as apply to cash advances by AID to the Grantee.

(b) Grantees shall submit requests for advances at least monthly on SF-270, "Request for Advances or Reimbursement," in an original and two copies, to the address specified in the Schedule of this grant.

(c) The Grantee shall submit an original and two copies of SF-272 "Federal Cash Transactions Report", 15 working days following the end of each quarter to the address specified in the Schedule. Grantees receiving advances totaling more than \$1 million per year shall submit SF-272 on a monthly basis within 15 working days following the close of the month. Grantees shall report in the Remarks section of SF-272 the amount of cash advances in excess of thirty days requirement in the hands of subrecipients or the Grantee's overseas field organizations and shall provide short narrative explanations of actions taken by the grantee to reduce the excess balances.

(d) A "Financial Status Report," SF-269, shall be prepared on an accrual basis by the Grantee and submitted quarterly no later than 30 days after the end of the period in an original and two copies. If the Grantee's accounting records are not normally kept on the accrual basis, the Grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand. The final "Financial Status Report" must be submitted within 90 days after the conclusion of the grant.

(e) If at any time, the AID Controller determines that the Grantee has demonstrated an unwillingness or inability to: (1) establish procedures that will minimize the time elapsing between cash advances and the disbursement thereof, (2) timely report cash disbursements and balances as required by the terms of the grant, and (3) impose the same standards of timing of advances and reporting on any subrecipient or any of the Grantee's overseas field organizations; the AID Controller shall advise the Grant Officer who may suspend or revoke the advance payment procedure.

## 7C. PAYMENT—REIMBURSEMENT

(This provision is applicable to grants for construction, or to grants where Grantees do not meet the conditions for either an FRLC or periodic advance payment)

(a) Each month, the Grantee shall submit an original and two copies of SF-270, "Request for Advance or Reimbursement," to the address specified in the Schedule of this grant.

(b) A "Financial Status Report," SF-269, shall be submitted quarterly no later than 30 days after the end of the period in an original and two copies. The final "Financial Status Report" must be submitted within 90 days after the conclusion of the grant.

(c) Both reports will be prepared on a cash basis, however if the Grantee's accounting records are not normally kept on a cash basis, the Grantee shall not be required to convert its accounting system to meet this requirement.

## 8. TRAVEL AND TRANSPORTATION

(This provision is applicable when domestic or international air travel or shipment costs are reimbursable under the grant)

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

(b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, it will so

notify the Grantee after receipt of advice of intent to travel, required above. AID will issue a Government Transportation Request (GTR) which the Grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(c) All international air travel and all international air shipments funded under this grant shall be made on United States flag air carriers (hereinafter referred to as "certificated air carriers"), to the extent service by such carriers is available in accordance with paragraphs (d) and (e) below:

The terms used in this provision have the following meanings:

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

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

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

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

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

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

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

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

(1) When certificated air carriers offer only first class service, and less than first class service is available from noncertificated air carriers, or

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

(3) When any flight by a certificated air carrier is interrupted by a stop anticipated to be 6 hours or more for refueling, reloading, repairs, etc., and no other flight by a certificated air carrier is available during the 6 hour period, or

(4) When by itself or in combination with other certificated or noncertificated air carriers (if certificated air carriers are "unavailable") it takes 12 or

more hours longer from the original airport to the destination airport to accomplish the agency's mission than would service by a noncertificated air carrier or carriers.

(5) When the elapsed travel time on a scheduled flight from origin to destination airports by noncertificated air carrier(s) is 3 hours or less, and service by certificated air carrier(s) would involve twice such scheduled travel time.

(f) Freight service by a certificated air carrier will be considered to be unavailable when:

(1) No certificated air carrier provides scheduled air freight service from the airport serving the shipment's point of origin, and a noncertificated air carrier does.

(2) The certificated air carrier(s) serving the shipment's point of origin decline to issue a through airway bill for transportation to the shipment's final destination airport.

(3) Use of a certificated air carrier would result in delivery to final destination at least 7 days later than delivery by means of a noncertificated air carrier.

(4) The total weight of the consignment exceeds the maximum weight per shipment which a certificated air carrier will accept and transport as a single shipment, and a noncertificated air carrier will accept and transport the entire consignment as a single shipment.

(5) The dimensions (length, width, or height) of one or more of the items of a consignment exceed the limitation of the certificated aircraft's cargo door openings, but do not exceed the acceptable dimensions for shipment on an available noncertificated air carrier.

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

#### CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS

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

(h) *Travel Costs and Overseas Maintenance Allowances*

(1) *Travel Within the United States*

(i) As used herein, the term "travel within the United States" includes the 50 states, District of Col-

umbia, Commonwealth of Puerto Rico, Virgin Islands, and all the U.S. Territories except the Trust Territories of the Pacific Islands.

(ii) Subsistence allowances paid to Grantee employees traveling within the United States will be reimbursed in accordance with the established policies and practices of the Grantee which are uniformly applied to both federally financed and other activities of the Grantee.

*(2) International Travel*

(i) As used herein, the term "international travel" includes travel to the U.S. Trust Territories of the Pacific Islands.

(ii) The Grantee will be reimbursed for international travel, subsistence, and post differentials and other allowances paid to employees in an international travel status, or assigned overseas, in accordance with the Grantee's established policies and practices which are uniformly applied to federally financed and other activities of the Grantee, but only to the extent that such reimbursement does not exceed the applicable amounts or rates established in the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended.

## 9. OCEAN SHIPMENT OF GOODS

(This provision is applicable when goods purchased with funds provided under this grant are transported to the Cooperating Country on ocean vessels)

(a) At least 50% of the gross tonnage of all goods purchased under this grant and transported to the Cooperating Country on ocean vessels shall be transported on privately owned U.S. flag commercial vessels, to the extent such vessels are available at fair and reasonable rates for such vessels; and

(b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this grant and transported to the Cooperating Country on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates for such vessels.

(c) When U.S. flag vessels are not available, or their use would result in a significant delay, the Grantee may request a certificate of nonavailability from the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, giving the basis for the request. Such a determination of nonavailability will relieve the Grantee of the requirement to use U.S. flag vessels for the tonnage of goods included in the determination.

(d) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows: "I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the Maritime Administration Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bills of lading state all of the carrier's charges including the basis for calculations such as weight or cubic measurement."

(e) Shipments by voluntary nonprofit relief agencies (i.e., PVO's) shall be governed by this Standard Provision and by AID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR 202).

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

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

*(a) Ineligible Goods and Services*

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

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

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

*(b) Restricted Goods*

The Grantee shall not procure any of the following goods and services without the prior written authorization of the Grant Officer:

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

If AID determines that the Grantee has procured any of the restricted goods specified above under this grant, without the prior written authorization of the

Grant Officer, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the reimbursement.

**(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) "Selected Free World" countries (AID Geographic Code 941),

(3) the cooperating country,

(4) "Special Free World" countries (AID Geographic Code 935).

**(d) Application of Order of Preference**

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

(1) the procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,

(2) the price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,

(3) impelling local political considerations precluded consideration of U.S. sources,

(4) the goods or services were not available from U.S. sources, or

(5) procurement of locally available goods or services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the grant.

**(e) The Grantee's Procurement System**

The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and order of preference requirements of this provision and the standards set forth in paragraph 1U of AID Handbook 13, "Grants."

**(f) Small Business**

To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this

grant, the Grantee shall to maximum extent possible, provide the following information to the Office of Small and Disadvantaged Business Utilization, AID/Washington, D.C. 20523, at least 45 days prior (except where a shorter time is requested of, and granted by, the Office of Small and Disadvantaged Business Utilization) to placing any order or contract in excess of \$25,000:

(1) Brief general description and quantity of goods or services;

(2) Closing date for receiving quotations, proposals, or bids; and

(3) Address where invitations or specifications can be obtained.

**(g) Ineligible Suppliers**

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

**(h) Ocean and Air Transportation**

For requirements relating to transportation by ocean vessel of commodities purchased under this grant, see the Standard Provision entitled "Ocean Shipment of Goods." For requirements relating to transportation of commodities by air, see the Standard Provision entitled "Travel and Transportation."

**10B. PROCUREMENT OF GOODS AND SERVICES OVER \$250,000**

(This provision is applicable when the total procurement element, i.e., the sum of all purchase orders and contracts for goods and services, of this grant will be greater than \$250,000 over the life of the grant)

(a) *General.* Except as may be specifically approved or directed in advance by the Grant Officer, all goods (e.g., equipment, vehicles, materials, and supplies) and services which will be financed under this grant with United States dollars shall be procured in and shipped from the United States (Code 000) and from any other countries within the authorized geographic code specified in the Schedule of this grant.

(b) *Procurement of goods.* In order to be eligible under this grant, goods purchased under this grant

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must be of eligible source and origin, and must satisfy AID's componentry requirements set forth below. In addition, the supplier of commodities must meet the nationality requirements specified in paragraph (d)(1) of this provision.

(1) *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.

(2) *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.

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

(i) If a commodity produced in an eligible source country contains no imported component, it is eligible for AID financing.

(ii) Unless otherwise specified by the Grant Officer, components from the United States, the Cooperating Country, and any other countries included in Geographic Code 941 may always be utilized in unlimited amounts regardless of the geographic code authorized.

(iii) Unless procurement is authorized from countries included in Code 899, components from free world countries not included in Code 941 are limited according to the following rules:

(A) They are limited only if they are acquired by the producer in the form in which they were imported.

(B) The total cost to the producer of such components (delivered at the point of production) may not exceed 50 percent of the lowest price (excluding the cost of ocean transportation and marine insurance) at which the supplier makes the commodity available for export sale (whether or not financed by AID).

(C) AID may prescribe percentages other than 50 percent for specific commodities.

(iv) Any component from a non-free world country makes the commodity ineligible for AID financing.

(4) *Supplier Nationality.* (See paragraph (d) of this provision)

(c) *Eligibility of commodity-related services*

(i) *Incidental services.* Nationality rules are applied to the contractor supplying equipment under this grant and not separately to any contractor that may supply commodity-related incidental services. Such services, defined as the installation or erection of AID-financed equipment, or the training of personnel in the maintenance, operation, and use of such equipment, are eligible if specified in the equipment contract and performed by citizens of countries included in AID Geographic Code 935, or non-United States citizens lawfully admitted for permanent residence in the United States.

(2) *Ocean and air transportation*

(i) Except as otherwise approved in writing by the Grant Officer, AID will finance only those ocean transportation costs:

(A) Incurred on vessels under U.S. flag registry, when Geographic Code 000 is authorized for procurement of goods or services;

(B) Incurred on vessels under U.S. Cooperating Country, or other countries included in Geographic Code 941 flag registry, when Geographic Code 941 is authorized for procurement of goods or services; or

(C) Incurred on vessels under flag registry of any free world country, if the costs are part of the total cost on a through bill of lading paid to a carrier for initial carriage on a vessel which is authorized in accordance with paragraphs (c)(2)(i)(A) and (B), above.

(ii) Any ocean or air charter, covering full or part cargo, for the transportation of goods purchased under this grant must be approved by the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, prior to shipment.

(iii) When use of non-U.S. flag vessels has been authorized, the following requirements still apply:

(A) At least 50% of the gross tonnage of all goods purchased under this grant and transported to the Cooperating Country on ocean vessels, shall be transported on privately owned U.S. flag commercial vessels, to the extent such vessels are available at fair and reasonable rates for such vessels; and

(B) At least 50% of the gross freight revenue generated by shipments of goods purchased under this grant and transported to the Cooperating Country on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial

vessels to the extent such vessels are available at fair and reasonable rates for such vessels.

(iv) When U.S. flag vessels are not available, or their use would result in a significant delay, the Grantee may request a certificate of nonavailability from the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, giving the basis for the request. Such a determination of nonavailability will relieve the Grantee of the requirement to use U.S. flag vessels for the tonnage of goods included in the determination.

(v) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows: "I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the Maritime Administration, Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

(vi) For use of U.S. flag air carriers, see the Standard Provision, entitled "Travel and Transportation."

(3) *Marine insurance.* The eligibility of marine insurance is determined by the country in which it is "placed." Insurance is "placed" in a country if payment of the insurance premium is made to, and the insurance policy is issued by, an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to AID-financed procurement against any marine insurance company authorized to do business in any State of the United States, then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the United States with a company or companies authorized to do a marine insurance business in any State of the United States.

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

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

- (i) An individual who is a citizen or legal resident of a country or area included in the authorized geographic code; or

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

(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 the 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 fit any of the foregoing categories.

(2) *Suppliers of services.* A contractor or subcontractor thereunder providing services under an AID-financed grant must fit one of the following categories for the costs of such contracts or subcontracts to be eligible for AID financing under this grant. (NOTE: the term contractor includes personal services contractors):

(i) An individual who is a citizen of and whose principal place of business is in a country 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; or

(ii) A 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 interests 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 three years prior to the issuance date of the invitation for bids or request for proposals, and

(2) has performed within the United States administrative and technical, professional or construction services under a contract or contracts

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for services and derived revenue therefrom in each of the three years prior to the date described in the preceding paragraph, 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; or

(iii) A joint venture or unincorporated association consisting entirely of individuals, corporations, or partnerships which fit categories (d)(2)(i) and (d)(2)(ii) above. However, joint ventures with firms wholly or partially owned by the host government are ineligible.

(iv) A duly authorized officer of the firm shall certify that the participating firm meets either the requirements or subparagraphs (d)(ii)(A) or (d)(ii)(B) above. In the case of corporations, the certifying officer shall be the corporate secretary. With respect to the requirements of subparagraph (d)(ii)(A), of this provision, 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 funds 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) *Ineligible suppliers of commodities and services.* Citizens or firms of any country not included in AID Geographic Code 935 are ineligible as suppliers, contractors, subcontractors, or agents, for goods and services the costs of which will be reimbursed under this grant. However, non-U.S. citizens lawfully admitted for permanent residence in the United States are eligible.

(e) *Nationality of employees under contracts and subcontracts for services.* The nationality policy of subparagraph (d)(2) of this provision does not apply to the employees of contractors or subcontractors whose services will be reimbursed under this grant, but all contractor and subcontractor employees engaged in providing services under AID-financed grants must be citizens of countries included in AID Geographic Code 935 or non-U.S. citizens lawfully admitted for permanent residence in the United States.

(f) *The Cooperating Country as a source.* With certain exceptions, the Cooperating Country is not normally an eligible source for procurement to be paid in U.S. dollars. The exceptions are for ocean freight and marine insurance (see paragraphs (c)(1) and (c)(2) of this provision). The Cooperating Country may be an eligible source if local cost financing is

approved either by specific action of the Grant Officer or in the Schedule of the grant. In such cases, the Standard Provision entitled "Local Cost Financing with U.S. Dollars," will apply.

(g) *Ineligible goods and services.* Under no circumstances shall the Grantee procure any of the following under this grant:

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

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

(h) *Restricted goods.* The Grantee shall not procure any of the following goods or services without the prior written authorization of the Grant Officer:

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

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

(i) *Printed or audio-visual teaching materials.* If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by AID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources, in order of preference:

- (1) Code 000, United States,
- (2) the Cooperating Country,
- (3) Code 941, Selected Free World,
- (4) Code 899, Free World.

(j) *Ineligible suppliers:* Funds provided under this grant shall not be used to procure any commodity or

commodity-related services furnished by any supplier whose name appears on the List of Ineligible Suppliers under AID Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing (22 CFR 208). The Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be reimbursable under this grant. AID will provide the Grantee with this list.

(k) *The Grantee's procurement system.* The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and nationality requirements of this provision and the standards set forth in paragraph 1U of AID Handbook 13, "Grants".

## 11. LOCAL COST FINANCING WITH U.S. DOLLARS

(This provision is applicable whenever local cost financing has been specifically authorized in the Schedule of this grant regardless of dollar amount)

(a) Local cost financing is the use of U.S. dollars to obtain local currency for the procurement of goods and services in the Cooperating Country in furtherance of the purpose of the grant. Local cost financing must be specifically authorized in the Schedule of the grant. The amount of U.S. dollars which may be used must be specified in the authorization, together with any special restrictions on their use.

(b) Procurement of goods and services under local cost financing is subject to the following restrictions:

### (1) *Ineligible goods and services*

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

- (i) military equipment,
- (ii) surveillance equipment,
- (iii) commodities and services for support of police or other law enforcement activities,
- (iv) abortion equipment and services,
- (v) luxury goods and gambling equipment, or
- (vi) weather modification equipment.

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

### (2) *Restricted goods*

The Grantee shall not procure any of the following goods or services without the prior written authorization of the Grant Officer:

- (i) agricultural commodities,
- (ii) motor vehicles,
- (iii) pharmaceuticals,

- (iv) pesticides,
- (v) rubber compounding chemicals and plasticizers,
- (vi) used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) fertilizer.

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

(3) Any component from a non-free world country makes a commodity ineligible for AID financing.

### (4) *Nationality*

(i) Citizens or firms of any country not included in AID Geographic Code 955 are ineligible as suppliers, contractors, subcontractors, or agents for goods and services the costs of which will be reimbursed under this grant.

(ii) Local cost financing is the use of appropriated U.S. dollars to obtain local currency for the payment for goods and services purchased in the Cooperating Country. Authorization of local cost financing makes the Cooperating Country, in addition to the United States and any other country included in the authorized geographic code for the project, an eligible source for the purchase of goods or services in the Cooperating Country. Goods or services purchased under local cost financing must be located in the Cooperating Country at the time they are purchased; they cannot be imported specifically for the project being implemented by this grant. The supplier from which goods or services are purchased under local cost financing must also be in the Cooperating Country. Suppliers of goods or services under local cost financing must meet the nationality eligibility tests prescribed in paragraph (d) of the provision of this grant entitled "Procurement of Goods and Services over \$250,000." When local cost financing has been authorized, the Cooperating Country is deemed to be included in the "authorized geographic code" for purposes of determining nationality eligibility pursuant to paragraph (d) of the provision, entitled "Procurement of Goods and Services over \$250,000."

(c) *General principles.* Under local cost financing, the Grantee shall follow sound procurement policies, utilizing competition to the maximum practical extent, obtaining the lowest available price, and documenting such procurements to justify the method used and the price established.

(d) *Procurement of goods.* In order to be eligible under local cost financing, goods are subject to the following specific requirements:

(1) *Indigenous goods.* Goods which have been mined, grown, or produced in the Cooperating Country through manufacture, processing, or assembly are eligible for local cost financing under this grant. Goods produced with imported components must result in a commercially recognized new commodity that is substantially different in basic characteristics or in purpose or utility from its components in order to qualify as indigenous; such goods may not contain components from any nonfree world country.

(2) *Imported shelf items.* Imported shelf items are goods that are normally imported and kept in stock, in the form in which imported, for sale to meet a general demand in the country for the item; they are not goods which have been specifically imported for use in an AID-financed project.

(i) Shelf items are eligible for local cost financing in unlimited quantities up to the total amount available for local cost financing if they have their source in the Cooperating Country and their origin in a country included in AID Geographic Code 941.

(ii) Shelf items having their origin in any country included in Code 899 but not in Code 941 are eligible if the price of one unit does not exceed \$5,000. For goods sold by units of quantity; e.g., tons, barrels, etc., the unit to which the local currency equivalent of \$5,000 is applied is that which is customarily used in quoting prices. The total amount of imported shelf item purchases from countries included in Code 899 but not in Code 941 may not exceed \$25,000 or 10% of the total local costs financed by AID for the project whichever is higher; however, in no case may the total amount of such purchases exceed \$250,000 without first obtaining a specific geographic source waiver.

(3) *Goods imported specifically for the project.* Goods imported specifically for the project being implemented by this grant are not eligible for local cost financing; they are subject to the requirements of the provision entitled "Procurement of Goods and Services over \$250,000."

## 12. GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY

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

The policies and procedures of Handbook 16, "Excess Property," and the appropriate provisions

of 41 CFR 101-43 apply to the Government furnished excess property under this grant.

## 13A. TITLE TO AND USE OF PROPERTY (GRANTEE TITLE)

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

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

(a) The Grantee shall not charge for any depreciation, amortization, or use of any property, title to which remains in the Grantee under this provision under this grant or any other U.S. Government grant, subgrant, contract or subcontract.

(b) The Grantee agrees to use and maintain the property for the purpose of the grant in accordance with the requirements of paragraph 1T of Chapter 1, Handbook 13.

(c) With respect to nonexpendable property having an acquisition cost of \$1,000 or more, title to which vests in the Grantee, the Grantee agrees:

(1) To report such items to the Grant Officer from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.

(2) To transfer title to any such items to the Government in accordance with any written request therefore issued by the Grant Officer at any time prior to final payment under this grant.

## 13B. TITLE TO AND CARE OF PROPERTY (U.S. GOVERNMENT TITLE)

(This provision is applicable when title to property is vested in the U.S. Government)

(a) Property, title to which vests in the Government under this grant, whether furnished by the Government or acquired by the Grantee, is subject to this provision and is hereinafter collectively referred to as "Government property." Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty.

(b) *Use of Government Property*

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

(c) *Control, Maintenance and Repair of Government Property*

The Grantee shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this grant. The Grantee shall take all reasonable steps to comply with all appropriate directions or instructions which the Grant Officer may prescribe as reasonably necessary for the protection of the Government property.

The Grantee shall submit, for review and written approval of the Grant Officer, a records systems for property control and a program for orderly maintenance of Government property; however, if the Grantee's property control and maintenance system has been reviewed and approved by another Federal department or agency pursuant to Attachment N of OMB Circular No. A-110 (see paragraph 1T of Chapter 1 Handbook 13), the Grantee shall furnish the Grant Officer proof of such approval in lieu of another approval submission.

(1) *Property Control*

The property control system shall include but not be limited to the following:

(A) Identification of each item of Government property acquired or furnished under the grant by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of U.S. Government."

(B) The price of each item of property acquired or furnished under the grant.

(C) The location of each item of property acquired or furnished under the grant.

(D) A record of any usable components which are permanently removed from items of Government property as a result of modification or otherwise.

(E) A record of disposition of each item acquired or furnished under the grant.

(F) Date of order and receipt of any item acquired or furnished under the grant.

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

(2) *Maintenance Program*

The Grantee's maintenance program shall be such as to provide for, consistent with sound business practice and the terms of the Grant:

(i) disclosure of need for and the performance of preventive maintenance,

(ii) disclosure and reporting of need for capital type rehabilitation, and

(iii) recording of work accomplished under the program.

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

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

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

(d) *Risk of Loss*

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

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

(ii) Which results from a failure on the part of the Grantee, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above,

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of Government property as required by (i) above or (E) to take all reasonable steps to comply with any appropriate written directions of the Grant Officer under (c) above;

(iii) For which the Grantee is otherwise responsible under the express terms of the article or articles designated in the Schedule of this grant.

(iv) Which results from a risk expressly required to be insured under some other provision of this grant, but only to the extent of the insurance so required to be procured and maintained, or to the ex-

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tent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the Grantee is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

Provided, that, if more than one of the above exceptions shall be applicable in any case, the Grantee's liability under any one exception shall not be limited by any other exception.

(2) The Grantee shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the Grantee to carry such insurance under any other provision of this grant.

(3) Upon the happening of loss or destruction of or damage to the Government property, the Grantee shall notify the Grant Officer thereof, shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Grant Officer a statement of:

(i) The lost, destroyed, and damaged Government property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the Government property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

The Grantee shall make repairs and renovations of the damaged Government property or take such other action as the Grant Officer directs.

(4) In the event the Grantee is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, it shall use the proceeds to repair, renovate or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the grant, or shall otherwise reimburse the Government, as directed by the Grant Officer. The Grantee shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the Grant Officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suit and the execution of instruments of assignments in favor of the Government) in obtaining recovery.

(e) Access

The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.

(f) *Final Accounting and Disposition of Government Property*

Upon completion of this grant, or at such earlier dates as may be fixed by the Grant Officer, the Grantee shall submit, in a form acceptable to the Grant Officer, inventory schedules covering all items of Government property not consumed in the performance of this grant or not theretofore delivered to the Government, and shall prepare, deliver, or make such other disposal of the Government property as may be directed or authorized by the Grant Officer.

(g) *Communications*

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

### 13C. TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE)

(This provision is applicable to property titled in the name of the Cooperating Country or such public or private agency as the cooperating government may designate)

(a) Except as modified by the Schedule of this grant, title to all equipment, materials and supplies, the cost of which is reimbursed to the Grantee by AID or by the Cooperating Government, shall at all times be in the name of the Cooperating Government or such public or private agency as the Cooperating Government may designate, unless title to specified types or classes of equipment is reserved to AID under provisions set forth in the Schedule of this grant; but all such property shall be under the custody and control of Grantee until the owner of title directs otherwise or completion of work under this grant or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.

(b) The Grantee shall prepare and establish a program, to be approved by the Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The Grantee shall be guided by the requirements of paragraph 1T of Chapter 1, of Handbook 13.

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

#### 14. CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY

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

#### 15. TERMINATION

(a) *For cause.* This grant may be terminated for cause at any time, in whole or in part, by the Grant Officer upon written notice to the Grantee, whenever it is determined that the Grantee has failed to comply with the conditions of the grant.

(b) *For Convenience.* This grant may be terminated for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the grant would not produce beneficial results commensurate with the further expenditure of funds. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the Grant Officer to the Grantee.

(c) *Termination Procedures.* Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the Grantee shall forthwith take immediate action to minimize all expenditures and obligations financed by this grant, and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination, and the Grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended portions of funds theretofore paid by the Government to the Grantee which are not otherwise

obligated by a legally binding transaction applicable to this grant. Should the funds paid by the Government to the Grantee prior to effective date of the termination of this grant, be insufficient to cover the Grantee's obligations pursuant to the aforementioned legally binding transaction, the Grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations, and, subject to the limitations contained in this grant, the Grant Officer shall determine the amount or amounts to be paid by the Government to the Grantee under such claim in accordance with the applicable Federal cost principles.

#### 16. VOLUNTARY PARTICIPATION

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

(a) The Grantee agrees to take any steps necessary to ensure that funds made available under this grant will not be used to coerce any individual to practice methods of family planning inconsistent with such individuals' moral, philosophical, or religious beliefs. Further, the Grantee agrees to conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.

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

#### 17. PROHIBITION ON ABORTION-RELATED ACTIVITIES

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

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

(b) The Grantee shall insert paragraphs (a) and (b) of this provision in all subgrants, subcontracts, pur-

chase orders, and any other subordinate agreements hereunder.

### **18. VOLUNTARY PARTICIPATION REQUIREMENTS FOR STERILIZATION PROGRAMS**

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

(a) None of the funds made available under this grant shall be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to practice sterilization.

(b) The Grantee shall insure that any surgical sterilization procedures supported in whole or in part by funds from this grant are performed only after the individual has voluntarily presented himself or herself at the treatment facility and has given his or her informed consent to the sterilization procedure. Informed consent means the voluntary, knowing assent from the individual after he or she has been advised of the surgical procedures to be followed, the attendant discomforts and risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and his or her option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress, or other forms of coercion or misrepresentation.

(c) Further, the Grantee shall document the patient's informed consent by (1) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (2) when a patient is unable to read adequately a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of the oral explanation shall be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall be of the same sex and speak the same language as the patient.

(d) Copies of informed consent forms and certification documents for each voluntary sterilization

(VS) procedure must be retained by the Grantee for a period of three years after performance of the sterilization procedure.

(e) The Grantee shall insert paragraphs (a), (b), (c), (d) and (e) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder involving the performance of any sterilization which will be supported in whole or in part from funds under this grant.

### **19. PUBLICATIONS**

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

(a) If it is the Grantee's intention to identify AID's contribution to any publication resulting from this grant, the Grantee shall consult with AID on the nature of the acknowledgement prior to publication.

(b) The Grantee shall provide the Project Manager with one copy of all published works developed under the grant. The Grantee shall provide the Project Manager with lists of other written work produced under the grant.

(c) In the event grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the grant.

(d) The Grantee is permitted to secure copyright to any publication produced or composed under the grant in accordance with paragraph 1T8.b. of Chapter 1, Handbook 13. Provided, the Grantee agrees to and does hereby grant to the Government a royalty-free, nonexclusive, and irrevocable license throughout the world to use, duplicate, disclose, or dispose of such publications in any manner and for any purpose and to permit others to do so.

### **20. PATENTS**

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

(a) Grantee agrees to notify the Grant Officer, in writing, of any invention or discovery conceived or first actually reduced to practice in the course of or under this grant. The Grant Officer will determine the patent rights to be afforded the Grantee in accordance with the Presidential Memorandum and Statement of Government Patent Policy (36 FR 16889) and paragraph 1T8.a. of Chapter 1, Handbook 13.

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

other right otherwise granted to the Government under any patent.

## 21. REGULATIONS GOVERNING EMPLOYEES OUTSIDE THE UNITED STATES

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

(a) The Grantee's employees, when employed in work overseas, shall maintain private status and may not rely on local U.S. Government Offices or facilities for support while so engaged.

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

(c) Other than work to be performed under this grant for which an employee or consultant is assigned by the Grantee, no regular or short term employee or consultant of the Grantee shall engage directly or indirectly, either in his/her own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which he/she is assigned, nor shall he/she make loans or investments to or in any business, profession or occupation in the foreign countries to which he/she is assigned.

(d) The Grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.

(e) In the event the conduct of any Grantee employee is not in accordance with the preceding paragraphs, the Grantee's chief of party shall consult with the Mission Director and the employee involved and shall recommend to the Grantee a course of action with regard to such employee.

(f) The parties recognize the right of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this grant of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.

(g) If it is determined, under either (e) or (f) above, that the services of such employee shall be terminated, the Grantee shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

## 22. SUBORDINATE AGREEMENTS

(a) The placement of subordinate agreements (i.e., grants or contracts) with other organizations, firms or institutions, and the provisions of such subordinate agreements are subject to prior written consent of the Grant Officer unless such subordinate agreements were identified in the approved Financial Plan, in accordance with paragraph (b)(7) of the Standard Provision of this grant entitled "Revision of Financial Plans."

(b) The use of the Standard Provisions of this grant is mandatory for subgrants to U.S. institutions. For subgrants to foreign institutions the Grantee shall use the Standard Provisions set forth in Appendix 4D of Handbook 13.

(c) Contracts awarded with funds provided by the grant shall be undertaken in accordance with the requirements of the Standard Provision of this grant entitled "Procurement of Goods and Services over \$250,000" or "Procurement of Goods and Services under \$250,000" (whichever is applicable), and paragraph 1U3 of Handbook 13. Contracts awarded with funds provided by this grant to U.S. organizations shall set forth the provisions of paragraph 1U4 of Handbook 13. Paragraph 1U4 does not apply to foreign organizations.

## 23. SALARIES

All salaries, wages, fees, and stipends, which will be reimbursable by AID under this grant, shall be in accordance with both the Grantee's usual policy and practice and the applicable cost principles. To the extent that the Grantee's policy and practice conflict with the applicable cost principles, the latter shall prevail.

## 24. INELIGIBLE COUNTRIES

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

## 25. DISPUTES

(a) Any dispute arising under this grant, which is not disposed of by agreement, shall be decided by the AID Grant Officer who shall reduce his/her decision to writing and mail or otherwise furnish a copy thereof to the Grantee.

(b) Decisions of the AID Grant Officer shall be final and conclusive unless, within 30 days of receipt:

of the decision of the Grant Officer, the Grantee appeals the decision to the Administrator, AID. Any appeal made under this provision shall be in writing and addressed to the Administrator, Agency for International Development, Washington, D.C. 20523; a copy of any such appeal shall be concurrently furnished to the Grant Officer.

(c) In connection with any appeal proceeding under this provision, the Grantee shall be afforded an opportunity to be heard and to offer evidence in support of its appeal.

(d) A decision under this provision by the Administrator or his duly authorized representative shall be final and conclusive, unless determined by a court of competent jurisdiction to be fraudulent, capricious, arbitrary, an abuse of discretion, or based on clearly erroneous findings of facts or conclusions of law.

## 26. PARTICIPANT TRAINING

(This provision is applicable if AID funds provided hereunder will be used to finance participant training)

### (a) Definitions

(1) Participant training is the training of any foreign national outside of his or her home country, using AID funds.

(2) A participant is any foreign national being trained under this grant outside of his or her home country.

### (b) Applicable regulations

Participant training is to be conducted according to the policies established in AID Handbook 10—Participant Training, except to the extent that specific exceptions to AID Handbook 10 have been provided in this grant (Handbook 10 may be obtained by submitting a request to the Office of International Training, at the address specified in paragraph (c) below).

### (c) Reporting requirement

Once each month the Grantee shall submit three copies of Form AID 1380-9, "Monthly Report of Participants Under Grant, Loan, or Contract Programs," to the Office of International Training, Bureau for Science and Technology (S&T/IT), AID/Washington, D.C. 20523.

## 27. HEALTH AND ACCIDENT COVERAGE FOR AID PARTICIPANT TRAINEES

(This provision is applicable if AID funds provided hereunder will be used to finance the training of non-U.S. participants in the United States)

(a) The Grantee shall enroll all non-U.S. participants (hereinafter referred to as "participants"), whose training in the United States is financed by AID under this grant, in the Agency for International Development's Health and Accident Coverage (HAC) program.

(b) The Grantee shall, prior to the initiation of travel by each participant financed by AID under this grant, fill out and mail to AID a self-addressed, postage prepaid, HAC Program Participant Enrollment Card (form AID 1380-98). The Grantee can obtain a supply of these cards and instructions for completing them from the Office of International Training, AID/Washington, D.C. 20523.

(c) The Grantee shall assure that enrollment shall begin immediately upon the participant's departure for the United States for the purpose of participating in a training program financed by AID and that enrollment shall continue in full force and effect until the participant returns to his/her country of origin, or is released from AID's responsibility, whichever is the sooner. The Grantee shall continue enrollment coverage for participants whose departure is delayed due to medical or other compelling reasons, with the written concurrence of the AID Project Manager and subject to the requirements of paragraph (d).

(d) The Grantee shall submit the HAC Program Participant Enrollment Card to AID, as specified in paragraph (b), above, to enable the participant(s), or the provider of medical services, to submit bills for medical costs resulting from illness or accident to the HAC Administrator, Trust Fund Administrators, Inc., 1030 15th Street, NW, Suite 500, Washington, D.C. 20005. The HAC Administrator, not the Grantee, shall be responsible for paying all reasonable and necessary medical charges, not otherwise covered by student health service or other insurance programs (see paragraphs (e) and (f)), subject to the availability of funds for such purposes, in accordance with the standards of coverage established by AID under the HAC program, and subject to the payment of the fee specified in paragraph (d) (1), below.

(1) Within thirty (30) days after enrollment, the Grantee shall send an enrollment fee computed on the basis of the fixed rate per participant per month\* (the minimum period for calculation of fee is one month—that is, one participant month, 30 days, not one calendar month—premiums may not be prorated for fractional periods of less than 30 days), to: Agency for International Development, Office of

\*The rate is \$25.00 per participant-month for Fiscal Year 1982.

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Financial Management, Program Accounting Division, Nonproject Assistance, Washington, D.C. 20523.

The enrollment fee should cover a minimum period of up to one year or the current training period for which funds are obligated under this grant, whichever is less. As applicable, payments for additional periods of enrollment shall be made 30 days prior to the beginning of each new enrollment period or new period of funding of this grant (the monthly enrollment fee for succeeding fiscal years may be obtained by calling the AID Office of International Training). All such fee payments shall be made by check, payable to the "Agency for International Development (HAC)." If payments are not made within 30 days, a late payment charge shall apply at a percentage rate based on the current value of funds to the Treasury for each 30-day period; the full charge shall also be applicable to periods of less than 30 days. The percentage rate will be calculated by the Treasury as an average of the current value of funds to the Treasury for a recent three-month period and will be transmitted to AID in TFRM Bulletins.

The late payment charge shall be applied to any portion of the fees in arrears and be remitted together with the fees as a separately identified item on the covering memorandum.

(2) Whenever possible, fee payments for groups of several participants entering the HAC Program within the 30-day reporting period shall be consolidated and covered by a single check. Participants covered by the fee payment shall be listed individually in the covering letter, identifying each participant (the name reported must be identical to that on the HAC enrollment card), showing period of enrollment (or period of coverage for which payment is remitted if this is different from the enrollment period), fee amount paid, grant number, and U.S. Government appropriation number (as shown under the "Fiscal Data" section of the grant cover letter.)

(e) The Grantee, to the extent that it is an educational institution with a student health service program, shall also enroll all participants in their institution's student health service program. Medical costs which are covered under the institution's student health service shall not be eligible for payment under AID's HAC program. The Grantee shall provide the HAC Administrator with a copy of information showing what medical costs are covered by the institution's student health service program; medical costs that are not covered by the institution's student health service program shall be submitted to the HAC Administrator.

(f) If the Grantee has a mandatory, nonwaivable health and accident insurance program for students, the costs of such insurance will be allowable under this grant. Any claims eligible under such insurance will not be payable under AID's HAC plan or under this grant. Even though the participant is covered by the Grantee's mandatory, nonwaivable health and accident insurance program, the participant MUST be enrolled in AID's more comprehensive HAC program, and HAC payments MUST be made to AID as provided above. In addition, a copy of the mandatory insurance policy must be forwarded to the HAC Administrator.

(g) Any payments for medical costs not covered by the Grantee's student health service program, or mandatory, nonwaivable health and accident insurance program, or AID's HAC program shall be reimbursable under this grant only with specific written approval of the Grant Officer and subject to the availability of funds.

(h) The HAC Administrator, for the period February 1, 1980 through January 31, 1983, is:

Trust Fund Administrators, Inc.  
1030 15th Street, NW, Suite 500  
Washington, D.C. 20005.

## 28. USE OF POUCH FACILITIES

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for AID Grantees and their employees as a general policy, as detailed in items (1) through (7) below; however, the final decision regarding use of pouch facilities rests with the Embassy or AID Mission. In consideration of the use of pouch facilities as hereinafter stated, the Grantee and its employees agree to indemnify and hold harmless the Department of State and AID for loss or damage occurring in pouch transmission.

(1) Grantees and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of two pounds per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of one pound per shipment (but see (a)(3) below).

(3) Merchandise, parcels, magazines, or newspapers, are not considered to be personal mail for purposes of this clause, and are not authorized to be sent or received by pouch.

(4) Official mail pursuant to (a)(1) above, sent by pouch should be addressed as follows:

WJK

Name of individual or organization  
(followed by letter symbol "C")  
Name of post (USAID/\_\_\_\_\_)  
Agency for International Development  
Washington, D.C. 20523

(5) Personal mail pursuant to (a)(2) above should be to the address specified in (a)(4) above, but without the name of the organization.

(6) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.

(7) AID Grantee personnel are *not* authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide. Posts having access to APO/FPO facilities and using such for diplomatic pouch dispatch may, however, accept official mail from Grantees and letter mail from their employees for the pouch, provided of course, adequate postage is affixed.

(b) The Grantee shall be responsible for advising its employees of this authorization and these guidelines and limitations on use of pouch facilities.

(c) Specific additional guidance on Grantee use of pouch facilities in accordance with this clause is available from the Post Communication Center at the Embassy or AID Mission.

### 29. U.S. OFFICIALS NOT TO BENEFIT

No member of or delegate to the U.S. Congress or resident U.S. Commissioner shall be admitted to any share or part of this grant or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this grant if made with a corporation for its general benefit.

### 30. 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 con-

tingent fee except bona fide employees or bona fide established commercial or selling agencies maintained by the Grantee for the purpose of securing business. For breach or violation of this warranty, AID shall have the right to cancel this grant without liability or, in its discretion, to deduct from the grant amount, or otherwise recover, the full amount of each commission, percentage, brokerage, or contingent fee.

### 31. NONLIABILITY

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

### 32. AMENDMENT

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

### 33. THE GRANT

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

### 34. NOTICES

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

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

To Grantee, at Grantee's address shown in the grant,

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

FOOTNOTE: When the Standard Provisions are used for Cooperative Agreements, the following terms apply:

"Grantee" means "Recipient,"

"Grant" means "Cooperative Agreement,"

"AID Grant Officer" means "AID Agreement Officer,"

"Subgrant" means "Subcooperative Agreement," and

"Subgrantee" means "Subrecipient."

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 therefor:

"(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 therefor:

\*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)(2), (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."

(9) Payment - Letter of Credit (AUGUST 1984)

(This provision is applicable only when the following conditions are met: (i) the total advances under all the grantee's cost-reimbursement contracts and assistance instruments with AID exceed \$120,000 per annum, (ii) AID has, or expects to have, a continuing relationship with the grantee for at least one year; (iii) the grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof; (iv) the grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this grant, entitled "Accounting, Audit, and Records" and, either (v) the foreign currency portion of the total advance under this grant is less than 50% or (vi) the foreign currency portion of the total advance under this grant is more than 50% but more than one foreign currency country is involved.)

(a) Payment under this grant shall be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by AID's Office of Financial Management, Program Accounting and Finance Division (M/FM/PAFD).

(b) As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/FM/PAFD constitute payment conditions of this grant, superseding and taking precedence over any other provision of this grant concerning payment.

(c) Reporting:

(1) A "Financial Status Report" SF-269, shall be prepared on an accrual basis and submitted quarterly no later than 30 days after the end of the period, in an original and two copies to AID/M/FM/PAFD, Washington, D.C. 20523. If the grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand. The final report must be submitted within 90 days after the conclusion of the grant to M/FM/PAFD. In cases where grants are Mission funded, the Grantee will forward an information copy to the AID Mission accounting station at the same time the original and one copy are mailed to M/FM/PAFD, AID/Washington.

(2) The grantee shall submit an original and one copy of SF-272, "Federal Cash Transactions Report," within 15 working days following the end of each quarter to M/FM/PAPD. Grantees receiving advances totaling more than \$1 million per year shall submit the SF-272 on a monthly basis within 15 working days following the close of the month. Grantees shall report all cash advances in the Remarks section of SF-272. Those cash advances in excess of immediate disbursement requirements in the hands of subrecipients or the grantee's field organizations shall be supported by short narrative explanations of action taken by the grantee to reduce the excess balances.

(d) Revocation of the LOC is at the discretion of the authorized LOC certifying officer of M/FM/PAPD after consultation with the grant officer. Notification of revocation must be in writing and must specify the reason for revocation. FM/PAPD shall provide the grant officer a copy of the revocation notice and a recommendation for an alternative method of payment (periodic advance or cost reimbursement) based upon the reasons for the revocation. The grant officer shall immediately amend this agreement to provide for an appropriate alternative method of payment. The recipient may appeal any such revocation to the grant officer.

AID 1350-1  
(10-79)

UNITED STATES INTERNATIONAL  
DEVELOPMENT COOPERATION AGENCY  
AGENCY FOR  
INTERNATIONAL DEVELOPMENT

PIO/T

PROJECT IMPLEMENTATION  
ORDER/TECHNICAL  
SERVICES

1. Cooperating Country  
N/A

2. PIO/T No.  
344-0706

3.  Original or  
Amendment No. \_\_\_\_\_

4. Project/Activity No. and Title  
Investment Packaging (G) 940-0002  
Training/Entrepreneurship Development  
940-0002-38

Page 1 of Pages

DISTRIBUTION

5. Appropriation Symbol  
72-1141021.6

6. Allotment Symbol and Charge  
(446-34-099-00-69-41) PDAA 34-13450-DG-11

7. Obligation Status  
 Administrative Reservation  Implementing Document

8. Project Assistance Completion Date  
(Mo., Day, Yr.)  
12/31/85

9. Authorized Agent  
SER/CM

10. This PIO/T is in full conformance with PRO/AG  
Date \_\_\_\_\_

11a. Type of Action and Governing AID Handbook  
 AID Contract (HB 14)  PASA/RSSA (HB 12)  AID Grant (HB 13)  Other

11b. Contract/Grant/PASA/RSSA  
Reference Number (if this is an  
Amendment)

12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. \_\_\_\_\_)

Maximum AID Financing	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
		-0-	150,000		
	B. U.S.-Owned Local Currency				

13. Mission References

14a. Instructions to Authorized Agent

SER/CM is requested to make a grant to the J.K. Keillogg Graduated School of Management of Northwestern University for the purposes outlined in the attached scope.

14b. Address of Voucher Paying Office

FM/PAD

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

A. The project officer certifies that the specifications in the statement of work are technically adequate	Phone No.	B. The statement of work lies within the purview of the initiating and approved agency programs	Date
B. Bouchard, FRE/HR		C.S. Gormly	6/27/84
C. J. Gold, FRE/HR	Date	D. Funds for the services requested are available	
	6/25/84	R. Hemphill	
E. G. Horner, FRE/ADM	Date	Barbara Williams	
	7/10/84	M/FM/PAD	
		POSTED	7/6/84

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to

Signature \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

17. For the Agency for International Development

Signature E.C. Jarrell Date 7/15/84

Title A-FA/IRE