



PD-ABQ-161
96522
United States Agency for International Development

Local USAID/Moscow
Address: 19/23 Novinsky Bulvar
Moscow 121099, Russia

U.S. Mailing USAID/Moscow
Address: PSC 77
APO, AE 09721

September 29, 1997

Mr. Daniel C. Matuszewski
President
International Research & Exchanges Board
1616 H Street, N.W.
Washington, D.C. 20006

Subject: Cooperative Agreement Number 118-A-00-97-00282-00

Dear Mr. Matuszewski:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (hereinafter referred to as "USAID" or "Grantor") hereby awards to International Research & Exchanges Board (herein after referred to as "Recipient", "Grantee" or "IREX"), the sum of \$5,250,000 to provide support for a program in Russia as described in the Schedule of this agreement and the Attachment 2, entitled "Program Description."

This agreement is effective and an obligation of \$2,250,000 is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning from September 29, 1997 and ending September 28, 2000. USAID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

This Cooperative Agreement is made to the Recipient, on condition that the funds will be administered in accordance with the terms and conditions as set forth in 22 CFR 226, entitled "Administration of Assistance Awards to U.S. Non-Governmental Organizations"; Attachment 1, entitled "Schedule"; Attachment 2, entitled "Program Description"; and Attachment 3, entitled "Standard Provisions."

Please sign the original and each copy of this letter to acknowledge your receipt of the Cooperative Agreement, and return the original and all but one copy to the Agreement Officer.

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Sincerely,



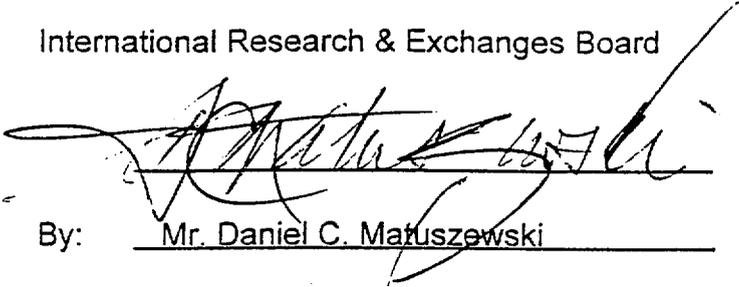
Orron Yeandel
Agreement Officer

Attachments:

- 1. Schedule
- 2. Program Description
- 3. Standard Provisions

ACKNOWLEDGED:

International Research & Exchanges Board



By: Mr. Daniel C. Matuszewski

Title: President

Date: 20 SEP 1997

FISCAL DATA

A. GENERAL

- 1. Total Estimated USAID Amount: \$5,250,000
- 2. Total Obligated USAID Amount: \$2,250,000
- 3. USAID Project Office: USAID/RUSSIA/DIHR
- 5. IRS I.D. Number: 22-3087809
- 6. CEC I.D. Number: 79805594D
- 7. LOC Number: 72-00-1804

B. SPECIFIC

- 1. MAARD Number: 118-0007-97-0078
- 2. Solicitation Number: USAID/Russia 97-03
- 3. Account No.: WNI95XX WNI 97/98
- 4. Amount: \$1,000,000 \$1,250,000
- 5. RCN: R707030 R707031
- 6. BPC: WNIX9722118KG13 WNI79722118KG13
- 7. Funding Source: USAID/Russia USAID/Russia

SCHEDULE

A. Purpose of Agreement

The purpose of this Cooperative Agreement is to provide support for the Recipient's program in Russia described in Attachment 2 to this Agreement.

B. Period of Agreement

1. The effective date of this Agreement is September 29, 1997 and the estimated completion date of this Agreement is September 28, 2000.
2. Funds obligated hereunder are available for program expenditures for the estimated period September 27, 1997 to December 15, 1998 as shown in the Agreement budget below.

C. Amount of Award and Payment

1. The total estimated amount of this Award for the period shown in B.1 above is \$5,250,000.
2. USAID hereby obligates the amount of \$2,250,000 for program expenditures during the period set forth in B.2. above and as shown in the Budget below.
3. Payment shall be made to the Recipient in accordance with procedures set forth in 22 CFR 226.22 (c) (1) entitled "Advance payment" (Letter of Credit).

D. Budget

The following is the Agreement Budget, including local cost financing items, if authorized. Revisions to this budget shall be made in accordance with 22 CFR 226.25.

<u>Cost Element</u>	<u>Total From 4/15/97 to 4/14/99</u>
Direct Labor	\$ 449,078
Fringe Benefits	129,741
Supplies and Equipment	31,400
Travel and Per Diem	129,650
Other Direct Costs	353,559
Other Program Costs	141,540
Indirect Costs @ 48%	462,613
Sub Grants	<u>3,552,419</u>
Total	\$5,250,000

E. Reporting and Evaluation

1. Financial Reporting

The Recipient shall submit an original and two copies of the Financial Status Report (SF-269) every six months. The Report will be submitted as an attachment to the progress report and separately to the voucher paying office:

Controller
Office of Financial Management, USAID
American Embassy Moscow
PSC 77 USAID, APO AE 09721

Financial Reports shall be in keeping with 22 CFR 226.52.

2. Program Reporting

The Recipient shall submit an original and one copy of a performance report every six months to Mr. William Hammink, American Embassy, USAID/Russia PSC 77, APO AE 09721 and one copy to USAID, CDIE/DI, Washington, DC 20523-1802. Program Reports shall include the information requested in 22 CFR 226.51. Performance reports should include, but not be limited to, planned activities and goals to be undertaken and accomplished; comparison of actual accomplishments with established goals; reasons why goals were not met; significant events which have had an impact on the program; other pertinent information; and a final report.

F. Substantial Involvement Understanding

USAID/Russia's substantial involvement in the program will encompass the following:

1. Approval of the final solicitation documents for sub-grants.

2. Final selection of the partnership proposals to receive USAID funding. USAID review is expected to take no more than 30 days.
3. Approval of annual workplans for the Recipient.

Recipient Reporting and Evaluation

The Recipient will require the SPAN partnerships to provide trip reports and quarterly, annual, and final program and financial reports. The program reports will review recent activities, work plan progress, project impact, lessons learned, plans for sustainability, partner relations, and evaluation results. On a quarterly basis, partners will also be required to provide the Recipient with copies of any materials developed with SPAN funds.

Based on these reports and the Recipient's own first-hand observations of events, the Recipient will provide the following documents to USAID:

Annual work plan: The Recipient will submit to USAID/Russia an annual work plan outlining yearly travel and project activities such as grant competitions, workshops, and site visits.

Site visit reports: After conducting a site visit, the Recipient will submit to USAID a detailed report including observations of program implementation, comments on partnership progress including partnership relationships, progress towards sustainability, and public information efforts.

Quarterly program and financial reports: The quarterly program reports will include status reports on the partnerships, updates on information dissemination, and the Recipient travel calendars. These reports shall briefly, but in detail, present the following information:

- (a) Planned activities and goals to be undertaken and accomplished during the following quarter;
- (b) A comparison of actual accomplishments with the goals established for the previous reporting period;
- (c) Other pertinent information including the status of finances and expenditures and, when appropriate, analysis and explanation of cost overruns or higher unit costs;
- (d) Reasons why established goals were not met, if applicable.
- (e) Between the required program performance reporting dates, events may occur that have significant impact on IREX programs. In such instances, the Recipient shall inform USAID/DIHR as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions which will prevent the meeting of time schedules and goals, or preclude their attainment. This disclosure shall be accomplished by a

statement of the action taken, or contemplated, or any USAID assistance needed to resolve the situation;

(2) Favorable developments or events that enable time schedules to be met sooner than anticipated or results to be significantly better than originally anticipated.

Annual program and financial reports: The annual program report will include highlights of the year gone by, plans for the upcoming year, status reports on the partnerships, updates on information dissemination, success stories, and evaluation results.

Final program and financial reports: The final report will include a comprehensive survey of the entire project, with a specific focus on the final year and overall lessons learned.

G. Special Provisions

1. Communications Products, The following provision is made part of this Agreement:

"Communications Products (Oct. 1994)

(a) Definition - Communications products are any printed material (other than non-color photocopy material), photographic services or video production services.

(b) Standards - AID has established standards for communications products. These standards must be followed unless otherwise specifically provided in the agreement or approved in writing by the agreement officer. A copy of the standards for AID-financed publications and video productions is attached.

(c) Communications products which meet any of the following criteria are not eligible for AID financing under this agreement unless specifically authorized in the agreement schedule or in writing by the agreement officer:

(1) Any communication products costing over \$25,000, including the costs of both preparation and execution. For example, in the case of a publication, the costs will include research, writing and other editorial services (including any associated overhead), design, layout and production costs.

(2) Any communication products that will be sent directly to, or is likely to be seen by, a Member of Congress or Congressional staffer.

(3) Any publication that will have more than 50 percent of its copies distributed in the United States (excluding copies provided to CDIE and other AID/W offices for internal use)."

2. USAID ELIGIBILITY RULES FOR GOODS AND SERVICES, the following provision is made part of this agreement.

“USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (MARCH 1997)

(a) Ineligible and Restricted Goods and Services: If USAID determines that the recipient has procured any of the restricted or ineligible goods and services specified below, or has procured goods and services from unauthorized sources, and has received reimbursement for such purpose without the prior written authorization of the Agreement Officer, the recipient agrees to refund to USAID the entire amount of the reimbursement. USAID's policy on ineligible and restricted goods and services is contained in ADS Chapter 312.

(1) Ineligible Goods and Services. Under no circumstances shall the recipient procure any of the following under this award:

- (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.

(2) Ineligible Suppliers. Funds provided under this award shall not be used to procure any goods or services furnished by any firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." USAID will provide the grantee with a copy of these lists upon request.

(3) Restricted Goods. The recipient shall not procure any of the following goods and services without the prior budget approval of the Agreement Officer:

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Rubber compounding chemicals & plasticizers,
- (vi) Used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) Fertilizer.

Prior budget approval will be deemed to have been met when:

(i) the item has been identified and incorporated in the program description or schedule of the award (initial or revisions), or amendments to the award; and

(ii) the costs related to the item are incorporated in the approved budget of the award.

Where the item has not been incorporated into the award as described above, a separate written authorization from the Agreement Officer must be provided before the item is procured.

(b) Source and Nationality: The eligibility rules for goods and services based on source and nationality are divided into two categories. One applies when the total procurement element during the life of the award is over \$250,000, and the other applies when the total procurement element during the life of the award is not over \$250,000, or the award is funded under the Development Fund for Africa (DFA) regardless of the amount. The total procurement element includes procurement of all goods (e.g., equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the Agreement Officer. USAID policies and definitions on source, origin and nationality are contained in 22 CFR Part 228, Rules on Source, Origin and Nationality for Commodities and Services Financed by the Agency for International Development, which is incorporated into this Award in its entirety.

(1) For DFA funded awards or when the total procurement element during the life of this award is valued at \$250,000 or less, the following rules apply:

(I) The authorized source for procurement of all goods and services to be reimbursed under the award is USAID Geographic Code 935, "Special Free World," and such goods and services must meet the source, origin and nationality requirements set forth in 22 CFR Part 228 in accordance with the following order of preference:

- (A) The United States (USAID Geographic Code 000),
- (B) The Cooperating Country,
- (C) "Selected Free World" countries (USAID Geographic Code 941), and
- (D) "Special Free World" countries (USAID Geographic Code 935).

(ii) Application of order of preference: When the recipient procures goods and services from other than U.S. sources, under the order of preference in paragraph (b)(1)(I) above, the recipient 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:

- (A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
- (C) Compelling local political considerations precluded consideration of U.S. sources,
- (D) The goods or services were not available from U.S. sources, or
- (E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the award.

(2) When the total procurement element exceeds \$250,000 (unless funded by DFA), the following applies: Except as may be specifically approved or directed in advance by the Agreement Officer, all goods and services financed with U.S. dollars, which will be reimbursed under this award must meet the source, origin and nationality requirements set forth in 22 CFR Part 228 for the authorized geographic code specified in the schedule of this award. If none is specified, the authorized source is Code 000, the United States.

(c) 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 USAID-financed procurement against any marine insurance company authorized to do business in the U. S., then any USAID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U. S. with a company or companies authorized to do marine insurance business in the U. S.

(d) Ocean and air transportation shall be in accordance with the applicable provisions contained within this award and the provisions of 22 CFR Part 228, Subpart C.

(e) 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 USAID 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) The United States (USAID Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (USAID Geographic Code 941), and
- (4) "Special Free World" countries (USAID Geographic Code 899).

(f) This provision will be included in all subagreements which include procurement of goods or services over \$5,000.

(END OF STANDARD PROVISION)"

H. Indirect Cost Rate

1. Pursuant to the Standard Provision of this Cooperative Agreement entitled "Negotiated Indirect Cost Rates - Provisional", an indirect cost rate or rates shall be established for each of the Recipient's accounting periods which apply to this Cooperative Agreement. Pending establishment of final or revised provisional indirect cost rates, provisional payments on account of allowable

indirect cost shall be made on the basis of the following negotiated provisional rate(s) applied to the base(s) which is (are) set forth below:

Type	Rate	Base
Overhead Rate	48%	A)
Fringe Rate	25%	B)

- (A) Total direct administrative costs.
- (B) Total Salaries and Wages.

I. Title to Property

Title to the property will be vested to the Recipient.

J. Program Income

The Recipient shall account for Program Income in accordance with 22 CFR 226.24. Program Income earned under this award shall be added to funds committed by USAID and the Recipient to the project and used to further eligible project objectives or used to finance the non-Federal share of the project as the Recipient may determine.

K. Approvals

Project Officer approval required by paragraph (a) of Optional Standard Provisions 4 of this Cooperative Agreement entitled "Air Travel and Transportation" is hereby granted for travel.

L. Resolution of Conflicts

Conflicts between any of the Enclosures of this Cooperative Agreement shall be resolved by applying the following descending order of precedence:

- Enclosure 1 - Schedule
- Enclosure 2 - Standard Provisions
- Enclosure 3 - Program Description

M. Authorized Geographic Codes

1. Source, Origin, and Componentary of Goods and Commodities

All goods/commodities shall have source and origin in the United States (Code 000) or Russia (Code 118). Local procurement within Russia will be conducted in accordance with Chapter 18 of

USAID Handbook 1B. All goods must comply with USAID's componentary requirements, except as the Agreement Officer may otherwise agree in writing.

2. Nationality of Goods and Commodities

(a) Suppliers of Goods and Commodities

The suppliers of goods and commodities shall have their nationality in the United States (Code 000) or Russia (Code 118) except as the Agreement Officer may otherwise agree in writing.

(b) Suppliers of Services (Other Than Commodity-Related Services)

The suppliers of services (other than commodity-related services), shall have their nationality in the United States (Code 000) or Russia (Code 118), except as the Agreement Officer may otherwise agree in writing.

ATTACHMENT 2

PROGRAM DESCRIPTION

A. Background

Under the Freedom Support Act of 1992, the USG has provided concrete support to the reform process -- consultants who have shared their knowledge and experience in democracies and competitive market economies, trainers who have added new skills to Russians' own expertise, financial support for specific activities which have accelerated the reform process, opportunities for Russians and Americans to engage in discussion, debate, and innovative activities.

As the political and economic transitions in Russia move into a new phase of U.S.-Russian cooperation in which the nascent structures, systems, and relationships mature, the nature of USG support for these transitions is also changing. USG support will focus on sustaining effective bilateral connections which have already been made. Through these connections, the reforms introduced will be consolidated, institutionalized, and fully endorsed by the Russian people. The USG goal is mutually beneficial, normal bilateral relations between two strong, solidly democratic nations who compete in the international marketplace.

The USG will transition out of its first phase under the Freedom Support Act program in Russia by 1998. The next phase, or Partnership for Freedom program, will change the nature of the U.S. engagement with Russia, focusing on trade and investment, long-term cooperative activities, partnerships and linkages which will bridge US-Russian relationships into the next century.

Today in Russia, hundreds of American and Russian organizations are working together in partnership to address many of the issues facing Russia as it pursues the simultaneous creation of a democratic society and a competitive market economy. Just over 100 of these partnerships received funding from the U.S. Government's Freedom Support Act assistance program for the NIS through USAID between 1994 and 1996.

The partnerships cover all areas of USAID's development portfolio: agriculture, business, energy, housing, civic initiatives, legal reform, media development, health, and the environment. Health partnerships are the most numerous; the agribusiness partnerships have involved the greatest amounts of money. USAID has obligated more than \$111 million to partnership activities since the beginning of the Russia program in 1992. The USAID-funded partnership grants ranged in size from less than \$50,000 annually to over \$1 million annually.

USAID's general expectations were that the partnership activities would tap into the best of

American and Russian expertise and goodwill and solve mutual problems as well as unilateral ones associated with the country's economic and political transitions. Our general assessment indicates that our expectations were met. Through the partnership programs, it was possible to respond to a wide variety of immediate community needs and to encourage the rapid growth of Russians' own abilities to play a greater role in the social sector and economy than had been possible before. Second, by targeting partnership grants to organizations involved in addressing social problems -- health in particular -- USAID was able to play a small role in ensuring that the difficulties faced by Russians as the decades long decay of social services exacerbated by the transition were in some way mitigated. Third, the partnership approach ensured transfer of relevant American know-how and practices while building US-Russian relationships.

Now USAID will proactively contribute to the Partnership for Freedom objectives, building upon the experience in expanding existing partnerships between American and Russian organizations, facilitating personal contacts between Russian and American professionals, and encouraging communications between Russians and Americans.

B. Cooperative Agreement Objective

The objective of this agreement is to establish a framework for the implementation and oversight of the Sustaining Partnerships into the Next Century (SPAN) Program.

C. Program Purpose

This is an umbrella program of partnership grants to support, deepen and expand existing partnership programs between Russian and US organizations in USAID/Russia key priority areas. The partnership objective will not be sustainability per se, but the assumption is that if the US helps expand and deepen an on-going relationship, it is more likely to be sustainable over time.

Although some US-Russian partnerships supported by USAID are sustainable, our experience indicates that the majority of joint programs between Russian and American organizations are not likely, yet, to be sustained even when those organizations have had a successful joint activity which has in some way contributed to the growth of democratic and economic reforms. Financial constraints on the Russian side are still very tight; American organizations have found private fund-raising to support activities in Russia to be more difficult than anticipated. Even though there is a will to maintain relationships and activities, there may not be a way.

The program purpose is to provide funding to sustain partnerships and exchanges between Russian and American organizations for the next three years -- and into the next century. By the end of the program, it is assumed that the financial situation of the organizations involved will have improved enough to permit the relationships to be sustained without USAID assistance. At the very least, this program will have maintained partnership relationships and increased the best creative and

innovative programs between US and Russian organizations leading the transition.

The SPAN program is one of a number of USAID mechanisms to support partnership and exchange programs. It is a flexible umbrella program to fund small, targeted, and innovative activities between US and Russian partners across all key priority sectors of USAID. Under the SPAN program, USAID strategic objective teams will proactively seek and encourage key US and Russian existing partnerships in USAID strategic sectors to submit proposals to ensure closer linkages with USAID's existing partners and development objectives.

The target sectors are: Civil Society, Rule of Law, Tax Reform, Financial Sector, Business Development, Energy, Environment, and Health. Since funds are limited, SPAN will only support existing partnership relationships and will not be used to help start new partnerships. However, it is important to note that the SPAN program will be open for all existing US-Russian partnership relationships, whether funded by USAID, other donors or local resources. Prior USAID funding is not a prerequisite.

D. Program Overview

SPAN will identify and support successful Russian-American partnerships which have innovative ideas that can contribute to achievement of the following USAID/Russia strategic objectives:

- SO 1.2. Tax system reformed to correspond to a de-centralized market economy
- SO 1.3. Accelerated development and growth of private enterprises
- SO 1.4. A robust and market-supportive financial sector
- SO 2.1. Increased, better-informed citizen's participation in political and economic decision-making
- SO 2.2. Legal system that better support democratic processes and market reforms
- SO 3.2. Improved effectiveness of selected social benefits and services
- SO 3.3. Increased capacity to deal with environmental pollution as a threat to public health

Should USAID/Russia modify the above mentioned strategic objectives, the selection of the partnerships will be based on the strategic objectives existing at the time of selection.

Since the SPAN program objective is not unilateral technical assistance to Russia but support of mutually beneficial and existing relations between American and Russian organizations, in order to be eligible for funding, the partners should present a joint project which would lead to strengthening of the existing cooperative activities. These activities should be beneficial to both American and Russian organizations.

Partnership Model

The partnership model that USAID would like to support under the SPAN program will have the following characteristics:

1. The partnership will be between American and Russian not-for-profit or for-profit organizations.
2. Russian partner organizations will be involved in development of the proposal. One way to ensure this would be to announce any available partnerships support programs both in Russia and the US. Another would be to have both or all (if partnerships involved more than two) organizations sign any proposal and budget submitted, and request the Russian organization to submit their own version of the proposal in Russian. These requirements would foster the characteristics of equality and mutual benefit -- both important to successful partnerships.
3. Equality is an important factor in the relationship with Russian partners. Among the elements which are particularly important to equality are budget transparency and good communications (including involvement of both U.S. and Russian partners in developing and managing the budget for their joint activity). This indicates that:
 - Both partners should have equal rights in financial and budgetary decision-making. In practical terms, this will mean that, in the future, Russian partners should be given more influence over budget decisions. Agreements can be structured in such a way that decisions on allocations are jointly -- and transparently -- made.
 - The possibility of direct grants to the Russian organizations instead of only to the US organizations might also encourage the perception and reality of equality although the Russian organizations must meet USAID's financial accountability standards.
 - Good and frequent electronic communication is fundamental to successful partnerships: all partners should be e-mail linked within the first month of the project, and all partners should be hooked to a list serve.
4. Russian-American partnerships should put up at least 50 percent matching of the financial resources provided by SPAN as required for joint activities. A partnership contribution as great as 60 or 75 percent would further ensure that the USAID support is minor from the start and that the partners will be active in seeking alternative sources to replace USAID when its support ends. This greater partnership contribution, combined with the joint-submission requirement, would help to ensure that partnerships do not foster the potentially damaging view that American partners are only in it for financial gain. In addition, any partnership grant should be made for periods not to exceed three years. (To broaden participation as well, the grants should not exceed \$100,000 annual USAID contribution.) Capping grants at \$100,000

will allow more partnerships to be supported.

5. The commitment of experienced Russian and American staff with deep knowledge in the respective area and of the Russian environment is critically important.
6. Partnership programs must have support of local government officials and/or federal ministries. Getting some indication of this support is important, but whether a Russian NGO should count in-kind contribution of office space from the local government as its own contribution to the partnership should be considered in assessing the budget proposals.
7. Participants or institutions with strong partnerships and expertise in the NIS often have limited expertise in tapping into USG funding. The partnership model envisioned will use a clear outreach and feedback strategy to reach potential partnerships outside of Moscow and the large cities.
8. The SPAN program should include a more proactive role for USAID activity managers and partners in identifying potential partner sub-grantees under SPAN (as compared to only broad solicitations as in past partnership programs). Providing a substantial number of the SPAN grants to US and Russian organizations already working together under other USAID or other donor programs has the added benefit of increasing the chances for sustainability of these partnerships. Therefore, a condition for support under SPAN could be the extent to which the US and Russian organizations are working in areas which are receiving other USG, other donor or U.S. private sector attention. This could be managed flexibly, without quotas by sector or geographic area, as a kind of "synergy" criterion.

E. Program Structure

Competition and Solicitation

The Recipient will subgrant the amount listed in the SPAN budget to partnerships between Russian and US organizations during three separate competitions, to be held approximately six months apart. The maximum subgrant period of each of the three consecutive rounds will be 27 months, 24 months, and 18 months, respectively. The minimum subgrant period will be six months for each round.

The maximum annual award for each SPAN partnership will be \$ 100,000. Any partnership operating for a period longer than 12 months will receive a decreased level of funding for years two and beyond; i.e., beginning with year two, the partnerships' funding will be reduced to 80%. For example, a two year grant receiving \$ 100,000 in year one would be reduced to \$80,000 in year two. This graduated funding, combined with the required minimum 50% match contribution, should help phase out dependence on USAID funding.

Upon USAID approval of the draft, the Recipient will release the RFP for Round I on October 1, 1997. Applicants will have six weeks to submit proposals. The Recipient will then convene a technical review panel to rank and make recommendations on the submissions. The written recommendations of the Recipient review panel will be forwarded to USAID/Russia for approval of the final list of subgrantees by early December. USAID review and any further negotiations with the final subgrantees should be completed by mid-January, allowing Round I partnerships to begin activities on or about January 15, 1998. Rounds II and III will be run in a similar fashion and will be highlighted in Recipient workplan.

For each round the Recipient will convene a one-day technical review panel in Moscow to ensure a rigorous and merit-based evaluation of all proposals. These panels, which will be composed of both Russian and US specialists in the eight sectors outlined in this Program Description, will rank and make recommendations for each of the proposals.

Once the Mission has made its decisions as to which partnerships are to be funded, the Recipient will request any modifications from selected applicants, request "Best and Final" proposals, and negotiate subgrants. During this period any needed pre-award site visits and surveys will also be completed.

Sharing Expertise and Resources

The Recipient will conduct three workshops in the course of administering SPAN. The workshops will be held within one month of the completion of each of the funding rounds, and will focus on making the efforts of the partners more productive, facilitating dialogue and information-sharing among the partners, and reviewing USAID rules and procedures. Each workshop will run three days.

As part of its information sharing activities, the Recipient will promptly set up a listserv for all of the SPAN partners. The Recipient will insist that all of the partners, Russian and American, join the listserv. This will encourage horizontal information-sharing among partnerships, in addition to serving as a forum for the Recipient-partnership communication.

Monitoring

The Recipient will measure the partnerships' progress against the work plans that they submit with their approved program proposals. The Recipient program officers will use these activity-based time lines to schedule monitoring visits and assess the status of program objectives.

The Recipient will insist that the work plans have a clear focus and time line for implementing partnership goals. Modifications to work plans will be accepted when the changes would improve the effectiveness of the partnerships.

The Recipient will also require the partnerships to develop quarterly activity calendars outlining their planned activities, travel, and other important dates. The calendars will be posted to the SPAN listserv. The Recipient will also submit quarterly activity calendars to USAID/Russia.

The Recipient will inform the USAID activity manager on planned site visits and other project events ahead of time in order to allow USAID activity manager to monitor Recipient's performance and observe partnership activities. The Recipient will share site visit reports with USAID and the partnerships. This will help eliminate project inefficiencies, improve partner-to-partner communication, and enhance the partnerships' chances of success.

Evaluation

Each of the subgrantees will be expected to develop an evaluation strategy with appropriate progress indicators as part of their proposal. The Recipient will approve this strategy and report on the subgrantees' self evaluation progress in quarterly and annual program reports to USAID.

On an annual basis, the Recipient will also gather and report to USAID the following quantitative and/or qualitative information, as appropriate:

- Progress made toward achieving each of the strategic objectives outlined by USAID/Russia in this Program Description. The Recipient will complete this review based on reports received from the subgrantees and on our own monitoring and review of the partnerships' progress.

- Benefits accruing to the US partners under SPAN. USAID may then choose to make use of this information in Congressional briefings or other fora. For example, if a US-Russian partnership developed a trade office, the Recipient would report on its progress and discuss the benefits to the US constituency being served by this new office.

- Benefits accruing to the Russian partners as well as the local Russian administration. Special care will be given to highlight the projects' effect on the local economy, civic participation, social services, and the environment.

A listing of all of the print, television, radio, and electronic publicity that the SPAN project has received. The Recipient will require the subgrantees to track this information and provide copies to the Recipient.

The Recipient will identify indicators of progress toward achievement of each of the operational objectives.

Information Dissemination

To disseminate information about this program among the SPAN partnerships and other organizations engaged in the same fields, the Recipient will:

- **Develop a brochure in English and Russian on the SPAN program.** This leaflet will define the goals of the program and provide contact information for the Recipient offices in the US and Russia. The text of the brochure will also be posted to numerous listservs.

- **Add a WWW page on the SPAN program to the Recipient server.** This page will include a description of the goals of the SPAN program, a listing of the partnerships being supported, and contact information for the Recipient offices and the partnerships themselves.

- **Create a listserv for the Russian and American SPAN partners.** On this listserv the Recipient will post quarterly activity calendars for all partnerships, funding and networking leads, and administrative and policy messages. The partners will also be encouraged to make use of the listserv for posting their own announcements.

- **Require all subgrantees to design a one-page English and Russian fact sheet about their SPAN partnership program.** This piece will include a description of their goals and activities, level of funding, grant period, and contact information. Copies of this fact sheet will be shared with USAID technical officers and with other US and Russian groups working in their sector.

- **Collect and catalog products (handbooks, curricula, etc.) created by the SPAN partnerships.** The Recipient will archive this material and, upon USAID's request and provision of additional funding, disseminate these products.