

PD ABQ-819

598-0843

1998

*International Foundation
for Election Systems
(Grant)*



U S AGENCY FOR
INTERNATIONAL
DEVELOPMENT

APR 30 1998

Mr George Jones
Director of the Americas
International Foundation for Election Systems
1101 15th Street NW
Third Floor
Washington, DC 20005

SUBJECT Award No LAG-G-00-98-00019-00

Dear Mr Jones

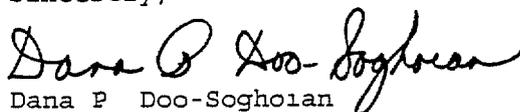
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U S Agency for International Development (hereinafter referred to as "USAID" or "Grantor") hereby grants to the International Foundation for Election (herein after referred to as IFES or "Recipient"), the sum of \$136 000 00 to provide support for a program in Transitional Elections in Cuba, as described in the Schedule of this award and the Attachment 2, entitled "Program Description "

This award is effective and obligation 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 with the effective date and ending 09/29/1998 USAID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount

This award is made to IFES, 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 this award, and return the original and all but one copy to the Grant Officer

Sincerely,

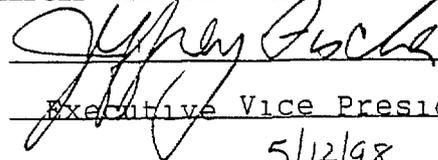


Dana P Doo-Soghoian
Grant Officer
Office of Procurement
M/OP/E/LA

Attachments

- 1 Schedule
- 2 Program Description
- 3 ~~Standard Provisions~~
- 4 ~~Standards for USAID Funded Communications Projects~~

ACKNOWLEDGED International Foundation for Election Systems

BY  _____
Title Executive Vice President
Date 5/12/98

df

ACCOUNTING AND APPROPRIATION DATA

A GENERAL

1	Total Estimated Amount	\$136,000 00
2	Total Program Amount	\$139,500 00
3	Total Obligated Amount	\$136,000 00
4	Cost-Sharing Percentage (Non-Federal)	3 00%
5	Activity Title	
6	USAID Technical Office	AA/LAC - Senior Advisor for Cuba David Mutchler, Rm 5 08-036 RRB Washington, DC 20523
7	Tax I D Number	52-1527835
8	DUNS No	62-678-0977
9	LOC Number	72-001610

B SPECIFIC

1	NMS Request No	9
2	Org ID No	11093
3	Account Nos	ES97/98LES798 (\$45,012) ES98/99LES898 (\$90,988)
4	Amount Obligated	\$136,000

TABLE OF CONTENTS		PAGE
ACCOUNTING AND APPROPRIATION DATA		
ATTACHMENT 1		4
SCHEDULE		4
1 1	PURPOSE OF AGREEMENT	4
1 2	PERIOD OF AGREEMENT	4
1 3	AMOUNT OF AWARD AND PAYMENT	4
1 4	BUDGET	4
1 5	REPORTING AND EVALUATION	5
1 5 1	Financial Reporting	5
1 5 2	Monitoring and reporting program performance	5
1 5 3	Final Report	5
1 5 4	Special Reports	6
1 6	TITLE TO AND CARE OF PROPERTY	7
1 7	AUTHORIZED GEOGRAPHIC CODE	7
1 8	INDIRECT COSTS (DEC 1997)	7
1 9	RESOLUTION OF CONFLICTS	7
1 10	COST SHARING	8
1 11	COMMUNICATIONS PRODUCTS (OCT 1994)	8
1 12	PAYMENT OFFICE	8
1 13	GRANT ADMINISTRATION OFFICE	8
1 14	PROJECT OFFICE	9
1 15	SPECIAL PROVISIONS	9
ATTACHMENT 2		10
PROGRAM DESCRIPTION		10
ATTACHMENT 3		11
STANDARD PROVISIONS		11
3 1	INELIGIBLE COUNTRIES (MAY 1986)	11
3 2	NONDISCRIMINATION (MAY 1986)	11
3 3	U S OFFICIALS NOT TO BENEFIT (NOV 1985)	11
3 4	INVESTMENT PROMOTION (JAN 1994)	11
3 5	NONLIABILITY (NOV 1985)	12
3 6	AMENDMENT (NOV 1985)	12
3 7	NOTICES (NOV 1985)	12
3 8	USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (MAR 199	12
3 9	REGULATIONS GOVERNING EMPLOYEES (AUG 1992)	16
3 10	PUBLIC NOTICES (AUG 1992)	17
ATTACHMENT 4		18
STANDARDS FOR USAID-FUNDED PUBLICATIONS		18
STANDARDS FOR USAID-FUNDED VIDEO PRODUCTIONS		20

ATTACHMENT 1

SCHEDULE

1 1 PURPOSE OF GRANT

The purpose of this Grant is to provide support for the program described in Attachment 2 of this Grant entitled "Program Description "

1 2 PERIOD OF GRANT

The effective date of this Grant is the date of the Cover Letter and the estimated completion date is 09/29/1998

1 3 AMOUNT OF AWARD AND PAYMENT

- (a) USAID hereby obligates the amount of \$136,000 00 for the purposes of this Grant
- (c) Payment shall be made to the Recipient by Payment - Letter of Credit in accordance with procedures set forth in 22 CFR 226 22

1 4 BUDGET

-

The following is the Grant Budget, including local cost financing items if authorized Revisions to this budget shall be made in accordance with 22 CFR 226 25

GRANT BUDGET
4/30/98 to 9/29/98

<u>Cost Line Item</u>	<u>Amount</u>
Transitional Elections in Cuba	\$136,000
USAID Grant Amount	136,000
Grantee Cost Share	<u>3,500</u>
TOTAL ESTIMATED PROGRAM AMOUNT	\$139,500

5

1 5 REPORTING AND EVALUATION**1 5 1 Financial Reporting**

In keeping with the requirements established in 22 CFR 226 52, the Recipient is required to

- (a) Prepare a "Financial Status Report", SF 269a, on an accrual basis and submitted quarterly in an original and two copies to USAID/M/FM/CMP, Rm 7 07-095 RRB, Washington, DC 20523
- (b) A final SF269a report shall be submitted within 90 days of completion of this Grant an additional copy of each SF269a shall be submitted to the cognizant Grant Officer, M/OP/B/LA, Room 7 09-103 RRB, Washington, DC 20523-7100 The Financial Status Reports shall be in keeping with the financial reporting requirements and shall be in accordance with 22 CFR 226 52 entitled, "Financial Reporting "

1 5 2 Monitoring and reporting program performance

- (a) Requirements The Recipient shall submit an original and one copy of a brief quarterly program report to the address listed in the Cover Letter In addition, one copy shall be submitted to USAID/CDIE/DI, Washington DC 20523-1802 A final performance report is also required
- (b) Contents The quarterly performance report shall briefly present the information contained in 22 CFR 226 51(d) It states

"Performance reports shall generally contain, for each award, brief information on each of the following

- (1) A comparison of actual accomplishments with the goals and objectives established for the period the findings of the investigator, or both Whenever appropriate and the output of programs or projects can be readily quantified such quantitative data should be related to cost data for computation of unit costs
- (2) Reasons why established goals were not met, if appropriate
- (3) An illustrative list of titles of publications and videos shall be included in Quarterly Performance Reports
- (4) Include, as an attachment, a copy of materials distributed such as brochures and the like
- (5) Copy of any insurance policy(ies) deriving from this grant
- (6) Other pertinent information including, when appropriate analysis and explanation of cost overruns or high unit costs

1 5 3 Final Report

Within 90 days following the estimated completion date of this Grant (see Section 1 2 above) the Grantee shall submit a final report to the USAID Senior Advisor for Cuba RRB, Room 5 08-036, Washington, DC 20523, who shall forward one copy of the final report to

1 5 3 (continued)

USAID/PPC/POL/CDIE, Rm M-01-010, RRB,
Washington, DC 20523

The Grantee shall also submit one copy of the final report to the cognizant Grant Officer, M/OP/B/LA, RRB, Rm 7 09-103, Washington, DC 20523-7100 The report shall cover the entire period of the Grant and include all information shown in Section 1 5 2, specifically including, but not necessarily limited to

- (1) A summarization of the program's accomplishments or failings,
- (2) An overall description of the activities under the program during the period of this Grant,
- (3) A description of the methods of work used,
- (4) Comments and recommendations regarding unfinished work and/or program/continuation and direction, and,
- (5) A fiscal report that describes in detail how the Grant funds were used

1 5 4 **Special Reports**

Between the required program performance reporting dates, events may occur that have significant impact upon the program In such instances the Grantee shall inform the USAID Project Officer as soon as the following types of conditions become known

- (1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals or preclude the attainment of work units by established time periods This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any USAID assistance needed to resolve the situation,
- (2) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected,
- (3) If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in 22 CFR 226 25, the Grantee shall submit a request for budget revision to the Grant Officer and the USAID Senior Advisor for Cuba

1 6 TITLE TO AND CARE OF PROPERTY

Title to all property financed under this award shall vest in the Recipient subject to the requirements of 22 CFR 226 30 through 37

1 7 AUTHORIZED GEOGRAPHIC CODE

The authorized geographic code for procurement of goods and services under this award is 935 (Special Free World) USAID Geographic Code 935 includes any area or country in the Free World, including the cooperative country Cuba, vis-a-vis the Cuban Democracy Act of 1992

In accordance with the Cuban Democracy Act, Cuba is considered an eligible source for those procurements necessary to carry out the specific, narrow purpose of this Grant In addition, the U S Treasury Department has issued USAID License No C-18212 and Amendment No C-18212-A thereto, authorizing the Agency to carry out the full range of activities under this Grant

1 8 INDIRECT COSTS (DEC 1997)

Pending establishment of revised provisional or final indirect cost rates, allowable indirect costs shall be reimbursed on the basis of the following negotiated provisional or predetermined rates and the appropriate bases

Description	Rate	Base	Type	Period
Fringe Benefit	39%	1/	1/	1/
Overhead	23 5%	2/	2/	2/

1/ Base of Application Total Salaries
Type of Rate Provisional
Period 10/1/96 until amended

2/ Base of Application Total Direct Cost minus commodities, subrecipient/subcontract cost, and private grants
Type of Rate Provisional
Period 10/1/97 until amended

1 9 RESOLUTION OF CONFLICTS

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

- Attachment 1 - Schedule
- 22 CFR 226
- Attachment 3 - Standard Provisions
- Attachment 2 - Program Description

1 10 COST SHARING

The Recipient agrees to expend an amount not less than 3.00% of the total Federal contribution. Cost sharing contributions will meet the criteria as set out in 22 CFR 226.23.

1 11 COMMUNICATIONS PRODUCTS (OCT 1994)

- (a) Definition - Communications products are any printed materials (other than non-color photocopy material), photographic services or video production services.
- (b) Standards - USAID 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 USAID financed publications and video productions is attached.
- (c) Communications products which meet any of the following criteria are not eligible for USAID financing under this agreement unless specifically authorized in the agreement schedule or in writing by the agreement officer:
 - (1) Any communication product 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 likely to be seen by, a Member of Congress or Congressional staffer, and
 - (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 USAID/W offices for internal use).

1 12 PAYMENT OFFICE

US AGENCY FOR INT'L DEVELOPMENT
M/FM/CMP/MP
Room 7 07-095 RRB
Washington, DC 20523

1 13 GRANT ADMINISTRATION OFFICE

The post-award grant administration office is the U.S. Agency for International Development, M/OP/B/LA, RRB, Room 7 09-103 Washington, DC 20523-7100. The cognizant Grant Officer is Dana P. Doo-Soghoian and may be contacted at 202-712-5671.

9

1 14 PROJECT OFFICE

The Project Office is the U S Agency for International Development, LAC/AA, RRB, Washington, DC 20523 The cognizant Project Officer is the Usaid Senior Advisor for Cuba, David Mutchler and may be contacted at 202-712-4742

1 15 SPECIAL PROVISIONS

1 This Grant is made pursuant to the authorities of the Cuban Democracy Act 22 U S C 6001 et seq., Sec 6004, ("CA") and the Cuban Liberty and Democratic Solidarity (Libertad) Act of 1996, 22 US C Sec 6021 et seq., Sec 6039, ("Libertad Act") Activities authorized and financed under this Grant are governed and limited by the terms of the CDA and the Libertad Act

2 The CDA and the Libertad Act authorize assistance through nongovernmental organizations to support individuals and independent nongovernmental organizations to promote peaceful, non-violent democratic change in Cuba through various types of democracy-building efforts for Cuba The Grantee agrees that funds made available under this Grant will only be utilized for peaceful, non-violent activities in accordance with the CDA and the Libertad Act

3 No funds or assistance under this Grant may be provided to the Cuban Government, as stated in the Libertad Act The Libertad Act, 22 U S C Sec 6023(1) and (5), defines "Cuban Government" as including the government of any political subdivision of Cuba, and also any "agency or instrumentality" of the Government of Cuba, as these terms are further defined in 28 U S C Sec 1603(b) Section 1603(b) states that an organization which is either a) an "organ of a foreign state or political subdivision thereof" (here an organ of the Cuban Government), or b) "a majority of whose shares or other ownership interest is owned by a foreign state or political subdivision thereof" (in this context majority owned or substantially controlled by the Cuban Government), is encompassed within the definition of "agency or instrumentality" of the Cuban Government, thus ineligible for funding under this Grant Employees of the Government of Cuba as defined above are also ineligible for assistance under this Grant while working in their official capacities

4 The Conference Report to the Libertad Act H R 104-468, page 50 clarifies that "incidental payments or indirect benefits to commercial or regulatory entities of the Cuban Government, e g , payments for hotels car rental travel or transportation to or within the island, purchases of other goods or services in the local economy, customs fees, migration fees, or other comparable government charges" are not considered to be assistance to the Cuban Government which is prohibited by the Libertad Act

5 The Grantee shall take all reasonable steps necessary to ensure that the above special provisions are followed Violation of special provision on nonviolent activities is grounds for termination of this Grant for cause and disallowance of costs incurred Violation of the special provision regarding assistance to the Government of Cuba may be grounds for disallowance of costs incurred

ATTACHMENT 2

PROGRAM DESCRIPTION

The Recipient's proposal entitled, "Transitional Elections in Cuba Local Administration and International Assistance", dated 9/22/97 is attached hereto as the Program Description (Attachment 2) and are made a part of this Award

PROGRAM DESCRIPTION

I Executive Summary

The Recipient (IFES) will analyze the assistance required to support transitional elections in Cuba. The study will identify guidelines, costs, and options with regard to the administration of comprehensive voter registration and of free and fair presidential and congressional elections in Cuba, and the international assistance such a major effort may require, based on lessons learned in transitional elections in Eastern Europe, Haiti, South Africa, and Cambodia.

II Background

Since 1989, over two dozen former communist countries have taken the road to freedom and democracy by holding free elections and restoring individual rights and liberties. The tidal wave which swept outward from the fall of the Berlin Wall has yet to reach Cuba. But the lessons learned from those transitions can be applied to the benefit of the Cuban people when the opportunity for transition presents itself. While the impetus for change in former communist countries came from demonstrations by masses of individuals, the international community played an important role in assisting these transitions. External donor agencies supplied resources, training, and technical assistance to overcome the barriers to holding elections and establishing democratic institutions.

Cuba has lived under a communist regime, led by Fidel Castro, since 1959. Castro's oppression has created a large, committed overseas community, almost entirely in the United States. This community has extensive business and technical expertise as well as strong ties to the island, which should help lead to a surge of new foreign investment once free elections have been held. Moreover, given Cuba's proximity to the United States, a free Cuba would be an important market for U.S. exports.

As is typical under Communist regimes, no multiparty elections have been held since the revolution. Elections for local leadership posts are held periodically within the Communist party. Nearly two generations of Cubans have now lived without the possibility of exercising their right to choose freely which form of government and which leader will represent them. Civil society is extremely weak with all sectors not under state control and direction have been severely repressed, especially in the past five years. Furthermore, a constant disinformation campaign is in place with regard to market economies and democratic systems.

In order for Cuban authorities to hold open elections, a significant new legal framework -- possibly including constitutional change -- a new electoral administration system, a

training program for electoral officials, and, most importantly, a carefully designed civic education campaign will have to be put in place as quickly as possible after transition begins. The Recipient will examine options and costs for these programs, in order to assist both future Cuban authorities and the international community in their transition plans.

III Grant Objectives

The overall objectives of the grant activity are

A to create a tool for use by transitional Cuban authorities and the international community in planning free and fair elections and establishing new democratic institutions,

B to create a generic election calendar framework which can be used as a basis for planning transitional elections,

C to identify systems of representation, electoral administration and media access with potential applicability in post-Castro Cuba, and,

D to disseminate grant findings to the Cuban people, the U S government, and international organizations which might play a role in a transition process

IV Grant Activities

IFES will undertake the following activities

A Conduct research on the topics discussed in the unsolicited proposal

B Gather demographic and geographic data on present-day Cuba

C Draft "check lists" of elements which should be present in an electoral code, a political party law, and media and civil society regulations in an open society,

D Propose registration and voting alternatives and discuss their impact on costs and the electoral calendar,

E Examine present-day and historical conditions in Cuba with regards to voting and Cuban legislation which affects political activities and civil society. This could be undertaken by using existing IFES resources. Cuban Constitutions, past and present, and electoral laws are available in the IFES Resource Center and in many university libraries. The long-standing relationship which IFES maintains with the Latin American electoral assistance organization CAPEL, based on Costa Rica,

could provide IFES with direct information regarding current electoral legislation and practices on the island. IFES' established contacts with the EU nations, which have diplomatic missions in Cuba, could help advance IFES' access to information.

F Provide samples of practical election materials such as ballots, training manuals, and voter education messages.

G Disseminate the findings of the study. This will be done by various means including: 1) publication of the study in English and Spanish, 2) a workshop in Washington to discuss the study, to include representatives of the Congress and the international community, particularly European and Latin American embassies and the EU delegation, 3) a workshop in Miami for the Cuban exile community, 4) dissemination of the study's findings directly to the Cuban people via Radio/TV Marti and the Voice of America (VOA), and 5) creation of a web site posting the study's findings and linked with the IFES homepage and other relevant sites regarding Cuba's future.

V Workplan

Based on lessons learned in transitional elections in Eastern Europe, Haiti, South Africa, and Cambodia, the objective of the project is to have a practical "planning kit" or a "Spanish language guide" on how Cuban dissidents and others can enroll and participate as candidates in Cuban elections under existing Cuban law ready for the Cuban authorities and the international community when the time is appropriate. The study will also provide a long-term perspective for future decisions makers tasked with establishing democratic institutions and systems. For example, having in place the design of a system for voter registration which can be used not only for the transitional elections, but for future elections can produce substantial savings in the long run.

The IFES will disseminate project findings to the Cuban people, the U S government and international organizations which might play a role in the transition process. Dissemination of information to the Cuban people concerning the means of conducting free, open and fair elections will itself help promote nonviolent transition to democracy in Cuba.

A Analysis

1 Study of the current political and electoral system of Cuba, as a baseline for change.

2 Review of the principal types of representation systems employed by democracies, including an analysis of the pre-Castro system (which was democratic in form if not in practice), and the

potential role of a transitional referendum

B Minimum Conditions Required for Elections

1 A prototype election calendar defining the registration, campaign, and post-election periods,

2 The standard commodities required for election administration, costs, and options,

3 The functions and staffing needs of both a transitional and a permanent elections commission,

4 The potential training needs of an electoral staff at various levels,

5 Voter education needs, costs, and options,

6 The elements of a good electoral code, including legislative elections at regular intervals, impartial management of legislative elections, establishment of impartial procedure and clear criteria for the registration of voters, the regulation by law of the campaigns, the assurance of the electors' right to choose, parties and candidates' right to access to government-controlled media and to private media on non-discriminatory terms, and means of educating the voting public on election procedures and issues,

7 The elements of the laws and regulations used in free societies to give legal status to civil society organizations, in particular political parties and independent political movements,

8 The mechanisms and organizations which are available for election observation, both domestic and international,

9 The U S laws and regulations which may have an impact on the availability of electoral and civil society assistance to a transitional Cuban authority from U S organizations and individuals,

10 The security considerations associated with electoral activities, including the role of the military and police forces,

11 Standards and mechanisms for the participation of non-resident nationals in elections in democratic countries,

12 The internationally-recognized conditions for free and fair elections, and,

13 The lessons learned during democratic transitions in comparable countries and their applicability to Cuba

15

The study will focus on elections but will also include references to the holding of a referendum where appropriate. From an administrative point of view, holding a referendum is very similar to holding elections, with the exception of campaigning aspects. The assumptions made for each type of electoral process will be clearly stated throughout the study.

VI Final Report

The final report (published in Spanish as well as the English version) will consist of the full analysis described in Section V. Once approved by USAID, IFES will send 24 copies of the Spanish version to the Office of Cuban Affairs, ARA/CCA, Room 3244, Department of State, Washington, DC 20523, and an additional 24 Spanish language copies to the USAID Senior Advisor for Cuba, AA/LAC, Room 5 08-036 RRB, 13th Street and Pennsylvania Avenue, NW, Washington, DC 20523. IFES will also furnish to the USAID Senior Advisor for Cuba with six (6) copies of the English version of the final report.