

PDBBN 735



*United States of America*  
**AGENCY FOR INTERNATIONAL DEVELOPMENT**  
Office: KUWAITI TOWER BLDG. NILE AVE. KHARTOUM, SUDAN  
TELEX NO. 22033 USAID SD



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June 7, 1988

Mr. Earl J. Goodyear  
Country Director, Sudan  
CARE International in Sudan  
P.O. Box 2702  
Khartoum, Sudan

Subject: Cooperative Agreement No. 650-0012-A-00-8041-00

Dear Mr. Goodyear:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby provides to CARE International in Sudan (hereinafter referred to as "CARE" or "Recipient") the sum of One Million Two Hundred and Fifty-Five Thousand Dollars (\$1,255,000) and Four Million Seven Hundred and Seventy-One Thousand Sudanese Pounds (£s4,771,000) to provide partial assistance and support the Recipient's Regional Finance and Planning Program, as more fully described in Attachment 1 of this Cooperative Agreement entitled "Schedule" and Attachment 2 entitled "Program Description."

This Cooperative Agreement 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 from the period June 1, 1988 and ending on the estimated completion date of August 22, 1990.

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 this Cover Letter, Attachment 1 entitled "Schedule", Attachment 2 entitled "Program Description", and Attachment 3 entitled "Standard Provisions", which together constitute the complete Cooperative Agreement document and have been agreed to by your organization.

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

Sincerely yours,

*J. W. Koehring*

John W. Koehring  
Mission Director  
USAID/SUDAN

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

CARE INTERNATIONAL IN SUDAN

BY: *Earl J. Goodyear*

TYPED NAME: Mr. Earl J. Goodyear

TITLE: DIRECTOR

DATE: *July 5, 1988*

FISCAL DATA

Total Estimated Amount: \$1,255,000 & £4,771,000

Total Obligated Amount: \$1,255,000 & £4,771,000

Project No.: 650-0012

AID Project Office: USAID/Khartoum; Project Operations Office

AID Payment Office: USAID/Khartoum; Office of the Controller.

Funding Source: PIO/T 650-0012-3-70089 EARCTLNO: N870047

Appropriation Symbol: 72-1171021 & 72FT800

Budget Plan Code: GDNA-87-21650-KG13 & 180-50-650-00-10-00

DUNS No.:

LOC No.:

~~FUNDS AVAILABLE~~

~~DATE 6/20/88~~

*Earl J. Goodyear*  
CG

*H*

SCHEDULE

**A. PURPOSE OF COOPERATIVE AGREEMENT**

1. The purpose of this Cooperative agreement is to provide assistance in support of CARE - Sudan's Regional Finance and Planning Project, as more fully described in Attachment 2 of this Cooperative Agreement entitled "Program Description".

**B. PERIOD OF COOPERATIVE AGREEMENT**

1. The effective date of this Agreement is June 1, 1988, the estimated completion date is August 22, 1990.

**C. AMOUNT OF COOPERATIVE AGREEMENT AND PAYMENT**

1. The total estimated amount of this Agreement for the period shown in B.1. above is \$1,255,000 and £s4,771,000.

2. AID hereby obligates the amount of \$1,255,000 and £s4,771,000 for program expenditures during the period set forth above and as shown in the Financial Plan below. At no time shall A.I.D. be required to reimburse the Recipient in excess of obligated funding.

3. Payment shall be made to the Recipient in accordance with procedures set forth in the Standard Provision of this Cooperative Agreement entitled "Payment - Letter of Credit" for U. S. Dollar payments and the Standard Provision entitled "Payment - Periodic Advances" for Sudanese Pounds, as shown in Attachment 3.

**D. COOPERATIVE AGREEMENT BUDGET**

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

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

**3. U. S. Dollar and Local Currency Budget**

<u>Description</u>	<u>U. S. DOLLARS (000's)</u>	<u>SUDANESE POUNDS (000's)</u>
(a) Personnel		
(1) International Staff	\$322	£s392
(2) National Staff	<u>9</u>	<u>2,821</u>
Sub-Total Personnel	331	3,213
(b) Operations	15	681
(c) Procurement	<u>803</u>	<u>877</u>
Sub-Total	1,149	4,771
(d) Overhead(U.S.Dollars 9.19%)	<u>106</u>	<u>- 0 -</u>
<b>TOTAL</b>	<b>\$1,255</b>	<b>£s4,771</b>

E. REPORTING

1. Financial Reporting

(a) Financial reporting requirements shall be in accordance with the Standard Provision of this Cooperative Agreement entitled "Payment - Letter of Credit" for U. S. Dollar payments and the Standard Provision entitled "Payment - Periodic Advances" for Sudanese Pounds, as shown in Attachment 3.

(b) All financial reports shall be submitted to USAID/Khartoum; Office of the Controller. In addition, one copy of all financial reports shall be submitted to the AID Project Operations Office.

2. Technical Reporting

(a) Life of Project Workplan - Ninety (90) days from the effective date of this Agreement the Recipient will submit for review and approval a time phased implementation plan which describes the actions, and the parties responsible for the actions, which are necessary in order to achieve the objectives of the program. The LOP implementation plan will be time phased by calendar quarters and will be submitted to the En Nahud District Council for review, approval, and forwarding to the Kordofan Regional Technical Committee. The Committee will undertake a technical review of the plan and, if approved, prepare a recommendation for advance of funds to be forwarded to the Ministry of Finance and Economic Planning (MFEP). A Memorandum of Understanding (MOU) will be executed between the Recipient and the MFEP. Following approval of the District Council and with the recommendation(s) of the Regional Technical Committee, the MFEP will advance to the Recipient funding sufficient for six (6) months of implementation activities pursuant to the LOP plan. The Recipient will submit an annual updated revision of the LOP plan.

(b) Program Performance Reports

(1) The Recipient shall submit quarterly program performance reports which briefly present the following information:

(A) A status report which compares actual accomplishments with the goals established for the period. If the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(B) Delays or problems encountered, and reasons why established goals were not met, if applicable.

(C) Goals and activities for the next reporting period.

(D) Other pertinent information including the status of finances and expenditures. This shall include a special finance section, conforming to the line items of the budget of this Cooperative Agreement, which summarizes program expenditures, by showing actual expenses by month for the current reporting period, cumulative expenses from inception to date, the budget of this Cooperative Agreement, estimated expenses during the next reporting period, and estimated expenses through the estimated completion date of this Cooperative Agreement. When appropriate, analysis and explanation of cost overruns or high unit costs shall be provided.

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

(A) 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 project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any AID assistance needed to resolve the situation.

(B) Favorable developments or events that enable time schedules to be met sooner than anticipated or work performed in excess of that originally projected.

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

(4) All program performance reports shall be submitted within 30 days from the end of the reporting period, and shall be submitted in three copies to the Project Operations Office.

(c) Final Report - CARE will submit a Final Report to the Government of Sudan and AID within 60 days of the termination date of this Agreement. The format of the Report will be specified by the Project Director and USAID/Sudan.

**F. SUBSTANTIAL INVOLVEMENT UNDERSTANDINGS**

1. It is understood and agreed that AID shall be substantially involved during the implementation of this Cooperative Agreement, as follows:

(a) A Kordofan Regional Technical Committee will be established to oversee, monitor and provide advice regarding all workplans, and quarterly reports prepared by CARE - Sudan. In addition, the Committee, which will meet with the Recipient at least once each calendar quarter during two day workshops, will monitor and oversee all sub-project implementation performed by CARE - Sudan. A representative from USAID/Khartoum will be one of the permanent members of the Committee.

(b) All local currency advanced by the GOS to CARE - Sudan in order to finance sub-project activities are, pursuant to Amendment No. 4 to the project (HB-3) grant agreement, subject to prior approval by AID.

**G. TITLE TO PROPERTY**

1. Title to property acquired hereunder shall vest in the Recipient. The Standard Provision of this Cooperative Agreement entitled "Title To and Care of Property (Grantee Title)" applies.

**H. AUTHORIZED GEOGRAPHIC CODE AND PROCUREMENT PROCEDURES**

1. The Recipient shall comply with paragraph (b)(1) of the Standard Provision of this Cooperative Agreement entitled "AID Eligibility Rules for Goods and Services", concerning total procurement value of less than \$250,000 under this Cooperative Agreement. Paragraph (b)(2) of said Standard Provision does not apply to this Cooperative Agreement.

2. Source. Source means the country from which a commodity is shipped to the Cooperating Country or the Cooperating Country itself if the commodity is located therein at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received therein, source means the country from which the commodity was shipped to the free port or bonded warehouse.

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

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

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

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

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

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

(2) The total cost to the producer of such components (delivered at the point of production) may not exceed 50% (unless another percentage is specified herein) 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).

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

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

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

8

(1) The corporation or partnership is more than 50% beneficially owned by individuals who are citizens of a country or area included in the authorized geographic code. In the case of corporations, "more than 50% beneficially owned" means that more than 50% of each class of stock is owned by such individuals; in the case of partnerships, "more than 50% beneficially owned" means that more than 50% of each category of partnership interest (e.g., general, limited) is owned by such individuals. With respect to stock or interest held by companies, funds, or institutions, the ultimate beneficial ownership of individuals is controlling; or

(2) The corporation or partnership:

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

(B) Has performed within the United States similar administrative and technical, professional, or construction services under a contract or contracts for services, and derived revenue therefrom in each of the 3 years prior to the issuance date of this solicitation; and

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

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

(b) A nonprofit organization (e.g., educational institutions, foundations, and associations) supplying services must meet all the criteria in subparagraphs (1), (2), and (3) below. NOTE: International Agricultural Research Centers and such other international research centers as may be, from time to time, formally listed as such by the Senior Assistant Administrator of the AID Bureau of Science and Technology (SAA/S&T), are considered to be of U.S. nationality.

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

(2) The nonprofit organization must be controlled and managed by a governing body, a majority of whose members are citizens of countries or areas included in the authorized geographic code; and

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

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

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

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

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

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

(3) The supplier must be a controlled foreign corporation of which more than 50% of the total combined voting power of all classes of stock is owned by United States shareholders within the meaning of Section 957 et seq. of the Internal Revenue Code (26 USC 957); or

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

(f) A Government Owned Organization, i.e. a firm operated as a commercial company or other organizations (including nonprofit organizations other than public educational institutions) which are wholly or partially owned by governments or agencies thereof, are not eligible for AID financing hereunder.

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

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

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

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

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

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

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

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

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

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

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

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7. AID Geographic Codes

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

8. Approvals

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

9. Automation Equipment

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

10. Procurement Procedures

All procurements will be made following the guidelines of AID Handbook 11, Chapter 3.

INDIRECT COST RATES

Pursuant to the Standard Provision of this Cooperative Agreement entitled "Negotiated Indirect Cost Rates - Provisional", a rate shall be established for each of the Recipient's accounting periods which apply to this Agreement. Pending establishment of revised provisional or final indirect cost rates for each of the Recipient's accounting periods which apply to this Agreement, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate applied to the base which are set forth below.

<u>Type</u>	<u>Rate</u>	<u>Base</u>
Overhead	9.19%	Direct Costs

J. SPECIAL PROVISIONS

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

2. Notwithstanding the terms and conditions of paragraph (b) of the Standard Provision of this Agreement entitled "Termination" the Recipient and AID herewith agree that should circumstances arise where, in the opinion of AID, funding specified in the M.O.U. between the Recipient and the GOS is not forthcoming in an amount sufficient or time frame sufficient to permit proper execution, by the Recipient, of the work specified in Attachment 2 of this Agreement, AID will have the unilateral right to terminate this Cooperative Agreement for the convenience, and in order to protect the interests, of the U.S. Government. Termination procedure will be pursuant to paragraph (c) of Standard Provision No. 5 - Termination.

PROGRAM DESCRIPTION

The following outlines the Program to be undertaken with the assistance of AID through this Cooperative Agreement. The outline is based on CARE's application dated October 25, 1987, which is hereby incorporated by reference. Any instance of inconsistency between the terms and conditions of this Agreement, including Attachments, and the Recipient's application shall be resolved in favor of the terms and conditions of this Agreement.

A. Program Objective

Within En Nahud district, Kordofan Region, CARE will serve as the principle administrative resource to facilitate local planning and subproject implementation. CARE will serve as a managerial and organizational catalyst and provide on-the-job training to village and local leaders so that basic management skills can be transferred. CARE will help villages with the selection of subprojects and implementation alternatives, plus the establishment of monitoring and accounting systems. CARE shall focus its attention on the following identified sectoral priorities: (1) water resources development, (2) community-based agriculture, and (3) community based forestry. In addition, CARE is expected to promote private sector involvement in subprojects, plus CARE should consider each subproject's impact on women, as well as involving women throughout the subproject identification, implementation and evaluation process.

B. Participating Organizations

The cooperating organizations for the CARE En Nahud Regional Finance and Planning Project will consist of CARE; the Government of Sudan, as represented by En Nahud district officials, Kordofan Region officials, and the Directorate of Regional Development, Ministry of Finance and Economic Planning; the Agricultural Bank of Sudan; and USAID/Sudan. In addition a program specific Kordofan Regional Technical Committee will be formed. Permanent members of the Committee will be: four officials nominated by the regional government, the local Agricultural Bank of Sudan representative, two representatives from the Ministry of Finance and Economic Planning, one representative from USAID/Sudan, and the Kordofan Regional Coordinator. The Technical Committee will oversee, monitor and advise on CARE's workplans, quarterly reports and subproject implementation.

CARE is responsible for the overall management of the program in terms of organizing community level activities; facilitating the implementation of subprojects; and monitoring and evaluating the progress of the program. En Nahud district officials, as represented by the En Nahud District Council, will be responsible for reviewing and approving all subprojects plus annual workplans. District officials will also assist CARE with monitoring and evaluation activities. Kordofan regional officials, as mentioned above, will participate in the Regional Technical Committee, plus will provide technical backstopping as requested by district officials and CARE. The Agricultural Bank of Sudan will set up an account for private sector and group loans to be administered through its regional offices in Kordofan Region. The Directorate for Regional Development will be responsible for the disbursement of all counterpart project funds.

C. Key Personnel

1. Financial Manager - The CARE Financial Manager will serve as Chief of Party with final responsibility at the district and regional levels for all program activities with specific attention to liaison tasks with regional and district committees, the National Water Corporation, and the Agricultural Bank of Sudan. He/she will supervise control of all project related funds.
2. Technical Coordinator - The CARE Technical Coordinator is responsible for the planning and implementation of all subproject sectoral activities.
3. Country Director - The CARE Country Director will serve as the legal CARE representative to both the GOS and USAID/Sudan, plus be responsible for all Khartoum related liaison tasks.

D. Operations Plan

1. Phase One

(a) General - Phase One of CARE's implementation strategy will include recruitment of participating villages, the handling of informal men's and women's organizational training, the selection and pre-planning of subprojects by communities, and the technical refinement and final submission of subproject proposals to the En Nahud District Council.

(b) The responsibility for taking action will pass back and forth between CARE and the communities several times. Recruitment of participating communities will be an ongoing process as it expands from one rural council to three. A team of field representatives will visit potential villages at least twice before men's and women's groups are presented with the option of selecting representatives for the informal training course. Initial steps in the process of getting to know one another will take place and the importance of forming men's and women's discussion groups will be clarified. A site will be selected in both of the rural council centers for conducting training. Four Sudanese community trainers (2 men and 2 women) will conduct the lessons. Nine months will be allotted for the completion of all Phase One activities, while 12 full weeks will be allocated for actual training activities. At the conclusion of a training course, when local representatives return to their villages, it will be their responsibility to initiate discussion among both men and women on what was learned and what the next steps should be in the program process. At this point, an additional two follow-up visits will be made by CARE field representatives to targeted villages. At the same time, the collection of village baseline data will begin. A typical training week will accommodate approximately 10 men and 10 women representing a total of five villages.

2. Phase Two of CARE's implementation strategy will begin in a particular village when its first subproject proposal has been approved for funding. Once this happens, a detailed subproject workplan will be written in collaboration with the community. On the basis of this document, the appropriate counterpart linkages will be made and actual work will begin in the village. Implementation of the earliest subprojects in the initial rural council (En Nahud) will take place concurrently with the last rounds of training in that council. As training activities then move from the first rural council to the second, the geographical area in which subprojects are taking place will likewise expand. By the time representatives of communities in El Odayia Rural Council complete the training course, there will be subprojects underway in both rural councils simultaneously.

3. Community training will include both organizational sensitization, applicable to all communities regardless of their eventual subprojects, and skill-specific courses within subprojects such as maintenance of wateryard pumps and engines, or proper techniques for nursery cultivation of seedlings. Organizational training will be the single most important component of the program. The objective will be to establish from the outset a clear understanding among villagers of how the program subproject implementation strategy will function and how they can participate effectively in it. A key concept that will be presented is the idea that authentic, lasting community development is self-induced.

4. Training of staff attached to CARE, counterpart agencies, and related indigenous organizations will be designed to enhance managerial, technical, representational, and training skills. Training activities will be the result of a Training Needs Assessment to be undertaken by CARE's Training and Information Officer based in Khartoum. Local training institutions that CARE will consider, but not be limited to, when developing its staff training plan will be the Ministry of Education/Department of Adult Literacy, the Development Studies and Research Center, and the Academy for Administrative Sciences. CARE will submit a training plan to the Project Director and USAID/Sudan focused on the transfer of skills to local staff or Sudanese counterparts within six months of the signing of this Agreement. The Training Plan will be updated annually.

5. Participating Communities - There are approximately 400 villages in the program area (the rural councils of En Nahud and El Odayia). According to selection and deselection factors (e.g. accessibility, size, need, social cohesiveness, and apparent level of interest), it is anticipated that 45 of these villages will actively support local representatives for community training over the life of the program. From these 45 villages it is estimated that a first-round subproject will be implemented in 21 different villages; a second-round subproject will be implemented in 7 villages of the 21 initial villages; and a third-round subproject will be implemented in 5 of the 7 second-round villages.

6. Sectoral Subprojects - It is anticipated that 15 water resource subprojects will be implemented, 12 of which will be wateryard rehabilitations, the remainder being open well rehabilitations and/or community cisterns. Five community nursery subprojects are envisioned, all of which will be adjacent to rehabilitated wateryards. It is anticipated that there will be 7 community-based agricultural subprojects, 3 of which will be first-round choices. It is not anticipated that any women's subprojects will be chosen in the first-round of subproject selection. However, it is expected that 6 will be selected for second or third round choices. Thus, a total of 33 subprojects will be implemented.

7. Small Scale Private Sector Fund - Arrangements will be made through the Project to grant LS 3,000,000 from the Ministry of Finance and Economic Planning to the Agricultural Bank of Sudan. Portions of these funds will be lent through the Bank branch office in En Nahud to finance small-scale private sector activities, and when necessary, to assist communities in financing the initial operational costs of a capital investment made through an approved subproject. CARE will direct interested community organizations or individuals to the Bank and help village leaders to develop a system for guaranteeing loans. The Bank will administer loans according to lending policies agreed upon with the Ministry of Finance and Economic Planning.

E. Memorandum of Understanding

Prior to the disbursement of any subproject funds, CARE must conclude a Memorandum of Understanding with the Ministry of Finance and Economic Planning which specifies the purpose of the funds, accounting regulations, conditions for expenditures and provision for refunds. All subproject local currency funding will be released by the Ministry directly into CARE's general subproject operating account on the basis of approved advances.

**ATTACHMENT 3**

**STANDARD PROVISIONS**

The Standard Provisions set forth as Attachment 3 of this Cooperative Agreement consist of the following Standard Provisions marked by an "X", which are attached hereto and made a part of this Cooperative Agreement:

**1. MANDATORY STANDARD PROVISIONS FOR U.S., NONGOVERNMENTAL GRANTEEES**

- ( X ) Allowable Costs and Audit (November 1985)
- ( X ) Accounting, Audit, and Records (November 1985)
- ( X ) Refunds (November 1985)
- ( X ) Revision of Grant Budget (November 1985)
- ( X ) Termination and Suspension (November 1985)
- ( X ) Disputes (November 1985)
- ( X ) Ineligible Countries (November 1985)
- ( X ) Nondiscrimination in Federally Assisted Programs (November 1985)
- ( X ) U.S. Officials Not to Benefit (November 1985)
- ( X ) Covenant Against Contingent Fees (November 1985)
- ( X ) Nonliability (November 1985)
- ( X ) Amendment (November 1985)
- ( X ) Notices (November 1985)

**2. OPTIONAL STANDARD PROVISIONS FOR U.S., NONGOVERNMENTAL GRANTEEES**

- ( X ) Payment - Letter of Credit (November 1985)
- ( X ) Payment - Periodic Advance (November 1985)
- ( ) Payment - Cost Reimbursement (November 1985)
- ( X ) Air Travel and Transportation (November 1985)
- ( X ) Ocean Shipment of Goods (November 1985)
- ( X ) Procurement of Goods and Services (November 1985)
- ( X ) AID Eligibility Rules for Goods and Services (November 1985)
- ( X ) Subagreements (November 1985)
- ( ) Local Cost Financing With U.S. Dollars (November 1985)
- ( X ) Patent Rights (November 1985)
- ( X ) Publications (November 1985)
- ( ) Negotiated Indirect Cost Rates - Predetermined (November 1985)
- ( X ) Negotiated Indirect Cost Rates - Provisional (November 1985)
- ( X ) Regulations Governing Employees (November 1985)
- ( X ) Participant Training (November 1985)

- ( ) Voluntary Population Planning (November 1985)
- ( ) Protection of the Individual as a Research Subject (November 1985)
- ( ) Care of Laboratory Animals (November 1985)
- ( ) Government Furnished Excess Personal Property (November 1985)
- ( X ) Title To and Use of Property (Grantee Title) (November 1985)
- ( ) Title To and Care of Property (U.S. Government Title) (November 1985)
- ( ) Title To and Care of Property (Cooperating Country Title) (November 1985)
- ( ) Cost Sharing (Matching) (November 1985)
- ( X ) Use of Pouch Facilities (November 1985)
- ( X ) Conversion of United States Dollars to Local Currency (November 1985)

Only the Optional Standard Provisions preceded by an "X" are applicable hereto and included herein.

1/ When these Standard Provisions are used for cooperative agreements, the following terms apply:

"Grantee" means "Recipient"

"Grant" means "Cooperative Agreement" and

"AID Grant Officer" means "AID Agreement Officer"