

PDBB0233

1. Amendment No. ↑	2. Effective Date See Blk 12B	3. Agreement No. 660-0116-A-00-9004	4. Effective Date August 1, 1986
5. Recipient (Name and Address) Mr. Guy Petit International Association for Rural Development in Zaire B.P. 7611 Kinshasa 1, Zaire		6. Administered By Director USAID/Zaire APO New York 09662-0006	
7. PIO/T No. 660-0116-3-50191 Appropriation No. 72-1151021 Allotment Symbol GDAA-85-21660-CG13 Amt. Obligated Prior to this Am. \$1,730,000.00 Amt. Oblig. By this Amendment \$ 154,900.00 Total Obligated Amount \$1,884,900.00		8. Previous PIO/T's N/A	

9. The above numbered Agreement is hereby modified as follows:

This amendment replaces the entire original Cooperative Agreement dated August 1, 1986. The new agreement is attached.

10. This Amendment is entered into pursuant to the authority of the Foreign Assistance Act of 1961, as amended. Except as herein provided, all terms and conditions of the Agreement referenced in Block #3 remain unchanged and in full force and effect.

11. Recipient is required to sign this document and return 5 copies to issuing office.

12. A. RECIPIENT

BY: 

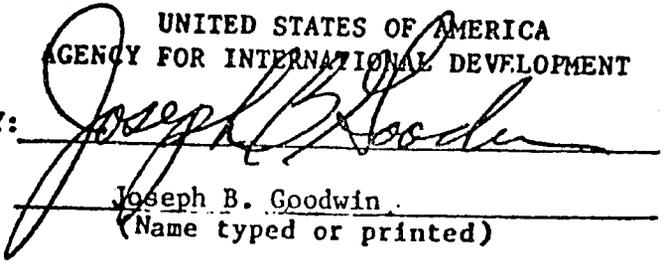
 Guy Petit
 (Name typed or printed)

TITLE: Administrateur-Délégué

DATE: 04.11.88

12. B.

UNITED STATES OF AMERICA
 AGENCY FOR INTERNATIONAL DEVELOPMENT

BY: 

 Joseph B. Goodwin
 (Name typed or printed)

TITLE: Agreement Officer

DATE: Nov. 4, 1988

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EMBASSY OF THE
UNITED STATES OF AMERICA

Agency for International Development
Kinshasa



November 4, 1988

Mr. Guy Petit
Administrateur Délégué
International Association for Rural
Development in Zaire
B.P. 7611
KINSHASA 1

SUBJECT: Amendment No. 1 to the Cooperative Agreement
No. 660-0116-A-00-9004-01
Shaba Refugee Water

Dear Mr. Petit:

The Cooperative Agreement No. 660-0116, Shaba Refugee Water (signed 8/1/86) is deleted in its entirety and replaced by Amendment No. 1 to the Cooperative Agreement. Revised text follows.

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A. I. D.") hereby grants the International Association for Rural Development in Zaire (hereinafter referred to as "AIDRZ" or "Recipient") the sum of one million eight hundred eighty four thousand, nine hundred dollars (\$ 1,884,900) (hereinafter sometimes referred to as "Project Funds") to implement a project in Zaire entitled "Shaba Refugee Water project", Project Number 660-0116.

This amendment (Number One) to the Cooperative Agreement (hereinafter referred to as "the Agreement") adds \$ 154,900 of additional project funds to the \$ 1,730,000 provided in the original C.A. (with AIDRZ) signed on August 1, 1986, bringing the new total of project funds to \$ 1,884,900. This amendment also revises the project outputs, incorporates the most recent set of standard agreements into the agreement, provides a revised counterpart fund budget and fixes the Project Assistance Completion Date (PACD) of 9/30/1990. Project funds are made available to AIDRZ in support of the "Shaba Refugee Water Project", Project Number 660-0116, (hereafter referred to as "the Project"), as more fully described in Attachment 2, entitled "Project Description".

AIDRZ, as implementing organization, will administer AID's contribution to the project in collaboration with the National Rural Hydraulics Service (SNHR) of the Department of Rural Development.

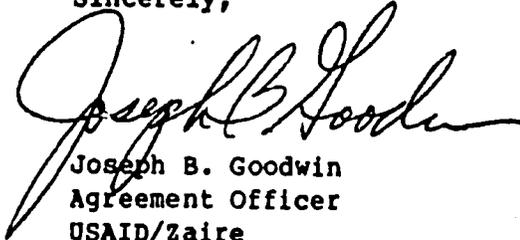
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This Agreement is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Recipient in furtherance of project objectives through the estimated completion date of September 30, 1990.

This 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 Attachment 1 entitled "Schedule", Attachment 2 entitled "Program Description", Attachment 3 entitled "Standard Provisions", and "Optional Standard Provisions for Non-U.S., Non-governmental Grantees", which have been agreed to by your organization.

Please sign the original and two (2) copies of this letter to acknowledge your acceptance of the Agreement, and return one original to the A.I.D. Agreement Officer indicated below.

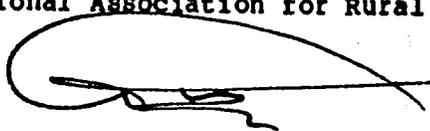
Sincerely,



Joseph B. Goodwin
Agreement Officer
USAID/Zaire

ACKNOWLEDGED:

International Association for Rural Development in Zaire (AIDRZ)



By : Mr. Guy Petit
Title : Administrateur Délégué
Date : 04.11.88

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Attachments:

1. Schedule
2. Project Description
3. Mandatory Standard Provisions, and
Optional Standard Provisions for U.S., Non-governmental
Grantees
4. Revised Budget from Recipient, dated 11 July, 1988

FISCAL DATA

Appropriation	:	72-1151021
Budget Plan Code	:	GDAA-85-21660-CG13
PIO/T No.	:	660-0116-
Project No.	:	660-0116
Total Estimated Amount:	:	\$ 1,884,900
Total Committed Amount:	:	\$ 1,884,900
IRS Employer Identification Number:	:	NA
Funding Source	:	USAID/Zaire
Technical Office	:	USAID/HPN/Zaire

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ACRONYMS

AIDRZ-	Association Internationale De Développement Rural au Zaire
COP-	Chief of Party
CPF-	Counterpart Funds (also local currency funds) of the GOZ
GOZ-	Government of Zaire
LOP-	Life of Project
PIR-	Project Implementation Report
SNHR-	Service National d'Hydraulique Rurale (Division du Département du Développement Rural)
USAID-	United States Agency For International Development (also AID)

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SCHEDULE

1. PURPOSE OF AGREEMENT

The purpose of this Amendment No. One to the Agreement is to provide additional support to the International Association for Rural Development in Zaire (AIDRZ) in carrying out a project aimed at establishing potable water systems in the Lualaba sub-region of Zaire. The amendment also serves to revise the project objectives (i.e., project outputs), and fix the termination date of this Agreement to be no later than 9/30/90.

The purpose of the "Shaba Refugee Water Project" (hereafter sometimes referred to as "the Project") is to improve the water supply system of the refugee area of southwestern Shaba. The project is jointly funded by A.I.D. and the Government of Zaire (GOZ) under the terms of a Project Grant Agreement signed between the two parties (29 March 1985). AIDRZ will implement the project in collaboration with SNHR of the Department of Rural Development.

2. PERIOD OF AGREEMENT

A. The effective date of this Amendment is the date of this letter. The estimated completion date is September 30, 1990.

B. Funds committed hereunder are available for estimated project expenditures for the period beginning June 1, 1985 and ending Sept 30, 1990, as indicated below in the Financial Plan.

3. AMOUNT OF AGREEMENT AND FINANCIAL PLAN

A. The total estimated and obligated amount of this Agreement for the period indicated in Section 2 above is \$1,884,900. Total A.I.D.-funded expenditures and liabilities for project expenses shall not exceed the total amount of funds obligated under this Agreement.

B. Tables I-IV below provide the revised financial plan for the project.

C. A local cost contribution from the GOZ's Counterpart Funds (CPF) is also planned at a total contribution of \$4.8 million (in equivalent Zaires). This represents an increase of \$800,000 (Zaire equivalents) from the amount planned in the Original Agreement. A budget for the use of local currency is provided in Table IV below, and is also in Attachment 2, "Project Description."

D. At the end of each fiscal year, AIDRZ will submit an annual budget and workplan for the dollar account and CPF account acceptable in form and content to USAID. USAID will officially acknowledge receipt and approval of the dollar budget through issuance of a Project Implementation Letter (PIL) to be co-signed by AIDRZ and USAID. The procedures applicable to CPF will be followed for approval and release of these funds.



E. AIDRZ may adjust budget line items by up to 20% without prior AID approval. Adjustments exceeding 20% will be made only upon prior written approval of the Agreement Officer or his designee. In no event will the budget exceed the total amount of funds obligated in this Agreement as per the budget in section 3.B above.

F. Conditions Precedent

Prior to the expenditure of any funds made available by AID through this Amendment, AIDRZ will:

(1) agree in writing to comply with the Memorandum of Understanding signed by AIDR and the GOZ Department of Agriculture and Rural Development in June 1985. By such notification AIDRZ will accept all rights and duties granted to AIDR under this Memorandum; and

(2) open bank accounts in US Dollars and in Local Currency in banks accepting to have no recourse to the principle of unification of accounts (non-recours au principe d'unicite) with other accounts AIDRZ may have in these banks.

4. METHOD OF PAYMENT

Payment shall be made to the Recipient in accordance with the procedures set forth in Attachment 3, Mandatory Standard Provisions for Non-U.S. Non Government Grantees. (eff. January 1987).

5. REPORTING REQUIREMENTS OF THE RECIPIENT

A. Financial Reporting:

The Recipient will submit a monthly form (S.F. 1034) claiming reimbursement under this agreement, and other reports as required by the USAID Office of Controller. The Recipient will arrange for regular annual audits of AIDRZ's financial accounts and records by a qualified accounting firm (acceptable to USAID) and submit the audit results to USAID. The Recipient will receive advance payments according to the Standard Provision of this Agreement entitled "Payment - Periodic Advance".

B. Program Performance Reporting:

The Recipient will submit a monthly report to USAID briefly describing project activities undertaken in the previous month. This report shall be furnished within ten days from the end of the previous month. The monthly report will, in general, follow the format required in the quarterly Project Implementation Reports (PIRs) and be acceptable to the technical project officer.

Other Reports

The Recipient also agrees to furnish other reports which contain information bearing on the successful implementation of the project, such as reports from site visits, results of technical studies, reports from internal or external audits and evaluations, etc.

6. INDIRECT COST RATE

Pursuant to Attachment 3, "Mandatory Standard Provisions for non-US Non Governmental Grantees": Section 16, "Negotiated Overhead Rates", a rate or rates shall be established for the Recipient's accounting period during the term of this Agreement." The Recipient will receive as indirect costs (including "overhead" or "management fee") for the term of this Agreement, payment at the rate of 10% of the total value of the project funds awarded in this Agreement. The total of indirect costs awarded to the Recipient will not, under the terms of this Agreement, exceed 10% of the total dollar value of project funds provided to the Recipient under this Agreement. Under the terms of the CPF, the Recipient may also receive as indirect costs (including "overhead" or "management fee") payment at the rate of 10% of the total value of local currency counterpart funds payable in zaires, subject to the terms and conditions governing GOZ counterpart funds.

7. TITLE TO PROPERTY

Standard provisions related to title to and use of property are included in Attachment 3, Mandatory Standard Provisions for Non-US Grantees: "Title to and Use of Property (Grantee Title)" (eff. January 1, 1987).

8. AUTHORIZED GEOGRAPHIC CODE FOR PROCUREMENT

The Recipient shall procure goods and services financed by this Agreement in accordance with Attachment 3, Mandatory Standard Provisions for Non-U.S. NGO's: "Procurement of Goods and Services" (January 1, 1987) and "A.I.D. Eligibility Rules for Goods and Services" (January 1, 1987).

9. ALTERATION AND ADDITIONS TO STANDARD PROVISIONS

The Mandatory Standard Provisions applicable to this Cooperative Agreement, and the Optional Standard Provisions which apply, are included as Attachment 3.

When the Standard Provisions are applicable for cooperative agreements, the following terms apply:

- "Grantee" means "Recipient"
- "Grant" means "Cooperative Agreement"
- "A.I.D. Grant Officer" means "A.I.D. Agreement Officer"
- "Subgrant" means "Sub-cooperative Agreement"
- "Subgrantee" means "Sub-recipient"

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10. SPECIAL PROVISIONS

A. USAID/Zaire reserves the right to review and approve nominations for each of the salaried positions and levels of compensation of persons who will be financed under this Agreement and to collaborate with the Recipient on the final selection of the best-qualified candidates.

B. Logistics support - AIDRZ will provide:

- (1) Office space and equipment in Kinshasa, home office.
- (2) Housing, transportation, fringe benefits, etc.

All overseas personnel coming to Zaire must have a doctor's certification that the employee is fit to live and work in Zaire.

C. Relationship and responsibilities:

The AIDRZ field staff will work conjointly with SNHR station personnel in carrying out project activities in the Lualaba Sub-Region. AIDRZ will report annually to USAID and SNHR on project progress and plans; submit an annual workplan and budget for approval to SNHR and USAID and meet other reporting requirements established by USAID. Day-to-day responsibility for monitoring project activities rests with the USAID project officer.

The executing agency agrees that prior to financing a drilled well or piped water system, that it will prepare and sign a "Plan of Operations" with the appropriate community officials (eg. Water Committee) and officials from the health zone. A Plan of Operations should have the following:

- A description of the planned water system: neighborhoods to be served, outline of main lines and indication of total service capacity, # standpipes, # shower and private connections;
- Specifications and characteristics of all required equipment: eg. handpumps, pipes;
- List of replacement parts to be stocked in the zone and a maintenance and parts replacement schedule;
- Parties responsible for managing and maintaining the system;
- Estimation of recurring costs for first year, second and remaining years (maintenance, repair and replacement);
- Presentation of labor and in-kind costs to be contributed by the community;
- Determination of who will decide on fees, criteria for that decision and plan for handling funds and accountability;
- Recruitment and training plan for system managers, local village workers responsible for minor repairs;
- Provisions for testing and safeguarding the quality of water.

D. Procurement

Procurement under this project is authorized in accordance with the Foreign Assistance Act of 1961, as amended.

As described above, the primary responsibility for initiating all procurement lies with AIDRZ, the cooperative PVO which has considerable experience with water supply improvements in Zaire. The commodities Management Office (CMO) of USAID and the appropriate Technical Office (HPN) will review and approve all proposed procurements exceeding US dollars 1,000 prior to the grantee entering into any binding agreement with a supplier. The source and origin of all AID-financed goods and services procured under this project will be the United States (Code 000). All procurement will be made in accordance with AID procurement regulations, as described in Attachment 3, "Mandatory Standard Provisions" for Non-US Non-Government Grantees.



Kinshasa, le 11 juillet 1988
SHR 85-3

HPN
USAID - Kinshasa

CPI: SNHR

Objet: Projet 660-0116
 Cooperative Agreement
 Annexes: 5

Messieurs,

Comme suite à nos divers entretiens à propos de l'Amendement No.1 à notre "Cooperative Agreement", je vous communique en annexe nos propositions pour les budgets révisés en US dollars et en zaires.

Ces propositions reprennent:

- a) Prévisions des dépenses pour 88, 89, 90 en US\$.
- b) Répartition des dépenses en US\$ et en Z pour l'ensemble du projet (Table 1).
- c) Répartition des dépenses en US\$ par années fiscales des Etats-Unis (Table 2).
- d) Répartition des dépenses en Z par années fiscales du Zaïre (Table 3).
- e) Plan financier pour la contribution de l'USAID (Financial Plan).

Ces tableaux reprennent l'ensemble des dépenses du Projet, effectuées ou en prévision, par AIDR et par AIDRZ.

Je reste à votre disposition pour toute information complémentaire et vous prie d'agréer, Messieurs, l'expression de ma considération très distinguée.

Guy Petit
administrateur-délégué

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TABLE I

REVISED BUDGET FOR FYs 88, 89, 90
BUDGET IN US DOLLARS

(FISCAL YEAR FROM 1 October - 30 September)

Item	88	89	90
<u>Equipment</u>	800		
<u>Technical Materials</u>			
60 handpumps pipes and accessoires	4,000	60,000	
<u>Transport</u>			
Travel: and expeditions	12,000	2,000	2,000
<u>Technical Assistance</u>			
a) 4 QTR 87			
CP 3 x 6000	18,000		
CP 3 x 5000	15,000		
CA 2,3 x 2000	4,600		
As Ad 2 x 1350	2,700		
As Ad 1 x 2100	2,100		
Consult 1 x 12000	12,000		
b) I/II/III QTRs 1988			
CP 9 x 6500	58,500		
CP 9 x 4900	44,100		
CA 5 x 3400	17,000		
As Ad 7,5 x 1400	10,500		
As Ad 1,5 x 2100	3,150		
Consult 1,5 x 8000	12,000		
Coord 9 x 3500	31,500		
c) 1989			
CP 12 x 6500		78,000	
CP 12 x 4900		58,800	
CA 7 x 3400		23,800	
As Ad 3 x 1400		10,200	
Consult 1,5 x 8000		12,000	
Coord 12 x 3500		42,000	

CP = Chef du Projet

CP = Chef Foreur (Master well-driller)

CA = Chef d'animation (Community motivator)

As Ad = Assistant Administrateur

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Table I (Continued)

Item	88	89	90
d) 1990			
CP 9 x 7000			63,000
CP 9 x 5200			46,800
CA 5 x 3600			18,000
Consult 1 x 8600			8,600
Coord 9 x 3700			33,300
<u>Management Fee (@ 10%)</u>			
a) 4 QTR 87			
3 x 2500	7,500		
b) I/II/III QTRs 1988			
9 x 3900	35,100		
c) 1989			
12 x 1800		21,600	
d) 1990 Balance			18,655
<u>Petit Cash</u>	250	250	150
<u>Contingency</u>	4,200	6,350	8,209
TOTAL	295,000	315,000	128,714

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TABLE II: LIFE OF PROJECT
SUMMARY COST ESTIMATE AND FINANCIAL PLAN
(\$000) 1985-1990

Source	AID		GOZ		TOTAL
	FX*	L.C.	FX	L.C.	
Investment					
furniture				53	53
equipment	413			241	654
vehicles				473	473
buildings				267	267
Materials and Supplies					
fuel				273	273
spare parts	3			294	297
pipes, pumps	305			939	1244
materials				286	286
supplies	9			152	161
Transportation					
	23			187	210
Services					
rental				4	4
maintenance				29	29
technical assistance	959			350	1309
management	171			440	611
training				13	13
interim personnel				50	50
other services	2			35	37
Charges					
insurance				42	42
various				31	31
missions				223	223
Personnel					
salaries				69	69
allowances				116	116
compensations				113	113
Provision for Water Systems					
				76	76
Contingency					
	0			44	44
GRAND TOTAL					
	1885			4800	6685

* Within the total estimated and obligated amount, the Recipient may adjust line-items by up to 20% without approval of the Agreement Officer. Salaries, compensation and benefit levels, however, must be approved by USAID.

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TABLE III
 PROJECTION OF USAID-FUNDED COSTS BY U.S. FISCAL YEAR,
 BY MAJOR LINE ITEM*
 (\$000)

	Till 30.09.87	1988	1989	1990	TOTAL
<u>Investments</u>					
Equipment	410.403	2.800			413.203
<u>Materials/supplies</u>					
pumps	241.482		64.150		305.632
other	4.973	6.000			10.973
<u>Transportation</u>					
air travel + exped.	4.883	12.200	2.000	4.000	23.080
<u>Services</u>					
technical assistance	326.075	231.150	228.000	174.564	959.792
management	88.500	42.600	21.600	19.000	171.700
bank + others	(130)	250	250	150	520
TOTAL	1.076.186	295.000	316.000	197.714	1.884.900

* The figures for 1989 and 1990 are illustrative. AIDRZ and SNHR will prepare annual budgets three months before the end of the calendar year for the following calendar year. These budgets will be submitted for USAID approval.

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TABLE IV
 PROJECTION OF GOZ-FUNDED COSTS BY FISCAL YEAR, BY MAJOR LINE ITEMS,
 IN LOCAL CURRENCY EQUIVALENT EXPRESSED IN US DOLLARS
 (\$000)*

	85/86	87	88	89	90	TOTALS
Investments						
furniture	53					53
equipment	74	66	81	15	5	241
vehicles	229	123	62	59		473
buildings	251	12	2	1	1	267
Materials/supplies						
fuel	69	43	60	67	34	273
spare parts	56	32	91	79	37	294
pipes, pumps	166	75	406	248	44	939
materials	31	20	73	138	24	286
supplies	45	25	47	26	9	152
Transportation	28	29	56	39	35	187
Services						
rental	1	1	1	1		4
maintenance	4	12	5	5	3	29
technical assistance	93	98	51	64	44	350
management	115	85	109	95	36	440
training	1	2	5	5		13
interim personnel	9	11	14	15	1	50
other	9	8	7	7	4	35
Charges						
insurance	11	6	9	11	5	42
various	6	11	8	4	2	31
missions	76	54	39	31	23	223
Personnel						
salaries	10	16	17	17	9	69
allowances	17	27	29	29	14	116
compensations	17	26	28	28	14	113
Provision for Water**						
<u>Systems</u>				39	37	76
Contingency				25	19	44
TOTALS	1.371	782	1.200	1.047	400	4.800

Notes:

* The GOZ's local currency contribution to this project will be drawn from Counterpart Funds, based upon availability and other factors considered.

** Provision for KAPAKUMBA, and KATORA water systems (to be implemented subject to time available):

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ATTACHMENT 2

**Amplified Project Description
(Revised)**

**-Amendment No. 1 to the
Cooperative Agreement**

**Shaba Refugee Water Supply Project
660-0116**

7/88

I. PROJECT DESCRIPTION

A. General

The availability of water supply is often the primary criterion for choice of village locations in Lualaba Sub-Region. Traditionally, the population relied on springs in the valleys for water supply, but villages were traditionally built on the plateau where insect infestation (and thus insect-borne disease) problems were less severe and where soils were more suitable for agriculture. Such a pattern, while avoiding certain problems, increased the labor burden for water supply by requiring transportation over considerable distances (up to 1.5 kilometers or more) and at times up steep slopes. In certain areas, more particularly in the more level areas where the water table is closer to the surface, the colonial administration introduced dug wells with bucket-and-pulley or hand pumping systems. Missions were able to devote sufficient resources to construct piped water systems for their own facilities, based on pumps driven by internal combustion engines, hydraulic rams, or, in one case, windmills. REGIDESO (the government urban water supply parastatal) once constructed a water distribution system at Sandoa (formerly the regional administrative center for what is now Lualaba Sub-Region) and Dilolo Post (the port-of-entry- from Angola on the Benguela Railroad) but, both of these have been unusable since damages sustained in the 1977 Shaba invasions.

The National Rural Hydraulics Service (SNHR) of the Department of Rural Development is carrying out a program of rural water supply projects in other regions with funding from various donors, but lacks sufficient trained personnel as well as funding to meet national needs. This project presents an opportunity to achieve major improvements in the water supply system of Lualaba Sub-Region. Water systems constructed under the project will include both mechanized well-boring and rehabilitation of existing but non-functional facilities. It will also create new capabilities within the National Rural Hydraulics Service through the training and equipment of a rural hydraulics station and of a specialized well-drilling unit.

B. Goal and Purpose

The goal of the project is to reintegrate the Lualaba Sub-Region repatriates and refugees into regional socio-economic development. The purpose is to improve the water supply system of the refugee area of southwestern Shaba. The problem will be addressed by improving both water quality and access to adequate supplies for drinking, sanitation, and economic activity (manioc processing in particular). The project will benefit an estimated 240,000 persons directly through improved water supply from drilled wells, capped springs, and piped water systems in several large centers. The entire population of the project area will benefit indirectly through improvements in water supply to common institutions such as hospitals, health centers, and schools. It will benefit refugee populations in particular in the sense that those refugees from outside the project area who are in temporary, provisional residence do not benefit from traditional local experience and generally suffer from unusually poor sanitary and water supply arrangements pending more adequate long-term arrangements by trial and error.

It will also enhance the possibilities for a positive resolution of the refugee problem both through improving the possibilities for independent and productive lives for refugees during temporary dislocation and through providing opportunities for possible permanent resettlement. Finally, but by no means of least importance, the project will make a significant contribution to the capability of the National Rural Hydraulics Service (SNHR) of the Zairian government to conduct such projects on its own through the equipping and training of a specialized well-drilling unit-- non-existent until now-- and through field training of management and technical personnel in Shaba for springs capping, well drilling, gravity piping system installation, and other common water supply operations which already are programmed for other parts of Zaire under other auspices.

Specific project objectives oriented toward achieving the goal and purpose are as follows:

1. Drill boreholes in stable villages with a minimum population of 200 people where existing resources cannot supply sufficient water for drinking purposes.
2. Install simple but sturdy hand pumps of appropriate design which can be maintained by local personnel (to be trained during the project) and, to the greatest possible degree, with spare parts to be produced in Zaire.
3. Cap springs near villages as principal water supply points.
4. Improve existing water supply systems for health facilities and schools to increase operating efficiency and decrease operational costs.
5. Undertake studies for providing piped water systems in major rural population centers currently not enjoying REGIDESO systems.
6. Undertake studies for installing pilot village water systems where there is also existing health infrastructure.
7. Install six gravity systems for drinking water in six rural communities;

C. End of Project Status

The conditions expected at the end of this project are the following:

- The installation of 310 new village wells fitted with handpumps.
- The capping of 475 springs for drinking water.
- Village committees formed capable of levying fees for regular maintenance and upkeep of pumps.
- Installation of piped water systems for six major towns.
- Feasibility studies of ten potential gravity-fed water systems.

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- Experienced maintenance personnel within village groups capable of routine maintenance of wells and pumps.
- Experienced water supply crews, including one well-drilling unit with two qualified drilling experts and three units for spring capping, and piping systems.
- An SNHR Station at Sandoa trained and equipped to continue installation and maintenance of potable water systems.

D. Work Plan and Schedule

To realize the above, SNHR will create a rural hydraulic station in the Sub-Region, based in Sandoa. The station will be structured in the following manner.

- | | | |
|------|-------------------------|--|
| I. | Project Management Unit | 1 Station Director
1 Chief of Project (AIDRZ) |
| II. | Administrative Division | 1 Accountant - Chief of personnel
+ comptabilité
1 administrative assistant (hired locally)
1 Stock clerk
1 Stock clerk's aid
2 laborers
4 Sentries
1 Typist
1 Messenger
1 cashier
1 Radio operator
1 secretary |
| III. | Technical Division | |
| | a. Design office: | 1 Engineer
1 Topographer
1 Draftsman-cartographer
1 Messenger |
| | b. Garage: | 2 Mechanics
2 Mechanic's aid
7 Driver-Mechanics
2 Driver's aids
4 Sentries |
| | c. Drilling Unit: | 1 Drilling chief (AIDRZ)
1 Drilling technician
1 Driller
2 Driller's aids
1 Mason
1 Carpenter
1 Plumber
2 mechanics |

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- d. Water Distribution Unit:
 - 1 Journeyman plumber
 - 1 Mason
 - 1 Carpenter

- e. 3 Spring Capping Units,
 - 1 conducteur chantier (AIDRZ)
 - 1 Capper's chief
 - 3 Cappers
 - 3 Masons
 each composed of:

- f. Extension Unit
 - 1 Training/extension Supervisor (AIDRZ)
 - 7/5 Extension agents

The following table gives the planned work schedule by type of supply system for the life of project:

	1985	1986	1987	1988	1989	1990	TOTAL
Tubewells			20	90	130	70	310
Pumps				110	130	70	310
Springs Capped		100	150	100	100	25	475
Gravity System		0	1	1	2	2	6
Water Systems Studies		10	-	-	-	-	10

II. INSTITUTIONAL ANALYSIS

AIDRZ will assist the National Rural Hydraulics Service of the GOZ Department of Rural Development to strengthen SNHR's capabilities in rural water supply development. With funding from UNICEF, SNHR has set up ten brigades in Zaire: three in Kivu, three in East Kasai, one in Lower Zaire, one in Bandundu, one in Equator, and one in Upper Zaire. Progress since their creation has not kept pace with initial projections. Despite well-trained leadership at some levels, including competent national management, SNHR is in serious need of well-trained and effective operational personnel.

The present proposal represent an important contribution to SNHR activity in Zaire. It's important to note the current UNICEF-supported program is restricted to the regions currently covered. In the absence of the proposed assistance, SNHR would not be able to assist the Lualaba Sub-Region during the foreseeable future. Also, the Shaba Refugee Water Supply Project will result in the formation of several new trained units, including SNHR's first borehole drilling team. The latter unit and its equipment, capable of drilling approximately 100 boreholes in an average year, will be able to expand SNHR's program in other geographical areas at the end of the project.

In light of the current state of SNHR's development and the great need in Zaire for its services, the proposed institutional structure for the project, with management and training functions supported by AIDRZ, is realistic and will contribute concretely to the future capabilities of SNHR as well as ensuring realization of the projected water supply improvements and the formation of local community structures to maintain them.

AB

Other institutions that will participate in the implementation of the project are the local PVOs that have existing water supply systems to be improved (schools, hospitals, medical centers) and community water supply committees to be created to insure adequate management and maintenance after the construction and renovation phase has finished. Lualaba Sub-Region, in general, has strong and cohesive rural community structures, especially in the northern portion, and water supply management has been a traditional concern of village authorities.

Finally, a team from the AID centrally-funded Water and Sanitation for Health Project (WASH) will advise and assist the project in the setting up of village water committees and the training of villagers in basic pump maintenance so as to ensure the long-term viability of project activities.

A. Outputs

1. 475 springs will be capped to provide drinking water.
2. 310 tube wells will be drilled in villages where springs have been capped and where the drinking and cooking water requirements of the village exceed the capacity of the capped springs.
3. In most of the project area the daily yield of wells is limited to 2 to 5 cubic meters a day by the low permeability of the gneiss, quartzite and granite bedrock.
4. In a first phase, studies will be undertaken to supply institutions such as hospitals, schools, health centers, etc., with water systems. The first evaluation will decide whether the studied systems are to be implemented.
5. Gravity-fed project water systems will be constructed and put in operation at four or more sites, their location and population to be served are as follows:

<u>Site</u>	<u>Population</u>
Musumba (with extension)	15,750
Kasaji 1 and Kasaji 2	20,550
Sandoa	7,500
Dilolo Poste	5,300
Katoka*	1,800
Kafakumba*	<u>1,900</u>
TOTAL	52,800

* to be constructed time and other factors permitting

6. Villages in the project area vary in size from 100 to 1,000 people, the largest town is Kasaji (estimated 20,550 persons). The wells and the springs will provide approximately 30 litres per day per person. The total population served by the project is estimated at 240,000 persons.

7. The construction of tube wells, spring capping, and gravity-fed system will be carried out by SNHR's station personnel as well as those of AIDRZ. The technical assistance team will oversee the work carried out by the station technicians.
8. The equipment cost estimates have been prepared using current prices CIF Lubumbashi. Local cost estimates are based on construction material costs and on current Rural Hydraulics salary schedules. These local costs, to be funded out of the GOZ's regular budget as well as from counterpart funds generated by USAID-funded commodity imports are within the projected availability of funds under the project.

The technical design and equipment requirements for carrying out the proposed work are appropriate for the objectives to be accomplished, are practical, and are in accordance with sound engineering practice. The cost estimates are realistic. The technical assistance personnel will complement the skills already available in the SNHR. Assuming prompt initiation of project implementation, no technical constraints to the satisfactory completion of the project on schedule are foreseen.

B. Financial Analysis

1. Sustainability

Sustainability and expansion of the Lualaba Sub-Region water supply infrastructure after the project has ended will be ensured in three ways. First, village water committees will impose a small user fee to ensure a supply of spare parts for simple manual pumps from local missions and from Lubumbashi and to pay a small retainer to a local craftsman who will be trained by AIDRZ and SNHR. The village committees will be anchored to the strong traditional leadership structures that have managed for centuries to levy taxes and maintain rudimentary infrastructure in the area. Second, local expertise and a regular supply of spare parts will be maintained at the SNHR station, this will be made easier by the fact the project will standardize on a single type of pump. The zonal health offices being assisted through another USAID project, Basic Rural Health II, will also be involved in operations and maintenance of water systems and in maintaining spare parts. The local missions will also be expected to provide a backup supply of inexpensive gaskets and other basic spare parts in the event of supply disruption. Hence, it can be expected that more new tubewells and other installations can be built and serviced. If, on the other hand, SNHR should have to move its trained personnel to other areas, the critical mass of standard simple pumps and trained villagers should ensure a continued supply of potable water to the Lualaba Sub-Region for the foreseeable future. Local missions and health facilities that benefit from the project will be provided with the basic tool kit (tripod and hoist, etc.) to perform regular pump maintenance services that surpass the capacity of the local trained artisans. The existing UNICEF-funded SNHR program in other regions of Zaire has already foreseen local fabrication in Zaire of expendable parts for the same standardized pump.

05

III. IMPLEMENTATION PLAN

A. Administrative Arrangements

Implementation of the Shaba Refugee Water Supply Project began on June 5, 1985, with the signing of a Cooperative Agreement between USAID and AIDR. Pursuant to fiscal problems encountered in other countries where AIDR was working, the Agency was declared insolvent soon after the project began. This Cooperative Agreement was cancelled by a joint agreement signed by the liquidators of AIDR, the RLA for African Region, a representative of AIDRZ (see below) and USAID on 11/15/85. A legally recognized PVO in Zaire, AIDRZ (Association Internationale pour le Developpement Rural au Zaire) was also recognized by USAID as a PVO without any legal or financial ties to the defunct AIDR. Technical assistance to the project will be provided by AIDRZ (Association Internationale de Developpement Rural au Zaire), under the present Cooperative Agreement signed with A.I.D. AIDRZ will work in close collaboration with the National Rural Hydraulics Service (SNHR) in implementing the project. SNHR has been created to assume primary management responsibility for rural water supply in Zaire, but sufficient qualified management and technical personnel are not yet available to field teams in all Zaire's eight rural regions of Zaire.

Project implementation will be overseen by an Orientation Committee composed of: the Director of the National Rural Hydraulics Service (President), the Administrateur Délégué of AIDRZ (Secretary), and the USAID/Kinshasa Project Officer. This committee will be responsible for establishing the overall direction of the project. The Orientation Committee will also take decisions on any matters on which agreement cannot be reached by the Station Director and the AIDRZ Chief of Project.

AIDRZ's headquarters in Kinshasa will be the contracting entity for the technical assistance, and will serve liaison functions with USAID. The Director of the Rural Hydraulics Station will be a Zairian appointed by the Department of Rural Development. The Chief of Project during the initial years of project implementation will be AIDRZ's Chief of Project. AIDRZ's headquarters will be responsible for backstopping project procurement where Zaire-based personnel experience difficulties. AIDRZ technical field personnel, working under the supervision of the Chief of Party and in collaboration with SNHR technicians, will develop and forward specific engineering plans to USAID. USAID's engineering office will provide technical backstop to the project. AIDRZ's headquarters will also supply specialized consultants as needed, estimated at two months per year. The USAID project officer will approve all short-term consultancies. Long-term appointments of AIDRZ personnel will be approved by USAID and by the Department of Rural Development.

The Chief of Project will be responsible for general management of the project in the field: studies, construction, training, and assuring adequate operations and maintenance. The Station Director and the Chief of Project will be jointly responsible for financial management. A system of countersignatures (Station Director and Chief of Project or their representatives) will be used for all financial documents. All payments in dollars made to AIDRZ for services provided to the project will be made by AID directly to AIDRZ.

JL

AIDRZ will assign a senior rural hydraulics engineer (Chief of Project), a drilling technician/mechanic, an experienced hydraulic technician, and an experienced training supervisor to work in the field. In addition to these full-time, field personnel, an administrative assistant will be hired locally to complete the core TA team. An half-time experienced coordinator will be assigned by AIDRZ, to supervise and backstop the Project; he will be based in Kinshasa.

The National Rural Hydraulics service will assign a counterpart to each of the AIDRZ personnel. While the overall role of the AIDRZ personnel is an advisory one, it is anticipated that some or all of the AIDRZ technicians may serve as unit leaders for work on the ground during the initial years of the project. In year four of the project an evaluation will determine whether SNHR counterparts are capable of assuming the Chief of Project and unit leader positions. If that determination is positive, the AIDRZ technical assistance team will assume an advisory role and continue to report to the SNHR Station Director, who will have also assumed the position of Chief of Project. In addition to counterparts for the AIDRZ advisors, SNHR will assign personnel to the following project units: studies, garage, drilling, water distribution, wells, springs capping, and extension.

AIDRZ and the SNHR director will jointly determine the specifications for all equipment purchased for the project, in collaboration with USAID. But, if AIDRZ and SNHR cannot agree USAID will make the final decision.

To manage this project effectively, USAID will assign a Project Coordinator to Shaba whose responsibilities will include:

1. Monitoring and evaluation of project activities to ensure that the management of AID resources is satisfactory;
2. Assisting in the preparation of project implementation documents, particularly those relating to procurement;
3. The maintenance of liaison with the relevant host country officials; and
4. Assisting in the maintenance of project reporting and records keeping, including financial management information and project performance tracking.

The officer based in Shaba will have a USAID backstop, the USAID project officer, who will be responsible for liaison with AIDRZ and AID/Washington on all project matters.

B. Implementation Schedule

The general schedule for the implementation of project activities from the date of approval until project completion is presented below. This schedule assumes that the Grant Agreement is signed in April, 1985 and will have to be revised to conform with actual signature date. A

detailed work plan and budget will be prepared by the contractor in the first 3 months of project implementation, and before each new fiscal year.

<u>Activities</u>	<u>Date</u>
Project paper approved by USAID	February 1985
Project grant agreement signed	March 1985
Cooperative Agreement signed with AIDR	June 1985
Technical Assistance team arrive	August 1985
Detailed annual work plan completed	September 1985
Commodities list finalized	September 1985
Construction of Sandoa Base commences	September 1985
Bids called for commodities purchase	October 1985
Cooperative Agreement with AIDR cancelled	November 1985
PIL signed with AIDRZ	January 1986
Mairian work crews on site	January 1986
Spring capping commences	March 1986
Studies for piped water systems begin	March 1986
Sandoa Base completed	June 1986
New Cooperative Agreement signed with AIDRZ	July 1986
Sandoa Base equipment on-site	September 1986
Studies completed	December 1986
Driller arrives	April 1987
Drilling campaign commences	January 1987
First lot of pumps arrive	April 1988
Sign Amendment No. 1 to CoAg	October 88
Order 60 handpumps	November 88
Water supply works completed	May 1990
Project Completion Date	September 1990

C. Evaluation Plan

Two evaluations are scheduled for this project: one was completed in September of 1986 and a second, which will be the final evaluation is scheduled for 1990 (3rd quarter). The first evaluation had as its principle purpose to review project objectives, assess the degree to which project design is leading towards purpose achievement, review and confirm the validity of assumptions, assure that all participants are properly carrying out the responsibilities envisaged and assigned, and make recommendations for improving project implementation. To a large extent these are reflected in this first Amendment to the Cooperative Agreement.

The final evaluation will be conducted following the completion of all water supply infrastructure construction under the project, and will provide a comprehensive assessment of the project's achievements vis-à-vis its objectives and the sustainability of project interventions. The team will be constituted similarly to those of the earlier evaluation. Technical analyses will determine the extent to which the population has benefitted through improved access to drinking water and improved water quality. The evaluation team should also address the impact of improved water supply on consolidation of hamlets into larger villages more readily benefitted by various forms of infrastructure improvement.

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This project is to be authorized in accordance with the Foreign Assistance Act of 1961, as amended.

As described above, the primary responsibility for initiating all procurement lies with AIDRZ, the cooperative PVO which has considerable experience with water supply improvements in Zaire. The source and origin of all AID-financed goods and services procured under this project will be the United States (code 000). All procurement will be made in accordance with AID procurement regulations, as described in Attachment 3, "Mandatory Standard Provisions" for Non-US Non-Government Grantees.

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OMB Control No. 0412-0510
Expiration Date: 12/31/89

MANDATORY STANDARD PROVISIONS FOR
NON-U.S., NONGOVERNMENTAL GRANTEES¹

- | | |
|-----------------------------------|----------------------------------|
| 1. Allowable Costs | 7. Ineligible Countries |
| 2. Accounting, Audit, and Records | 8. U.S. Officials Not to Benefit |
| 3. Refunds | 9. Nonliability |
| 4. Revision of Grant Budget | 10. Amendment |
| 5. Termination and Suspension | 11. Notices |
| 6. Disputes | |

1. ALLOWABLE COSTS (MAY 1986)

(a) The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant and the applicable* cost principles in effect on the date of this grant, which are attached.

(1) Reasonable. Shall mean those costs that do not exceed those which would be incurred by an ordinarily prudent person in the conduct of normal business.

(2) Allocable Costs. Shall mean those costs which are necessary to the grant.

(3) Allowable Costs. Shall mean those costs which must conform to any limitations set forth in this grant.

*NOTE: For educational institutions use OMB Circular A-21; for all other non-profit organizations use OMB Circular A-122; and for profit making firms use Federal Acquisition Regulation 31.2. and AID Acquisition Regulation 731.2.

¹When 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."

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(4) Unallowable costs, direct or indirect, include but are not limited to the following examples: Advertising, bad debts, contingencies, entertainment, fines and penalties, interest, fund raising, investment management costs, losses on other awards, taxes, first class air fare unless specifically approved. Additionally, public information service costs are unallowable as indirect costs.

(b) Prior to incurring a questionable or unique cost, the grantee should obtain the grant officer's written determination as to whether the cost will be allowable.

2. ACCOUNTING, AUDIT, AND RECORDS (MAY 1986)

(a) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. Accounting records that are supported by documentation will as a minimum accumulate and record all costs incurred under a grant and disclose the amount of that portion of the cost of the project supplied by other sources. The grantee records and subgrantee records which pertain to this grant shall be retained for a period of three years from the date of expiration of this grant and may be audited by AID and/or its representatives.

(b) The grantee agrees to have the funds provided under the grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization. Copies of the grantee's audit reports will be provided to AID. AID will review the audit reports to determine the adequacy of audit coverage. If AID determines that the audit coverage is not sufficient to verify the source and application of grant funds or that the audit does not meet the requirements of an independent audit, a second audit will be performed by AID.

(c) The following language shall be inserted in all subgrants valued in excess of \$10,000:

(1) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. These records shall be maintained for three years after final payment. These records may be audited by the grantor's representatives.

(2) The grantee agrees to have the funds provided under this grant audited by an independent auditor during the course of the grantee's normal annual audit of the grantee's organization. Copies of the

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grantee's audit reports will be provided to the grantor. If the audit coverage is not sufficient to verify the source and application of grant funds or the audit does not meet the requirements of an independent audit, a second audit will be requested of the grantee and that audit shall meet the requirements of the grantor.

3. REFUNDS (MAY 1986)

(a) The grantee shall remit to AID all interest earned on funds provided by AID.

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

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

4. REVISION OF GRANT BUDGET (MAY 1986)

(a) The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.

(b) The grantee shall immediately request approval from the grant officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the following reasons:

(1) To change the scope or the objectives of the project and/or revise the funding allocated among project objectives.

(2) Additional funding is needed.

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

(4) The grantee plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.

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(5) The grantee intends to contract or subgrant any of the work under this grant, and such contracts or subgrants were not included in the approved grant budget.

(c) Except as required by other provisions of this grant specifically stated to be an exception from this provision, the Government shall not be obligated to reimburse the grantee for costs incurred in excess of the total amount obligated under the grant. The grantee shall not be obligated to continue performance under the grant (including actions under the "Termination and Suspension" provision) or otherwise to incur costs in excess of the amount obligated under the grant, unless and until the grant officer has notified the grantee in writing that such obligated amount has been increased and has specified the new grant total amount.

5. TERMINATION AND SUSPENSION (MAY 1986)

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

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

(c) Suspension: Termination for Changed Circumstances. If at any time AID determines that continuation of funding for a program should be suspended or terminated because such assistance is not in the national interest of the United States or that it would be in violation of an applicable law, then AID may, following notice to the grantee, suspend this grant and prohibit the grantee from incurring additional obligations chargeable to this grant other than necessary and proper costs in accordance with the terms of this grant during the period of suspension. If the situation causing the suspension continues for 60 days or more, then AID may terminate this grant on written notice to the grantee and cancel that portion of this grant which has not been disbursed or irrevocably committed to third parties.

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(d) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the grantee shall take immediate action to minimize all expenditures and obligations financed by this grant and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination. The grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended AID funds which are not otherwise obligated by a legally binding transaction applicable to this grant. Should the funds paid by the Government to the grantee prior to the effective date of the termination of this grant be insufficient to cover the grantee's obligations in the legally binding transaction, the grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations. The grant officer shall determine the amount(s) to be paid by the Government to the grantee under such claim in accordance with the applicable cost principles.

6. DISPUTES (NOVEMBER 1985)

(a) Any dispute under this grant shall be decided by the AID grant officer. The grant officer shall furnish the grantee a written copy of the decision.

(b) Decisions of the AID grant officer shall be final unless, within 30 days of receipt of the decision of the grant officer, the grantee appeals the decision to the Administrator of AID. Any appeal made under this provision shall be in writing and addressed to the Administrator, Agency for International Development, Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the grant officer.

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

(d) A decision under this provision by the Administrator or an authorized representative shall be final unless overruled by a court of competent jurisdiction.

7. INELIGIBLE COUNTRIES (MAY 1986)

Unless otherwise approved by the AID grant officer, funds will only be expended for assistance to countries eligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

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8. U.S OFFICIALS NOT TO BENEFIT (NOVEMBER 1985)

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

9. NONLIABILITY (NOVEMBER 1985)

AID does not assume liability for any third party claims for damages arising out of this grant.

10. AMENDMENT (NOVEMBER 1985)

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

11. NOTICES (NOVEMBER 1985)

Any notice given by AID or the grantee shall be sufficient only if in writing and delivered in person, mailed, or cabled as follows:

To the AID grant officer, at the address specified in the grant.

To grantee, at grantee's address shown in the grant or to such other address designated within the grant.

Notices shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

(END OF MANDATORY STANDARD PROVISIONS)

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**REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR
NON-U.S., NONGOVERNMENTAL GRANTEES**

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of this Handbook. Each grant is required to have a payment provision. Check off the provisions which are to be included in the grant. Only those standard provisions which have been checked off are included within the grant.

- | | |
|---|-------|
| 1. Payment - Periodic Advance | X |
| 2. Payment - Cost Reimbursement | _____ |
| 3. Air Travel and Transportation | X |
| 4. Ocean Shipment of Goods | X |
| 5. Procurement of Goods and Services | X |
| 6. AID Eligibility Rules for Goods and Services | X |
| 7. Subagreements | X |
| 8. Local Cost Financing | X |
| 9. Patents Rights | _____ |
| 10. Publications | X |
| 11. Nondiscrimination | X |
| 12. Regulations Governing Employees | X |
| 13. Participant Training | _____ |
| 14. Voluntary Population Planning | _____ |
| 15. Protection of the Individual as a Research Subject | _____ |
| 16. Negotiated Overhead Rates - Provisional | X |
| 17. Government Furnished Excess Personal Property | _____ |
| 18. Title To and Use of Property (Grantee Title) | _____ |
| 19. Title To and Care of Property (U.S. Government Title) | _____ |
| 20. Title To and Care of Property (Cooperating Country Title) | X |
| 21. Cost Sharing (Matching) | _____ |

(INCLUDE THIS PAGE IN THE GRANT)

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PAYMENT - PERIODIC ADVANCE (NOVEMBER 1985)

(This provision is applicable when (1) the grantee has an acceptable accounting system (2) the grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof, and (3) the grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this agreement entitled "Accounting, Audit, and Records".)

- (a) AID funds shall not be commingled with other grantee owned or controlled funds. The grantee shall deposit all AID cash advances in a separate bank account and shall make all disbursements for goods and services from this account.
- (b) Each quarter, after the initial cash advance, the grantee shall submit to the AID Controller, identified in the schedule, voucher SF 1034 (original) and SF 1034-A (three copies), entitled "Public Voucher for Purchases and Services Other Than Personal", copies of which are attached.
- (c) Each voucher shall be identified by the appropriate grant number and shall be accompanied by an original and three copies of a report in the following format:

**FEDERAL CASH ADVANCE STATUS REPORT
(Report Control No. W-245)**

A. Period covered by this report:

FROM (Month, day, year) _____
TO (Month, day, year) _____

Period covered by the next report:

FROM (Month, day, year) _____
TO (Month, day, year) _____

B. Cash Advance Use and Needs:

- 1. Cash advance on hand at the beginning of this reporting period \$ _____
- 2. U.S. Treasury check advance(s) received during this reporting period..... \$ _____
- 3. Interest earned on cash advance during this reporting period..... \$ _____

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4. GROSS cash advance available during this reporting period (Lines 1, 2, & 3).....\$ _____
5. LESS, interest remitted to AID during this reporting period..... \$ _____
6. NET cash advance available during this reporting period (Line 4 minus Line 5)..... \$ _____
7. Total disbursements during this reporting period, including subadvances (see footnote 1)..... \$ _____
8. Amount of cash advances available at the end of this reporting period (Line 6 minus Line 7)..... \$ _____
9. Projected disbursements, including subadvances, for the next reporting period (see footnote 2)..... \$ _____
10. Additional cash advance requested for the next reporting period (Line 9 minus Line 8)..... \$ _____
11. Total interest earned on cash advance from the start of the grant to the end of this reporting period, but not remitted to AID..... \$ _____
12. Total cash advances to subgrantees, if any, as of the end of this reporting period..... \$ _____

FOOTNOTES:

1. The grantee shall submit a cumulative detailed report of disbursements by BUDGET line item quarterly.
2. The grantee shall attach a Summary, by BUDGET line item, of its projected disbursements for the next reporting period.

C. Certification:

The undersigned hereby certifies: (1) that the amount in paragraph B.9 above represents the best estimate of funds needed for the disbursements to be incurred over the period described, (2) that appropriate refund or credit to the grant will be made in the event of disallowance in accordance with the terms of the grant, (3) that appropriate refund or

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credit to the grant will be made in the event funds are not expended, and (4) that any interest accrued on the funds made available herein will be refunded to AID.

DATE _____

BY _____
TITLE _____

(END OF STANDARD PROVISION)

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PAYMENT - COST REIMBURSEMENT (MAY 1986)

(This provision is applicable to grants for construction or to grants where the grantee does not meet the conditions for periodic advance payment.)

- (a) The grantee shall submit to the AID Controller one original and 3 copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal" and SF 1034A, Continuation of SF 1034, on a monthly basis and in no event no later than on a quarterly basis. Each voucher shall be identified by the grant number and shall state the total costs for which reimbursement is being requested.
- (b) Copies of SF 1034 and 1034A are attached.

(END OF STANDARD PROVISION)

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AIR TRAVEL AND TRANSPORTATION (MAY 1986)

(This provision is applicable when any costs for air travel or transportation are included in the budget.)

- (a) The grantee is required to present to the project officer for written approval an itinerary for each planned international trip financed by this grant, which shows the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advance of the proposed travel as possible, but in no event less than three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant mission, with a copy to the project officer, of planned travel, identifying the travelers and the dates and times of arrival.
- (b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, AID will, after receipt of advice of intent to travel required above, either issue a SF 1169, Government Transportation Request (GTR), which the grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.
- (c) All air travel and shipments under this grant are required to be made on U.S. flag air carriers to the extent service by such carriers is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operations between the U.S. and/or its territories and one or more foreign countries.
- (d) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimbursable under this grant.
- (e) U.S. flag air carrier service is considered available even though:
 - (1) Comparable or a different kind of service can be provided at less cost by a foreign air carrier;
 - (2) Foreign air carrier service is preferred by or is more convenient for the agency or traveler; or

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(3) Service by a foreign air carrier can be paid for in excess foreign currency, unless U.S. flag air carriers decline to accept excess or near excess foreign currencies for transportation payable only out of such monies.

(f) Except as provided in paragraph (b) of this section, U.S. flag air carrier service must be used for all Government-financed commercial foreign air travel if service provided by such carriers is available. In determining availability of a U.S. flag air carrier, the following scheduling principles should be followed unless their application results in the last or first leg of travel to or from the U.S. being performed by a foreign air carrier:

(1) U.S. flag air carrier service available at point of origin should be used to destination or in the absence of direct or through service to the farthest interchange point on a usually traveled route;

(2) Where an origin or interchange point is not served by U.S. flag air carrier, foreign air carrier service should be used only to the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service; or

(3) Where a U.S. flag air carrier involuntarily reroutes the traveler via a foreign air carrier the foreign air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

(g) For travel between a gateway airport in the United States (the last U.S. airport from which the traveler's flight departs or the first U.S. airport at which the traveler's flight arrives) and a gateway airport abroad (that airport from which the traveler last embarks enroute to the U.S. or at which the traveler first debarks incident to travel from the U.S.) passenger service by U.S. flag air carrier will not be considered available:

(1) Where the gateway airport abroad is the traveler's origin or destination airport, and the use of U.S. flag air carrier service would extend the time in a travel status, including delay at origin and accelerated arrival at destination, by at least 24 hours more than travel by foreign air carrier:

(2) Where the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait six hours or more to make connections at that point, or delayed

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departure from or accelerated arrival at the gateway airport in the U.S. would extend the time in a travel status by at least six hours more than travel by foreign air carrier.

- (h) For travel between two points outside the U.S. the rules in paragraphs (d) through (f) of this section will be applicable, but passenger service by U.S. flag air carrier will not be considered to be reasonably available:
- (1) If travel by foreign air carrier would eliminate two or more aircraft changes enroute;
 - (2) Where one of the two points abroad is the gateway airport (as defined in paragraph (g) of this section) enroute to or from the U.S., if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or
 - (3) Where the travel is not part of a trip to or from the U.S.; if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including delay at origin, delay enroute and accelerated arrival at destination.
- (i) When travel under either paragraph (g) or (h) of this section involves three hours or less between origin and destination by a foreign air carrier, U.S. flag air carrier service will not be considered available when it involves twice such travel time or more.
- (j) Nothing in the above guidelines shall preclude and no penalty shall attend the use of a foreign air carrier which provides transportation under an air transport agreement between the United States and a foreign government, the terms of which are consistent with the international aviation policy goals set forth at 49 U.S.C. 1502(b) and provide reciprocal rights and benefits.
- (k) Where U.S. Government funds are used to reimburse the grantee's use of other than U.S. air flag carriers for international transportation, the grantee will include a certification on vouchers involving such transportation which is essentially as follows:

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

I hereby certify that the transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reason(s): (State appropriate reason(s) as set forth above)."

(1) International Travel

(1) As used herein, the term "international travel" includes travel to all countries other than travel within the home country of the grantee.

(2) The grantee will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in an international travel status in accordance with the grantee's established policies and practices which are uniformly applied to federally financed and other activities of the grantee. The standard for determining the reasonableness of reimbursement for overseas allowance is the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the grant officer.

(m) This provision will be included in all subagreements and contracts which require air travel and transportation under this grant.

(END OF STANDARD PROVISION)

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OCEAN SHIPMENT OF GOODS (MAY 1986)

(This provision is applicable when goods purchased with funds provided under this grant are transported to cooperating countries on ocean vessels.)

- (a) At least 50% of the gross tonnage of all goods purchased under this grant and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates for such vessels.
- (b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this grant and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.
- (c) When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may request a determination of non-availability from the AID Transportation Support Division, Office of Procurement, Washington, D.C. 20523, giving the basis for the request which will relieve the grantee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this grant.
- (d) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows:

"I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the U.S. Department of Transportation, Maritime Administration, Division of National Cargo, 400 7th Street, S.W., Washington, D.C. 20590, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

(END OF STANDARD PROVISION)

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PROCUREMENT OF GOODS AND SERVICES (MAY 1986)

(This provision is applicable when goods or services are procured under the grant.)

The grantee may use its own procurement policies and practices for the procurement of goods and services under this grant, provided they conform to all of AID's requirements listed below and the standard provision entitled "AID Eligibility Rules For Goods and Services".

(a) General Requirements:

(1) The recipient shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using AID funds. Conflict of interest situations involving employees, officers or agents or their immediate families shall be avoided. The recipients' officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the recipients' officers, employees or agents.

(2) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the offeror whose offer is responsive/responsible to the solicitation and is most advantageous to the recipient, price and other factors considered. Solicitations shall clearly set forth all requirements that the offeror must fulfill in order to be evaluated by the recipient. Any and all offers may be rejected when it is in the recipient's interest to do so.

(3) All grantees shall establish procurement procedures that provide for, at a minimum, the following procedural requirements:

(1) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary items.

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(ii) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition.

(iii) Positive efforts shall be made by the recipients to utilize U.S. small business and minority owned business sources of supplies and services. Such efforts should allow these sources the maximum feasible opportunity to compete for contracts utilizing AID funds. The grantee shall to the maximum extent possible provide the following information to the Office of Small Disadvantaged Business Utilization, AID, Washington, D.C. 20523, at least 45 days prior (except where a shorter time is requested of and granted by the Office of Small and Disadvantaged Business Utilization) to placing any order or contract in excess of \$25,000:

- (A) Brief general description and quantity of goods or services;
- (B) Closing date for receiving quotations or proposals; and
- (C) Address where solicitations and specifications can be obtained.

(iv) The type of procuring instruments used, e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the recipient but must be appropriate for the particular procurement and for promoting the best interest of the program involved. In those instances where a cost type contract authorizes a fee, a fixed amount will be used in lieu of a percentage of cost.

(v) Contracts shall be made only to responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed contract. Consideration shall be given to such matters as integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Contracts shall not be made to firms or individuals whose name appears on the AID Consolidated List of Debarred, Suspended, and Ineligible Awardees. AID will provide the grantee with a copy of this list upon request.

(vi) All proposed sole source contracts or where only one proposal is received in which the aggregate expenditure is expected to exceed \$10,000 shall be subject to prior approval by an appropriate official within the grantee's organization.

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(vii) Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

(viii) Procurement records and files for purchases in excess of \$10,000 shall include the following:

- (A) Basis for contractor selection;
- (B) Justification for lack of competition when competitive offers are not obtained;
- (C) Basis for award: cost or price.

(ix) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions and specifications of the contract, and to ensure adequate and timely followup of all purchases.

(b) Each contract and subcontract shall contain in addition to provisions to define a sound and complete contract, the following contract provisions as well as any provision within this grant which requires such inclusion of that provision. Whenever a provision is required to be inserted in a contract under this grant, the grantee shall insert a statement in the contract that in all instances where AID is mentioned the grantee's name shall be substituted.

(1) Contracts in excess of \$10,000 shall contain contractual provisions or conditions that will allow for administrative, contractual or legal remedies in instances in which contractors violate or breach contract terms, and provide for such remedial actions as may be appropriate.

(2) All contracts in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

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(3) All negotiated contracts over \$10,000 awarded by recipients shall include a provision to the effect that the recipient, AID or their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(4) In all contracts for construction or facility improvement awarded for more than \$100,000, recipients shall observe generally accepted bonding requirements.

(5) Contracts, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into fields that directly concern public health, safety or welfare; or contracts in the fields of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the contract are subject to the regulations included in these grant provisions. The contractor shall be advised as to the source of additional information regarding these matters.

(END OF STANDARD PROVISION)

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AID ELIGIBILITY RULES FOR GOODS AND SERVICES (MAY 1986)

(This provision is applicable when goods or services are procured under the grant.)

(a) Ineligible and Restricted Goods and Services: If AID determines that the grantee 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 grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement.

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

- (i) Military equipment,
- (ii) Surveillance equipment,
- (iii) Commodities and services for support of police or other law enforcement activities,
- (iv) Abortion equipment and services,
- (v) Luxury goods and gambling equipment, or
- (vi) Weather modification equipment.

(2) Ineligible Suppliers. Funds provided under this grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on AID's Consolidated List of Debarred, Suspended or Ineligible Awardees (AID Regulation 8 (22 CFR 208)). AID will provide the grantee with this list upon request.

(3) Restricted Goods. The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:

- (i) Agricultural commodities,
- (ii) Motor vehicles,
- (iii) Pharmaceuticals,
- (iv) Pesticides,
- (v) Rubber compounding chemicals and plasticizers.

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(vi) Used equipment,

(vii) U.S. Government-owned excess property, or

(viii) Fertilizer.

(b) Source, Origin, and Nationality: The eligibility rules for goods and services are based on source, origin, and nationality and are divided into the two categories. One applies when the total procurement during the life of the grant is over \$250,000 and the other applies when the total procurement element during the life of the grant is not over \$250,000. 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 grant officer. AID policies on source, origin, and nationality are contained in Chapters 4 and 5 of AID Handbook 1, Supplement B, (Procurement Policies).

(1) When the total procurement element during the life of this grant is valued at \$250,000 or less, the following rules apply:

(i) All goods and services, the costs of which are to be reimbursed under this grant and which will be financed with U.S. dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference:

(A) The United States (AID Geographic code 000),

(B) The Cooperating Country,

(C) Selected Free World countries (AID Geographic Code 941),

(D) Special Free World countries (AID Geographic Code 935).

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

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(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) Impelling 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 grant.

(2) When the total procurement element exceeds \$250,000, the following rule applies: Except as may be specifically approved or directed in advance by the grant officer, all goods and services, which will be reimbursed under this grant and financed with U.S. dollars, shall be procured in and shipped from the U.S. (Code 000) and from any other countries within the authorized geographic code as specified in the schedule of this grant.

- (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 AID-financed procurement against any marine insurance company authorized to do business in the U.S., then any AID-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 grant.
- (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

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assistance projects or activities financed by AID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources in order of preference:

- (1) The United States (AID Geographic code 000),
 - (2) The Cooperating Country,
 - (3) Selected Free World countries (AID Geographic Code 941),
 - (4) Free World countries (AID Geographic Code 899).
- (f) Special Restrictions on the Procurement of Construction or Engineering Services: Section 604(g) of the Foreign Assistance Act provides that AID funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services." In order to insure eligibility of a Code 941 contractor for construction or engineering services, the grantee shall obtain the grant officer's prior approval for any such contract.

(END OF STANDARD PROVISION)

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SUBAGREEMENTS (MAY 1986)

(This provision is applicable when subgrants or cooperative agreements are financed under the grant.)

- (a) Awards shall be made only with responsible recipients who possess the potential ability to perform successfully under the terms and conditions of a proposed agreement. Consideration shall be given to such matters as integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Awards shall not be made to firms or individuals whose name appears on the AID Consolidated List of Debarred, Suspended, and Ineligible Awardees. AID will provide the grantee with a copy of this list upon request.
- (b) All subagreements shall as a minimum contain in addition to provisions to define a sound and complete agreement, the following provisions as well as any that are specifically required by any other provision in this grant. Whenever a provision within this grant is required to be inserted in a subagreement, the grantee shall insert a statement in the subagreement that in all instances where AID is mentioned, the grantee's name will be substituted.
- (1) Subagreements in excess of \$10,000 shall contain provisions or conditions that will allow for administrative or legal remedies in instances where subrecipients violate subagreement terms and provide for such remedial action as may be appropriate.
 - (2) All subagreements in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which termination will be effected and the basis for settlement. In addition, such subagreements shall describe conditions under which the subagreement may be terminated for default as well as conditions where the subagreement may be terminated because of circumstances beyond the control of the subrecipient.
 - (3) All subagreements over \$10,000 issued by recipients shall include a provision to the effect that the recipient, AID, or their duly authorized representatives, shall have access to any books, documents, papers and records of the subrecipient which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.
 - (4) Subagreements, the principal purpose of which is to create, develop or improve products, processes or methods; or for exploration into

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fields that directly concern public health, safety or welfare; or subagreements in the field of science or technology in which there has been little significant experience outside of work funded by Federal assistance, shall contain a notice to the effect that matters regarding rights to inventions and materials generated under the subagreement are subject to the regulations contained in the provisions of this grant. The subrecipient shall be advised as to the source of additional information regarding these matters.

(END OF STANDARD PROVISION)

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LOCAL COST FINANCING (MAY 1986)

(This provision applies only when local costs are authorized by the grant, and must be used with the standard provision entitled "Procurement of Goods and Services.")

- (a) Costs qualifying as local costs are eligible for financing under the grant in accordance with the terms of this standard provision. Local costs are defined as (1) indigenous goods, (2) imported shelf items, and (3) services provided by suppliers meeting the requirements contained in subparagraph (b). Indigenous goods are those that have been mined, grown or produced in the cooperating country through manufacture, processing or assembly. In the case of produced goods containing imported components, to qualify as indigenous a commercially recognized new commodity must result that is substantially different in basic characteristics or in purpose or utility from its components. Imported shelf items are goods that are normally imported and kept in stock, in the form in which imported, for sale to meet a general demand in the country for the item.

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

- (b) To qualify as local costs, goods and services must also meet the following additional requirements:
- (1) They must be paid for in local currency.
 - (2) They must not be specifically imported for this grant.
 - (3) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined in AID Handbook 18, Chapter 5.

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- (4) Any component from a country not included in AID geographic code 935 renders a commodity ineligible for financing.
- (c) Ineligible Goods and Services: Under no circumstances shall the grantee procure any of the following under this grant:
- (1) Military equipment,
 - (2) Surveillance equipment,
 - (3) Commodities and services for support of police or other law enforcement activities,
 - (4) Abortion equipment and services,
 - (5) Luxury goods and gambling equipment, or
 - (6) Weather modification equipment.
- (d) Ineligible Suppliers: Funds provided under this grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on AID's Consolidated List of Debarred, Suspended, or Ineligible Awardees (AID Regulation 8, (22 CFR 208)). AID will provide the grantee with this list upon request.
- (e) Restricted Goods: The grantee shall not procure any of the following goods and services without the prior written authorization of the grant officer:
- (1) Agricultural commodities,
 - (2) Motor vehicles,
 - (3) Pharmaceuticals,
 - (4) Pesticides,
 - (5) Rubber compounding chemicals and plasticizers,
 - (6) Used equipment,
 - (7) U.S. Government-owned excess property, or
 - (8) Fertilizer.

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- (f) IF AID determines that the grantee has procured any of the restricted or ineligible goods and services specified in subparagraphs (c) through (e) above, or has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement.

(END OF STANDARD PROVISION)

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PATENT RIGHTS (MAY 1986)

(This provision is applicable whenever patentable processes or practices are financed by the grant.)

(a) Definitions:

(1) Invention means any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code.

(2) Subject invention means any invention of the recipient conceived or first actually reduced to practice in the performance of work under this agreement.

(3) Practical application means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

(4) Made when used in relation to any invention means the conception or first actual reduction to practice of such invention.

(5) Small business firm means a small business concern which meets the size standards for small business concerns involved in Government procurement and subcontracting at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively.

(6) Nonprofit organization means a university or other institution of higher education or an organization which is not organized for profit as described in the laws of the country in which it was organized.

(b) Allocation of Principal Rights: The recipient may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the recipient retains title, the Federal Government shall have a non-exclusive, non-transferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the U.S. the subject invention throughout the world.

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(c) Invention Disclosure, Election of Title, and Filing of Patent Applications by Recipient:

(1) The recipient shall disclose each subject invention to AID within two months after the inventor discloses it in writing to recipient personnel responsible for patent matters. The disclosure to AID shall be in the form of a written report and shall identify the agreement under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to AID the recipient shall promptly notify AID of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the recipient.

(2) The recipient shall elect in writing whether or not to retain title to any such invention by notifying AID within twelve months of disclosure to the recipient, provided that in any case where publication, on sale, or public use has initiated the one-year statutory period wherein valid patent protection can still be obtained in the United States, the period of election of title may be shortened by AID to a date that is no more than 60 days prior to the end of the statutory period.

(3) The recipient shall file its initial patent application on an elected invention within two years after election or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. The recipient shall file patent applications in additional countries within either ten months of the corresponding initial patent application or six months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

(4) Requests for extension of the time for disclosure to AID, election, and filing may, at the discretion of AID, be granted.

(d) Conditions When the Government May Obtain Title: The recipient shall convey to AID upon written request, title to any subject invention:

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(1) If the recipient fails to disclose or elect the subject invention within the times specified in (c) above, or elects not to retain title, AID may only request title within sixty days after learning of the recipient's failure to report or elect within the specified times.

(2) In those countries in which the recipient fails to file patent applications within the times specified in (c) above; provided, however, that if the recipient has filed a patent application in a country after the times specified in (c) above, but prior to its receipt of the written request of AID the recipient shall continue to retain title in that country.

(3) In any country in which the recipient decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceeding on a patent on a subject invention.

(e) Minimum Rights to Recipient:

(1) The recipient shall retain a nonexclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title except if the recipient fails to disclose the subject invention within the times specified in (c) above. The recipient's license extends to its subsidiaries and affiliates, if any, within the corporate structure of which the recipient is a party and includes the right to grant sublicenses of the same scope to the extent the recipient was legally obligated to do so at the time the agreement was awarded. The license is transferable only with the approval of AID except when transferred to the successor of that party of the recipient's business to which the invention pertains.

(2) The recipient's license may be revoked or modified by AID to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions in the Federal Property Management Regulations and agency licensing regulations (if any). This license shall not be revoked in that field of use or the geographical areas in which the recipient has achieved practical application and continues to make the benefits of the invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of AID to the extent the recipient, its licensees, or its subsidiaries or affiliates have failed to achieve practical application.

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(3) Before revocation or modification of the license, AID shall furnish the recipient written notice of its intention to revoke or modify the license, and the recipient shall be allowed thirty days (or such other time as may be authorized by AID for good cause shown by the recipient) after the notice to show cause why the license should not be revoked or modified. The recipient has the right to appeal, in accordance with applicable agency licensing regulations (if any) and the Federal Property Management Regulations concerning the licensing of Government-owned inventions, any decision concerning the revocation or modification of its license.

(f) Recipient Action to Protect the Government's Interest:

(1) The recipient agrees to execute or to have executed and promptly deliver to AID all instruments necessary to (i) establish or conform the rights the Government has throughout the world in those subject inventions to which the recipient elects to retain title, and (ii) convey title to AID when requested under paragraph (d) above, and to enable the Government to obtain patent protection throughout the world in that subject invention.

(2) The recipient agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the recipient each subject invention made under agreement in order that the recipient can comply with the disclosure provisions of paragraph (c) above, and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by (c)(1) above. The recipient shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

(3) The recipient shall notify AID of any decision not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than 30 days before the expiration of the response period required by the relevant patent office.

(4) The recipient agrees to include, within the specification of any United States patent application and any patent issuing thereon covering a subject invention, the following statement: "This invention was made with Government support under (identify the agreement awarded by AID). The Government has certain rights in this invention."

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- (g) Subagreements and Contracts: The recipient shall include this standard provision suitably modified to identify the parties, in all subagreements and contracts, regardless of tier, for experimental, developmental, or research work to be performed by a small business firm or nonprofit organization. The subrecipient or contractor shall retain all rights provided for the recipient in this standard provision, and the recipient shall not, as part of the consideration for awarding the contract or subagreement, obtain rights in the contractor's or subrecipient's subject inventions.
- (h) Reporting Utilization of Subject Inventions: The recipient agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the recipient or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the recipient, and such other data and information as AID may reasonably specify. The recipient also agrees to provide additional reports as may be requested by AID in connection with any march-in proceedings undertaken by AID in accordance with paragraph (j) of this provision. To the extent data or information supplied under this section is considered by the recipient, its licensee or assignee to be privileged and confidential and is so marked, AID agrees that, to the extent permitted by law, it shall not disclose such information to persons outside the Government.
- (i) Preference for United States Industry: Notwithstanding any other provision of this clause, the recipient agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention shall be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by AID upon a showing by the recipient or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances manufacture in the United States is not commercially feasible.
- (j) March-in Rights: The recipient agrees that with respect to any subject invention in which it has acquired title, AID has the right to require the recipient, an assignee or exclusive licensee of a subject invention to grant a non-exclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the recipient, assignee, or exclusive licensee refuses such a request, AID has the right to grant such a license itself if AID determines that:

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(1) Such action is necessary because the recipient or assignee has not taken or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use;

(2) Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the recipient, assignee, or their licensees;

(3) Such action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the recipient, assignee, or licensees; or

(4) Such action is necessary because the agreement required by paragraph (i) of this clause has not been obtained or waived or because a license of the exclusive right to use or sell any subject invention in the United States is in breach of such agreement.

(k) Special Provisions for Agreements with Nonprofit Organizations: If the recipient is a nonprofit organization, it agrees that:

(1) Rights to a subject invention may not be assigned without the approval of AID, except where such assignment is made to an organization which has as one of its primary functions the management of inventions and which is not, itself, engaged in or does not hold a substantial interest in other organizations engaged in the manufacture or sale of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention provided that such assignee shall be subject to the same provisions as the recipient.

(2) The recipient may not grant exclusive licenses under the United States patents or patent applications in subject inventions to persons other than small business firms for a period in excess of the earlier of:

(i) Five years from first commercial sale or use of the invention; or

(ii) Eight years from the date of the exclusive license excepting that time before regulatory agencies necessary to obtain premarket clearance, unless on a case-by-case basis, AID approves a longer exclusive license. If exclusive field of use licenses are granted, commercial sale or use in one field of use shall not be deemed commercial sale or use as to other fields of use and a first commercial sale or use with respect to a product of the invention shall not be deemed to end the exclusive period to different subsequent products covered by the invention.

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- (3) The recipient shall share royalties collected on a subject invention with the inventor; and
- (4) The balance of any royalties or income earned by the recipient with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, shall be utilized for the support of scientific research or education.
- (1) Communications: Communications concerning this provision shall be addressed to the grant officer at the address shown in this agreement.

(END OF STANDARD PROVISION)

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PUBLICATIONS (MAY 1986)

(This provision is applicable when publications are financed under the grant.)

- (a) If it is the grantee's intention to identify AID's contribution to any publication resulting from this grant, the grantee shall consult with AID on the nature of the acknowledgement prior to publication.**
- (b) The grantee shall provide the AID project officer with one copy of all published works developed under this grant and with lists of other written work produced under the grant.**
- (c) In the event grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the grant unless the schedule of the grant has identified the profits or royalties as program income.**
- (d) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but AID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.**

(END OF STANDARD PROVISION)

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NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS (MAY 1986)

(This provision is applicable when work under the grant is performed in the United States or when employees are recruited in the United States.)

No U.S. citizen or legal resident shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this grant on the basis of race, color, national origin, age, handicap, or sex.

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REGULATIONS GOVERNING EMPLOYEES (MAY 1986)

(The following applies to the grantee's employees who are not citizens of the cooperating country.)

- (a) The grantee's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this grant.
- (b) The sale of personal property or automobiles by grantee employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire AID personnel employed by the Mission except as this may conflict with host government regulations.
- (c) Other than work to be performed under this grant for which an employee is assigned by the grantee, no employee of the grantee shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned.
- (d) The grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.
- (e) In the event the conduct of any grantee employee is not in accordance with the preceding paragraphs, the grantee's chief of party shall consult with the AID Mission Director and the employee involved and shall recommend to the grantee a course of action with regard to such employee.
- (f) The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this grant of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.
- (g) If it is determined, under either (e) or (f) above, that the services of such employee shall be terminated, the grantee shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

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PARTICIPANT TRAINING (MAY 1986)

(This provision is applicable when any participant training is financed under the grant).

- (a) **Definitions:** A participant is any non-U.S. individual being trained under this grant outside of that individual's home country.
- (b) **Application of Handbook 10:** Participant training under this grant is to be conducted according to the policies established in AID Handbook 10, Participant Training, except to the extent that specific exceptions to Handbook 10 have been provided in this grant with the concurrence of the Office of International Training. (Handbook 10 may be obtained by submitting a request to the grant officer.) Except for paragraph (h) on orientation, the following paragraphs in this standard provision are not subject to waiver except as specifically stated.
- (c) **Participant Training Information System:** All grantees shall ensure that participants trained in the United States or in a third country are included in the Agency's Participant Training Information System.

The grantee shall fill out form AID 1381-4 entitled "Participant Data" and send it to the addresses indicated on the back of the form. The grantee can obtain a supply of these forms and additional instructions for completing them from the grant officer. Data should be submitted prior to the initiation of participant travel. If this is not possible, the forms should be prepared and submitted immediately after arrival of the participant(s). The grantee shall also submit to the grant officer a blue copy of the form when subsequent changes in the participant's training program are made and at termination of the participant's training program, ensuring that the original participant number (pre-printed on the form) is used.

(d) **Visa Requirements For Training Within The United States:**

- (1) AID-sponsored participants are admitted to the United States under the Department of State/USIA Exchange Visitor Program and are issued J-1 visas. The program identification number is G-2-0263.
- (2) J-1 visas are issued by the U.S. Embassy or Consulate for AID-sponsored participants upon submission by the participant of Form IAP-66A which may be obtained only from the AID Mission. The Mission retains one copy of the IAP-66A and forwards one copy to AID/S&T/IT.
- (3) Holders of J-1 visas are subject to the Immigration and Nationality Act, as amended, and may not apply for an immigrant or an H or L nonimmigrant visa until 2 years' residency is completed in their home country, after completion of training.

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(4) Participant passports and visas should normally be valid for six months beyond the duration of the proposed program to allow for program readjustments if necessary. This may not be regarded as an opportunity to encourage program extensions.

(e) Maintenance and Other Allowances: Grantees must observe the maintenance and other allowances for AID-sponsored participants in the United States and third countries as set forth in Handbook 10. No exceptions or variations are permissible except with the advance concurrence of the Office of International Training.

(f) Health and Accident Coverage (HAC) Program For Training Within The United States: The grantee shall enroll all participants training in the U.S. in AID's HAC Program. HAC Program coverage for an enrolled participant begins at the moment of departure from the host country to the U.S. until the moment of return to the host country providing, however, that there is not substantial unapproved delay between completion of training under this grant and their return, and that there is no layover at any point to or from the U.S. except the minimal amount necessary for plane connections.

(1) The HAC Program enables the participant, or the provider of medical services, to submit bills for medical costs resulting from illness and accident to the HAC Claims Office which pays all reasonable and necessary medical charges for covered services not otherwise covered by other insurance programs (see paragraph 6 below), in accordance with the standard coverage established by AID under the HAC Program.

(2) The grantee shall, as early as possible and no later than the initiation of travel to the United States by each participant financed by AID under this grant, fill out AID Form 1381-4 entitled "Participant Data Form" and mail it to the grant officer, who shall transmit it to the addressees indicated on the back of the form. The grantee can obtain a supply of these forms and instructions for completing them from the grant officer.

(3) Enrollment fees shall be submitted, thirty days prior to the beginning of each new enrollment period. The current enrollment fee amount shall be obtained from the grant officer. Payments will be made via check made payable to AID and submitted to:

Agency for International Development
Office of Financial Development
Central Accounting Division-Cashier (FM/CAD)
Washington, D.C. 20523

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(1) The enrollment fee shall be accompanied by a letter which lists the names of the enrollees (identical to that on the Participant Data Form) period of coverage, fee amount paid, grant number, and the U.S. Government appropriation number as shown on the grant cover letter.

(11) The enrollment fees shall be calculated on the basis of fixed rates per participant per each 30 day period. The enrollment fees may not be prorated for fractional periods of less than 30 days and should cover the current training period for which funds are obligated under the grant.

(4) The grantee shall assure that enrollment begins immediately upon the participant's departure for the U.S. for the purpose of participating in a training program financed or sponsored by AID, and that enrollment continues in full force and effect until the participant returns to his or her country of origin or is released from AID's responsibility, whichever occurs first.

(5) The grantee shall provide each participant with a copy of the HAC brochure, copies of which are available from the grant officer.

(6) If the grantee has a mandatory, nonwaivable health and accident insurance program for participants, the costs of such insurance will be allowable under this grant. Any claims eligible under such insurance will not be payable under AID's HAC plan or under this grant. However, even though the participant is covered by the grantee's mandatory, nonwaivable health and accident insurance program, the participant must be enrolled in AID's HAC Program. In addition, a copy of the mandatory insurance policy must be forwarded to the grant officer, who will forward it to the HAC Claims Office.

(7) Medical costs not covered by the grantee's health service program or mandatory, nonwaivable health and accident insurance program, or AID's HAC Program shall not be reimbursable under this grant unless specific written approval from the grant officer has been obtained.

(9) Participant Counseling For Training Within The U.S.: Problems involving participants such as serious physical or emotional illness, accident or injury, arrest, death, the voluntary or involuntary early termination of a program, and the refusal of a participant to return to the home country upon completion of the program should be referred to the AID Participant Counselor at the Office of International Training.

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The Counselor can be reached by calling the Office of International Training during workdays and the AID Duty Officer (202-647-1512) at other times. In referring cases, give the Counselor the name, country, and current location of the participant as well as a brief description of the problem with names and telephone numbers of hospitals, physicians, attorneys, etc. Following verbal referral, the participant's name, home address, and next of kin, and location of training should be sent to the grant officer, who will transmit the information to the S&T/IT Counselor.

- (h) **Orientation:** In addition to the above mandatory requirements for all participants, grantees are strongly encouraged to provide, in collaboration with the Mission training officer, predeparture orientation (see Chapter 13 of Handbook 10) and orientation in Washington at the Washington International Center (see Chapter 18D of Handbook 10). The latter orientation program also provides the opportunity to arrange for home hospitality in Washington and elsewhere in the U.S. through liaison with the National Council for International Visitors (NCIV). If the Washington orientation is determined not to be feasible, home hospitality can be arranged in most U.S. cities if a request for such is directed to the grant officer, who will transmit the request to NCIV through S&T/IT.

(END OF STANDARD PROVISION)

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VOLUNTARY POPULATION PLANNING (AUGUST 1986)

(This provision is applicable to all grants involving any aspect of voluntary population planning activities.)

(a) Voluntary Participation:

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

(2) Activities which provide family planning services or information to individuals, financed in whole or in part under this agreement, shall provide a broad range of family planning methods and services available in the country in which the activity is conducted or shall provide information to such individuals regarding where such methods and services may be obtained.

(b) Voluntary Participation Requirements For Sterilization Programs:

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

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

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

(4) Copies of informed consent forms and certification documents for each voluntary sterilization procedures must be retained by the grantee for a period of three years after performance of the sterilization procedure.

(c) Prohibition on Abortion-Related Activities:

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

(2) No funds made available under this grant will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent or consequences of abortions is not precluded.

(d) Ineligibility of Foreign Nongovernmental Organizations That Perform or Actively Promote Abortion As a Method of Family Planning:

(1) The recipient certifies that it does not now and will not during the term of this grant perform or actively promote abortion as a method of family planning in AID-recipient countries or provide financial support to any other foreign nongovernmental organization that conducts such activities. For purposes of this paragraph (d), a foreign nongovernmental organization is a nongovernmental organization which is not organized under the laws of any State of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

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- (2) The recipient agrees that the authorized representatives of AID may, at any reasonable time, (i) inspect the documents and materials maintained or prepared by the recipient in the usual course of its operations that describe the family planning activities of the recipient, including reports, brochures and service statistics; (ii) observe the family planning activity conducted by the recipient; (iii) consult with family planning personnel of the recipient; and (iv) obtain a copy of the audited financial statement or report of the recipient, if there is one.
- (3) In the event AID has reasonable cause to believe that the recipient may have violated its undertaking not to perform or actively promote abortion as a method of family planning, the recipient shall make available to AID such books and records and other information as AID may reasonably request in order to determine whether a violation of the undertaking has occurred.
- (4) The recipient shall refund to AID the entire amount of assistance for family planning furnished under this grant in the event it is determined that the certification provided by the recipient under subparagraph (1), above, is false.
- (5) Assistance for family planning to the recipient under this grant shall be terminated if the recipient violates any undertaking required by this paragraph (d), and the recipient shall refund to AID the value of any assistance furnished under this grant that is used to perform or actively promote abortion as a method of family planning.
- (6) The recipient may not furnish assistance for family planning under this grant to a foreign nongovernmental organization (the subrecipient) unless (i) the subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in AID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities and (ii) the recipient obtains the written agreement of the subrecipient containing the undertakings described in subparagraph (7), below.
- (7) Prior to furnishing assistance for family planning under this grant to a subrecipient, the subrecipient must agree in writing that:
- (i) The subrecipient will not, while receiving assistance under this grant, perform or actively promote abortion as a method of family planning in AID-recipient countries or provide financial support to other foreign nongovernmental organizations that conduct such activities.

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(ii) The recipient and authorized representatives of AID may, at any reasonable time, (A) inspect the documents and materials maintained or prepared by the subrecipient in the usual course of its operations that describe the family planning activities of the subrecipient, including reports, brochures and service statistics; (B) observe the family planning activity conducted by the subrecipient; (C) consult with family planning personnel of the subrecipient; and (D) obtain a copy of the audited financial statement or report of the subrecipient, if there is one.

(iii) In the event the recipient or AID has reasonable cause to believe that a subrecipient may have violated its undertaking not to perform or actively promote abortion as a method of family planning, the recipient shall review the family planning program of the subrecipient to determine whether a violation of the undertaking has occurred. The subrecipient shall make available to the recipient such books and records and other information as may be reasonably requested in order to conduct the review. AID may also review the family planning program of the subrecipient under these circumstances, and AID shall have access to such books and records and information for inspection upon request.

(iv) The subrecipient shall refund to the recipient the entire amount of assistance for family planning furnished to the subrecipient under this grant in the event it is determined that the certification provided by the subrecipient under subparagraph (6), above, is false.

(v) Assistance for family planning to the subrecipient under this grant shall be terminated if the subrecipient violates any undertaking required by this paragraph (d), and the subrecipient shall refund to the recipient the value of any assistance furnished under this grant that is used to perform or actively promote abortion as a method of family planning.

(vi) The subrecipient may furnish assistance for family planning under this grant to another foreign nongovernmental organization (the sub-subrecipient) only if (A) the sub-subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in AID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities and (B) the subrecipient obtains the written agreement of the sub-subrecipient that contains the same undertakings and obligations to the subrecipient as those provided by the subrecipient to the recipient as described in subparagraphs (7)(f)-(v), above.

(8) Agreements with subrecipients and sub-subrecipients required under subparagraphs (6) and (7) shall contain the definitions set forth in subparagraph (13) of this paragraph (d).

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(9) The recipient shall be liable to AID for a refund for a violation by a subrecipient relating to its certification required under subparagraph (6) or by a subrecipient or sub-subrecipient relating to its undertakings in the agreement required under subparagraphs (6) and (7) only if (i) the recipient knowingly furnishes assistance for family planning to a subrecipient which performs or actively promotes abortion as a method of family planning, or (ii) the certification provided by a subrecipient is false and the recipient failed to make reasonable efforts to verify the validity of the certification prior to furnishing assistance to the subrecipient, or (iii) the recipient knows or has reason to know, by virtue of the monitoring which the recipient is required to perform under the terms of this grant, that a subrecipient has violated any of the undertakings required under subparagraph (7) and the recipient fails to terminate assistance for family planning to the subrecipient, or fails to require the subrecipient to terminate assistance to a sub-subrecipient which violates any undertaking of the agreement required under subparagraph (7)(vi), above. If the recipient finds, in exercising its monitoring responsibility under this grant, that a subrecipient or sub-subrecipient receives frequent requests for the information described in subparagraph (13)(iii)(A)(II), below, the recipient shall verify that this information is being provided properly in accordance with subparagraph (13)(iii)(A)(II) and shall describe to AID the reasons for reaching its conclusion.

(10) In submitting a request to AID for approval of a recipient's decision to furnish assistance for family planning to a subrecipient, the recipient shall include a description of the efforts made by the recipient to verify the validity of the certification provided by the subrecipient. AID may request the recipient to make additional efforts to verify the validity of the certification. AID will inform the recipient in writing when AID is satisfied that reasonable efforts have been made. If AID concludes that these efforts are reasonable within the meaning of subparagraph (9) above, the recipient shall not be liable to AID for a refund in the event the subrecipient's certification is false unless the recipient knew the certification to be false or misrepresented to AID the efforts made by the recipient to verify the validity of the certification.

(11) It is understood that AID also may make independent inquiries, in the community served by a subrecipient or sub-subrecipient, regarding whether it performs or actively promotes abortion as a method of family planning.

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(12) A subrecipient must provide the certification required under subparagraph (6) and a sub-subrecipient must provide the certification required under subparagraph (7)(vi) each time a new agreement is executed with the subrecipient or sub-subrecipient furnishing assistance for family planning under this grant.

(13) The following definitions apply for purposes of this paragraph (d):

(i) Abortion is a method of family planning when it is for the purpose of spacing births. This includes, but is not limited to, abortions performed for the physical or mental health of the mother but does not include abortions performed if the life of the mother would be endangered if the fetus were carried to term or abortions performed following rape or incest (since abortion under these circumstances is not a family planning act).

(ii) To perform abortions means to operate a facility where abortions are performed as a method of family planning. Excluded from this definition are clinics or hospitals which do not include abortion in their family planning programs.

(iii) To actively promote abortion means for an organization to commit resources, financial or other, in a substantial or continuing effort to increase the availability or use of abortion as a method of family planning.

(A) This includes, but is not limited to, the following:

(I) Operating a family planning counseling service that includes, as part of the regular program, providing advice and information regarding the benefits and availability of abortion as a method of family planning;

(II) Providing advice that abortion is an available option in the event other methods of family planning are not used or are not successful or encouraging women to consider abortion (passively responding to a question regarding where a safe, legal abortion may be obtained is not considered active promotion if the question is specifically asked by a woman who is already pregnant, the woman clearly states that she has already decided to have a legal abortion, and the family planning counsellor reasonably believes that the ethics of the medical profession in the country requires a response regarding where it may be obtained safely);

(III) Lobbying a foreign government to legalize or make available abortion as a method of family planning or lobbying such a government to continue the legality of abortion as a method of family planning;

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(IV) Conducting a public information campaign in AID-recipient countries regarding the benefits and/or availability of abortion as a method of family planning.

(B) Excluded from the definition of active promotion of abortion as a method of family planning are referrals for abortion as a result of rape, incest or if the life of the mother would be endangered if the fetus were carried to term.

(C) Action by an individual acting in the individual's own capacity shall not be attributed to an organization with which the individual is associated, provided that the organization neither endorses nor provides financial support for the action and takes reasonable steps to ensure that the individual does not improperly represent that the individual is acting on behalf of the organization.

(iv) To furnish assistance for family planning to a foreign nongovernmental organization means to provide financial support under this grant to the family planning program of the organization, and includes the transfer of funds made available under this grant or goods or services financed with such funds, but does not include the purchase of goods or services from an organization or the participation of an individual in the general training programs of the recipient, subrecipient or sub-subrecipient.

(v) To control an organization means the possession of the power to direct or cause the direction of the management and policies of an organization.

(14) In determining whether a foreign nongovernmental organization is eligible to be a recipient, subrecipient or sub-subrecipient of assistance for family planning under this grant, the action of separate nongovernmental organizations shall not be imputed to the recipient, subrecipient or sub-subrecipient, unless, in the judgment of AID, a separate nongovernmental organization is being used as a sham to avoid the restrictions of this paragraph (d). Separate nongovernmental organizations are those that have distinct legal existence in accordance with the laws of the countries in which they are organized. Foreign organizations that are separately organized shall not be considered separate, however, if one is controlled by the other. The recipient may request AID's approval to treat as separate the family planning activities of two or more organizations, which would not be considered separate under the preceding sentence, if the recipient believes, and provides a written justification to AID therefor, that the family planning activities of the organizations are sufficiently distinct as to warrant not imputing the activity of one to the other.

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- (15) Assistance for family planning may be furnished under this grant by a recipient, subrecipient or sub-subrecipient to a foreign government even though the government includes abortion in its family planning program, provided that no assistance may be furnished in support of the abortion activity of the government and any funds transferred to the government shall be placed in a segregated account to ensure that such funds may not be used to support the abortion activity of the government.
- (e) The grantee shall insert paragraphs (a), (b), (c), and (e) of this provision in all subsequent subgrants and contracts involving family planning or population activities which will be supported in whole or part from funds under this grant. Paragraph (d) shall be inserted in subagreements and sub-subagreements in accordance with the terms of paragraph (d). The term subagreement means subgrants and subcooperative agreements.

(END OF STANDARD PROVISION)

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PROTECTION OF THE INDIVIDUAL AS A RESEARCH SUBJECT
(NOVEMBER 1984)

(This provision is applicable when human subjects are involved in research financed by the grant.)

- (a) Safeguarding the rights and welfare of human subjects involved in research supported by AID is the responsibility of the organization to which support is awarded. It is the policy of AID that no work shall be initiated under any grant for the support of research involving human subjects unless the research is given initial and continuing review and approval by an appropriate committee of the applicant organization. This review shall assure that (1) the rights and welfare of the individuals involved are adequately protected, (2) the methods used to obtain informed consent are adequate and appropriate, and (3) the risks and potential medical benefits of the investigation are assessed.
- (b) The organization must provide written assurance to AID that it will abide by this policy for all research involving human subjects supported by AID. This assurance shall consist of a written statement of compliance with the requirements regarding initial and continuing review of research involving human subjects and a description of the organization's review committee structure, its review procedures, and the facilities and personnel available to protect the health and safety of human subjects. In addition to providing the assurance, the organization must also certify to AID for each proposal involving human subjects that its committee has reviewed and approved the proposed research before any work may be initiated.
- (c) Since the welfare of the subject individual is a matter of concern to AID as well as to the organization; AID advisory groups, consultants, and staff may independently review all research involving human subjects, and prohibit research which presents unacceptable hazards. This provision, however, shall not derogate in any manner from the responsibility of the organization set forth herein.
- (d) All of the above provisions apply to any research involving human subjects conducted outside of the United States and, in addition, such overseas research will conform to legal and other requirements governing human research in the country where they are conducted.
- (e) In addition to the procedures set forth above, studies with unmarketed drugs will be carried out in accordance with provisions applicable in the country where the study is conducted.

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- (f) Guidance on procedures to safeguard human subjects involved in research is found in Title 45, Part 46, of the Code of Federal Regulations. Compliance with these procedures, except as modified above, is required.

(END OF STANDARD PROVISION)

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NEGOTIATED OVERHEAD RATES - PROVISIONAL (NOVEMBER 1984)

(This provision is applicable to all recipients who have an established provisional overhead rate.)

- (a) An overhead rate shall be established for each of the grantee's accounting periods during the term of this grant. Pending establishment of a final rate, provisional overhead payments shall be at the rate(s), on the base(s), and for the period(s) shown in the Schedule of this grant.
- (b) The grantee, not later than 6 months after the close of each of its accounting periods during the term of this grant, shall submit to the grant officer a proposed final rate(s) for the period, together with supporting cost data. Negotiation of final overhead rate(s) by the grantee and the grant officer shall be undertaken as promptly as practicable after receipt of the grantee's proposal.
- (c) The results of each negotiation shall be set forth in an amendment to the grant and shall specify (1) the agreed upon final rate(s), (2) the base(s) to which the rate(s) apply, and (3) the period for which the rates apply. The overhead rate amendment shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.
- (d) To prevent substantial over or under payment, the provisional or billing rates may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rates provided in this provision shall be set forth in an amendment to this grant.
- (e) Any failure by the parties to agree on any final rate(s) under this provision shall be considered a dispute within the meaning of the standard provision of the grant, entitled "Disputes".

(END OF STANDARD PROVISION)

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GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY (NOVEMBER 1984)

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

The policies and procedures of Handbook 16, "Excess Property," and the appropriate provisions of 41 CFR 101-43 apply to the Government furnished excess property under this grant.

(END OF STANDARD PROVISION)

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TITLE TO AND USE OF PROPERTY (GRANTEE TITLE) (MAY 1986)

(This provision is applicable only when the Government vests title to property in the grantee.)

- (a) Title to all property financed under this grant shall vest in the grantee.
- (b) The grantee agrees to use and maintain the property for the purposes of the grant.
- (c) With respect to property having an acquired value of \$1,000 or more, the grantee agrees to report such items to the grant officer as they are acquired and to maintain a control system which will permit their ready identification and location.
- (d) Within thirty calendar days after the end of the grant, the grantee will provide a list to the grant officer of each item that has an appraised value of \$1,000 or more with a detailed proposal of what the grantee intends to do with that property. If the grant officer does not respond within 120 calendar days, the grantee may proceed with the disposition of the property. However, if the grantee uses the property for purposes other than those of the grant or sells or leases the property, AID shall be reimbursed for its share of the property unless the grant officer authorizes AID's share of the income from selling or leasing the property to be used as program income. This share is based upon the percentage of AID's contribution to the grantee's program. If AID paid 100% of the grantee's costs, then AID would receive 100% of the selling cost less a nominal selling fee of \$100.

(END OF STANDARD PROVISION)

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TITLE TO AND CARE OF PROPERTY (U.S. GOVERNMENT TITLE) (MAY 1986)

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

- (a) Property, title to which vests in the Government under this grant, whether furnished by the Government or acquired by the grantee, is subject to this provision and is hereinafter collectively referred to as "Government property." Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personal property by reason of affixation to any real property.
- (b) Use of Government Property: Government property shall, unless otherwise provided herein or approved by the grant officer, be used only for the performance of this grant.
- (c) Control, Maintenance and Repair of Government Property:
 - (1) The grantee shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this grant. The grantee shall take all reasonable steps to comply with all appropriate directions or instructions which the grant officer may prescribe as reasonably necessary for the protection of the Government property.
 - (2) The grantee shall submit, for review and written approval of the grant officer, a records system for property control and a program for orderly maintenance of Government property; however, if the grantee's property control and maintenance system has been reviewed and approved by another Federal department or agency pursuant to Attachment N of OMB Circular No. A-110, the grantee shall furnish the grant officer proof of such approval in lieu of another approval submission.
 - (3) Property Control: The property control system shall include but not be limited to the following:
 - (i) Identification of each item of Government property acquired or furnished under the grant by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of U.S. Government."
 - (ii) The price of each item of property acquired or furnished under this grant.
 - (iii) The location of each item of property acquired or furnished under this grant.

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

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

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

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

(4) Maintenance Program: The grantee's maintenance program shall be consistent with sound business practice, the terms of the grant, and provide for:

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

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

(iii) recording of work accomplished under the program.

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

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

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

(d) Risk of Loss:

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

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

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

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of Government property as required by (i) above, or

(B) to take all reasonable steps to comply with any appropriate written directions of the grant officer under (c) above;

(iii) For which the grantee is otherwise responsible under the express terms designated in the schedule of this grant;

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

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

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

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

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

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- (i) The lost, destroyed, or damaged Government property;
- (ii) The time and origin of the loss, destruction, or damage;
- (iii) All known interests in commingled property of which the Government property is a part; and
- (iv) The insurance, if any, covering any part of or interest in such commingled property.
- (4) The grantee shall make repairs and renovations of the damaged Government property or take such other action as the grant officer directs.
- (5) In the event the grantee is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, it shall use the proceeds to repair, renovate or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the grant, or shall otherwise reimburse the Government, as directed by the grant officer. The grantee shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the grant officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.
- (e) Access: The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.
- (f) Final Accounting and Disposition of Government Property: Upon completion of this grant, or at such earlier dates as may be fixed by the grant officer, the grantee shall submit, in a form acceptable to the grant officer, inventory schedules covering all items of Government property not consumed in the performance of this grant or not theretofore delivered to the Government, and shall prepare, deliver, or make such other disposition of the Government property as may be directed or authorized by the grant officer.
- (g) Communications: All communications issued pursuant to this shall be in writing.

(END OF STANDARD PROVISION)

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**TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE)
(NOVEMBER 1984)**

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

- (a) Except as modified by the Schedule of this grant, title to all equipment, materials and supplies, the cost of which is reimbursable to the grantee by AID or by the cooperating country, shall at all times be in the name of the cooperating country or such public or private agency as the cooperating Government may designate, unless title to specified types or classes of equipment is reserved to AID under provisions set forth in the Schedule of this grant; but all such property shall be under the custody and control of grantee until the owner of title directs otherwise or completion of work under this grant or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.
- (b) The grantee shall prepare and establish a program, to be approved by the Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The grantee shall be guided by the requirements of paragraph 1T of Chapter 1, Handbook 13.
- (c) Within 90 days after completion of this grant, or at such other date as may be fixed by the grant officer, the grantee shall submit an inventory schedule covering all items of equipment, materials and supplies under the grantee's custody, title to which is in the cooperating country or public or private agency designated by the cooperating country, which have not been consumed in the performance of this grant. The grantee shall also indicate what disposition has been made of such property.

(END OF STANDARD PROVISION)

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COST SHARING (MATCHING) (MAY 1986)

(This provision is applicable when the recipient is required to provide a matching share or to cost share.)

- (a) For each year (or funding period) under this grant, the grantee agrees to expend from non-Federal funds an amount at least equal to the percentage of the total expenditures under this grant specified in the schedule of the grant. The schedule of this grant may also contain restrictions on the application of cost sharing (matching) funds. The schedule takes precedence over the terms of this provision.
- (b) Eligibility of non-Federal funds applied to satisfy cost sharing (matching) requirements under this grant are set forth below:
 - (1) Charges incurred by the grantee as project costs. Not all charges require cash outlays by the grantee during the project period; examples are depreciation and use charges for buildings and equipment.
 - (2) Project costs financed with cash contributed or donated to the grantee by other non-Federal public agencies and institutions, and private organizations and individuals, and
 - (3) Project costs represented by services and real and personal property, or use thereof, donated by other non-Federal public agencies and institutions, and private organizations and individuals.
- (c) All contributions, both cash and in-kind, shall be accepted as part of the grantee's cost sharing (matching) when such contributions meet all of the following criteria:
 - (1) Are verifiable from the grantee's records;
 - (2) Are not included as contributions for any other Federally assisted program;
 - (3) Are necessary and reasonable for proper and efficient accomplishment of project objectives;
 - (4) Are types of charges that would be allowable under the applicable Federal cost principles;

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- (5) Are not paid by the Federal Government under another grant or agreement (unless the grant or agreement is authorized by Federal law to be used for cost sharing or matching);
- (6) Are provided for in the approved budget when required by AID; and
- (7) Conform to other provisions of this paragraph.
- (d) Values for grantee in-kind contributions will be established in accordance with the applicable Federal cost principles.
- (e) Specific procedures for the grantee in establishing the value of in-kind contributions from non-Federal third parties are set forth below:
- (1) Valuation of volunteer services: Volunteer services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor. Volunteer services may be counted as cost sharing or matching if the service is an integral and necessary part of an approved program.
- (i) Rates for volunteer services: Rates for volunteers should be consistent with those paid for similar work in the grantee's organization. In those instances in which the required skills are not found in the grantee's organization, rates should be consistent with those paid for similar work in the labor market in which the grantee competes for the kind of services involved.
- (ii) Volunteers employed by other organizations: When an employer other than the grantee furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (exclusive of fringe benefits and overhead costs) provided these services are of the same skill for which the employee is normally paid.
- (2) Valuation of donated expendable personal property: Donated expendable personal property includes such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to expendable personal property included in the cost (matching) share should be reasonable and should not exceed the market value of the property at the time of the donation.
- (3) Valuation of donated nonexpendable personal property, buildings, and land or use thereof:
- (i) The method used for charging cost sharing or matching for donated nonexpendable personal property, buildings and land may differ according to the purpose of the grant as follows:

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(A) If the purpose of the grant is to assist the recipient in the acquisition of equipment, buildings or land, the total value of the donated property may be claimed as cost sharing or matching.

(B) If the purpose of the grant is to support activities that require the use of equipment, buildings, or land; depreciation or use charges for equipment and buildings may be made. The full value of equipment or other capital assets and fair rental charges for land may be allowed provided that AID has approved the charges.

(1) The value of donated property will be determined in accordance with the usual accounting policies of the grantee with the following qualifications:

(A) Land and buildings: The value of donated land and buildings may not exceed its fair market value, at the time of donation to the grantee as established by an independent appraiser; and certified by a responsible official of the grantee.

(B) Nonexpendable personal property: The value of donated nonexpendable personal property shall not exceed the fair market value of equipment and property of the same age and condition at the time of donation.

(C) Use of space: The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately owned building in the same locality.

(D) Borrowed equipment: The value of borrowed equipment shall not exceed its fair rental value.

(f) The following requirements pertain to the grantee's supporting records for in-kind contributions from non-Federal third parties.

(1) Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the grantee for its employees.

(2) The basis for determining the valuation for personal services, material, equipment, buildings and land must be documented.

(g) Individual expenditures do not have to be shared or matched provided that the total expenditures incurred during the year (or funding period) are shared or matched in accordance with the agreed upon percentage set forth in the schedule of the grant.

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- (h) If at the end of any year (or funding period) hereunder, the grantee has expended an amount of non-Federal funds less than the agreed upon percentage of total expenditures, the difference may be applied to reduce the amount of AID funding the following year (or funding period), or, if this grant has expired or been terminated, the difference shall be refunded to AID.
- (i) Failure to meet the cost sharing (matching) requirements set forth in paragraph (a) above shall be considered sufficient reasons for termination of this grant for cause in accordance with paragraph (a) entitled "For Cause" of the standard provision of this grant entitled "Termination and Suspension".
- (j) The restrictions on the use of AID grant funds hereunder set forth in the standard provisions of this grant are applicable to expenditures incurred with AID funds provided under this grant. The grantee will account for the AID funds in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records".
- (k) Notwithstanding paragraph (b) of the standard provision of this grant entitled "Refunds", the parties agree that in the event of any disallowance of expenditures from AID grant funds provided hereunder, the grantee may substitute expenditures made with funds provided from non-Federal sources provided they are otherwise eligible in accordance with paragraph (b) of this provision.

(END OF STANDARD PROVISION)

BEST AVAILABLE DOCUMENT