

PDBEX618

DATE: 12/07/90

NOTICE OF RECORD

CORRECT PROJECT NUMBER IS: 6880259

CORRECT PROJECT TITLE IS: World Vision Menaka Oasis

VERIFIED BY: [Signature]  
AFR/PD/IPS

DATE: 12/07/90

CLEARED BY: [Signature] Jr Bruce Campbell  
CHIEF, AFR/PD/IPS

DATE: 12/07/90



# UNITED STATES OF AMERICA

AGENCY FOR INTERNATIONAL DEVELOPMENT

REGIONAL ECONOMIC DEVELOPMENT SERVICES OFFICE WEST AND CENTRAL AFRICA

UNITED STATES ADDRESS  
ABIDJAN ( REDSO )  
DEPARTMENT OF STATE  
WASHINGTON, D. C. 20520

INTERNATIONAL ADDRESS  
REDSO/WCA  
C/O AMERICAN EMBASSY  
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COTE D'IVOIRE

September 28, 1989

Mr. Paul B. Thompson  
Executive Director  
World Vision Relief and Development, Inc.  
919 West Huntington Dr.  
Monrovia, CA 91016

Subject: Grant No. ~~688-0259-G~~ SS-9048-00

Dear Mr. Thompson:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A. I. D." or "Grantor") hereby grants to World Vision Relief and Development (hereinafter referred to as "WVRD" or "Grantee"), the sum of \$880,500 to (1) assist nomadic herdsman in the Sahelian region of Mali to return to self-sufficiency in livestock production after prolonged dependence on food aid, and (2) test the development of economic and social safety nets at existing oases as a means of supporting the long-term viability of nomadic pastoralism in the Sahelian areas throughout Africa as more fully described in Attachment 1 of this Grant, entitled "Schedule," and Attachment 2, entitled "Program Description."

This Grant is effective and obligation is made as of the date of this letter, and shall apply to commitments made by the Grantee in furtherance of project objectives during the period beginning October 1, 1988 and ending not later than September 30, 1990.

This Grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in this Cover Letter, Attachment 1 entitled "Schedule", Attachment 2 entitled "Program Description", and Attachment 3 entitled "Standard Provisions and Optional Standard Provisions for U.S., Non-governmental Grantees."

Please sign the original and seven (7) copies of this letter to acknowledge your acceptance of this Grant, and return the original and six (6) copies to the A.I.D. Grant Officer indicated below.

Sincerely,



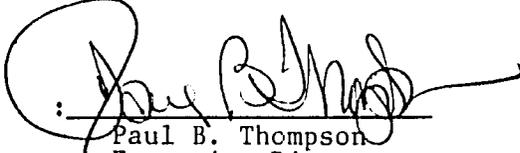
Steven G. Wisecarver  
Grant Officer  
REDSO/WCA/OP

Attachments:

1. Schedule
2. Program Description
3. Mandatory Standard Provisions, and  
Optional Standard Provisions for U.S., Non-Governmental Grantees

ACKNOWLEDGED:

World Vision Relief & Development, Inc.

By :   
Title : Paul B. Thompson  
Executive Director  
Date : Nov. 6, 1989

FISCAL DATA

Appropriation	:	72-1191014
Budget Plan Code	:	GSSA-89-21688-KG13 (914-50-688-00-69-91)
PIO/T No.	:	688-0259-3-90062
Project No.	:	688-0259
Total Estimated Amount:	:	\$880,500
Total Obligated Amount:	:	\$880,500
DUNS Number:	:	07-190-3322
IRS Employer Identification Number:	:	
Letter of Credit No.	:	
Paying Office	:	AID/W; PFM/FM/CMP/LC
Technical Office	:	USAID/Mali/GDO

ATTACHMENT 1

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support to (1) assist nomadic herdsman in the Sahelian region of Mali to return to self-sufficiency in livestock production after prolonged dependence on food aid, and (2) test the development of economic and social safety nets at existing oases as a means of supporting the long-term viability of nomadic pastoralism in the Sahelian areas throughout Africa as more specifically described in Attachment 2 to this Grant entitled "Program Description" and in accordance with the Grantee's proposal, which is hereby incorporated into and made a part hereof this Grant.

B. Period of Grant

The effective date of this Grant is October 1, 1988. The expiration date of this Grant is 30 September, 1990.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$880,500 for the purposes of this Grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in the Optional Standard Provisions of this Grant, entitled "Payment - Letter of Credit", as shown in Attachment 3.

D. Grant Budget

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

Illustrative Budget  
(10/01/88-09/30/90)

<u>Program Element</u>	<u>USAID Contribution</u>	<u>WVRD Contribution</u>	<u>Total</u>
Menaka Livestock Project			
Technical Assistance	\$129,237	\$ 88,944	\$ 218,181
Training Workshops	\$152,707	\$ 30,985	\$ 183,692
Sahel Regeneration			
Technical Assistance	\$110,891	\$140,005	\$ 250,896
Training Workshops	\$282,205	\$ 70,599	\$ 352,804
Evaluation	\$ 13,280	-0-	\$ 13,280
Program Management	\$ 97,840	-0-	\$ 97,840
Indirect Cost (12%)	\$ 94,340	-0-	\$ 94,340
Total Estimated Amount	\$880,500	\$330,533	\$1,211,033

E. Reporting and Evaluation

1. Financial Status Report

(a) A Letter of Credit is used for this Grant, and the Grantee is required to use the "Financial Status Report", SF 269, at the time the Grantee submits this report to PFM/FM/CMP/LC in Washington.

(b) The report shall be on an accrual basis. If the Grantee's accounting records are not normally kept on the accrual basis, the Grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand.

(c) The Grantee shall submit the Financial Status Report (original and two copies) not later than 30 days after the end of each specified reporting period for quarterly, and 90 days for final reports. The specified report period, at the grantee's election, may be either its fiscal year, or the Government's fiscal year, or the yearly period commencing and ending on the last day of the month of the grant's anniversary.

2. Federal Cash Transactions Report

(a) The Grantee shall submit a Federal Cash Transactions Report and its continuation form (SF 272 and 272A) for all funds advanced to the Grantee through either a letter of credit or periodic Treasury check. A.I.D. will use this report to monitor cash advanced to the Grantee and to obtain disbursement information for the Grant from the Grantee.

(b) The Grantee shall forecast Federal cash requirements in the "Remarks" section of the report.

(c) The Grantee shall report in the "Remarks" section the amount of cash advances in excess of three days' requirements in the hands of subgrantees and the amount of cash advances in excess of 30 days requirements in the hands of non-U.S. subgrantees. The Grantee shall provide short narrative explanations of actions taken by the Grantee to reduce the excess balances.

(d) Grantees shall submit not more than an original and one copy of the Federal Cash Transactions Report within 15 working days following the end of each quarter.

The Grantee shall submit copies of all documents sent to PFM/FM/CMP/LC, A.I.D. Washington to:

Controller  
USAID/Mali  
Department of State 20520-2050

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F. Special Provisions

The following Optional Standard Provisions in Attachment 3 are applicable to this Grant:

1. Payment - Letter of Credit
4. Air Travel and Transportation
5. Ocean Shipment of Goods
6. Procurement of Goods and Services
7. AID Eligibility Rules for Goods and Services
9. Local Cost Financing
10. Patent Rights
11. Publications
13. Negotiated Indirect Cost Rates - Provisional
14. Regulations Governing Employees
22. Title to and Care of Property (U.S. Government Title)
23. Cost Sharing (Matching)
24. Use of Pouch Facilities
25. Conversion of United States Dollars to Local Currency
26. Drug Free Workplace

G. Indirect Cost Rates

Pursuant to Clause No. 13 entitled, "Negotiated Indirect Cost Rates - Provisional," of the Optional Standard Provisions of this Grant, an indirect cost rate or rates shall be established for each of the Grantee's accounting periods which apply to this Agreement. Pending establishment of revised provisional or final indirect cost rates for each of the Grantee's accounting periods which apply to this Grant, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate(s) applied to the base which is (are) set forth below:

<u>Type</u>	<u>Overhead-Rate</u>	<u>Period</u>	<u>Base</u>
Provisional	12.00%	10/1/1987 until amended	Total direct cost excluding equipment and capital expenditure

H. Title to and Use of Property

In accordance with Standard Provision 22., entitled "Title to and Use of Property (Cooperating Country Title)", title to all property acquired under this Grant shall be vested in the Government of the Republic of Mali.

I. Authorized Geographic Code for Procurement

The authorized geographic code for the procurement of goods and services under this grant is 935 (any country or area in the Free world including Mali).

J. Logistical Support

All logistical support shall be provided or arranged by the Grantee.

K. Pouch Facilities

Diplomatic pouch for U.S. Citizen Grantee employees is authorized for first class letters only.

L. Others

1. The Grantee is entitled to duty free entry of POV personal effects and consumables only one time. USAID/Mali will provide accommodation exchange for TA personnel.

2. Export license from the U.S. is required for all computer hardware/software.

M. Relationship and Responsibilities

The Grantee personnel assigned to the project will be responsible to USAID/Mali in performance of this Grant.

N. A.I.D. Liaison Officials

The A.I.D. liaison officials will be the General Development Officer and the Agriculture Development Officer in USAID/Mali.

O. STANDARD PROVISIONS

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

PROGRAM DESCRIPTION

COUNTRY PROJECT TITLE : MENAKA OASIS PROJECT (MALI)  
EXECUTIVE SUMMARY

The pilot project is located in the Menaka Cercle of the Seventh Region in the northeast Sahelian zone of Mali. The project will assist approximately 5,000-6,000 destitute Tamashek families who are currently dependant on food aid and the harvest of wild grains since their herds were ruined by the 1984-85 drought.

While the project builds on more than 3 years of World Vision relief and rehabilitation experience in the region, this proposal describes a new thrust based on an innovative "oasis safety-net strategy" which may serve as a model approach for the long-term viability of nomadic pastoralism. Herd reconstitution, range management, and animal health are the key elements of the strategy and are new initiatives for World Vision in Mali.

The project aims to enable nomads to resume their traditional transhumance, which is the most efficient and sustainable use of the area's resources. The project consists of two closely integrated sectoral components--Livestock and Sahel Regeneration-- and includes both short- and long-term initiatives that are socially, economically, technically, and ecologically appropriate. Under the Livestock Component, the project will acquire ruminants and donkeys from surplus zones in the menaka cercle, using food aid for barter, and then loan small breeding herds to destitute pastoralists. Improved range management, animal health, and improvement practices will also be disseminated. Sahel Regeneration consists of soil and water conservation activities around the dry season "oases". Using food-for-work as a key resource, this project component will aid the post-drought environmental regeneration and sensitize the population to the fragile relationship between their natural environment and their livelihood.

All project interventions have grown out of and will continue to develop from discussions with the population themselves concerning their needs, goals, traditional practices, and experiences, as well as from WVRD field tests and a wealth of contacts with other livestock and conservation projects in the Sahel. Thus, this project will be a pilot effort, and its design will continue to development as interventions are tested and activities progress. The current proposal calls for significant flexibility and sensitivity to public and environmental response.

The WVRD Mali FY89 Title II Operational Plan, which included the project elements described in this proposal, was prepared in April 1988, while the project was still in the design phase, and has recently been approved. In early October, a mission from the USAID/Bamako Livestock Office visited the project site to review and assess the project. Their recommendations were incorporated in the final preparation of the project, and their findings were supportive of the project concept and design. Their report is found in Annex F. Also see Annexes C and E.

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## A. PROJECT LOCATION AND TARGET POPULATION

Menaka Cercle is located in the far northeast of Mali, in the Seventh (Gao) Region, on the Niger border. The cercle covers 79,815 square kilometers and has a population of 55,000 - 65,000 people. The principal town is Menaka, 450 kilometers east-southeast from Gao, the capital of the Seventh Region, or about 450 kilometers northwest of Niamey, on improved dirt roads. The project area has Sahelian physical features and vegetation. The area is a flat low plateau with an average elevation of 275 meters above sea level. The temperature ranges from 9-47°C, with a daily maximum above 30°C for at least six months of the year. The rainy season is very short, occurring between the months of June and August. Average annual rainfall has been around 200 millimeters over the past 20 years, with an acute rain shortage followed by drought in 1984-1985. Rain is always unevenly distributed throughout the project area. In 1987-88 there was above average rainfall, resulting in better pasture.

The population is predominately Tamashek-speaking pastoralists, consisting of about 35,000 Tuaregs and 20,000 Dahousahaks. The remaining minority is the sedentary Haoussa and Sonrai and the nomadic Fulani. This project will assist about 15,000-20,000 destitute Tuareg and Dahousahak nomads (often described jointly as Tamashek).

The extended family is the basic unit of social structure among these groups. Often three or four generations are represented in a single family, which averages eight to ten members. The Tamashek family or group of extended families, traveling from one water point to another, is called a fraction and has a chief. Prior to the colonization by the French, the Tamashek fraction normally included members from numerous castes or hierarchical groups, including artisans, slaves, vassals, and nobles. When slavery was declared illegal, the distinctions between the castes gradually diminished, but intra-ethnic and inter-ethnic differences observed today go back to the pre-colonial caste system.

Malnutrition is a major contributing factor to the high morbidity and mortality rates in the region. Due to the very high infant mortality rate (270/1000), about half of the children never reach adulthood. During the drought, there was a perceived decrease of births mainly due to temporary infertility among women of childbearing age. Health care is nonexistent outside of Menaka town. WVRD addresses primary health care needs within a separate, but related, Child Survival project.

Very few men and women can read or write in the project area. Less than 10 percent of the men and less than 5 percent of the women are literate in any language, and Arabic is the preferred language among the older men due to the use of the Koran. In the last few years there has been a literacy campaign focusing on Tamashek as the basis. The campaign has a major impediment: the scarcity of printed material in Tamashek.

## B. SPECIFIC PROBLEM TO BE ADDRESSED

The economic, social, and nutritional basis of Tamashek and Dahousahak peoples of Menaka District lies in livestock production. The optimum utilization of the scarce available resources is a responsible exploitation of pasture through

the traditional pattern of transhumant pastoralism. This pattern has been broken due to recurrent drought which decimated herds and trapped human survivors in limited zones near water points.

The recent drought has served to highlight the fact that the Sahelian nomadic population is threatened by two converging trends:

1. Gradual climatic changes which are increasing the frequency and severity of cyclical patterns of drought, and
2. Incremental population and herd growth which risks to over-stress the reduced carrying capacity of the fragile environment.

In combination, these two trends could result in catastrophe for the nomadic pastoralists in this part of the Sahel zone. During the 1984-85 drought, the nomads lost 70% of their herds, especially the less drought-resistant species, which serve to sustain their nomadic way of life. Several hundred people, especially children, starved to death before relief efforts by the Red Cross and World Vision were able to avert mass starvation.

Now that the rains have returned to near-normal levels these nomads are eking out a bare subsistence-level existence through harvesting wild grains and, meanwhile, are trying to rebuild their herds. Those without sufficient animals to resume the transhumance are forced to remain close to their dry season water points, causing additional stress to soil, water, and vegetation resources, already severely depleted by the drought. These formerly self-sufficient peoples long to return to the way of life which gave them dignity and independence for centuries. However, the herd rebuilding process has been slow, and many nomads are reluctant or unable to resume life on the transhumance with so few animals and for fear that another severe drought should find them in a vulnerable position.

### C. BACKGROUND OF WORLD VISION IN MENAKA

Phase I--Emergency Famine Relief--WVRD arrived in Menaka in February 1985, just in time to prevent tragic loss of life due to severe drought conditions. The WVRD team distributed about 4,000 mt of food aid to nomadic fractions throughout the remote region and in 11 child feeding centers.

Phase II--Food-For-Work and Nutritional Education and Rehabilitation--By September 1986, free distributions had been replaced by a program of food-for-work projects and Centers for Nutritional Education and Rehabilitation (CNER). During this two year project, funded partly by a USAID Outreach Grant, people in over 73 sites were employed in gardening and conservation activities. Some educational and environmental results were achieved, but the main objective was extensive food distributions, and real success in terms of sustainable development was less than adequate. Conspicuous in its absence was any intervention to assist herd reconstitution and animal husbandry. Therefore, with the assurance of continued support for World Vision's presence in Menaka, and the completion of a multi-disciplinary feasibility study in 1987, WVRD began planning Phase III - integrated pastoral development.

Phase III--the Menaka Oasis Strategy--It is clear that in the intermediate term, the most realistic solution to the current problems is a return to transhumance. The Tamashek of Menaka Cercle have traditionally practiced a seasonal migration, heading north during the rains and returning to the same permanent water source in the hot, dry season. This transhumant pattern is the most sustainable exploitation of the region's pasture resources. The Tuaregs readily concur with this conclusion, and as many as 30,000 have already returned to the nomadic way of life. Most others remaining at the sedentary sites express a keen desire to return to the transhumance cycle, given a herd of sufficient size to support the family on such a trek.

In the long term, it is equally clear that the Sahel zone cannot support unchecked growth in population and herd size or that the nomadic way of life can resume all its traditional harmful practices unaltered by the experience of the droughts of 1972 and 1984.

At the same time, the annual nomadic oscillation has as one of its primary features, a significant period of time during the hot dry season when the nomads return to congregate around fixed points within proximity to permanent water sources. All of the Menaka nomads attach themselves to a specific oasis site as a fixed reference point. At approximately 73 identifiable sites around the cercle, permanent buildings began to spring up following the drought, partly to satisfy the government's minimum requirement for official recognition as relief sites. Many of these buildings are still occupied, some year-round, and new ones are being built. At some sites, people voluntarily continue the winter gardens introduced by WVRD as FFW projects. Some fractions have expressed the desire for a school, or a health post.

The GRM, at one time, hoped to implement a radical sedentarization program, but now agrees with WVRD, USAID, and other donors, that the transhumance cycle, complemented by improvements at the oasis sites, holds the most hope for these people. GRM development plans for the region target herd health, range management, and environmental reclamation as priorities. This policy corresponds with the findings of the WVRD feasibility study led by economist Robin Nichol and pastoral anthropologist Ian Lane. The study concluded that the Menaka Cercle has a carrying capacity of about 200,000 TLUs as an average or 100,000 TLUs in drought years, which would support about 10,000 families with an average livestock holding of 10-20 TLUs per family. One TLU equals 1 camel or 8 small ruminants. Current holdings in the cercle may be as much as 50 percent below carrying capacity.

#### D. PROJECT GOAL, STRATEGY, OBJECTIVES, DESIGN, and POA

1. Project Goal Statement: The project goal is to test the Oasis Safety Net approach in Menaka Cercle as a model for the long-term viability of nomadic pastoralism in Sahel using food-for-work and food-for-barter as key initial resources.
2. Development Strategy: The WVRD Menaka team is committed to a community development style in which WVRD acts as a catalyst for dialogue with the nomadic population that will enable them to articulate their problems, define, and commit themselves to various solutions, and to learn to

constructively evaluate all subsequent efforts. The approach must be flexible and varied, changing as the project participants further refine and articulate their own goals. WVRD is presently using an animation method developed in West Africa (GRAAP) to instigate dialogue among WVRD animators, government agents, members of Livestock Cooperatives, traditional herder associations, and fraction leaders. A Tamashek literacy program, still in the planning stages, will be carried out at the oasis level by trained project animators, to further enhance beneficiary participation.

The "Oasis" strategy refers to a two-tiered development thrust: 1) aiding nomads to resume transhumance through herd reconstitution and improved animal husbandry practices and 2) supporting environmentally sustainable dry-season oases as focus points for government and project services, training and animation, diversified food and forage production, and drought strategy interventions.

The WVRD team will work closely with local GRM agents from the Ministries of Cooperatives, Livestock, Agriculture, and Forestry in project design, implementation, monitoring, and training.

The approach relies heavily on technical assistance, training, transfer of simple concepts and technology, and community participation and labor. Perceived short term benefits by the community, coupled with the absence of heavy machinery or other capital expenses and low recurrent costs, ensures the sustainability of project impact. Project design elements, either individually or in a variety of packages are replicable among Tamashek and other nomadic or sedentary groups, throughout the Sahel and in Soudanian zones, with minor adjustments for cultural and herding systems.

### 3. Project Objectives:

- a. To enable 15-20,000 currently destitute nomads in Menaka to return to some form of the transhumance way of life through herd restocking, improved animal husbandry and sustainable range management practices.
- b. To enhance the carrying capacity of the land surrounding 35 permanent watering points to allow for future population and herd growth and to act as buffer zones during times of cyclical drought.
- c. To provide a bridge for those wishing to abandon the traditional nomadic ways for a more sedentarized lifestyle by enhancing the oasis infrastructure, by providing appropriate technological training, and by strengthening the links to permanent settlements in the region.

### 4. Livestock Component - Objectives and Plan of Action

#### a. Objectives

1. Redistribute 330 small herds from densely populated zones to families who have lost all their animals, enabling them to restart the transhumance.
2. Establish sustainable range management practices including dry season reserves and two permanent drought reserves.
3. Supply logistical assistance to the Ministry of Livestock for an animal vaccination program.

4. Disseminate forage production and pasture regeneration techniques for improved, sustainable dry season animal nutrition.
5. Train 44 "early adopters" as extension agents.
6. Train local livestock cooperatives to manage herd revolving loans, and to enforce established range management system.
7. Complete field studies related to carrying capacity, optimum herd size, offtake and market options, traditional drought strategies.

b. Plan of Action

1. Revolving loan of core breeding herds: The central intervention is the loan of a core breeding herd to families who have lost all their animals. This type of loan is a traditional practice. In the FY89 project year, 330 families in 22 sites will be identified as recipients of the loan.

The size and composition of the loaned herd will allow these families to resume the transhumance. The herd will include 1 male sheep and 3 females, 1 male goat and 4 females, all young animals, and 1 donkey for transport. The donkey is a key element in the transhumance, as pack animal, and is essential for carrying water to herds grazing far from water points, a key strategy for sustainable grazing.

The families will repay the loan-in-kind over three years: 2 animals at the end of the first year, 4 at the end of the second year and 4 at the end of the third year. No interest will be charged, in conformity with traditional practice. The animals reimbursed each year will be loaned to a second generation of beneficiaries. Local cooperatives will receive the final reimbursement and will decide on the continued management of the herd.

The borrowing families will also receive a food-aid package sufficient to supply one-half of their family food needs for six months. The supplemental ration is necessary to assure that the breeding animals are not immediately sold off for food. Borrowing families will accept contract agreements obligating them to reimburse the animals over a three-year period and to participate in other project activities aiming at improved range management, fodder production, and animal health (described below).

Loaned animals will be branded and marked by number for the purpose of monitoring herd movement and recording vaccinations, general health and reproductive rate on a regular basis.

2. Barter of food-aid for core breeding herds: The animals required to distribute to needy families will be acquired by WVRD through a barter of food-aid commodities. This barter has been tested on a small scale in two sites and found satisfactory due to the recurrent food deficit. Families in remote areas do not have access to cereal stocks and in the town, cereal prices have remained exorbitant during the past year.

The animals acquired with bartered food will come from surplus zones in the district and be distributed in hardship areas. There will be

no increase in the total herd of the district, but rather a redistribution within the district, in order to achieve greater ecological and economic stability. The purchase of livestock within the district assures a higher income for animal sellers, as well as animal borrowers, which will result in a much-needed stimulation to the impoverished economy. Furthermore, purchase within the district assures that the animals are well-adapted.

3. Range management: Each of the 22 intervention zones will establish temporary dry season reserves around permanent water sources, to assure good grazing near water during the arid months of April through June. Each herding association will determine the site, size, and method for surveying the reserve. This is a traditional system which has broken down in past years due to drought and political change. In addition, two permanent drought reserves will be established in the district.
4. Livestock associations and cooperatives: At each of the 22 intervention sites, livestock cooperatives, recognized by the government or less formal traditional herder associations, will be involved in design and management of the project interventions. The cooperative or association will enter into the loan agreements with borrowers and WVRD and will share in responsibility for repayment of loaned animals. Cooperatives and associations will receive training in these activities from WVRD and the GRM Cooperative Service.
5. Training of animators and supervisors: A network of 44 local herders, (2 from each of the 22 associations) will be chosen as project Animators according to their respect and standing in the community, and their potential as early adopters of the various project initiatives. They will serve both as model herders within their associations and as disseminators of information among the seasonally mobile pastoral population. They will be the contact point for regular visits by WVRD and GRM Livestock Ministry agents and will be responsible for informing and organizing herders for upcoming vaccinations, or other project activities. They are responsible for reserve management and assist with monitoring and record-keeping of loaned herds.

The animators will receive training in the GRAAP method of animation, formal in-depth orientation in the objectives and methods of the project, as well as some basic animal health care, literacy, and numeracy. The curriculum consultant and principal trainer is a Tamashek GRM Ministry of Livestock employee who has worked closely with a number of international and national livestock and range research projects. Animators will be paid an allowance of 10 food rations a month as an incentive and compensation.

One project supervisor, a Tamashek with a university diploma in education, will make a training/observation mission to the World Bank Funded livestock project (ODEM) in the Mopti region, which has objectives similar to this project. The other project supervisor, a

veterinarian, will attend one in-country GRAAP session on training of trainers during the first year.

6. Pasture and forage production:

Fonio Straw - Pastoralists will be taught to collect and store the straw left over from fonio collection for dry season animal feed. The early cutting of fonio in order to increase the nutrient value of the hay will also be tested.

Forage production - In a FFW activity, participants will establish nurseries of the aquatic plant "echinocloa stagnina" (bourgou) and transplant it at 9 sites (about 10 Ha) along the shallow edges of 4 permanent marshes. Proper cutting, drying, and storage techniques will be tested and disseminated.

Pasture improvement - Fonio and other pasture species (such as panicum turdicum) will be chosen according to their adaptation to local conditions and prevalence in the pre-drought period, for their grazing value and for their ability to stabilize live dunes and revitalize fixed dunes. This seed will be sown on approximately 400 ha. at about 6 sites. Many of these surfaces were previously productive but following the drought have developed a crust which inhibits natural vegetal recolonization. The sowing technique is simple: after the first substantial rain, people and animals pass over the area to break up the surface crust, then broadcast the seed.

Feed supplements - Testing and introduction of nutritional supplements such as molasses, urea, cotton seed cake, and millet chaff for improved dry-seasons or drought forage.

7. Vaccinations: All animals in the WVRD impact zone will be treated against pasteurellosis and anthrax, and other vaccination campaigns as carried out by the GRM Livestock agents in the District. The government agents have a stock of the minimum necessary vaccines but need logistical assistance from WVRD in order to reach the nomads in outlying areas. Seven vaccination parks will be built on a simple GRM approved model, using local material and FFW labor.

8. Research: Many of the interventions mentioned above will be tested before dissemination. Ongoing project development and improvement will continue throughout the year on the basis of further information gathered on a regular basis. The critical data required includes:

- rainfall patterns
- herd movements
- market prices for animals, animal by-products and cereals.
- animal health and reproductive rate.

The project will finance rain gauges to be placed in strategic sites throughout the district. Every animal purchased in the herd reconstitution initiative will be branded and tagged and a record kept of its health, vaccination record, reproduction, and movements. Market surveys will be carried out bi-monthly.

5. Sahel Regeneration - Objectives and Plan of Action

a. Objectives

1. The target population of Menaka will understand the process of environmental degradation and what can be done to assure survival in the Sahel.
2. The technical team will acquire the skills needed to regenerate their land and become a functioning and officially recognized association for rural development.
3. Construct rainwater harvesting, permanent shallow wells and other soil/water infrastructure in 35 sites.
4. Introduce recession sorghum and grain storage to 20 appropriate sites.
5. Plant indigenous trees and grasses at regenerated sites.

b. Plan of Action

1. Animation and Training: WVRD staff and the technical team will conduct animation sessions at 35 sites using GRAAP materials, a Land Degradation/Regeneration slide show and personal testimony of those already sensitized. Leaders of target villages will visit other parts of Sahel where land regeneration activities are underway.

The technical team, a small group of men from the district who participated in the past two years of testing the regeneration techniques, will receive further training through visits to other projects in Niger, Burkina Faso, and Mali, by bringing specialists to Menaka and through formal seminars. The team will be registered with the GRM as an NGO, and will be organized and equipped to continue their activities on demand, without WVRD supervision.

2. Construct regeneration infrastructure: In each of the 35 sites, according to the expressed objectives of the participating population, pilot projects using the following reclamation techniques will be implemented with FFW:

- a. Half-moon microcatchments
- b. Rock filter dikes
- c. Subsurface dams
- d. Contour rock bunds
- e. Pasture reseeding/tree planting

These labor-intensive techniques all have a similar objective: to capture or slow rainwater runoff, allowing increased infiltration for recharging the water table and deposit of topsoil. Some of these techniques have been tested in the district while others will be tested during this phase. The test areas have already shown significant greening and recharging of shallow wells, as well as ability to support sorghum cultivation. Where land has been too degraded to naturally regenerate vegetal covering, the population will sow seed gathered from local grasses and trees.

3. Tree planting and dune fixation: At a central nursery in Menaka and at local sites, various indigenous acacia varieties, as well as wild date, date palm, guava, citrus, and eucalyptus (for construction materials) will be prepared for transplanting to regenerated sites to reinforce dikes, or for food and wood production. The population will be taught to collect Euphorbia Balmisefera starts and to plant them

directly just before the rainy season for dune fixation and live fencing.

4. Improved management of the Tin Abao-Menaka Forest: In cooperation with the GRM Forestry Service, a management plan will be developed and enforced to protect and exploit this 3000 Ha natural forest around the Tin Abao lake.
5. Introduce recession sorghum and seed storage in 20 sites: This technique was tested and proved successful in the Gao WVRD project last year. A local variety of short cycle sorghum is planted after the rains as water recedes from inundated valleys. Virtually risk and cost free, requiring a minimum of labor, this technique produces up to 1200 kg per Ha. The crop comes in as fonio harvest is being exhausted, and thus provides excellent "hungry season" food. Participants will be assisted to construct small granaries to store seed and surplus grain.
6. Construct or improve cement reinforced shallow wells: The local, traditional, shallow wells lined with grass, branches, or old oil drums, have a short life span and are susceptible to rust and soil instability. WVRD will introduce the simple, inexpensive well construction method used by LWR in Niger and MCC in Burkina Faso. The well uses a casing made from precast, curved, concrete bricks which can be made on site by a locally trained mason.

#### E. MONITORING AND EVALUATION

The project has been making contacts with other range management, livestock, and resource conservation projects in Niger and Mali, as well as with researchers outside of Africa (partial list found in Annex C.) The project has already received substantial technical assistance from these contacts during the design and start up. During the first year, the project will contract with consultants from among these and other sources to undertake review, training, and evaluation missions. By March of 1989, based on these consultancies, a full monitoring and evaluation plan will be developed. In the meantime, instruments are being developed to collect baseline data and evaluation indicators including:

1. Social indicators - motivation, participation, awareness, population movements, dependency, impact of food commodities, impact of overall oasis strategy approach.
2. Animal health and herd reconstitution indicators - vaccination rate, incidence of disease, reproductive rate, average herd size, milk production rate, offtake rate, market prices.
3. Environmental indicators - bio mass per Ha, ground water levels, crop yields, food availability.
4. Economic - Cost Benefit indicators - Analysis - market prices and impact for food commodities, per capita income-Seventh Region, cost analysis of food commodities and transport, warehousing, program management, complementary input, cost reduction strategies issues.

A

Annex A  
ACTIVITIES SCHEDULE

ACTIVITY	1988			1989									
	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
BARTER AND RESTOCKING	*****					*****				*****			
DRY SEASON RESERVES	*****												
LIVESTOCK VACCINATION	***					*****							
FONIO & FIELD SEEDING	***										*****		
FONIO HAY COLLECTION	*****												
PASTURE SEED COLLECTION	*****												
TRAINING FOR ANIMATORS				***		**				***			**
CONSERVATION INFRASTRUCTURE	*****												
NURSERY	*****												
TRANSPLANT TREES, GRASS										*****			
PLANT SORGHUM	***										*****		
HARVEST, STORE SORGHUM					*****	*	*	*	*				
CONSULTATION/EVALUATION				***								***	
RESEARCH/ANIMATION/HERD MONITORING	*****												

## ANNEX B

### WVRD MALI MANAGEMENT AND ORGANIZATION

The WVRD Mali Program Office is headed by Daniel Coulibaly, a Malian national. He is assisted in managing the Seventh Region Title II projects by Bruce Wilkinson, an American, who is the principle liason between the field project management, GRM agencies, and USAID in Bamako and the WVRD International Office in California. The Bamako office is linked by radio to Menaka and Gao, and by telex, telephone, and telefax to the California office and has a support staff of 5 people dedicated to the 7th region program. Bamako office expenses are shared by all Seventh Region project components.

The Menaka Integrated Pastoral Development Project is headed by an American, Paul Abbott, who has worked in Mali for 4 years, 3 of them with WVRD Menaka. He reports directly to the Bamako WV office and is responsible for liaising with local GRM authorities, community leaders and fraction chiefs. He has a Malian Assistant Project Manager, who is responsible for day-to-day administration and management, including commodity management and logistics. The assistant project manager supervises clerical and warehouse personnel, is in charge during the absence of the Project Manager, and is being trained to take over full management responsibilities.

The Menaka Project Manager supervises the Garage Manager, Project Accountant, and other support functions which are located in the project office in Menaka town. The garage is fully equipped and staffed. Most project procurement and banking is done in Niamey, Niger, which has more services and suppliers than the nearest Malian town, Gao.

The overall Project Manager for Menaka, also has direct responsibility for the reforestation activities, in which he is assisted by a Malian Forestry Supervisor and two assistant supervisors, who carry out the extension (animation), training, and project monitoring, jointly with the GRM Ministry of Water and Forestry agent, and in coordination with the Sahel Regeneration team.

The Livestock Project is headed by an American, Chalon Lee, who has 5 years of field experience in Africa in design and implementation of animal husbandry and agricultural projects. The Livestock project also employs two Tamashek speaking Senior Supervisors, who hold degrees in education and veterinary medicine., and an assistant supervisor. Together with the local agents of the GRM Ministries of Livestock and of Cooperative Services, WVRD supervisors work directly with the management committees of local herder associations and livestock cooperatives to organize the herd barter and distribution, training and supervision of local animators, and project monitoring.

The Sahel Regeneration Project is headed by American Barry Rands, a civil engineer with 6 years experience in Africa in agricultural and rural engineering projects, including 2 years with WVRD Menaka. His senior Malian project supervisors are an agronomist and a locally-trained Tamashek Technical Team leader. The members of the Technical Team are men from the district who have been trained in and participated in the testing of conservation and well construction devices during the past two years, and who have seen the benefits of the conservation techniques in their own communities. During the project period, they will continue, under supervision of the Senior Engineer, to carry out site surveys, participate in animation, organize and supervise work, and

transfer their skills to the wider population. Application has been made to the Malian government for status for the technical team as a non-profit rural association, and team leaders will receive intensive additional training in fund raising, accounting, organizational, and management skills so that by the end of the project period they can continue to function as an implementing NGO.

#### Regional Technical Support - Africa Development Team

With funding from an AID Program Enhancement Grant, WVRD has established a technical team in Dakar, Senegal to provide training and support in all aspects of food programming design and management to World Vision field programs. Members of this Africa Development Team have provided assistance to WVRD Mali in the development of their 5-year enhancement strategy, in design of the Menaka project, in locating and recruiting other technical consultants, and in commodity management. Training and assistance in management and evaluation will continue through the life of the project by means of site visits, in country workshops and Africa regional workshops with other participating WV field teams.

## PROJECT TITLE: MENAKA PASTORAL LIVESTOCK PROJECT

### PROJECT SUMMARY

The project will increase the well-being of pastoral zone inhabitants through a multi-faceted approach including both short and long-term initiatives that are socially, economically and ecologically appropriate. The project will purchase ruminants and donkeys from surplus zones in the Menaka cercle using food aid for barter, and then loan small breeding herds to destitute pastoralists. Improved range management, animal health and pasture and forage production practices will also be disseminated under the project. Methodology for all project interventions will grow out of discussion with the population themselves concerning traditional practices and experience.

### HISTORICAL BACKGROUND

The economic, social and nutritional basis of the Tamshel and Dahusahaq peoples of Menaka District lies in livestock production. The optimum utilization of the scarce available resources is in a responsible exploitation of pasture through the traditional pattern of transhumant pastoralism. This pattern has been broken up due to recurrent drought which decimated herds and trapped human survivors in limited zones near water points. Any program which considers the most acutely felt and expressed needs of the population must focus on the issue of how to help these pastoralists return to their nomadic herding traditions though with a more conscientious understanding of the delicate nature of the environment that supports their livelihood.

Tamashek have never been true nomads who wander over extensive geographical areas. Instead, they generally follow a regular transhumant oscillation within home regions, returning to the same permanent water source each year after the northern trek to the salt pastures. But we are observing an interesting social evolution now. They are adopting a stronger "oasis" strategy in addition to their traditional transhumance. That is, they are tying themselves more to one specific site and at least part of the family remains there throughout the year while other members migrate with the herd. They are voluntarily building mud brick homes rather than tents. The lack of donkeys and the possibility of continued hardship are pushing them to seek a degree of security in a diversified livelihood and in a situation of greater settlement.

For addressing the needs of these people who have been herders for centuries and who know only this metier, it is obligatory that one meets them at this level of animal husbandry and nomadism. Other interventions will fail to have any immediate impact on returning the people to a level of self-sufficiency. Other development initiatives must be alongside this.

World Vision has been studying the socio-economic systems of the pastoralists of Menaka for more than two years. Project design

relies on an understanding of the culture and builds on traditional practices rather than introducing totally foreign notions. The interventions will thus be better understood, received, and continued by the local population. Most of the interventions are themes on tradition Tamashek/Dahousahaq practice: pasture reserves, size and composition of herds, loan and reimbursement, drought strategies etc. World Vision's role is to build awareness among the population of changing conditions, to re-establish sustainable appropriate practices which have broken down, to introduce improvements on some traditional practices, and, of course, to provide the base capital for the revolving loan fund. The herders have traditionally practiced ecologically sound exploitation of their resources, especially in regard to their transhumant grazing pattern. Through the debacle of the droughts of 1972 and 1984 the nomadic population has gained an acute awareness of the precarious state of their natural situation. They recognize the gradual deterioration of their resources and the need to adopt certain practices to reduce their vulnerability and secure their future. The vital emphasis of the animation phase is to increase the herder's understanding of his situation and to open up to him certain options for adaptation. As issues are raised, the nomads themselves will establish their own priorities and level of participation as they are motivated according to their particular felt needs.

- Objectives:
- 1) Redistribute 330 small herds from densely populated zones to families who have lost all their animals to enable them to restart the transhumance.
  - 2) Establish sustainable range management practices including dry season reserves and two permanent drought reserves.
  - 3) Supply logistical assistance to the Ministry of Animal Resources for an animal vaccination program
  - 4) Disseminate forage production and pasture regeneration techniques for improved, sustainable dry season animal nutrition.
  - 5) Train 44 "early adopters" as extension agents.
  - 6) Train local livestock cooperatives to manage herd revolving loans, and to enforce established range management system.
  - 6) Complete field studies related to carrying capacity, optimum herd size, offtake and market options, traditional drought strategies.

#### Plan of Action

##### 1. Revolving loan of core breeding herds

The central intervention is the loan of a core breeding herd to families who have lost all their animals. This type of loan is a traditional practice. In the FY89 project year, 150 families in 22 sites will be identified as recipients of the loan.

The size and composition of the loaned herd will allow these families

to resume the transhumance, which is the best adapted means of exploiting the resources of the district. The herd will include 1 male sheep and 4 females, 1 male goat and 3 females, all young animals not yet at reproductive stage, and 1 donkey for transport. The composition of the herd was determined because it is normal for herders to start with the small, less expensive livestock, because goats are extremely drought resistant, although the sheep are more valuable and dearer to Tuareg's heart. The male animals give each herder some independence. The donkey is a key element in the transhumance, as pack animal, and is essential for carrying water to herds grazing far from water points, a key strategy for sustainable grazing.

The families will repay the animals in kind over a three year period: 2 animals at the end of the first year, 4 at the end of the second year and 4 at the end of the third year. No interest will be charged, again in conformity with traditional practice. The animals reimbursed each year will in turn be loaned to a second generation of beneficiaries. The local cooperatives will receive the final reimbursement and will decide on the continued management of the herd.

The borrowing families will also receive a foodaid package sufficient to supply one quarter of their family food needs for six months. The supplemental ration is necessary to assure that the breeding animals are not immediately sold off for food.

Borrowing families will accept contract agreements obligating them to reimburse the animals over a three-year period and to participate in other project activities aiming at improved range management, fodder production and animal health (described below). Loaned animals will be branded and marked by number for the purpose of monitoring and recording vaccinations, general health and reproductive rate on a regular basis.

## 2. Barter of Food aid for core breeding herds

The animals required to distribute to needy families will be purchased by World Vision through a barter of food aid commodities. This arrangement has been tested on a small scale in one rural area and found satisfactory because of the recurrent food deficit. Families in remote areas do not have access to cereals stocks and in the market towns the cereals prices have remained exorbitantly high during the past year. Milk is a traditional food of the herders but the reduction in herds has seriously reduced the availability of this food. Oil is also highly desired for adding taste to the nonfat milk sauce mixed with cereal in the daily meal.

The animals purchased with bartered food will come from certain surplus zones in the district and distributed in hardship areas. There will be no increase in the total herd of the district, but rather a redistribution within the district. There is a social justice element in this redistribution as well as an attempt at greater ecological stability through more even distribution of

livestock throughout the district. The purchase of livestock within the district assures a higher level of family income for animal sellers, as well as animal borrowers, which will result in a much-needed stimulation to the impoverished economy. Furthermore, purchase within the district assures that the animals are well-adapted.

### 3. Range management

Each of the 22 intervention zones will establish temporary dry season reserves around permanent water sources, so as to assure good grazing near water during the critical arid months of April through June. Each herding association or cooperative will determine the siting, size and method for surveying the reserve. This is a traditional system which has broken down in past 2-3 decades due to drought and political change.

In addition two permanent drought reserves will be established in the district.

### 4. Livestock Cooperatives

At each of the 22 intervention sites, livestock cooperatives recognized by the government or less formal herder associations will be closely involved in design and management of the project interventions. The cooperative or association will enter into the loan agreements with loan recipients and World Vision and will share in responsibility for repayment of loaned animals. Cooperatives and associations will receive training in these activities from World Vision and the GRM Cooperative Service.

### 5. Training of Animators

A network of 44 local herdsmen, ( 2 from each of the 22 associations) will be chosen according to their respect and standing in the community, their skills at communication and animation, and their potential as early adopters of the various project initiatives. They will serve both as model herdsmen within their associations and as disseminators of information among the seasonally mobile pastoral population. The organized follow-up and animation program is possible with the kel Tamashek who do not wander randomly but circulate in general "home" regions, always returning to specific fixed sites after having migrated north during the rainy season.

The animators will receive training in the GRAAP method of animation, and formal in-depth orientation in the objectives and methods of the project, as well as some basic animal health care. These formal training sessions will be held in December and June. Animators will be the contact point for regular visits by World Vision and GRM Livestock Ministry agents. They will be responsible for informing herdsmen about upcoming vaccinations, or pasture seeding, or other project activities and will help organize these activities. They are responsible for reserve management and assist with monitoring

and record keeping of loaned herds.

Animators will be paid an allowance of 10 food rations a month as an incentive and compensation

##### 5. Pasture and forage production

Fonio Straw - From September through January, the local wild cereal, fonio, is cut and the grain is swept and collected as a major human food source for the district. Generally the leftover straw is abandoned and soon disperses with the wind. Rather than waste this crop residue, World Vision will encourage the pastoralists to collect and store the straw for dry season animal feed. The possibility of cutting the fonio earlier in order to increase the nutrient value of the hay will also be tested. This activity will be required of families receiving loan herds in order to receive their supplementary food ration.

Forage production - From May to July 1988, the aquatic plant "echinocloa stagnina" was planted at 7 sites along the shallow edges of two permanent marshes. Six nurseries were set up and a total surface area of 12 hectares of the grass was planted. Follow-up and further dissemination to 2 more sites of this dry season livestock feed will continue in FY '89 to assure the proper cutting, drying, and storage of this forage crop. This activity will be paid in food for work.

Pasture improvement - In areas of more hardy and desirable pasture species, the local population will be encouraged to collect the seed in exchange for food rations. Pasture species will be chosen according to their adaptation to local conditions and prevalence in the pre-drought period, for their grazing value and for their environmental contribution in terms of stabilizing live dunes and revitalizing fixed dunes. This seed will then be sown on approximately two hundred hectares at about six sites.

Fifty hectares of land surface at each of 6 sites will be prepared and seeded with "fonio", and important element in the human diet. Drought damaged low-lying areas that have good potential for fonio cultivation will be chosen as intervention zones. Many of these surfaces were previously productive but were razed during the deficit rainfall years. A crust has built up that gets harder and more impenetrable with each rainfall. This discourages vegetation from recolonizing the land and also increases rain run-off. The fonio seeding technique is simple. After the first substantial rain, people and animals pass over the area with heavy tree limbs to break up the surface crust. Seed is then broadcast over the treated zone. This same method can also be used where there already exists some vegetation but the need is for intensification of groundcover and pasture production. This will be a food for work activity, participation will be

required from families receiving herd loans.

#### 6. Vaccinations

All beneficiaries of the herd reconstitution initiative will be obligated to participate in vaccination campaigns as carried out by the Ministry of Livestock agents in the District. The government agents have a stock of the minimum necessary vaccines but need logistical assistance from World Vision in order to reach the nomads in outlying areas. April to May is the most important time for vaccination of small ruminants against pasteurellosis and anthrax and all animals in World Visions impact zone will be treated. \_\_\_ vaccination parks will be built using locally available mud bricks and local labor paid in Food for work. The Ministry of Livestock has an approved design for construction of the parks.

#### 7. Research

Ongoing project development and improvement will continue throughout the year on the basis of further information gathered on a regular basis. The critical data required includes:

- rainfall patterns
- herd movements
- market prices for animals, animal byproducts and cereals.
- animal health and reproductive rate.

The project will finance rain gauges to be placed in strategic sites throughout the district. Every animal purchased in the herd reconstitution initiative will be branded and tagged and a record kept of its health, vaccination record, reproduction, and movements. Market surveys will be carried out bi-monthly.

#### 8. Evaluation

The project has been making contacts with other range management and livestock projects in Niger and Mali, as well as with researchers outside of Africa. During the year, the project will contract with consultants in animal science, range management and pastoral sociology to undertake review and evaluation missions.

## ACTIVITIES SCHEDULE

ACTIVITY	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	
HERD REDISTRIBUTION	*****								*****					
DRY SEASON RESERVE	*****													
LIVESTOCK VACCINATION					***						*****			
FONIO & FIELD SEEDING	****									***				
FONIO HAY COLLECTION						*****								
PASTURE SEED COLLECTION						*****								
TRAINING FOR ANIMATORS	***						***						***	
CONSULTATION/EVALUATION						***					***		***	
RESEARCH/ANIMATION/HERD MONITORING	*****													

### ROLE OF FOOD AID

In the past year, the distribution of food aid in the district of Menaka has helped those families still in possession of animals to hold on to them rather than sell them for much needed cereals and other family needs. The food aid has also been an incentive to families to participate in various development activities. In the pastoral livestock project, food aid will continue to provide both the income transfer and incentive role necessary to achieve project objectives. In addition, food aid will be bartered at the rural level for animals which will in turn be distributed on a loan basis to families who have lost their herds.

#### Income Transfer and Incentive:

1) Families benefiting from the loaned herd will also be eligible for a ration equal to one weeks nutritional requirement for the family per month for six months. The purpose of the ration is to supplement the families' income so that they will not be tempted to sell any of the borrowed animals to meet other family needs. To receive the ration, however, they will also have to participate

in required activities such as animal vaccination, pasture seeding, seed collection etc. A total of 12960 rations will be distributed to 270 families.

2) Other families participating in pasture seeding and seed collection or forage production activities may receive rations in the form of food for work for a total of 3682 rations.

3) Vaccination parks will be built using food for work for a total of 560 rations.

4) The 44 animators employed in the project will each receive an incentive ration equal to 10 days per month for a total of 5280 rations during the project year.

**Herd Barter:**

The 270 herds needed for the redistribution effort will be obtained by trading food aid sorghum, milk and oil to owners of herds in surplus zones. No more than 2 animals will be bought from any one owner.

For the past three years and currently, cereals prices have been extremely high in relation to animal prices in the district, with the most imbalanced exchange rate coming in the dry hot season. For instance, in April, the market value of cereals and of animals would mean that to sell one goat a herder would only receive about 25 kg of cereal - enough to feed his family for about a week. In order to achieve some income transfer and nutritional objectives with the barter as well as simply acquiring the necessary animals, World Vision proposes to offer the seller a ration package including cereal, milk and oil worth, at market prices, about 30% more than the market value of his animal, or at least equal to 14 days nutritional needs of a family. The unreasonably high market prices for cereals, milk and oil in the district means that this subsidized value will still be at or over the CIF value of the food aid.

The herds will be bought at three times during the year, and the value of the bartered food aid will be calculated at that time. It is estimated that the 2700 animals will be exchanged for approximately 43,905 rations, equal to 131.72 mt of sorghum, 22 mt of milk and 11 mt of oil. At CIF Gao prices, the dollar prices are figured:

	per ton	total
131.72mt sorghum	436	57,552
22 mt milk	459	10,098
11 mt oil	1083	11,913
total	\$	\$ 79,563
cost per animal		\$29.46
cost per ration		\$ 1.8
average rations per animal		16

RP

## PROJECT TITLE: SAHEL REGENERATION

### PROJECT SUMMARY

The project will build upon 2 years of experimentation in soil and water conservation, reforestation and pasture renewal to provide a wholistic land regeneration program. Through sensitization of the population, training of a technical team and technical assistance, the project will disseminate the successful land regeneration methodologies in 15 rural population centers. The population will participate in the design and plan of interventions in their sites and will receive food for work for the construction of small dams, earthen and rock dikes, micro-catchments, shallow wells and reforestation.

### HISTORICAL BACKGROUND

In 1986, a pilot water development and land regeneration project was undertaken in and around Intadeny, a newly established community of Tamashek nomads in the Menaka District. The project consisted of the construction of contour dikes at the beginning of the rainy season and the cultivation of grain sorghum towards the end of the season. The rainwater runoff is captured behind the dikes where it infiltrates into the soil, recharging the water table while at the same time depositing its load of topsoil, providing an ideal environment for planting crops and trees. Sorghum planted behind the dikes was nourished by 10 to 15 centimeters of water and rich soil and yielded about 500 kg for the two Ha field.

The equipment used for the project was extremely simple - consisting mostly of picks, shovels and wheelbarrows, and a level made of a water-filled clear plastic tube attached at each end to calibrated measuring poles. Four men from the village and the WVRD supervisors were trained to use the simple level.

Following this successful small-scale experiment, the same village constructed a small gabion dam in the dry river bed. A technical team wove wire into gabion baskets which were filled with rocks gathered by another crew, all paid in food for work. The gabion baskets, laid across the river bed, slowed down the flood in the rainy season sufficient to raise the water table in the village wells.

Even before the completion of the gabion dam, plans were being made to expand the earth dike system at Intadeny and to extend the technique to four other favorable sites. A mobile land degradation presentation was made in 10 communities, using slides, personal testimony and discussion. People were exposed to the problem of environmental degradation and the possible solutions were proposed and discussed. Response was very positive and 4 sites were selected for the first extension phase.

A detailed design was made for each site in consultation with local residents. At Tessat and Inbougaitan, standard contour dike systems on land adjacent to the camps were called for. At the two other sites, it was decided to undertake the development

of more extensive areas that called for the construction of larger earth and rock dikes. In both situations, the development site took advantage of lowlying plains that naturally collected water. With the addition of the dikes, flooded land would be increased severalfold to the benefit of the land and the people.

A technical team of 10 men from the original village of Intadeny were trained to be the technical foreman of the five sites (Intadeny expansion included). These teams went out in pairs to lay out the contours and organize the work force. All work was by hand with the laborers receiving food for work. 1987 rains were poor throughout the region, but wherever the dikes were built, the little rain that fell was conserved and the effects were evident. Vegetation has returned to denuded areas and the population was encouraged to plant grasses, trees and sorghum.

The obvious direct benefits of the program which have been realized by the people involved are:

1) Groundwater recharge: due to the location of project sites adjacent to shallow wells, the groundwater table in the vicinity was recharged.

2) Greening of existing trees: the existing trees and bushes in and among the newly constructed dikes showed much evidence of new growth, undoubtedly due to the increase of soil moisture. In addition, tree seeds that had fallen and had been dormant began to sprout all over the area where water had been retained. The people noticed these things right away.

3) A new surface water source: after a rain there was standing water where no water had ever stood before. Though this is a temporary phenomenon and of only marginal benefit, the appearance is remarkable in this desert region.

4) Soil restoration: After the surface water behind the dikes dried up, a crust of dark colored sediment was obvious. It is apparent that over time, a restoration of top soil will occur, while at the same time the negative effects of soil erosion will be arrested.

5) Crops: It had been expected that the land under improvement would immediately produce lush wild vegetation once water was retained. However, years of wind and water erosion had removed much of the naturally deposited seed material and all of the top soil. Hence, less than the expected natural vegetation sprang up. However, short cycle sorghum brought in and planted produced a reasonable yield, proving that the people now have the potential for growing crops on land that previous was virtually useless.

In FY1989, the project will extend these benefits to 15 more sites. Training of the technical team will remain a major component of the program, but emphasis will continue to be placed on sensitizing the population and passing on skills to them.

## OBJECTIVES

1. The target population of Menaka will understand the process of desertification and environmental degradation and what can be done to assure survival in the Sahel.
2. The technical team will acquire the skills needed to regenerate their land and become a functioning and officially recognized association for rural development.
3. Construct soil and water conservation, water resources development and land regeneration infrastructure in 15 sites.

## PLAN OF ACTION

WVRD staff and technical team will conduct sensitization sessions with a 15 villages using GRAAP flannelboard materials, the Land Degradation/Regeneration slide show and personal testimony of those already sensitized. Members of target villages will participate in field trips to other parts of the Sahel where land regeneration activities are underway.

In each of the 15 sites, according to the expressed objectives of the participating population, pilot projects using the following techniques will be implemented:

- a. Half-moon microcatchments
- b. Filter dikes
- c. Recharge wells
- d. Subsurface dams
- e. Polder diking at seasonal lakes
- f. Pasture reseeding
- g. Permaculture parcels

The project will also undertake small scale regenerations projects in diverse conditions using proven appropriate techniques such as:

- a. Contour rock bunds
- b. Earth dikes
- c. Gabion check dams.

During the project year WVRD will begin a comprehensive land regeneration program in a small watershed (less than 500 HA) to serve as a model watershed conservation and management system.

The technical team will receive further training through visits to other projects in Niger, Burkina Faso and Mali, by bringing specialists to Menaka and through formal seminars.

The project will purchase 20 donkey carts for transport of rocks and soil at project sites. Also 10 tons of galvanized wire for gabion baskets and 24 tons of cement for construction shallow wells and irrigation systems will be financed by the project.

#### ROLE OF FOOD AID

The labor involved in construction of the dikes and small dams is very intensive and food for work has played an important role in increasing participation. Approximately 600 workers will be employed for 4 months for a total of 57,600 rations.

	Trans. Memo. No.	Effective Date	Page No.
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APPENDIX 4C  
 OMB Control No. 0412-0510  
 Expiration Date: 12/31/89

MANDATORY STANDARD PROVISIONS FOR  
 U.S., NONGOVERNMENTAL GRANTEES<sup>1</sup>

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 MANDATORY STANDARD PROVISIONS

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|-----------------------------------|---|
| 1. Allowable Costs                | * 8. Debarment, Suspension, and other<br>Responsibility Matters |
| 2. Accounting, Audit, and Records | 9. Nondiscrimination  |
| 3. Refunds                        | 10. U.S. Officials Not to Benefit <sup>1</sup>                  |
| 4. Revision of Grant Budget       | 11. Nonliability  |
| 5. Termination and Suspension     | 12. Amendment   |
| 6. Disputes                       | 13. Notices *   |
| 7. Ineligible Countries           |   |

1. ALLOWABLE COSTS (NOVEMBER 1985)

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, any negotiated advance understanding on particular cost items, and the applicable\* cost principles in effect on the date of this grant.

\* NOTE: For Educational Institutions use OMB Circular A-21; for all other non-profits use OMB Circular A-122; and for profit making firms use FAR 31.2. and AIDAR 731.2.

2. ACCOUNTING, AUDIT, AND RECORDS (JANUARY 1988)

(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. The grantee's financial management system shall provide for the following:

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<sup>1</sup>When these Standard Provisions are used for cooperative agreements, the following terms apply: "Grantee" means "Recipient," "Grant" means "Cooperative Agreement," and "AID Grant Officer" means "AID Agreement Officer."

- (1) Accurate, current, and complete disclosure for each A.I.D.-sponsored project or program in accordance with the reporting requirements of this grant. While A.I.D. requires reporting on an accrual basis, the grantee shall not be required to establish an accrual accounting system but shall develop such accrual data for its reports on the basis of an analysis of the documentation on hand.
- (2) Records that identify adequately the source and application of funds for A.I.D.-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income.
- (3) Effective control over and accountability for all funds, property, and other assets. Grantee shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.
- (4) Comparison of actual outlays with budget amounts for each grant. Financial information should be related to performance and unit-cost data whenever appropriate.
- (5) Procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement by the recipient, whenever funds are advanced by the Federal Government.
- (6) Procedures for determining the reasonableness, allowability, and allocability of costs in accordance with the provisions of the applicable Federal cost principles and the terms of the grant.
- (7) Accounting records that are supported by documentation that at a minimum will identify, segregate, accumulate, and record all costs incurred under a grant and which fully disclose (i) the amount and disposition by the grantee of the proceeds of such assistance, (ii) the total cost of the project or undertaking in connection with which such assistance is given or used, (iii) the amount of that portion of the cost of the project or undertaking supplied by other sources, and (iv) such other records as will facilitate an effective audit.
- \* (8) Examinations in the form of audits or internal audits shall be made by qualified individuals that are sufficiently independent of those that authorize the expenditure of A.I.D. funds to produce unbiased opinions, conclusions, or judgments. They shall meet independence criteria along the lines of Chapter IV, Part B of the U.S. General Accounting Office Publication Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (1981 Revision). \*

\* These examinations are intended to ascertain the effectiveness of the financial management systems and internal procedures that have been established to meet the terms and conditions of the grant. It is not intended that each grant awarded to the grantee be examined. Generally, examinations should be conducted on an organization-wide basis to determine whether the institution has implemented and utilizes appropriate financial and administrative systems and controls in compliance with the uniform administrative requirements of OMB Circular A-110 and the applicable cost principles specified in the "Allowable Costs" standard provision of this grant, and to test the fiscal integrity of financial transactions, including accuracy and reliability of financial reports submitted to A.I.D. and other Federal agencies under agreements to which the terms of Attachment G of OMB Circular A-110 apply, as well as compliance with the terms and conditions of the A.I.D. grant. Such tests would include an appropriate sampling of A.I.D. and other Federal grants and agreements. Examinations will be conducted with reasonable frequency, on a continuing basis or at scheduled intervals, usually annually, but not less frequently than every two years. A copy of the audit report shall be furnished to the A.I.D. grant officer who shall make appropriate distribution within the Agency. The frequency of these examinations shall depend upon the nature, size, and the complexity of the activity. These grantee self-examinations do not relieve A.I.D. of its audit responsibilities, but may affect the frequency and scope of such audits.

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(9) A systematic method to ensure timely and appropriate resolution of audit findings and recommendations.

(b) The grantee shall preserve and make available such records for examination and audit by A.I.D. and the Comptroller General of the United States, or their authorized representatives:

(1) until the expiration of three years from the date of termination of the grant;

(2) for such longer period, if any, as is required to complete an audit to resolve all questions concerning expenditures unless written approval has been obtained from the grant officer to dispose of the records. A.I.D. follows generally accepted accounting practices in determining that there has been proper accounting and use of grant funds. The grantee agrees to make available any further information requested by A.I.D. with respect to any questions arising as a result of the audit; and

(3) If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigations, claims or audit findings involving the records have been resolved.

(c) The grantee shall require subrecipients to adopt the standards in paragraphs (a) and (b) above except that portion of subparagraph (a) 1 that would require specific financial reporting forms and frequencies in accordance with the payment provisions of the grant.

\* 3. REFUNDS (JANUARY 1988)

(a) The grantee shall remit to A.I.D. all interest earned on funds provided by A.I.D. at least quarterly, except that interest amounts up to \$100 per year may be retained by the grantee for administrative expense. \*

(b) Funds obligated by A.I.D. but not disbursed to the grantee at the time the grant expires or is terminated shall revert to A.I.D., 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 and not encumbered by a legally binding transaction applicable to this grant at the time of expiration or termination of the grant shall be refunded to A.I.D.

(c) If, at any time during the life of the grant, or as a result of final audit, it is determined by A.I.D. that funds 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 A.I.D.

4. REVISION OF GRANT BUDGET (NOVEMBER 1985)

(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 the following reasons:

(1) Changes in the scope or the objectives of the program and/or revisions in the funding allocated among program objectives.

(2) The need for additional funding.

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(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.

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

(6) The grantee plans to incur an expenditure which would require advance approval in accordance with the applicable Federal cost principles and was not included in the approved grant budget.

(7) The grantee plans to transfer funds allotted for training allowances to other categories of expense.

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

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

(e) If the requested budget revision requires the obligation of additional funding, and, if after notification pursuant to this standard provision, AID determines not to provide additional funds, the AID grant officer will, upon written request of the grantee, terminate this grant pursuant to the standard provision of this grant, entitled "Termination and Suspension."

(f) 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 in such notice the new obligated grant total amount.

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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.

(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.

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6. DISPUTES (March 1987)

(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 AID's Associate Assistant to the Administrator for Management. Any appeal made under this provision shall be in writing and addressed to the Associate Assistant to the Administrator for Management, Agency for International Development, Washington, D.C. 20523. A copy of the appeal shall be concurrently furnished to the grant officer.

(c) In order to facilitate review on the record by the Associate Assistant to the Administrator for Management, the grantee shall be given an opportunity to submit written evidence in support of its appeal. No hearing will be provided.

(d) A decision under this provision by the Associate Assistant to the Administrator for Management shall be final.

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.

\* 8. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (MARCH 1989)

(1) The grantee certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; \*

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\* (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) The grantee agrees that, unless authorized by the Grant Officer, it will not knowingly enter into any subagreements or contracts under this grant with a person or entity that is included on the "Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs". The grantee further agrees to include the following provision in any subagreements or contracts entered into under this grant:

DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION  
(MARCH 1989)

The recipient/contractor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(3) The policies and procedures applicable to debarment, suspension and ineligibility under AID-financed transactions are set forth in 22 CFR Part 208.

9. NONDISCRIMINATION (MAY 1986)

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

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.

10. 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. \*

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11. NONLIABILITY (NOVEMBER 1985)

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

12. 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.

13. 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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OPTIONAL STANDARD PROVISIONS FOR  
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 Handbook 13. Each grant is required to have a payment provision. Check off the optional standard provisions which are included in the grant. Only those standard provisions which have been checked off are included physically within this grant.

- |   |               |
|---|---------------|
| 1. Payment - Letter of Credit                                 | _____ X _____ |
| 2. Payment - Periodic Advance                                 | _____         |
| 3. Payment - Cost Reimbursement                               | _____         |
| 4. Air Travel and Transportation                              | _____ X _____ |
| 5. Ocean Shipment of Goods                                    | _____ X _____ |
| 6. Procurement of Goods and Services                          | _____ X _____ |
| 7. AID Eligibility Rules for Goods and Services               | _____ X _____ |
| 8. Subagreements  | _____         |
| 9. Local Cost Financing                                       | _____ X _____ |
| 10. Patent Rights   | _____ X _____ |
| 11. Publications  | _____ X _____ |
| 12. Negotiated Indirect Cost Rates - Predetermined            | _____         |
| 13. Negotiated Indirect Cost Rates - Provisional              | _____ X _____ |
| 14. Regulations Governing Employees                           | _____ X _____ |
| 15. Participant Training                                      | _____         |
| 16. Voluntary Population Planning                             | _____         |
| 17. Protection of the Individual as a Research Subject        | _____         |
| 18. Care of Laboratory Animals                                | _____         |
| 19. Government Furnished Excess Personal Property             | _____         |
| 20. Title to and Use of Property (Grantee Title)              | _____         |
| 21. Title to and Care of Property (U.S. Government Title)     | _____         |
| 22. Title to and Care of Property (Cooperating Country Title) | _____ X _____ |
| 23. Cost Sharing (Matching)                                   | _____ X _____ |
| 24. Use of Pouch Facilities                                   | _____ X _____ |
| 25. Conversion of United States Dollars to Local Currency     | _____ X _____ |
| 26. Drug Free Workplace                                       | _____ X _____ |

(INCLUDE THIS PAGE IN THE GRANT)

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

Payment - Letter of Credit (NOVEMBER 1985)

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

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

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

(c) Reporting:

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

(2) The grantee shall submit an original and one copy of SF-272, "Federal Cash Transactions Report," within 15 working days following the end of each quarter to M/FM/PAFD. Grantees receiving advances totaling more than \$1 million per year shall submit the SF-272 on a monthly basis within 15

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working days following the close of the month. Grantees shall report all cash advances in the remarks section of SF-272. Those cash advances in excess of immediate disbursement requirements in the hands of subrecipients or the grantee's field organizations shall be supported by short narrative explanations of actions taken by the grantee to reduce the excess balances.

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

(END OF STANDARD PROVISION)

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

PAYMENT - PERIODIC ADVANCE (JANUARY 1988)

(This provision is applicable when the conditions for use of letter of credit cannot be met (including those pertaining to mixed dollar and local currency advances) and when the grantee meets the requirements of paragraph 1.0.6 of Handbook 13.)

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

(b) Grantees shall maintain advances in interest bearing accounts. Advances of A.I.D. funds to subgrantees shall be maintained in interest bearing accounts.

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

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

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

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\* Revised

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

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\* Revised

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

PAYMENT - COST REIMBURSEMENT (NOVEMBER 1985)

(This provision is applicable to grants for construction, or to grants where the grantee does not meet the conditions for either a letter of credit or periodic advance payment.)

- (a) At the end of each month of this grant, the grantee shall submit an original and two copies of SF-270, "Request for Advance or Reimbursement," to the payment office address specified in the schedule of this grant.
- (b) A final SF-270, shall be submitted within 60 days after the conclusion of the grant to the payment office.
- (c) The reports will be prepared on a cash basis. However, if the grantee's accounting records are not normally kept on a cash basis, the grantee shall not be required to convert its accounting system to meet this requirement.
- (d) Assignment of Claims (otherwise known as assignment of proceeds) is authorized under this grant and will be processed by the payment office.

(END OF STANDARD PROVISION)

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AIR TRAVEL AND TRANSPORTATION (NOVEMBER 1985)

(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 at least 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 U.S. Mission or Embassy, 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 A.I.D.'s option, be funded from U.S.-owned local currency. When A.I.D. intends to exercise this option, A.I.D. will, after receipt of advice of intent to travel required above, either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the grantee may exchange for tickets, or A.I.D. 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 United States 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 otherwise available 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 United States being performed by 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 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 United States, 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 United States, 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. flag air carriers for international transportation, the grantee will include a certification on vouchers involving such transportation which is essentially as follows:

"CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS. I hereby certify that the transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reason(s)." (State appropriate reason(s) as set forth above).

(1) International Travel

(1) As used herein, the term "international travel" means travel to all countries other than those within the home country of the traveler. Travel outside the United States includes travel to the U.S. Trust Territories of the Pacific Islands.

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(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 subgrants 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 A.I.D. Transportation 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."
- (e) Shipments by voluntary nonprofit relief agencies (i.e., PVOs) shall be governed by this standard provision and by A.I.D. Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR Part 202).

(END OF STANDARD PROVISION!)

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

PROCUREMENT OF GOODS AND SERVICES (NOVEMBER 1985)

(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 A.I.D.'s requirements listed below and the standard provision entitled "A.I.D. 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 A.I.D. funds. No employee, officer or agent shall participate in the selection, award or administration of a contract in which A.I.D. funds are used, where, to that individual's knowledge, the individual or the individual's immediate family, partners, or organization in which the individual or the individual's immediate family or partners has a financial interest or with whom that individual is negotiating or has any arrangement concerning prospective employment. 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, invitations for bids and/or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the bidder/offeror whose bid/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 bidder/offeror must fulfill in order to be evaluated by the recipient. Any and all bids/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:

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(i) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical practical procurement.

(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. "Brand-name or equal" descriptions may be used as a means to define the performance of other salient requirements of a procurement and when so used the specific features of the named brand which must be met by bidders/offerors shall be clearly specified.

(iii) Positive efforts shall be made by the recipients to utilize 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 A.I.D. funds. To permit A.I.D., in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this grant, the grantee shall to the maximum extent possible provide the following information to the Office of Small Disadvantaged Business Utilization, A.I.D., 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, proposals, or bids; and
- (C) Address where solicitations or 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. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used.

(v) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

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(vi) All proposed sole source contracts or where only one bid or proposal is received in which the aggregate expenditure is expected to exceed \$5,000 shall be subject to prior approval by an appropriate official within the grantee's organization.

(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, market prices and similar indicia, 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 bids or 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 shall contain, in addition to provisions to define a sound and complete contract, the following contract provisions, if applicable, 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 the U.S. Government or A.I.D. 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.

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

(4) All contracts awarded by the grantee or subgrantee to be performed in the United States having a value of more than \$10,000, shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended, and as supplemented in Department of Labor Regulations (41 CFR, Part 60).

(5) All contracts and subgrants in excess of \$2,000 for construction or repair to be performed in the United States awarded by the grantee or subgrantee shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor Regulations (29 CFR, Part 3). This Act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which that individual is otherwise entitled. The grantee shall report all suspected or reported violations to A.I.D.

(6) When required by the Federal program legislation, all construction contracts to be performed in the United States awarded by the grantee or subgrantee of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The grantee shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The grantee shall report all suspected or reported violations to A.I.D.

(7) Where applicable, all contracts awarded by the grantee or subgrantees in excess of \$2,000 for construction contracts to be performed in the United States and its territories and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers, shall include a provision for compliance with sections 103 and 107 of the Contract-Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work day of 8 hours and a standard workweek of 40 hours. Work in excess of the standard workday or workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 8 hours in

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any calendar day or 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to the worker's health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies of materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(8) 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.

(9) All negotiated contracts over \$10,000 awarded by the grantee shall include a provision to the effect that the grantee, A.I.D., the Comptroller General of the United States, or any of 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.

(10) Contracts in excess of \$100,000 to be performed in the United States shall contain a provision that requires the contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 7401) and the Federal Water Pollution Control Act (40 CFR 15) as amended. Violations shall be reported to A.I.D. and the Regional Office of the Environmental Protection Agency.

(11) Contracts which require performance outside the United States shall contain a provision requiring Workmen's Compensation Insurance (42 U.S.C. 1651, et seq.). As a general rule, Department of Labor waivers will be obtained for persons employed outside the United States who are not United States citizens or residents provided adequate protection will be given such persons. The grantee should refer questions on this subject to the A.I.D. grant officer.

(END OF STANDARD PROVISION)

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A.I.D. ELIGIBILITY RULES FOR GOODS AND SERVICES (NOVEMBER 1985)

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

(a) Ineligible and Restricted Goods and Services: If A.I.D. 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 A.I.D. the entire amount of the reimbursement. A.I.D.'s policy on ineligible and restricted goods and services is contained in Chapter 4 of A.I.D. Handbook 1, Supplement B, entitled "Procurement Policies".

(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 firms or individuals whose name appears on the A.I.D. Consolidated List of Debarred, Suspended, and Ineligible Awardees under A.I.D. Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). A.I.D. will provide the grantee with a copy of 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,
- (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 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. A.I.D. policies and definitions on source, origin, and nationality are contained in Chapters 4 and 5 of A.I.D. Handbook 1, Supplement B, entitled "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., A.I.D. Geographic Code 935) in accordance with the following order of preference:

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

- (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 A.I.D.-financed procurement against any marine insurance company authorized to do business in the U. S., then any A.I.D.-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 assistance projects or activities financed by A.I.D. 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 (A.I.D. Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (A.I.D. Geographic Code 941), and
- (4) "Special Free World" countries (A.I.D. Geographic Code 899).

(f) Special Restrictions on the Procurement of Construction or Engineering Services: Section 604(g) of the Foreign Assistance Act provides that A.I.D. 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 (NOVEMBER 1985)

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

- (a) Funds provided under this grant shall not be used to support any subrecipient whose name appears on the A.I.D. Consolidated List of Debarred, Suspended, or Ineligible Awardees under A.I.D. Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). A.I.D. 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 the U.S. Government 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) Subagreements, 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 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.
- (4) All subagreements over \$10,000 issued by recipients shall include a provision to the effect that the recipient, A.I.D., the Comptroller General of the United States, or any of 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.

(END OF STANDARD PROVISION)

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\* LOCAL COST FINANCING (NOVEMBER 1988)

(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 items are eligible for financing under the following situations: (1) Imported items available in the cooperating country which otherwise meet the source/origin requirements of the grant may be financed in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the grant agreement. (2) Imported items from Geographic Code 941 countries which are available in the cooperating country can be funded in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the grant. (3) Imported items from any Free World country which are available locally, or imported specifically for the grant, may be financed if the cost of the transaction, excluding the cost of the transportation, does not exceed the local currency equivalent of \$5,000. \*

(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) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined in AID Handbook 1B, Chapter 5.
- (3) Any component from a country not included in AID geographic code 935 renders a commodity ineligible for financing.

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(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.

(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 (NOVEMBER 1985)

(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 domestic small business concern as defined at Section 2 of Public Law 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, 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, shall be used.

(6) Nonprofit organization means a domestic university or other institution of higher education or an organization of the type described in Section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under Section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)) or any domestic nonprofit scientific or any educational organization qualified under a state nonprofit organization statute.

(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 United States the subject invention throughout the world.

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

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(1) The recipient shall disclose each subject invention to A.I.D. within two months after the inventor discloses it in writing to recipient personnel responsible for patent matters. The disclosure to A.I.D. 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 A.I.D. the recipient shall promptly notify A.I.D. 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 A.I.D. 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 A.I.D. 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 A.I.D., election, and filing may, at the discretion of A.I.D., be granted.

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

(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. A.I.D. may only request title within sixty days after learning of the recipient's failure to report or elect within the specified times.

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(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 A.I.D. 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 domestic 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 A.I.D. except when transferred to the successor of that party of the recipient's business to which the invention pertains.

(2) The recipient's domestic license may be revoked or modified by A.I.D. 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 A.I.D. to the extent the recipient, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, A.I.D. 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 A.I.D. 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.

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

(1) The recipient agrees to execute or to have executed and promptly deliver to A.I.D. 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 A.I.D. 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 A.I.D. 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 A.I.D.). The Government has certain rights in this invention."

(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

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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 A.I.D. may reasonably specify. The recipient also agrees to provide additional reports as may be requested by A.I.D. in connection with any march-in proceedings undertaken by A.I.D. 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, A.I.D. 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 A.I.D. 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 domestic manufacture is not commercially feasible.

(j) March-in Rights: The recipient agrees that with respect to any subject invention in which it has acquired title, A.I.D. 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, A.I.D. has the right to grant such a license itself if A.I.D. determines that:

(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.

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

(1) Rights to a subject invention in the United States may not be assigned without the approval of A.I.D., 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, A.I.D. 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.

(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)

OMB Control No. 0412-0510  
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PUBLICATIONS (NOVEMBER 1985)

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

- (a) If it is the grantee's intention to identify A.I.D.'s contribution to any publication resulting from this grant, the grantee shall consult with A.I.D. on the nature of the acknowledgement prior to publication.
- (b) The grantee shall provide the A.I.D. 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 A.I.D. 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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NEGOTIATED INDIRECT COST RATES - PREDETERMINED (MAY 1986)

(This provision is applicable to organizations whose indirect cost rate(s) under this grant are on a predetermined basis.)

- (a) The allowable indirect costs under this grant shall be obtained by applying predetermined indirect cost rate(s) to the base(s) agreed upon by the parties, as specified in the schedule of this grant.
- (b) Not later than 90 days after the close of the grantee's fiscal year, the grantee shall submit to the cognizant Government Audit Activity in accordance with OMB Circular A-88 a proposed predetermined indirect cost rate(s) and supporting cost data. In the event A.I.D. is the cognizant agency or no cognizant agency has been designated, the grantee shall submit a copy of the proposed predetermined indirect cost rate(s) and supporting cost data to the A.I.D. Inspector General, Washington, D.C. 20523, and to the Overhead and Special Costs - Contract Closeout Branch, Office of Procurement, Washington, D.C. 20523. The proposed rate(s) shall be based on the grantee's actual cost experience during that fiscal year. Negotiations of predetermined indirect cost rate(s) shall begin as soon as practical after receipt of the grantee's proposal.
- (c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the provisions of the applicable cost principles in effect on the date of this grant.
- (d) Rates for subsequent periods shall be negotiated and the results of each negotiation shall be set forth in a written indirect cost rate agreement executed by both parties. Such agreement shall be automatically incorporated into this grant upon execution and shall specify (1) the agreed upon predetermined rate(s), (2) the base(s) to which the rate(s) apply, (3) the fiscal year (unless the parties agree to a different period) for which the rate(s) apply, and (4) the specific items treated as direct costs or any changes in the items previously agreed to be direct costs. The indirect cost rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.
- (e) Pending establishment of predetermined indirect cost rate(s) for any fiscal year or different period agreed to by the parties, the grantee shall be reimbursed either at the rate(s) fixed for the previous fiscal year or other period or at billing rate(s) acceptable to the A.I.D. grant officer subject to appropriate adjustment when the final rate(s) for the fiscal year or other period are established.

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

(END OF STANDARD PROVISION)

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

NEGOTIATED INDIRECT COST RATES - PROVISIONAL (MAY 1986)

(This provision is applicable to any organization which does not have predetermined indirect cost rate(s); however, it shall also be included when the NEGOTIATED INDIRECT COST RATES - PREDETERMINED standard provision is used.)

- (a) A provisional indirect cost rate(s) shall be established for each of the grantee's accounting periods during the term of this grant. Pending establishment of a final rate(s), the parties have agreed that provisional payments on account of allowable indirect costs shall be at the rate(s), on the base(s), and for the periods shown in the schedule of this grant.
- (b) Not later than 90 days after the close of the grantee's fiscal year, the grantee shall submit to the cognizant Government Audit Activity in accordance with OMB Circular A-88 proposed final indirect cost rate(s) and supporting cost data. In the event A.I.D. is the cognizant agency or no cognizant agency has been designated, the grantee shall submit a copy of the proposed final indirect cost rate(s) and supporting cost data to the A.I.D. Inspector General, Washington, D.C. 20523, and to the Overhead and Special Costs - Contract Closeout Branch, Office of Procurement, Washington, D.C. 20523. The proposed rate(s) shall be based on the grantee's actual cost experience during that fiscal year. Negotiations of final indirect cost rate(s) shall begin as soon as practical after receipt of the grantee's proposal.
- (c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles in effect on the date of this grant.
- (d) The results of each negotiation shall be set forth in a written indirect cost rate agreement executed by both parties. Such agreement 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 rate(s) apply. The indirect cost rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.
- (e) Pending establishment of final indirect cost rate(s) for any period, the grantee shall be reimbursed either at negotiated provisional rate(s) as provided above or at billing rate(s) acceptable to the grant officer, subject to appropriate adjustment when the final rate(s) for that period are established. To prevent substantial over or under payment, the provisional or billing rate(s) may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rate(s) provided in this standard provision shall be set forth in a modification to this grant.

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(f) Any failure by the parties to agree on final rate(s) under this standard provision shall be considered a dispute within the meaning of the standard provision of this grant entitled "Disputes" and shall be disposed of in accordance therewith.

(END OF STANDARD PROVISION)

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REGULATIONS GOVERNING EMPLOYEES (NOVEMBER 1985)

(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 A.I.D. 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 A.I.D. 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.

(END OF STANDARD PROVISION)

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

PARTICIPANT TRAINING (MAY 1986)

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

(a) Definition: 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 A.I.D. 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 Office of International Training (S&T/IT), Agency for International Development, Washington, D.C. 20523.) 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 A.I.D. 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 Office of International Training. 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 Office of International Training a blue copy of the form when subsequent changes in the participant's training program are made and at termination of 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) Under the authority of Section 635(f) of the Foreign Assistance Act, A.I.D.-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.

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(2) J-1 visas are issued by the U.S. Embassy or Consulate for A.I.D.-sponsored participants upon submission by the participant of Form IAP-66A which may be obtained only from the A.I.D. Mission. The Mission retains one copy of the IAP-66A and forwards one copy to A.I.D./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.

(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 A.I.D.-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 United States in A.I.D.'s HAC Program. HAC Program coverage for an enrolled participant begins at the moment of departure from the host country to the United States 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 the return, and that there is no layover at any point to or from the United States 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 A.I.D. 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 A.I.D. under this grant, fill out form A.I.D. 1381-4 entitled "Participant Data" and mail 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 Office of International Training at the address indicated in section (b) above.

(3) Enrollment fees shall be submitted, thirty days prior to the beginning of each new enrollment period. Payments will be made via check made payable to A.I.D. and submitted to:

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

(i) The enrollment fee shall be accompanied by a letter which lists the names of the participants (identical to that on the Participant Data Form), participant I.D. numbers from the Participant Data Form, period of coverage, fee amount paid, grant number, name of grantee, host country, and the U. S. Government appropriation number as shown on the grant.

(ii) 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. Current rates are found in Handbook 10 Participant Training Notices.

(4) The grantee shall assure that enrollment begins immediately upon the participant's departure for the United States for the purpose of participating in a training program financed or sponsored by A.I.D., and that enrollment continues in full force and effect until the participant returns to his or her country of origin or is released from A.I.D.'s responsibility, whichever occurs first. The grantee shall continue enrollment coverage for participants whose departure is delayed due to medical or other compelling reasons, with the written concurrence of the grant officer.

(5) The grantee shall provide each participant with a copy of the HAC brochure, copies of which are available from S&T/IT at the address indicated in section (b) above.

(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 A.I.D.'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 A.I.D.'s HAC Program. In addition, a copy of the mandatory insurance policy must be forwarded 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 A.I.D.'s HAC Program shall not be reimbursable under this grant unless specific written approval from the grant officer has been obtained.

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(g) Participant Counseling For Training Within The United States: 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 A.I.D. Participant Counselor at the Office of International Training.

The Counselor can be reached by calling the Office of International Training during workdays and the A.I.D. 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 United States 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.

(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

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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 procedure 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 agrees that it will not furnish assistance for family planning under this grant to any foreign nongovernmental organization which performs or actively promotes abortion as a method of family planning in A.I.D.-recipient countries or which provides 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.

(2) Prior to furnishing funds provided under this grant to another nongovernmental organization organized under the laws of any State of the United States, the District of Columbia, or the Commonwealth of Puerto Rico, the recipient shall obtain the written agreement of such organization that the organization shall not furnish assistance for family planning under this grant to any foreign nongovernmental organization except under the conditions and requirements that are applicable to the recipient as set forth in this paragraph (d).

(3) 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 A.I.D.-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 (4), below.

(4) 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 A.I.D.-recipient countries or provide financial support to other foreign nongovernmental organizations that conduct such activities.

(ii) The recipient and authorized representatives of A.I.D. 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 A.I.D. 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. A.I.D. may also review the family planning program of the subrecipient under these circumstances, and A.I.D. 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 (3), above, is false.

(v) Assistance for family planning provided to the subrecipient under this grant shall be terminated if the subrecipient violates any undertaking in the agreement required by subparagraphs (3) and (4), 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 A.I.D.-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 (4)(i)-(v), above.

(5) Agreements with subrecipients and sub-subrecipients required under subparagraphs (3) and (4) shall contain the definitions set forth in subparagraph (10) of this paragraph (d).

(6) The recipient shall be liable to A.I.D. for a refund for a violation of any requirement of this paragraph (d) only if (i) the recipient knowingly furnishes assistance for family planning to a subrecipient who 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 (4) and the recipient fails to terminate assistance for family planning to the subrecipient, or fails to require the subrecipient to terminate such assistance to a sub-subrecipient which violates any undertaking of the agreement required under subparagraph (4)(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 (10)(iii)(A)(II), below, the recipient shall verify that this information is being provided properly in accordance with subparagraph (10)(iii)(A)(II) and shall describe to A.I.D. the reasons for reaching its conclusion.

(7) In submitting a request to A.I.D. 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. A.I.D. may request the recipient to make additional efforts to verify the validity of the certification. A.I.D. will inform the recipient in writing when A.I.D. is satisfied that reasonable efforts have been made. If A.I.D. concludes that these efforts are reasonable within the meaning of subparagraph (6) above, the

recipient shall not be liable to A.I.D. for a refund in the event the subrecipient's certification is false unless the recipient knew the certification to be false or misrepresented to A.I.D. the efforts made by the recipient to verify the validity of the certification.

(8) It is understood that A.I.D. 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.

(9) A subrecipient must provide the certification required under subparagraph (3) and a sub-subrecipient must provide the certification required under subparagraph (4)(vi) each time a new agreement is executed with the subrecipient or sub-subrecipient furnishing assistance for family planning under the grant.

(10) 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 counselor reasonably believes that the ethics of the medical profession in the country require 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;

(IV) Conducting a public information campaign in A.I.D.-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 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 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.

(11) In determining whether a foreign nongovernmental organization is eligible to be a subrecipient or sub-subrecipient of assistance for family planning under this grant, the action of separate nongovernmental organizations shall not be imputed to the subrecipient or sub-subrecipient, unless, in the judgment of A.I.D., 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 A.I.D.'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 A.I.D. therefor, that the family planning activities of the organizations are sufficiently distinct as to warrant not imputing the activity of one to the other.

(12) 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.

(13) The requirements of this paragraph are not applicable to family planning assistance furnished to a foreign nongovernmental organization which is engaged primarily in providing health services if the objective of the assistance is to finance integrated health care services to mothers and children and birth spacing or family planning is one of several health care services being provided by the organization as part of an integrated system of health service delivery.

(e) The grantee shall insert paragraphs (a), (b), (c), and (e) of this provision in all subsequent subagreements 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 1985)

(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 A.I.D. is the responsibility of the organization to which support is awarded. It is the policy of A.I.D. 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 A.I.D. that it will abide by this policy for all research involving human subjects supported by A.I.D. 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 A.I.D. 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 A.I.D. as well as to the organization; A.I.D. 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. In the United States, the regulations of the Food and Drug Administration will be followed and evidence of such compliance provided to A.I.D.

(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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CARE OF LABORATORY ANIMALS. (NOVEMBER 1985)

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

- (a) Before undertaking performance of any grant involving the use of laboratory animals, the grantee shall register with the Secretary of Agriculture of the United States in accordance with Section 6, Public Law 89-544, Laboratory Animal Welfare Act, August 24, 1966, as amended by Public Law 91-579, Animal Welfare Act of 1970, December 24, 1970. The grantee shall furnish evidence of such registration to the grant officer.
- (b) The grantee shall acquire animals used in research under this grant only from dealers licensed by the Secretary of Agriculture, or from exempted sources in accordance with the Public Laws enumerated in (a) above.
- (c) In the care of any live animals used or intended for use in the performance of this grant, the grantee shall adhere to the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animals Resources, National Academy of Sciences - National Research Council, and in the United States Department of Agriculture's (USDA) regulations and standards issued under the Public Laws enumerated in (a) above. In case of conflict between standards, the higher standard shall be used. The grantee's reports on portions of the grant in which animals were used shall contain a certificate stating that the animals were cared for in accordance with the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animal Resources, NAS-NRC, and/or in the regulations and standards as promulgated by the Agricultural Research Service, USDA, pursuant to the Laboratory Animal Welfare Act of 24 August 1966, as amended (P.L. 89-544 and P.L. 91-579). NOTE: The grantee may request registration of the grantee's facility and a current listing of licensed dealers from the Regional Office of the Animal and Plant Health Inspection Service (APHIS), USDA, for the region in which the grantee's research facility is located. The location of the appropriate APHIS Regional Office as well as information concerning this program may be obtained by contacting the Senior Staff Office, Animal Care Staff, USDA/APHIS, Federal Center Building, Hyattsville, Maryland 20782.

(END OF STANDARD PROVISION)

AD

GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY (NOVEMBER 1985)

(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) (NOVEMBER 1985)

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

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

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

(b) The grantee agrees to use and maintain the property for the purpose of the grant in accordance with the requirements of paragraphs (c), (d), (e), and (f) below.

(c) Real Property:

(1) Real property means land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

(2) Use of Real Property:

(i) The grantee shall use the real property for the authorized purpose of the project, as long as it is needed.

(ii) The grantee shall obtain approval from A.I.D. for the use of real property in other projects when the grantee determines that the property is no longer needed for the purpose of the original program. Use in other programs shall be limited to those under other federally sponsored programs (i.e., grants or other agreements) that have purposes consistent with those authorized for support by A.I.D.

(3) Disposition of Real Property: When the real property is no longer needed as provided in (2) above, the grantee shall request disposition instructions from A.I.D. or its successor Federal sponsoring agency. A.I.D. or the successor Federal sponsoring agency shall observe the following rules in the disposition instructions:

(i) The grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original program to the fair market value of the property.

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(ii) The grantee may be directed to sell the property under guidelines provided by the Federal sponsoring agency and pay the Federal Government an amount computed by applying the Federal percentage of participation in the cost of the original program to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

(iii) The grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the grantee shall be entitled to compensation computed by applying the grantee's percentage of participation in the cost of the program to the current fair market value of the property.

(d) Nonexpendable Property:

(1) Nonexpendable personal property means tangible personal property having a useful life of more than two years and an acquisition cost of \$500 or more per unit.

(2) Use of Nonexpendable Personal Property:

(i) The grantee shall use the property in the program for which it was acquired as long as needed, whether or not the program continues to be supported by Federal funds. When no longer needed for the original program, the grantee shall use the property in connection with its other federally sponsored activities in the following order of priority:

- (A) Activities sponsored by A.I.D.
- (B) Activities sponsored by other Federal agencies.

(i) Shared use - During the time that nonexempt nonexpendable personal property is held for use on the program for which it was acquired the grantee shall make it available for use on other programs if such other use will not interfere with the work on the program for which the property was originally acquired. First preference for such other use shall be given to other programs sponsored by A.I.D.; second preference shall be given to programs sponsored by other Federal agencies. User charges should be considered if appropriate.

(3) Disposition of Nonexpendable Personal Property - With A Unit Of Less Than \$1,000: The grantee may use the property for other activities without reimbursement to the Federal Government or sell the property and retain the proceeds.

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**(4) Disposition Of Nonexpendable Personal Property With A Unit Acquisition Cost Of \$1,000 Or More:**

(i) The grantee agrees to report such items to the grant officer from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.

(ii) The grantee may retain the property for other uses provided that compensation is made to A.I.D. or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original program to the current fair market value of the property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from A.I.D.

(iii) A.I.D. shall determine whether the property can be used to meet A.I.D. requirements. If no requirement exists within A.I.D. the availability of the property shall be reported to the General Services Administration by A.I.D. to determine whether a requirement for the property exists in other Federal agencies. A.I.D. shall issue instructions to the recipient no later than 120 days after the grantee's request and the following procedures shall govern:

(A) If so instructed or if disposition instructions are issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse A.I.D. an amount computed by applying to the sales proceeds that percentage of Federal participation in the cost of the original program. However, the grantee shall be permitted to deduct and retain from the Federal share \$100 or ten percent of the proceeds, whichever is greater, for the grantee's selling and handling expenses.

(B) If the grantee is instructed to ship the property elsewhere, the grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the recipient's participation in the cost of the original grant program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

property, the grantee shall be reimbursed by A.I.D. for such costs incurred in its disposition.

**(e) Expendable Personal Property:**

(1) Expendable personal property means all tangible personal property other than nonexpendable property.

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(2) The grantee shall use the expendable personal property for the authorized purpose of the grant program, as long as it is needed.

(3) If there is a residual inventory of such property exceeding \$1,000 in total aggregate fair market value, upon termination or completion of the grant and the property is not needed for any other federally sponsored program, the grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must in either case, compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.

(f) The grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:

- (1) Property records shall be maintained accurately and shall include:
  - (i) A description of the property.
  - (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
  - (iii) Source of the property, including grant or other agreement number.
  - (iv) Whether title vests in the grantee or the Federal Government.
  - (v) Acquisition date and cost.
  - (vi) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired.
  - (vii) Location, use, and condition of the property and the date the information was reported.
  - (viii) Unit acquisition cost.
  - (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where the grantee compensates A.I.D. for its share.

(2) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall in connection with the inventory, verify the existence, current utilization, and continued need for the property. The

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inventory listing shall be retained as documentation in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records

(3) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented.

(4) Adequate maintenance procedures shall be implemented to keep the property in good condition

(5) Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.

TITLE TO AND CARE OF PROPERTY (U.S. GOVERNMENT TITLE) (NOVEMBER 1985)

(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 H 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.

(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):

(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; or

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

(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

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Government property in the best possible order, and furnish to the grant officer a statement of:

- (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 provision shall be in writing.

(END OF STANDARD PROVISION)

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TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE) (NOVEMBER 1985)

(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 A.I.D. 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 country may designate, unless title to specified types or classes of equipment is reserved to A.I.D. under provisions set forth in the schedule of this grant. All such property shall be under the custody and control of the 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 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.
- (c) The grantee shall prepare and establish a program, to be approved by the appropriate A.I.D. 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 following requirements:
- (1) Property Control: The property control system shall include but not be limited to the following:
- (i) Identification of each item of cooperating country 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 (insert name of cooperating country)."
- (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 cooperating country 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.

(2) 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 cooperating country 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 cooperating country property, or for expenses incidental to such loss or damage except that the grantee shall be responsible for any such loss or damage (including expenses incidental thereto):

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

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

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of cooperating country 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 (b) 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; or

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

(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 cooperating country property, except to the extent that A.I.D. 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 cooperating country property, the grantee shall notify the grant officer thereof, shall take all reasonable steps to protect the cooperating country property from further damage, separate the damaged and undamaged cooperating country property, put all the cooperating country 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 cooperating country property;
- (ii) The time and origin of the loss, destruction, or damage;
- (iii) All known interests in commingled property of which the cooperating country 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 cooperating country 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 cooperating country property, it shall use the proceeds to repair, renovate or replace the cooperating country property involved, or shall credit such proceeds against the cost of the work covered by the grant, or shall otherwise reimburse A.I.D., as directed by the grant officer. The grantee shall do nothing to prejudice A.I.D.'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 A.I.D. 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: A.I.D., and any persons designated by it, shall at all reasonable times have access to the premises wherein any cooperating country property is located, for the purpose of inspecting the cooperating country property.
- (f) Final Accounting and Disposition of Cooperating Country Property: 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 to the grant officer 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.
- (g) Communications: All communications issued pursuant to this provision shall be in writing.

(END OF STANDARD PROVISION)

COST SHARING (MATCHING) (NOVEMBER 1985)

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

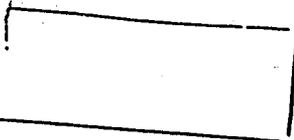
(1) Charges incurred by the grantee as project costs. Not all charges require cash outlays by the grantee during the project period; examples are depreciation and use charges for buildings and equipment.

(2) Project costs financed with cash contributed or donated to the grantee by other non-Federal public agencies (may include public international organizations or foreign governments) 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;
- (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 A.I.D.; 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. 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 employee 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 share (match) 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:

(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 A.I.D. has approved the charges.

(ii) 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.

(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 A.I.D. funding the following year (or funding period), or, if this grant has expired or been terminated, the difference shall be refunded to A.I.D.

- (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 A.I.D. grant funds set forth in the standard provisions of this grant are applicable to expenditures incurred with A.I.D. funds provided under this grant. The grantee will account for the A.I.D. 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 A.I.D. 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)

USE OF POUCH FACILITIES (NOVEMBER 1985)

(This provision is applicable when activities under the grant will take place outside of the United States.)

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for A.I.D. grantees and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or A.I.D. Mission. In consideration of the use of pouch facilities, the grantee and its employees agree to indemnify and hold harmless, the Department of State and A.I.D. for loss or damage occurring in pouch transmission:

- (1) Grantees and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of two pounds per shipment of correspondence and documents needed in the administration of assistance programs.
  - (2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of one pound per shipment (but see (a)(3) below).
  - (3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.
  - (4) Official and personal mail pursuant to (a)(1) and (2) above sent by pouch should be addressed as follows:  

Name of individual or organization (followed by  
letter symbol "G")  
Name of post (USAID/ )  
Agency for International Development  
Washington, D.C. 20523
  - (5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.
  - (6) A.I.D. grantee personnel are not authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide. Posts having access to APO/FPO facilities and using such for diplomatic pouch dispatch, may, however, accept the grantee's official and personal mail for pouch, provided of course, adequate postage is affixed.
- (b) The grantee shall be responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.

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(c) Specific additional guidance on grantee use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or A.I.D. Mission.

(END OF STANDARD PROVISION)

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CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY (NOVEMBER 1985)

(This provision is applicable when activities under the grant will take place outside of the United States.)

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

(END OF STANDARD PROVISION)

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**OFFICE OF MANAGEMENT AND BUDGET****Governmentwide Implementation of the Drug-Free Workplace Act of 1988**

**AGENCY:** Office of Management and Budget.

**ACTION:** Notice.

**SUMMARY:** This Notice provides information, in the form of nonbinding questions and answers, to assist the public in meeting the requirements of the Drug-Free Workplace Act of 1988. The Office of Management and Budget (OMB) has coordinated regulatory development with over 30 Federal agencies to ensure uniform, governmentwide implementation of this Act. As a consequence, OMB is offering this non-regulatory guidance.

Part of the omnibus drug legislation enacted November 18, 1988 is the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D). This statute requires contractors and grantees of Federal agencies to certify that they will provide drug-free workplaces. Making the required certification is a precondition of receiving a contract or grant from a Federal agency beginning on March 18, 1989.

Regulatory requirements pertaining to contractors are detailed in an interim final rule appearing in today's Federal Register. This rule amends the Federal Acquisition Regulation (FAR) at 48 CFR Subparts 9.4, 23.5 and 52.2. Regulatory requirements pertaining to grantees are detailed in an interim final common rule also appearing in today's Federal Register. The grantee common rule, unlike the contractor FAR rule, includes an extensive common preamble which addresses in detail the application and requirements for grantees. The common rule amends the governmentwide nonprocurement debarment and suspension common rule. Under the Drug-Free Workplace Act, the ultimate consequence of noncompliance with the Act's requirements is debarment or suspension.

**FOR FURTHER INFORMATION CONTACT:** For grants, contact Barbara F. Kahlow, Financial Management Division, 10225 New Executive Office Building, OMB, Washington, DC 20503 (telephone 202-395-3053). For contracts, contact Donna Fossum, Office of Federal Procurement Policy, 9025 New Executive Office Building, OMB, Washington, DC 20503 (telephone 202-395-3300).

**SUPPLEMENTARY INFORMATION:** See the common preamble and the common rule for detailed information on requirements for grantees.

**1. Question—**What contracts are covered under the Drug-Free Workplace Act?

**Answer—**Under the Act, only procurement contracts, including purchase orders, awarded pursuant to the provisions of the Federal Acquisition Regulation (FAR) that are to be performed, in whole or in part, in the United States are subject to the Act. In addition, under the Act, there is a \$25,000 threshold for contracts subject to the Act, except for contracts awarded to individuals for whom all contracts are covered.

**2. Question—**Are contracts performed partly inside the U.S. and partly outside the U.S. covered by the Drug-Free Workplace Act?

**Answer—**Yes. OMB reads the statute to require a contractor to have a Drug-Free Workplace program for those portions of the contract performed inside the United States.

**3. Question—**Are Medicare third-party reimbursements to hospitals covered by the Drug-Free Workplace Act?

**Answer—**No, because such third party reimbursements are not made via a procurement contract or a grant. However, hospitals that receive procurement contracts or grants must meet the requirements of the Act.

**4. Question—**Are banks and other financial institutions selling U.S. Treasury bonds covered by the Drug-Free Workplace Act?

**Answer—**No, because such sales are not made via a procurement contract or a grant. However, such institutions that receive procurement contracts or grants must meet the requirements of the Act.

**5. Question—**Under what circumstances will an existing contract become subject to the requirements of the Drug-Free Workplace Act?

**Answer—**OMB reads the statute to require that if a contract is modified on or after March 18, 1989, in such a manner that it would be considered a new commitment, the requirements of the Drug-Free Workplace Act apply.

**6. Question—**Are contracts awarded with non-appropriated funds subject to the provisions of the Drug-Free Workplace Act?

**Answer—**No. Only those funds explicitly identified as non-appropriated are excluded from the FAR and, therefore, are not subject to the Drug-Free Workplace Act.

**7. Question—**Are contractors or grantees performing work in Federal facilities required to have Drug-Free Workplace programs?

**Answer—**Yes.

**8. Question—**Will additional regulations governing suspension and debarment actions be issued as a result of section 5152(b)(2)(B) of the Drug-Free Workplace Act?

**Answer—**OMB is unaware of any plans to do so.

**9. Question—**How do the provisions of the Drug-Free Workplace Act relate to the provisions contained in section 628 of the Treasury/Postal Service Appropriations Act (Pub. L. 100-440)?

**Answer—**Section 5159 of the Drug-Free Workplace Act repealed section 628(b) of the Treasury/Postal Service Appropriations Act which, like the Drug-Free Workplace Act, also contained drug-free workplace requirements pertaining to Federal contractors and grantees. Section 628(a) of the Treasury/Postal Service Appropriations Act, which contains drug-free workplace requirements for Federal departments, agencies, and instrumentalities, went into effect January 10, 1989. Several authorization acts contain sections similar to section 628(b). OMB reads the legislative history of these collective acts such that the requirements of those sections may be met by complying with the Drug-Free Workplace Act.

**10. Question—**Do either the Drug-Free Workplace Act or its implementing regulations published today require contractors or grantees to conduct drug tests of employees?

**Answer—**No.

**11. Question—**What is the status of the September 28, 1988, Department of Defense interim rule detailing drug-free workforce requirements on a select group of contractors?

**Answer—**The interim rule became effective October 31, 1988, and only pertains to selected Defense contractors and their employees in sensitive positions. Both rules, published in today's Federal Register, implementing the Drug-Free Workplace Act apply governmentwide to Defense and other Federal agencies, and cover contractors and grantees and their employees in nonsensitive and sensitive positions. Only the Defense interim rule requires drug testing.

**12. Question—**Are there any other agency-specific (versus governmentwide) rules with drug-free workplace requirements?

**Answer—**Not at this time.

Date: January 19, 1989.

Joseph R. Wright, Jr.,  
Director.

[FR Doc. 89-2004 Filed 1-30-89; 8:45 am]

BILLING CODE 3110-01-M

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Department of Agriculture  
7 CFR PART 3017

Department of Energy  
10 CFR PART 1038

Federal Home Loan Bank Board  
12 CFR PART 518

Small Business Administration  
13 CFR PART 145

National Aeronautics and Space Administration  
14 CFR PART 121

Department of Commerce  
15 CFR PART 28

Department of State  
22 CFR PART 137

International Development Cooperation Agency  
Agency for International Development  
22 CFR PART 208

Peace Corps  
22 CFR PART 310

United States Information Agency  
22 CFR PART 513

Inter-American Foundation  
22 CFR PART 1006

African Development Foundation  
22 CFR PART 1508

Department of Housing and Urban Development  
24 CFR PART 24

Department of the Treasury  
Internal Revenue Service  
26 CFR PART 601

Office of the Secretary  
31 CFR PART 19

Department of Justice  
28 CFR PART 87

Department of Labor  
29 CFR PART 98

Federal Mediation and Conciliation Service  
29 CFR PART 1471

Department of Defense  
32 CFR PART 280

Department of Education  
34 CFR PART 85

National Archives and Records Administration  
36 CFR PART 1209

Veterans Administration  
38 CFR PART 44

Environmental Protection Agency  
40 CFR PART 32

General Services Administration  
41 CFR PARTS 101-80 AND 103-68

Department of the Interior  
43 CFR PART 12

Federal Emergency Management Agency  
44 CFR PART 17

Department of Health and Human Services  
45 CFR PART 76

National Science Foundation  
45 CFR PART 520

National Foundation on the Arts and the Humanities  
National Endowment for the Arts  
45 CFR PART 1134

National Endowment for the Humanities  
45 CFR PART 1169

Institute of Museum Services  
45 CFR PART 1185

**ACTION**  
45 CFR PART 1229

Commission on the Bicentennial of the United States Constitution  
45 CFR PART 2016

Department of Transportation  
49 CFR PART 29

Governmentwide Requirements for Drug-Free Workplace (Grants)  
**AGENCIES:** Department of Agriculture, Department of Commerce, Department of Defense, Department of Education, Department of Energy, Department of

Health and Human Services, Department of Housing and Urban Development, Department of the Interior, Department of Justice, Department of Labor, Department of State, Department of Transportation, Department of the Treasury, ACTION, African Development Foundation, Agency for International Development, Commission on the Bicentennial of the United States Constitution, Environmental Protection Agency, Federal Emergency Management Agency, Federal Home Loan Bank Board, Federal Mediation and Conciliation Service, General Services Administration, Institute of Museum Services, Inter-American Foundation, National Aeronautics and Space Administration, National Archives and Records Administration, National Endowment for the Arts, National Endowment for the Humanities, National Science Foundation, Peace Corps, Small Business Administration, United States Information Agency, Veterans Administration.

**ACTION:** Interim final rule; request for comments.

**SUMMARY:** Congress recently enacted the Drug-Free Workplace Act of 1988. This statute requires that all grantees receiving grants from any Federal agency certify to that agency that they will maintain a drug-free workplace, or, in the case of a grantee who is an individual, certify to the agency that his or her conduct of grant activity will be drug-free. This governmentwide rule is for the purpose of implementing the statutory requirements. It directs that grantees take steps to provide a drug-free workplace in accordance with the Act.

**DATES:** This rule is effective March 18, 1989. Comments should be received by April 3, 1989. Late-filed comments will be considered to the extent practicable.

**ADDRESS:** Comments should be sent to Docket Clerk, Docket No. 46084, Department of Transportation, 400 7th Street SW., Room 4107, Washington, DC 20590. Commenters are requested to provide an original and four copies of their comments. Commenters wishing to have their comments acknowledged should enclose a stamped, self-addressed postcard with their comment. The docket clerk will time and date stamp the card and return it to the commenter.

**FOR FURTHER INFORMATION CONTACT:** See agency-specific preambles for the contact person for each agency.

**SUPPLEMENTARY INFORMATION:** As part of the omnibus drug legislation enacted

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November 18, 1988, Congress passed the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D). This statute requires contractors and grantees of Federal agencies to certify that they will provide drug-free workplaces. Making the required certification is a precondition for receiving a contract or grant from a Federal agency.

Requirements pertaining to contractors will be found in a separate interim final rule amending the Federal Acquisition Regulation (FAR; 48 CFR Subparts 9.4, 23.5, and 52.2). This governmentwide common rulemaking concerns only grants (including cooperative agreements). This common rule will be the sole authority for implementing the Act, i.e., there will be no separate agency guidance issued. Because the statute makes use of existing suspension and debarment remedies for noncompliance with drug-free workplace requirements, the agencies have determined to implement the statute through an amendment to the existing governmentwide nonprocurement suspension and debarment common rule. Using this vehicle will allow the agencies to take advantage of existing administrative procedures and definitions, minimizing regulatory duplication.

In a matter unrelated to the Drug-Free Workplace Act, the May 20, 1988, common rule on nonprocurement suspension and debarment (53 FR 19161) contained interim final language concerning coverage of international transactions. The comment period on this language ended July 25, 1988. There were no comments. As a result, the international transactions language will remain unchanged.

#### Section-by-Section Analysis

The core of the drug-free workplace rule is a new Subpart F, which will be added to the current nonprocurement suspension and debarment common rule. Conforming changes are being made to other affected portions of the nonprocurement suspension and debarment common rule. The title of the part, as well as the authority citations, are being modified to refer to the drug-free workplace requirements being added to the regulation. Section 305, which concerns grounds for debarment, is being amended to add violation of drug-free workplace requirements as a ground for debarment.

Section 320, concerning the period of debarment, is being amended to conform with the longer period for debarment authorized by the statute for a violation of drug-free workplace requirements. Generally, debarments for

other than a violation of the drug-free workplace requirements do not exceed three years. In view of the seriousness with which Congress takes drug abuse, Congress authorized debarments of up to five years for a violation of drug-free workplace requirements.

Subpart F is intended to carry out the Drug-Free Workplace Act of 1988, as it applies to Federal grant programs. Section 600, "Purpose," states this intent, indicating the requirement for both individuals and other grantees to make the certification required by the statute.

Section 605 includes several definitions. Since Subpart F is part of the suspension and debarment regulation, the definitions of the overall regulation (from § 105) apply to Subpart F, except where amended in this section.

The definitions of "controlled substance," "conviction," "criminal drug statute" and "employee" are taken verbatim from the statute. The definition of "drug-free workplace" is also taken directly from the statute, with the word "grantee" used in place of the undefined statutory "entity" in order to ensure terminological consistency throughout the regulation. The term "site for the performance of work" within this definition is not further defined. It is intended that the grantee will determine what the "site for the performance of work" is and specify such in the grantee's certification.

The definition of "grant" is adapted from the definition of this term in the grants management governmentwide common rule ("Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"). Four points should be highlighted. First, for the purpose of the Drug-Free Workplace Act, grants include block grants and entitlement grant programs, whether or not exempted from coverage under the grants management common rule. Second, nonprocurement transactions entered into under Pub. L. 93-838, the "Indian Self-Determination and Education Assistance Act," are included under the subpart's requirements. Third, the term grant includes *only* assistance from an agency *directly* to a grantee. That is, if a Federal agency provides financial assistance to a State agency, which in turn passes through the assistance to several local agencies, only the State agency that receives the assistance directly from the Federal agency, and not the local agency, gets a "grant."

Consequently, it is only the State agency that is required to make a drug-

free workplace certification under the regulation.

Fourth, section 5301 of Subtitle G, Title V of the Anti-Drug Abuse Act of 1988 (Pub. L. 100-690) specifies that "Federal benefits" may (or shall) be withheld, in certain circumstances, from convicted drug offenders. The term "Federal benefit," however, is defined by section 5301(d) to exclude "any veterans benefits," a term which is defined, in turn, to include "all benefits provided to veterans, their families, or survivors by virtue of the service of a veteran in the Armed Forces of the United States." Consequently, it is clear that, under Public Law 100-690, Federal agencies may not deny veterans' benefits to individuals on the basis of actual drug convictions.

Consistent with the intent of section 5301, the agencies have determined that veterans' benefits may not be denied to individuals on the basis of drug abuse which does not result in a conviction for violating a criminal drug statute or on the basis of the individual's failure to certify that he or she will refrain from drug abuse. Consequently, the definition of the term grant specifically excludes "any veterans' benefits to individuals—i.e., any benefit provided to veterans, their families, or survivors by virtue of the service of a veteran in the Armed Forces of the United States."

"Grantee" is defined as a person who applies for or receives a grant directly from a Federal agency. This definition clarifies the statutory definition of this term, which refers to "the department, division, or other unit of a person responsible for section." "Individual" is defined in this section, however, to mean "a natural person." This wording emphasizes that an individual differs both from an organization made up of more than one individual and from corporations, which can be regarded as a single "person" for some legal purposes. An individual who receives a grant directly from a Federal agency (e.g., the individual gets a Federal agency award and grant check made out in his or her name) is covered by this rule, and must make the certification provided for grantees who are individuals, even if another party (e.g., a university) has a purely administrative role in distributing the funds. The agencies intend that a "principal investigator" in a research or similar grant be viewed as an individual only if the grant is awarded directly to the investigator (as distinct from being awarded to a university or other organization).

The § 105 definition of "person," it should be pointed out, includes

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