

PD CAY - 210
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C 20523

398-015214

July 29, 1987

NEB-5123

Ms. Grace Hauck, Contract Administrator
Catholic Relief Services
United States Catholic Conference
1011 First Avenue
New York, New York 10022

Subject: Modification No. 02 to Grant No. NEB-0159-G-SS-5123-00

Dear Ms. Hauck:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D.") hereby amends, effective on the date shown above, the subject Grant with the Catholic Relief Services (hereinafter referred to as "CRS" or "Grantee") as follows:

1. Cover Letter

(a) In the first paragraph, delete the amount of "\$1,780,859" and in lieu thereof, substitute "\$2,480,859".

(b) In the third paragraph:

(1) Delete the obligated amount, shown as "\$1,780,859" and in lieu thereof, substitute "\$2,480,859".

(2) Delete "...sufficient through April 2, 1987", and in lieu thereof, substitute "...sufficient through December 31, 1987".

(c) On the second page, under "Fiscal Data" add the following:

"A. Specific"

"(3) PIO/T

Appropriation

Allotment

Budget Plan Code

Amount

DUNS No.

398-0159-3-7636506

72-117/81037

770-63-398-00-69-71

QES7-87-37398-KG-12

\$700,000

06-820-5541"

FUNDS AVAILABLE

J. Stoddard
JUL 10 1987

o/c 4190

Program Acctg Fin Division
Office of Financial Management

2. Attachment 1 - Schedule

(a) Part B - Period of Grant

- (1) In paragraph 2, delete the date through which the obligated amount is anticipated to be sufficient, shown as "April 2, 1987", and in lieu thereof, substitute "December 31, 1987".

(b) Part C - Amount of Grant and Payment

- (1) In paragraph 2, delete the obligated amount, shown "\$1,780,859" and in lieu thereof, substitute "\$2,480,859".

3. Attachment 2 - Project Description

(a) Part C - Implementation

- (1) Add the following at the end of paragraph No. "2"

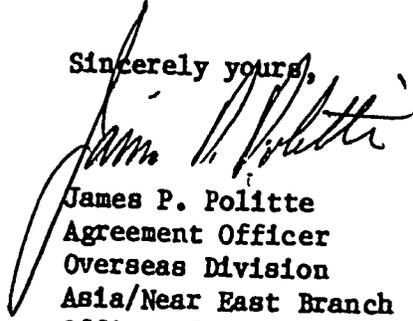
Letter "The Grantee's revised plan for the increased agricultural production component dated June 5, 1987, is attached and a June 9th 1987 hereto and made a part of this grant. This plan supercedes the activities contained in the original proposal for this component."

Except as expressly amended herein, the subject Grant, as heretofore amended, is in all respects ratified, confirmed, and continued in full force and effect in accordance with its terms and conditions.

7

Please acknowledge your acceptance of this Modification, by having an authorized official sign the original and eight copies in the space provided below. Please return the original and seven copies, including all copies stamped "Funds Available", to the undersigned, retaining one copy for your records.

Sincerely yours,



James P. Politte
Agreement Officer
Overseas Division
Asia/Near East Branch
Office of Procurement

ACCEPTED:

Catholic Relief Services

BY Pauline L. Wilson

NAME Pauline L. Wilson

TITLE Resource Administrator

DATE August 20, 1987

398-0159.1/2

INCREASED AGRICULTURAL PRODUCTIVITY

AMENDMENT

GRANT NO. NEB-0159-5123-00

4 APRIL 1987 - 3 APRIL 1989

June 5, 1987

attachment to
letter July 29/87

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EXECUTIVE SUMMARY

In April of 1985, CRS/JWB was granted \$ 156,300 to increase agricultural productivity in the West Bank and Gaza Strip. In 1986, two multicropper winnower threshers were introduced into the Gaza strip to improve traditional post harvesting methods. Farmer reaction to these machines was good and a demand was observed. Therefore, in 1987 an agricultural specialist was hired to further determine the agricultural needs of the area, promote agricultural mechanization throughout the occupied territories and establish a sound agricultural program, by amending the grant to meet the needs of Palestinian farmers.

In accordance with the original grant, CRS plans to follow the recommendations concerning the increase of agricultural activity in dryland production. The rationale for this decision is based on the following:

- The demand for dryland products such as wheat, barley, lentils, chickpeas and broadbeans, exceed the supply.
- The market for fruits and vegetables is currently experiencing major difficulties and efforts to increase production in this sector may hinder the farmers instead of improve their situation.

To reduce crop losses in harvesting operations, the focus of CRS' work will be on improving the dissemination of appropriate farm machinery for dryland agriculture. In addition, agricultural extension activities including farmer information days and on the farm demonstrations will be used to complement the Increased Agricultural Productivity Program in achieving the following:

- Increasing farmer knowledge of the availability of agricultural machinery.
- Demonstrating three Agricultural implements through cooperatives and private farmers to educate farmers on proper usage and preventative maintenance of agricultural machinery.
- Improving farmer/agricultural implement dealer linkages, to further develop the private sector.
- Acquiring information regarding farmers needs to determine additional agricultural machinery required in the area.

A Program Design Summary, time table, implementation schedule and budget have been included in the appendices for review.

INTRODUCTION:

Inquiries, concerning the availability and use of agricultural machinery for dryland production, were made with farmers and local private volunteer organizations, to determine the needs of Palestinian farmers. The results showed that the level of development in the West Bank and Gaza Strip differs considerably.

In the West Bank, for example, agricultural machinery is available for each operation involved with dryland farming: i.e. cultivating, planting, harvesting and post harvesting. Efficient use of this machinery, however, does not appear to be occurring.

In the Gaza Strip, a limited amount of machinery exists and most of the farmers still perform dryland operations by hand.

Insufficient exposure and lack of proper "follow-up" procedures with the agricultural implements, have prevented the machinery from reaching its potential. Consequently, the demand for these implements still exists. Therefore, to meet this demand, objectives have been constructed to define CRS/JWB's direction in its planned increased agricultural productivity program; they include:

- The selection of three agricultural implements by improving harvesting and post harvesting methods, and field conditions to increase dryland production.
- The utilization of agricultural cooperatives and individual farmers, to assist in introducing the Increased Agricultural Productivity Program into the West Bank and Gaza Strip.
- The coordination of agricultural activities with agricultural implement dealers and farmers, through farmer information days and on the farm demonstrations, to further develop the private sector and meet farmers needs.
- The increase of agricultural activity in lesser developed areas in the Gaza Strip, by establishing a CRS Agricultural station in Gaza.
- The continuation of assessing current farming practices, to determine additional machinery requirements for the area.

A more detailed description of each planned activity, is required to further illustrate CRS/JWB's rationale for concentrating its efforts in these areas. The following text discusses these objectives.

AGRICULTURAL IMPLEMENTS

To assist in increasing dryland production, three agricultural implements have been selected for use in the West Bank and Gaza Strip, they include: A multicropper winnower - thresher, reaper harvester and rock picker.

Multicropper winnower - thresher

During the harvest season of 1986, CRS/JWB imported two multicroppers from Egypt and introduced them into the Gaza Strip. Although operational time of the machines was limited (120 hours), a demand was observed.

Problems were experienced, however, with the multicroppers which included:

- Delays in the port by the Government of Israel custom officials
- Engine failure of the Hatz FG 89 diesel motors.
- Transportation of the machines from location to location in the field.

To eliminate these problems, CRS/JWB plans to pursue local manufacture of the multicropper and make the necessary changes required to adopt the machine for the West Bank and Gaza Strip. Also additional data will be collected on the machines, to establish a strong data base and provide CRS with sufficient information for decisions concerning the future direction of the machine.

Reaper - Harvester

Much of the dryland agriculture in the West Bank and Gaza Strip is characterized by small fields varying from 1 - 20 dunhums (0.1 - 2.0 hectares). In addition, a large majority of dryland fields are located within orchards and on terraced hillsides. These conditions prevent farmers from using harvesting equipment, due to the lack of space required for maneuverability of the machines. A local agricultural dealer markets a reaper - harvester specifically designed for small sized fields. Also this reaper - harvester is capable of working within the confines of interplanted orchards. Although the machine has been used in the West Bank, no knowledge of it exists in the Gaza Strip. Therefore, it is the intent of CRS to work with this dealer to determine farmer demand and improve dissemination of the machine.

Rock Picker

Throughout the West Bank, fields contain an abundance of rocks and soil is marginal for agricultural use. Rocks are preventing machinery from being used, causing agricultural operations to be highly labor intensive and production severely constrained. A local agricultural implement manufacturer is developing a rock picker that will remove rocks from the fields between 2 - 36 inches in diameter. The machine is designed for large fields, however, and is not suitable for farmers with small land holdings. For this reason, CRS intends to assist the manufacturer in designing an acceptable model for the small and middle size farmers and demonstrate the machines through out the area.

PROGRAM INTRODUCTION METHODS.

The agricultural mechanization program of CRS/JWB is in its inception stage and relatively unknown by the farming community of the West Bank and Gaza Strip. For this reason, careful introduction of projects is necessary to gain farmer trust and confidence which will assist in establishing a strong agricultural program. Therefore, CRS will select cooperatives and individual farmers, to assist in disseminating and demonstrating the aforementioned agricultural implements. Planned cooperation with Community Development Foundation and Agricultural Cooperative Development International, in assisting CRS with the selection of these cooperative and farmers, is scheduled.

COORDINATION OF AGRICULTURAL ACTIVITIES WITH FARMERS AND THE PRIVATE SECTOR.

Although agricultural machinery is available in the West Bank and Gaza Strip, the majority of farmers still perform agricultural operations by hand. This has been attributed to lack of knowledge concerning the availability of the machinery and failure by the farmers, to recognize advantages in their use for agricultural production. In addition, breakage of machinery has occurred, due to a lack of complete understanding of the machines and insufficient preventive maintenance practices by the farmers. Therefore, on the farm demonstrations and farmer information days will be held to demonstrate the availability, advantages and maintenance requirements of agricultural machinery to farmers. These activities will be done in conjunction with local agricultural implement dealers, to form a sound linkage between the farmers and the private sector.

INCREASE AGRICULTURAL ACTIVITY IN THE GAZA STRIP

The level of agricultural development in the Gaza Strip is considerably lower than that of the West Bank. The West bank, for example, has much more access to agricultural machinery and manufactures a large variety of implements. In contrast, the Gaza Strip is solely dependent on Israeli manufactures, thus a void exists concerning the availability of machinery. To fill this void, CRS plans to establish an agricultural sub-office in Gaza and facilitate agricultural machinery from the West Bank into the Gaza area. In addition, a local extension agent will be employed by CRS to assist in disseminating and demonstrating the agricultural implements to farmers.

CONTINUATION OF WEST BANK AND GAZA STRIP AGRICULTURAL ASSESSMENT

CRS has just begun to define the agricultural machinery needs in the West Bank and Gaza Strip. Additional time and field work is required to assess the farmers needs and determine appropriate machinery for the area. Therefore, it is proposed that an agricultural machinery fund be established, for the purchase of new machinery. This fund would be used to address the increased agricultural productivity program needs as they arise.

FARMER SELECTION CRITERIA

Farmers will be selected on the basis of the amount of land cultivated. The initial target group will be farmers with land holdings between 0.1 and 2.0 hectares. These farmers are usually in the lower income category of the population. CRS will also work with the group of 25 small farmers in Gaza who used the CRS multicropper in the 1986 harvest season.

COOPERATION WITH CDF AND ACDI

Both CDF and ACDI have agreed to recommend farmers and cooperatives for participation in the program. Currently, no criteria, with the exception of the above, have been established by CRS and the aforementioned PVOs for selecting program participants. Criteria will be further defined as the program moves forward.

CRS has also discussed the possibility of conducting farm demonstrations and farmer extension training programs in conjunction with CDF and ACDI. CRS will continue to pursue this possibility with CDF and ACDI.

CREDIT TO FARMERS

Currently, no credit program has been incorporated into the grant. There are two reasons for this. First, CRS would like to determine if in fact there are farmers that are interested in buying a machine outright. By first renting a machine, farmers will be able to determine if each implement is economical and worth buying.

Secondly, other PVOs in JWB suggested that CRS select a different avenue than distributing loans to individual farmers. Apparently the recovery rate on loans is very low and has caused some of the PVOs great concern.

If the grant does continue past April 1989, CRS would consider providing a loan to the local manufacturer and dealer of the equipment with hopes of achieving the following:

- Setting up a distributorship in Gaza
- Employing more service technicians to service the machinery
- Reducing the initial down payment the farmer is required to make when purchasing the machinery.

CRS/JWB has recently signed a memo of understanding for financial assistance programs for West Bank/Gaza Cooperatives in cooperation with the Cooperative Development Project. This memo of understanding looks towards a uniform PVO credit policy in JWB.

A P P E N D I C E S

Appendix 1

PROGRAM DESIGN SUMMARY

OBJECTIVE	PLANNED PROCEDURE	EVALUATION PARAMETERS
Select three agricultural implements to increase dryland production by improving harvesting and post harvesting methods and field conditions.	Five multicrowpers, three reaper-harvesters, and two rock pickers will be disseminated into the area.	Record performance of the machines and determine any required modifications. Also, list constraints of each machine and determine solutions.
Utilize agricultural cooperatives and individual farmers to assist in introducing the Increased Agricultural Productivity Program into the West Bank and Gaza Strip.	Two cooperatives and five private farmers will be selected to work with the machinery.	Determine the effectiveness of the two introduction methods by using a farmer survey in order to obtain farmer opinion.
Coordinate agricultural activities with agricultural implement dealers and farmers, through farmer information days and on the farm demonstrations, to further develop the private sector and meet farmers needs.	Two implement dealers will be selected to coordinate agricultural activities with farmers.	Determine effectiveness of the agricultural activities by documenting increased demand for these farm implements.
Increase agricultural activity in lesser developed areas in the Gaza Strip by establishing a CRS/Gaza Agricultural station.	A Gaza Ag. station will be opened to service farmers.	Enumerate farmers who are involved with CRS activities to justify CRS' presence in the area.
Continue assessing current farming practices to determine additional machinery requirements for the area.	Traditional farming practices will be examined, and a list of machinery requirements will be constructed to address the farmer needs.	Enumerate additional machinery requested by farmers and additional machinery purchase to fulfill the agricultural needs.

APPENDIX 2:

TIME TABLE OF INCREASED AGRICULTURAL PRODUCTIVITY PROGRAM 1987

W H A T	W H E N	W H O (1)
Inquiries of farmers and local private volunteer organizations	January - March	Grealish , Sa'id
Multicropper modifications	March	Haddad
Multicropper manufacture	April	Haddad
Reaper-Harvester implementation schedule	April	Grealish, Sa'id Extension Agent, Khalil
Multicropper implementation schedule	May - July	Grealish, Sa'id Extension Agent
Rock-Picker manufacture	June	Haddad
Rock-Picker implementation schedule	June - December	Grealish, Sa'id
Assessment of additional agricultural needs	June - December	Grealish, Sa'id Extension Agent
Extension activities (Farmer information days and on the farm demonstrations)	April - December	Grealish, Sa'id Extension Agent, Haddad Khalil

(1) - William John Grealish , Project Manager Agricultural Specialist

- Issam Sa'id , Agricultural Mechanization Field Agent
- Ibrahim Haddad , Agricultural Machinery Manufacturer
- Khalil Musa , Agricultural Machinery Dealer
- Extension Agent , to be selected

APPENDIX 3:

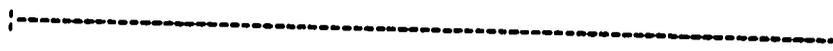
IMPLEMENTATION SCHEDULE 1967

Planned Activity	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
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Multicropper
Winnow-Thresher



Reaper-Harvester (1)



Rock-Picker (2)



(1) The reaper harvester can be used throughout the year due to a variety of crops and multiple cuttings of crops such as alfalfa.

(2) The rock-picker can be utilized all year round due to farmers leaving sections of their fields fallow.

Appendix 4

BUDGET

	Year 1	Year 2	Total
<u>SALARIES</u>			
Agricultural Mechanization field agent	4,800	5,400	10,200
Secretary/Bookkeeper	4,800	5,160	9,960
Extension agent year 1	4,800	5,160	9,960
Incidental labor - part time. Services	5,000	7,000	12,000
Sub total	----- 19,400	----- 22,720	----- 42,120
Fringe Benefits	5,870	6,816	12,686
Total Salaries	25,270	29,536	54,806
 <u>TRAVEL IN-COUNTRY</u>			
Oil, Gas, Insurance Repairs parts, service for vehicles	7,000	9,000	16,000
 <u>Professional Consultation/Workshops</u>			
MENA Consultation, Professional Workshops, Agricultural Seminars,	14,100	10,100	24,200
Total Travel	----- 21,100	----- 19,100	----- 40,200
 <u>VEHICLES</u>			
1 4-Wheel 1 Mt Chevy? Truck	20,000	-0-	20,000
Total Vehicles	----- 20,000	----- -0-	----- 20,000
 <u>NON-EXPENDABLE EQUIPMENT</u>			
Office furniture, refri- gerator. (IBM computer word processor), stove, heaters, fans and Video	10,000	7,000	17,000
Total Non-Expendable Equipment	----- 10,000	----- 7,000	----- 17,000

	Year 1	Year 2	Total
<u>OFFICE RENT/UTILITIES</u>			
Gaza	\$ 10,000	12,000	22,000
Total Office/Utilities	10,000	12,000	22,000
<u>CRS/GAZA HOUSING</u>			
Total Housing	5,000	6,000	11,000
<u>CRS/GAZA Warehouses and Garage Rental</u>			
Total Warehouses and Garage Rental	15,000	15,000	30,000
<u>EXPENDABLE SUPPLIES</u>			
Stationary, training supplies, printing, handouts, extension materials, brochures	15,000	15,000	30,000
Total Expendable Supplies	15,000	15,000	30,000
<u>FIELD AGENT TRAINING</u>			
Egypt - 2 trips (Professional Consultation)	2,000	-0-	2,000
Total Field Agent Training	2,000	-0-	2,000
<u>AGRICULTURAL EQUIPMENT</u>			
3 MENA Prototype Multicroppers	12,000	12,000	24,000
3 Flax 400 Harvester Binders	25,000	25,000	50,000
2 Degelman rock pickers	8,000	8,000	16,000
Machine adaption and modifications	10,000	10,000	20,000
Tools and spare equipment	3,000	3,000	6,000
Total Agricultural Equipment	58,000	58,000	116,000
<u>AGRICULTURAL MACHINERY FUND</u>			
Equipment to meet farmers needs	25,000	25,000	50,000
Total Agricultural Machinery Fund	25,000	25,000	50,000
<u>EXTERNAL EVALUATION</u>			
Total Evaluation	-0-	25,000	25,000
GRAND TOTAL	206,370	211,636	418,006

BUDGET EXPLANATION

Agricultural Equipment

Machinery: Each multicropper will cost \$4,000 (six to be purchased = \$24,000)
Each Flax 400 Harvester Binders will cost \$7,200 ((six to be purchased = @\$50,000)
Each Degelman Rock Picker will cost \$4,000 ((four to be purchased = \$16,000)

The above described machines will be purchased over the next two year period. It is expected that purchase prices of all machinery, except the Harvesters, will not change during this time period. Since the Harvester dealer could not guarantee stable prices, the estimated cost of Harvester Reapers has been adjusted from \$43,200 to \$50,000.

Tools, Spares and Equipment Servicing:

Each machine has a one year guarantee from the manufacturer. In addition, each manufacturer provides repair service within 24 hours of a breakdown. For parts that break due to normal wear and tear, CRS is charging a rental Fee which should be sufficient for any cost incurred. If not, the budget line above is allocated to cover any spare part or tool expenses.

Agricultural Machinery Fund

This fund is to be used for the purchase of new equipment as CRS identifies additional needs. The Increased Agricultural Productivity Program is still new and time will be required to determine additional farmer needs. For this reason, more specificity about this fund will have to be provided at a later date.

Proposed Small Business Consultant

ROGER HENRY ROTONDI JR.

Present Address:

9 Lovell Street
Somerville, MA 02144
(617) 629-2925

Permanent Address:

51 Monroe Road
Marblehead, MA 01945
(617) 631-6944

Education:

FLETCHER SCHOOL OF LAW AND DIPLOMACY
Master of Arts in Law and Diplomacy expected 1986
Fields of Concentration: Developmental Economics, Comparative and Developmental Political Analysis, International Trade and Commercial Policies. Thesis title, "Equity Implications of the Post-1978 Reforms in China on the Rural-Urban Gap: A Political Economy Analysis". Activities: Editor of *Praxis* (Development Journal), Students for Development Studies, Committee on Food Security Conference, Oral History Project, East Asian Study Table.

BOSTON COLLEGE, Bachelor of Arts, 1983, *Cum Laude*.
Majors: Economics (Honors Program), History. Activities: Southern Italian Earthquake Relief Fund, Omicron Delta (National Economics Honor Society), Bellarmine Law Academy, Earthquake Relief Fund, Volleyball Team (Captain and All-Star Team).

UNIVERSITY OF PARIS-SORBONNE, Certificat de Francais Moyen, 1979.

Experience:

TUFTS UNIVERSITY, Medford, MA. Teachers Assistant in Macroeconomics. Teach three sections per week, correct and grade exams. Sections include answering questions and lecturing. Spring Semester, 1986.

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT, Dar es Salaam, Tanzania. Contracted to write the "History of USAID in Tanzania." Project included documents research, field visits for interviews and evaluations, analyzing each individual project, and synthesizing an overview of the mission. Also, field evaluation of food conditions and of PL480 Food Aid distribution to drought stricken areas. 1985.

TELUS, INC., Peabody, MA. Systems Analyst. Contracted to analyze existing material and information control systems with aim of implementing computer based system. Worked with computer consultant to decide on type of system needed. Directed renovation of material control system. 1983.

TECALEMIT ELECTRONICS LTD., Plymouth, Devon, United Kingdom. Systems Analysis Intern. Analyzed factory material control system, identified problems, and implemented computer based solutions. 1982.

THE BOSTON COMPANY, Boston, MA. Customer Service Representative in Mutual Funds Department. Executed transactions and promoted funds to prospective clients. 1981.

Languages:

Fluent French and beginning Chinese.

Travel:

Traveled throughout Europe as well as living in Tanzania, France, England and Italy.

References:

Available Upon Request

June 9, 1987

Ms. Carla Barbiero
ANE/PVO Project Officer
ANE/TR/HR Room 4725 New State
Agency for International Development
Washington, DC 20523

RE: BUDGET & AMENDMENT REQUEST OF 6/5/87
FOR CRS/JWB RURAL DEVELOPMENT GRANT
#NEB-0159-G-SS-5123-00

S

Dear Ms. Barbiero:

CRS requests the addition of the following line item in the Agricultural Productivity Budget submitted to you on June 5, 1987. This line item is to cover the salary and benefits of the Project Manager hired in January 1987.

<u>Project Manager</u>	<u>Year I</u>	<u>Year II</u>	<u>Total</u>
Salary	23,000	28,000	51,000
Benefits	<u>3,000</u>	<u>3,300</u>	<u>6,300</u>
	\$26,000	\$31,300	\$57,300

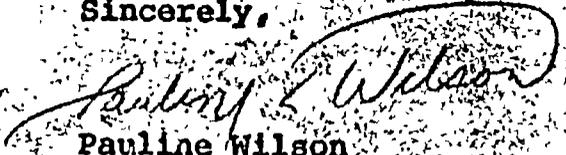
This would increase the totals shown on Page 13 of the Agricultural Productivity Amendment to:

\$232,370	\$242,936	\$475,306
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Recognizing AID's present funding limits, the Agricultural Productivity Cost Element line in Budget I and Budget II of our June 5, 1987 request shows a lower funding estimate than that shown on Page 13 of the Agricultural Productivity Amendment Budget.

Your efforts in obtaining total Year I budgetary needs of \$232,370 for this component would be greatly appreciated.

Sincerely,


Pauline Wilson
Resource Administrator

PW/vb
bcc Eurasia
CRS/JWB

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D.C 20523

August 29, 1986

Ms. Grace Hauck
Contract Administrator
Catholic Relief Services
United States Catholic Conference
1011 First Avenue
New York, NY 10022

Subject: Modification No. 01 to Grant No. NEB-0159-G-SS-5123-00

Dear Ms. Hauck:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby amends, effective on the date shown above, the subject Grant with the Catholic Relief Services (hereinafter referred to as "CRS" or "Grantee") as follows:

1. COVER LETTER

(a) In the first paragraph, delete the amount of the Grant, shown as "Five Million, Eight Hundred and Forty-Two Thousand, Eight Hundred and Seventy-One Dollars (\$5,842,871)", and in lieu thereof, substitute "\$1,780,859".

(b) In the third paragraph:

(1) Delete the obligated amount, shown as "\$904,859", and in lieu thereof, substitute "\$1,780,359".

(2) Delete "...up to a maximum of \$4,938,012...", and in lieu thereof, substitute "...up to the total estimated amount...".

(3) Delete "...sufficient through April 2, 1986...", and in lieu thereof, substitute "...sufficient through April 2, 1987...".

(c) On the second page, delete the information shown under "FISCAL DATA", and in lieu thereof, substitute the following

"A. Specific

"(1) PIO/T : 298-0159-3-5626508
Appropriation: 72-1151037
Allotment : 537-62-298-00-69-51
BPC : NESA-85-33298-KG-12
Amount : \$904,859

(2) PIO/T : 398-0159-3-6636514
Appropriation: 72-1161037
Allotment : 637-63-398-00-69-61
BPC : QESA-86-37398-KG-12
Amount : \$876,000"

B. General

Total Estimated Grant Amount: \$5,842,871
Total Obligated Amount: \$1,780,859
DUNS No.: 06-820-5541
LOC No.: 72-00-1302
Project/Technical Office: ANE/TR/HR
Funding Source: AID/W"

2. ATTACHMENT 1 - SCHEDULE

(a) Part B. - Period of Grant

(1) In paragraph 2, delete the date through which the obligated amount is anticipated to be sufficient, shown as "April 2, 1986", and in lieu thereof, substitute "April 2, 1987".

(b) Part C. - Amount of Agreement and Payment

(1) In paragraph 2, delete the obligated amount, shown as "904,859", and in lieu thereof, substitute "\$1,780,859".

(c) Part D. - Financial Plan

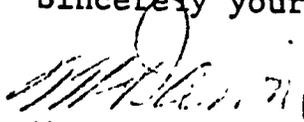
(1) In the itemized budget, delete the first two columns entitled "Obligated Amount" and "Estimated Additional". As a result, only the column entitled "Total Amount" remains.

Grant. *[Signature]*

Except as expressly amended herein, the subject ~~Cooperative~~
~~Agreement~~, as heretofore amended, is in all respects ratified,
confirmed, and continued in full force and effect in accordance
with its terms and conditions.

Please acknowledge your acceptance of this Modification, by having an authorized official sign the original and eight copies in the space provided below. Please return the original and seven copies, including all copies stamped "Funds Available", to the undersigned, retaining one copy for your records.

Sincerely yours,



Morton Darwin
Grant Officer
Overseas Division
Office of Procurement

ACCEPTED:

CATHOLIC RELIEF SERVICES

BY: Grace B. Hauck
NAME: Grace B. Hauck
TITLE: Contract Administrator
DATE: Sept. 9, 1986

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON DC 20522

AUG - 7 1985

Grace Hauck, Contract Administrator
Catholic Relief Services
United States Catholic Conference
1011 First Ave.
New York, NY 10022

Subject: Grant No. NEB-0159-G-SS-^{5/23}~~5133~~-00
Amendment 1

Dear Ms. Hauck:

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 amends the subject Grant as follows:

On page 2 of the Grant letter, delete the PIO/T number shown as "298-0159-3-562508" and insert "298-0159-3-5626509" in its place.

Except as expressly herein amended, the subject Grant is in all respect ratified, confirmed and continued in full force and effect in accordance with its terms.

As this modification to the grant reflects only an administrative change, your signature is not required.

Sincerely,

Edward H. Thomas

Edward H. Thomas
Grant Officer
Central Operations Division
Office of Contract Management

FISCAL DATA

PIO/T No.: 298-0159-3-5626509
Appropriation No.: 72-1151037
Budget Plan Code: NESA-85-33298-KG-12
Allotment No.: 537-62-298-00-69-51
This Obligation: \$0
Total Estimated Cost: \$354,000
Technical Office: ANE/TR/HRD
Funding Source: AID/W
DUNS No.: 06-820-5541
Effective Date: Date of Grant Officer's signature

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON DC 20523

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298-0184

JUN 19 1985 (298-0159.14)

Grace Hauck, Contract Administrator
Catholic Relief Services
United States Catholic Conference
1011 First Ave.
New York, NY 10022

Subject: Grant No. NEB-0159-G-SS-5123-00

Dear Ms. Hauck:

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 Catholic Relief Services (hereinafter referred to as "CRS" or "Grantee") the sum of Five Million, Eight Hundred and Forty-two Thousand, Eight Hundred and Seventy-one Dollars (\$5,842,871) to provide support for a program in the West Bank/Gaza, entitled "Rural Development III", as more fully described in the Schedule of this grant and the Attachment 2, entitled "Program Description".

This Grant is effective and obligation is made as of April 3, 1985 and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending the estimated completion date of April 2, 1989. Funds disbursed by AID but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

The total estimated amount of the program is \$5,842,871, of which \$904,859 is hereby obligated. AID shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount. However, subject to the availability of funds, and program priorities at the time, AID may provide additional funds during the Grant period up to a maximum of \$4,938,012. It is anticipated that the obligated amount will be sufficient through April 2, 1986. ✓

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 Attachment 1, entitled the Schedule, Attachment 2, entitled "Program Description," and Attachment 3, entitled "Standard Provisions," which have been agreed to by your organization.

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ALTERATIONS IN GRANT

The following alterations have been made in the standard provisions of this grant:

1. Standard Provision No. 7A entitled "Payment - Federal Reserve Letter of Credit (FRLC) Advance" is deleted in its entirety and Attachment A entitled "Payment - Letter of Credit (August 1984)" is substituted.
2. Standard Provision No. 7B entitled "Periodic Advance" is changed as follows:
 - a. Applicability Statement: Delete "an FRLC" and substitute "a letter of credit".
 - b. Paragraph (c): Delete "an original and two copies" and substitute "one copy".
3. Standard Provision No. 7C entitled, "Payment - Reimbursement": In the applicability statement, delete "an FRLC" and substitute "a letter of credit".
4. Standard Provision No. 8, entitled "Travel and Transportation", is deleted in its entirety and Attachment B entitled "Air Travel and Transportation" is substituted.
5. Standard Provision No. 9, entitled "Ocean Shipment Of Goods" is deleted in its entirety and Attachment C, entitled the same, is substituted.
6. Standard Provision No. 10A, entitled "Procurement of Goods and Services Under \$250,000": Delete paragraph (c) and substitute the following:

"(c) Geographic Source and Order of Preference

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

- (1) The United States (AID Geographic Code 000),
- (2) The cooperating country,

(3) "Selected Free World" countries (AID Geographic Code 941),

(4) "Special Free World" countries (AID Geographic Code 935)."

7. Standard Provision No. 10B, entitled "Procurement of Goods and Services Over \$250,000": Delete paragraph (d) in its entirety and substitute the language shown in Attachment D.

8. Standard Provision No. 13A, entitled "Title To and Use of Property (Grantee Title)":

a. Delete "(1)" under paragraph (c), and

b. Delete subparagraph (2) in its entirety under paragraph (c).

9. Standard Provision No. 15 entitled "Termination" is amended as follows:

a. Change the title of Standard Provision No. 15, dated 2-82, to read: "TERMINATION AND SUSPENSION".

b. Delete paragraph (d) in its entirety and substitute the following:

"(d) Suspension: Termination for Changed Circumstances
If at any time AID determines (1) that disbursement by AID would be in violation of applicable law, or (2) 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, 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 to pertain 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. Financial settlement of this Grant shall be governed by the termination procedures specified in paragraph (c) above.

10. Standard Provision No. 16, entitled "Voluntary Participation": Delete the applicability statement and substitute the following: "(This provision is applicable to all grants involving any aspect of family planning or population assistance activities.)"

11. Standard Provision No. 17, entitled "Prohibition on Abortion-Related Activities":

a. Delete the applicability statement and substitute the following: "(This provision is applicable to all grants involving any aspect of family planning or population activities.)"

b. Add the following to the last line of paragraph (a):
"; (5) lobbying for abortion."

c. Delete paragraph (b) and substitute the following:

"(b) 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 abortion is not precluded."

d. Add paragraph (c) as follows:

"(c) The Grantee shall insert paragraphs (a), (b), and (c) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder."

12. Standard Provision No. 20, entitled "Patents", is deleted in its entirety and Attachment E, entitled "Patent Rights", is substituted.

13. Standard Provisions No. 26 and 27 entitled, "Participant Training" and "Health and Accident Coverage for AID Participant Trainees", respectively, are deleted in their entirety and Attachment F, entitled "Participant Training", is substituted.

7A. Payment - Letter of Credit (AUGUST 1984)

(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 AID exceed \$120,000 per annum, (ii) AID 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 AID's Office of Financial Management, Program Accounting and Finance Division (M/FM/PAPF).

(b) As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/FM/PAPF 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 AID/M/FM/PAPF, 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/PAPF. In cases where grants are Mission funded, the Grantee will forward an information copy to the AID Mission accounting station at the same time the original and one copy are mailed to M/FM/PAPF, AID/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/PAPF. Grantees receiving advances totaling more than \$1 million per year shall submit the SF-272 on a monthly basis within 15 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 action 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/PAPF after consultation with the grant officer. Notification of revocation must be in writing and must specify the reason for revocation. FM/PAPF 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.

TRAVEL AND TRANSPORTATION (OCTOBER 1984)

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

1) 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 stopping stops), and dates of travel, as far in advance of proposed travel as possible, not in no event at least three weeks before travel is planned to commence. At least one week before commencement of approved international travel, the grantee shall notify the cognizant U.S. Mission or Embassy, in copy to the project officer, of planned travel, including the travelers and the dates and times of arrival.

2) Travel to certain countries shall, at AID's option, be made from U.S.-owned local currency. When AID intends to use this option, AID will, after receipt of advice of the traveler, issue a U.S. Government Transportation Request (GTR) which the grantee may use for tickets, or AID will issue the tickets directly. Such U.S.-owned currencies will constitute a dollar to this grant.

3) All air travel and shipments under this grant are to be made on United States flag air carriers to the extent such service is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of 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 States.

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 foreign air carrier service will not accomplish the agency's mission. Travel on non-free world air carriers are not allowable under this grant.

U.S. flag air carrier service is considered available when:

1. Comparable or a different kind of service can be obtained 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

3. Service by a foreign air carrier can be paid for in U.S. dollars or U.S. flag air carrier's currency to accept excess or near excess foreign currencies for transportation payable only out of such monies.

4) Except as provided in paragraph (b) of this section, U.S. flag air carrier service must be used for all Government-funded commercial foreign air travel if service provided by U.S. flag air carriers is available. In determining availability of a U.S. flag air carrier, the following scheduling principles shall be followed unless their application results in the last stage of travel to or from the United States being provided 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 such service through service to the farthest interchange point on the traveled route;
2. Where an origin or interchange point is not served by a U.S. flag air carrier, foreign air carrier service should be used 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 ceases to serve the traveler via a foreign air carrier the foreign air carrier service may be used notwithstanding the availability of U.S. flag air carrier service.

5) 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 arrives) and a gateway airport abroad (that airport from which the traveler last embarks enroute to the U.S. or at which the traveler debarks incident to travel from the U.S.), passenger service by U.S. flag air carrier will not be considered

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 United States 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 United States 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 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

(i) 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.

(ii) 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 Civilian, 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.

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

9. OCEAN SHIPMENT OF GOODS (OCTOBER 1984)

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

(a) At least 50% of the gross tonnage of all goods purchased under this grant and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates for such vessels.

(b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this grant and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.

(c) When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may request a determination of non-availability from the AID Transportation Support Division, Office of Commodity Management, 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., FVOs) shall be governed by this standard provision and by AID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies (22 CFR 202)".

Procurement of Goods and Services Over \$250,000

(d) **Nationality.** Except as specified in paragraph (c) of this provision, in order to be eligible for AID financing under this grant, suppliers, contractors, or subcontractors must fit one of the following categories:

(1) **Suppliers of commodities.** A supplier providing goods under this grant must fit one of the following categories for his costs of such goods to be eligible for AID financing:

(i) An individual who is a citizen or, except as provided in paragraph (d)(7) of this clause, a legal resident of a country or area included in the authorized geographic code;

(ii) A corporation or partnership organized under the laws of a country or area included in the authorized geographic code;

(iii) A controlled foreign corporation, i.e., any foreign corporation of which more than 50 percent of the total combined voting power of all classes of stock is owned by United States shareholders within the meaning of Section 957 or seq. of the Internal Revenue Code, 26 U.S.C. 957; or

(iv) A joint venture or unincorporated association consisting entirely of individuals, corporations, or partnerships which are eligible under any of the foregoing categories.

(2) **Privately owned commercial suppliers of services.** An individual or a privately owned commercial firm is eligible for financing by AID under this grant as a contractor providing services only if the criteria in paragraphs (d)(2)(i), (ii), or (iii) of this provision are met and, in the case of the categories described in paragraphs (d)(2)(ii) and (iii), the certification requirements in paragraph (d)(2)(iv) are met.

(i) The supplier is an individual who is a citizen of and whose principal place of business is in a country or area included in the authorized geographic code or a non-U.S. citizen lawfully admitted for permanent residence in the United States whose principal place of business is in the United States;

(ii) The supplier is a privately owned commercial (i.e., for-profit) corporation or partnership that is incorporated or legally organized under the laws of a country or area included in the authorized geographic code, has its principal place of business in a country or area included in the authorized geographic code, and meets the criteria set forth in either paragraph (A) or (B) below:

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

(B) The corporation or partnership:

(1) has been incorporated or legally organized in the United States for more than 3 years prior to the issuance date of the invitation for bids or request for proposals, and

(2) has performed within the United States similar administrative and technical, professional, or construction services under a contract or contracts for services and derived revenues therefrom in each of the 3 years prior to the issuance date of the invitation for bids or request for proposals, and

(3) employs United States citizens in more than half its permanent full-time positions in the United States, and

(4) has the existing capability in the United States to perform the contract.

(iii) The supplier is a joint venture or unincorporated association consisting entirely of individuals, corporations, partnerships, or nonprofit organizations which are eligible under paragraphs (d)(2)(i), (d)(2)(ii), or (d)(3) of this provision.

(iv) A duly authorized officer of a firm or nonprofit organization shall certify that the participating firm or nonprofit organization meets either the requirements of paragraphs (d)(2)(ii)(A), (d)(2)(ii)(B), or (d)(3) of this clause. In the case of corporations, the certifying officer shall be the corporate secretary. With respect to the requirements of paragraph (d)(2)(ii)(A), the certifying officer may presume citizenship on the basis of the stockholder's record address, provided the certifying officer certifies, regarding any stockholder (including any corporate fund or institutional holder) whose holdings are material to the corporation's eligibility, that the certifying officer knows of no fact which would rebut that presumption.

(3) **Nonprofit organizations.** Nonprofit organizations, such as educational institutions, foundations, and associations, are eligible for financing by AID under this grant as contractors for services if they meet all of the criteria listed in paragraphs (d)(3)(i), (ii), and (iii) below, and the certification requirements in paragraph (d)(2)(iv) of this clause is met. (International agricultural research centers and such other international research centers as may be, from time to time, formally listed as such by the Senior Assistant Administrator, Bureau for Science and Technology, are considered to be of U.S. nationality for purposes of this provision.) Any such organizations must:

(i) be organized under the laws of a country or area included in the authorized geographic code; and

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

(iii) have its principal facilities and offices in a country or area included in the authorized geographic code.

(4) **Government-owned organizations.** Except as may be specifically approved in advance by the Grant Officer firms owned or controlled as commercial companies or other organizations (including nonprofit organizations other than public educational institutions) which are wholly or partially owned by governments or agencies thereof are not eligible for financing by AID under this grant as contractors.

(5) **Joint ventures.** A joint venture or unincorporated association is eligible only if each of its members is eligible in accordance with paragraphs (d)(2), (3), or (6) of this clause.

(6) **Construction services from local firms.** When the host country is an authorized source for services, and the estimated cost of the construction services is \$5 million or less, a corporation or partnership may be determined by AID to be an integral part of the local economy in accordance with AID Handbook 1B, Chapter 3, Paragraph 505, is eligible.

(7) **Ineligible suppliers.** Citizens of any country or area, and firms and organizations located in or organized under the laws of any country or area, which is not included in Geographic Code 935 are ineligible for financing by AID as suppliers of services or of commodities, or as agents acting in connection with the supply of services or of commodities, except that non-U.S. citizens lawfully admitted for permanent residence in the United States are eligible regardless of such citizenship.

(8) **Special restrictions on procurement of construction or engineering services.** Section 604(g) of the Foreign Assistance Act provides that AID funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under the 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, obtain the AID Grant Officer's approval for any such contract."

PATENT RIGHTS (OCTOBER 1964)

This provision is applicable whenever patentable processes or methods 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) "Reds" 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 in 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 most 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.

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

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

(3) The recipient shall file its initial patent application on an elected invention within two years after election or, if earlier, prior to the end of any statutory period wherein valid patent protection can be obtained in the United States after a publication, on sale, or public use. The recipient shall file patent applications in additional States within either ten months of the corresponding initial 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 Secretary Order.

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

d. Conditions When the Government May Obtain Title.

The recipient shall convey to AID upon written request, title to any subject invention:

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

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

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

e. Minimum Rights to Recipient.

(1) The recipient shall retain a non-exclusive, 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 sublicensees of the same scope to the extent the recipient was legally obligated to do so at the time the agreement was awarded. The license is transferable only with the approval of AID except when transferred to the successor of that party of the recipient's business to which the invention pertains.

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

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

f. Recipient Action to Protect the Government's Interest.

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

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

(3) The recipient shall notify AID of any decision not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceedings on a patent, in any country, not less than 18 days before the expiration of the response period required by the relevant patent office.

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

TRAVEL TRAINING (OCTOBER 1964)

tion is applicable when any participant training is for the grant).

Participants:

Participant training is the training of any individual outside of his or her home country using X under AID sponsorship.

A participant is any non-U.S. individual being for this grant outside of his or her home country.

Application of Handbook 18:

Participant training under this grant is to be according to the policies established in AID Handbook 18, except to the extent that specific to Handbook 18 have been provided in this grant with of the Office of International Training. 18 may be obtained by submitting a request to the International Training (S&T/IT), Agency for International Development, Washington, D.C. 20523.)

Reporting Requirement

Participants trained in the United States, data submitted by means of the form AID 1181-4, "Participant Data", simultaneously with enrollment in the Accident Coverage Program (see Section (d) below). Participants trained in third countries, grantees shall S&T/IT only the top white sheet of the Participant (and blue copies if subsequent changes in the participant's training program are made). Copies of the "Participant Data" form may be obtained from the Office of International Training at the address indicated in Section (b)

Health and Accident Coverage (HAC) Program For Participants in the United States

The grantee shall enroll all participants training in the United States in AID's HAC Program.

1. The HAC Program enables the participant, or the grantee, to submit bills for medical costs from illness and accident to the HAC Claims Office

for all reasonable and necessary medical charges for services not otherwise covered by other insurance (see paragraph 5 below), in accordance with the coverage established by AID under the HAC Program.

2. The grantee shall, as early as possible and no later than the initiation of travel to the United States by each participant financed by AID under this grant, fill out form AID 1181-4, titled "Participant Data" and mail it to the address 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 before the beginning of each new enrollment period. The enrollment fee amount shall be obtained from the address indicated in section (5) above. Payments will be made made payable to A.I.D. and submitted to:

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

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

(b) 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 less than 30 days and should cover the current period for which funds are obligated under the grant.

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

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

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

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