

APPROVED 8-15-88

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|--|--|---|
| AID 1350-1<br>(3-87)<br><br>*PIO/T<br><br>AGENCY FOR<br>INTERNATIONAL DEVELOPMENT<br><br>PROJECT IMPLEMENTATION<br>ORDER/TECHNICAL<br>SERVICES | 1. Cooperating Country<br><b>West Bank and Gaza</b>  | Page 1 of <b>11</b> Pages   |
|  | 2. PIO/T No.<br><b>398-0159-3-8636515</b>  | 3. <input checked="" type="checkbox"/> Original or<br>Amendment No. _____ |
|  | 4. Project/Activity No. and Title<br><b>Management Development Project (MDP)<br/>(No. 398-0159.30)</b> |   |

|  |  |   |  |
|--|--|---|--|
| 5. Appropriation Symbol<br><b>72-1181037 (837-63-398-00-69-81)</b>   |  | 6. Budget Plan Code<br><b>QESA-88-37398-KG-12</b>   |  |
| 7. Obligation Status<br><input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document  |  | 8. Project Assistance Completion Date<br>(Mo., Day, Yr.) <b>8/31/91</b>   |  |
| 9. Authorized Agent<br><b>AID/Washington</b>   |  | 10. This PIO/T is in full conformance with PRO/AG No.<br><b>N/A</b> Date  |  |
| 11a. Type of Action and Governing AID Handbook<br><input checked="" type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> AID Grant or Cooperative Agreement (HB 13) <input type="checkbox"/> PASA/RSSA (HB 12) <input type="checkbox"/> Other |  | 11b. Contract/Grant/Cooperative Agreement<br>PASA/RSSA Reference Number (If this is an Amendment)<br><b>N/A</b> |  |

M/FM/PAFD  
 POSTED 8/11/88  
 FUNDS RESERVED BY  
*[Signature]*

| 12. Estimated Financing (A detailed budget in support of column (2) is attached as Attachment No. _____) |                              |                    |                |              |                   |
|--|------------------------------|--------------------|----------------|--------------|-------------------|
| Maximum AID Financing Available  | A. Dollars                   | (1) Previous Total | (2) Increase   | (3) Decrease | (4) Total to Date |
|  |                              |                    | <b>375,029</b> |              | <b>375,029</b>    |
|  | B. U.S.-Owned Local Currency |                    |                |              |                   |

13. Mission References  
**Management Development Project Design Document**

14A. Instructions to Authorized Agent  
**SER/OP/OS/ANE is instructed to negotiate a level of effort contract with an 8(a) firm to carry out the activities as stated in the scope of work as set forth in Attachment 1.**

**The initial period of performance for the contract will be two years.\* The contract should also include a clause allowing AID, at its option, to terminate the contract early, or suspend operations, due to adverse political or economic events in WB/G which prohibit the contract's effective implementation.**

14B. Address of Voucher Paying Office  
**M/FM/PAFD, Washington, D. C.**

15. Clearances—Include typed name, office symbol, telephone number and date for all clearances.

|  |                                       |   |                |
|--|---------------------------------------|---|----------------|
| A. The Project Officer certifies that the specifications in the statement of work or program description are technically adequate.<br><b>ANE/PD/MENA: GLAughan</b> | Phone No.                             | B. The statement of work or program description lies within the purview of the initiating office and approved agency programs.<br><b>ANE/PD/MENA: PMatheson</b> | Date           |
|  | Date                                  |   | <b>7/28/88</b> |
| C. <b>ANE/DP: JRudasill-Bey</b>  | Date <b>7/29/88</b>                   | D. Funds for the services requested are available   | Date           |
| E. <b>ANE/PD/MBO: DLKemp</b><br><b>ANE/TR: BTurner</b>   | Date <b>8-12-88</b><br><b>7/28/88</b> | <b>M/FM/PAFD: GCraig</b>  | <b>8/11/88</b> |

|   |  |
|---|--|
| 16. For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to | 17. For the Agency for International Development |
| Signature _____ Date _____  | Signature <i>[Signature]</i> Date <b>8/10/88</b> |
| Title _____   | Title <b>Director, ANE/PD</b>                    |

\*See HB 3, Sup. A, App. C, Att B, for preparation instructions. Note: The completed form contains sensitive information whose unauthorized disclosure may subject an employee to disciplinary action.  
 \*Note: The contract should also allow AID, at its option, to extend the contract for a third year.

18. Statement of work or program description for this project is described in Attachment No. 1

19. Special Provisions

- A.  Language Requirements (specify) N/A  
(If marked, testing must be accomplished by AID to assure desired level of proficiency.)
- B.  Access to classified information  will  will not be required by technical specialists. (Indicate level) \_\_\_\_\_
- C.  Duty post(s) and duration of technical specialist(s) services at post(s) (months) 1-3 month TDYs in WB/G
- D.  Dependents  will  will not be permitted to accompany technical specialist(s).
- E.  Geographic code applicable to procurement under this PIO/T is  000  899  935  941  Other (specify) \_\_\_\_\_  
(If other than authorized in HB 1, Sup B, Chap 5, Para 5A1d, attach waiver(s).)
- F.  Salary approval(s) to exceed FS-1 salary ceiling are  attached  in process  N/A.
- G.  Cooperating country acceptance of this project (applicable to AID/W projects only)  
 has been obtained  is in process  is not applicable to services required by PIO/T.
- H.  Justification for use of external resources for consulting services is  attached  N/A.
- I.  Clearance for procurement of ADP equipment, software, and services is  attached  in process  N/A.
- J.  OMB approval of any report to be completed by ten or more members of the general public under the statement of work is  
 attached  in process  N/A.
- K.  Participant training  is  is not being funded as part of this PIO/T.
- L.  Requirement (contracts only) is recommended for  small business set-aside  SBA 8(a) Program  neither.
- M.  Other (specify).

| 20. Provisions for Logistic Support  |  | IN KIND SUPPLIED BY |                     | FROM LOCAL CURRENCY SUPPLIED BY |                      | TO BE PROVIDED OR ARRANGED BY SUPPLIER | N/A |
|--|--|---------------------|---------------------|---------------------------------|----------------------|--|-----|
|  |  | AID                 | COOPERATING COUNTRY | AID                             | COOPERATING COUNTRY* |  |     |
| A. Specific Items (Insert "X" in applicable column at right. If entry needs qualification, insert asterisk and explain below in C. "Comments") |  |                     |                     |                                 | X                    | X                                      |     |
|  | (1) Office Space                                 |                     |                     |                                 |                      | X                                      |     |
|  | (2) Office Equipment                             |                     |                     |                                 |                      | X                                      |     |
|  | (3) Housing and Utilities                        |                     |                     |                                 |                      | X                                      |     |
|  | (4) Furniture                                    |                     |                     |                                 |                      | X                                      |     |
|  | (5) Household Appliances (Stoves, Refrig., etc.) |                     |                     |                                 |                      | X                                      |     |
|  | (6) Transportation in Cooperating Country        |                     |                     |                                 |                      | X                                      |     |
|  | (7) Transportation To and From Country           |                     |                     |                                 |                      | X                                      |     |
|  | (8) Interpreter Services/Secretarial             |                     |                     |                                 | X                    | X                                      |     |
|  | (9) Medical Facilities (Health Room)             |                     |                     |                                 |                      | X                                      |     |
|  | (10) Vehicles (official)                         |                     |                     |                                 |                      | X                                      |     |
|  | (11) Travel Arrangements/Tickets                 |                     |                     |                                 |                      | X                                      |     |
| (OTHER SPECIFY)  | (12) Nightwatchman for Living Quarters           |                     |                     |                                 |                      | X                                      |     |
|  | (13)   |                     |                     |                                 |                      |  |     |
|  | (14)   |                     |                     |                                 |                      |  |     |
|  | (15)   |                     |                     |                                 |                      |  |     |

\*Cooperating Country support provided by client business firms in WB/G served by the project.

2

20. Provisions for Logistic Support (Continued)

B. Additional Facilities Available From Other Sources

Diplomatic pouch

PX

Commissary

Other (specify, e.g., duty free, entry, tax exemption)

C. Comments

N/A

21. Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A. Relationships and Responsibilities Contract will be monitored in the field by Liane Dorsey of CONGEN Jerusalem (mainly for West Bank activities) and Jake Wallas of Embassy Tel Aviv (mainly for Gaza activities), or their designees.

B. Cooperating Country Liaison Officials

Given the lack of local indigenous institutions in WB/G, all necessary contacts with local counterparts will be handled by contractor in close coordination with CONGEN/ Jerusalem and Embassy Tel Aviv.

C. AID Liaison Officials

Gary Vaughan and Patricia Matheson, ANE/PD

22. Background information (additional information useful to authorized agent)  
Document

- Project Design/for the Management Development Project (MDP) for the West Bank and Gaza (Project No. 398-0159.30)

- Consultant's Report on Small Business Survey for MDP Project Design in WB/G (Gregory Robison, July 1988)

23. Summary of attachments that accompany the PIO/T (check applicable boxes)

A. Detailed budget estimate in support of increased funding (Block 12) Attachment 2

B. Evaluation criteria for competitive procurement (Block 14A) Attachment 3

C. Justification for procurement by other than full and open competition or noncompetitive assistance Attachment 3

D. Statement of work or program description (Block 18) Attachment 1.

E. Waiver(s) justification(s), clearance(s), certification(s) (Block 19) (specify number \_\_\_\_\_)

SCOPE OF WORK

MANAGEMENT DEVELOPMENT PROJECT (MDP)-- WEST BANK/GAZA (WB/G)

I. Purpose:

The purpose of the contract will be to increase Palestinian managerial competence and to promote entrepreneurial innovation in the restricted trade and investment environment of WB/G. The contractor will carry out this purpose by providing the technical assistance and consultancy support services to businesses as outlined in the three task areas discussed below.

II. Background:

Given the controverted status of the Occupied Territories, AID's program in West Bank/Gaza does not have any project agreements with a host country, but is implemented entirely through a variety of grants and cooperative agreements with Private Voluntary Organizations (PVOs) in the areas of health, education and rural development. The present unexpended "pipeline" of the program is around \$12.0 million. Since A.I.D. does not have a field Mission in the West Bank and Gaza, our programs are monitored by State Department Officers in the Consulate General in Jerusalem and in Embassy Tel Aviv, with backstopping and evaluation support provided by the State-AID/W West Bank Gaza Working Group. In view of the absence of a host country government and AID Mission in WB/G, the contractor will play a prominent role in delivering technical assistance and consultancy support to Palestinian businesses under the proposed Management Development Project (MDP).

The MDP project will expand the private sector thrust of AID's development program in WB/G. In September 1986 AID signed a \$235,000 grant with the International Executive Service Corps (IESC) to provide business management consultancies to small businesses in WB/G. Before the expiration of this project in September 1987, IESC provided six 1-2 month consultancies to a variety of businesses in the West Bank and Gaza. AID now wishes to build upon that experience by offering a larger menu of technical assistance and marketing opportunities to a targeted audience of industrial firms than has been possible under the IESC project. In view of the relative calming of the present situation in WB/G and the crucial role that improved entrepreneurial performance is expected to play in future economic development of the Occupied Territories, it is anticipated that the present contract can be effectively implemented over the two-year contract life. The flexible structure of the contract (viz. allowing for the provision of a variety of consultancy services to Palestinian businesses given relatively short notice by AID and field posts) will also allow for a rapid delivery of services attuned to particular opportunities (easing of economic restrictions in a given business sector) and constraints (periodic travel limitations) associated with working in the West Bank and Gaza.

III. Tasks:

A. Individual Business Management Consultancies:

This task will primarily provide assistance to small and medium industries from approximately 20 to 150 employees in size. Most industries and businesses assisted will have a median employee level of around 70 persons. Assistance to commercial, agricultural or service enterprises will only be considered on a case-by-case basis and when they would support other industrial enterprises in WB/G. The consultancies will emphasize assistance to those businesses currently engaged in international trade or with the potential to enter such markets. The program will be primarily targeted toward supporting or expanding existing business activities, although it will also underwrite feasibility studies and financial plans for new business ventures.

The contractor will select (in coordination with Embassy Tel Aviv and CONGEN/Jerusalem) firms to receive business consultancies based on the following criteria: the firm meets threshold eligibility criteria (minimum 20 employees and industrial sector), has export potential, will likely increase employment as a result of the assistance, will generate backward (suppliers and service firms) and forward (retailers and other consumers of the firm's product) linkages, has potential for marketing/investment linkages with U.S. firms, displays innovativeness in launching new products, and demonstrates financial stability and ability to provide the 30% cash and in-kind support for the consultancy. This list of criteria will be prioritized and refined in consultation with CONGEN/Jerusalem and Embassy Tel Aviv during preparation of the implementation plan by the contractor, when the contractor may also suggest other relevant selection criteria.

The objective of the consultancies will be to improve assisted firms' profitability, productivity and overall managerial efficiency. The contract consultancies will range from periods of 2 weeks to a maximum of 3 months, with most concentrated around 3 weeks. Consultancies may address the needs of only one firm, or of various firms with similar demands for expertise. Experts will mostly be recruited by the contractor from outside WB/G (mostly from the U.S., although consultants may also be drawn from other Free World countries), although a little over 15% of consultants (especially in local accounting and tax law) may best be locally sourced in the West Bank and Gaza. This task will provide approximately 16 man months of consulting assistance to Palestinian firms in marketing, production, operations management, business planning, materials-sourcing, financial management, personnel management, inventory and quality control. The contractor will also set up a process to pre-screen companies to see if they meet restrictive AID regulations limiting assistance to such sectors as garments, shoes, and citrus as being competitive with U.S. products, and to analyze the prospective adverse environmental or other health hazards posed by pharmaceutical and other industrial companies who might receive assistance. In addition, a portion of consultants' time may be required to set up U.S. marketing trips for client companies.

5

International air fare and local per diem costs of consultants will be pre-paid by local businesses up to 15% of the total, in-country value of such consultancies, and roughly another 15% in in-kind assistance. The balance of consultancy costs (mostly salaries, fringe and overhead) will be borne by the AID grant funds under the contract.

B. U.S. and Local Project Administration

The contractor will be responsible for rapidly sourcing consultants for Palestinian firms. In addition, the contractor will hire as a consultant and then work closely with a local project administrator to be supervised by the contractor in close coordination with CONGEN/Jerusalem and Embassy Tel Aviv. This local project administrator will be full-time throughout the two year contract life.

Following execution of the contract, the U.S.-based project administrator will undertake a two week field trip to WB/G to accomplish the following: (1) develop an implementation plan for phased development of the three tasks under the contract; (2) make a final selection of a local project administrator drawn from a list of candidates obtained by CONGEN/Jerusalem and Embassy Tel Aviv through local advertisement; (3) work on a part-time basis with the designated local project administrator to identify initial businessmen interested in receiving consultancies; and (4) finalize administrative forms to be used under the contract (e.g. consultancy contracts between local client firm and 8(a) firm, report form to be filled out by consultant after consultancy).

The U.S. project administrator will also draw extensively upon a previous 25 firm survey of potential business clients in WB/G in identifying initial firms to receive technical assistance under the contract. Following this initial visit, the project administrator will make one follow-up field visit of approximately one week each per year to monitor implementation of consultancies in country, update local business technical assistance needs based on interviews with firms and field posts, and work with the local project administrator in planning new technical assistance activities under the contract.

From his U.S. base, the Project Administrator will also identify individual business consultants to assist previously identified WB/G firms. The Project Administrator will also be responsible for liaison with AID/W and execution of contract work orders, contract progress reports and other documentation, as appropriate.

The U.S. Project Administrator will receive field support in executing the contract from a local project administrator. The qualifications for such a local administrator (to be selected by the U.S. project administrator and vetted by CONGEN/Jerusalem and Embassy Tel Aviv) will include bilingual ability (Arabic-English), a business degree (preferably M.B.A.) and at least 3 years business experience.

This local consultant's responsibilities will consist of identifying local firms to receive consultancies, working with these firms to identify their specific consultancy needs, and monitoring the progress of consultancies. He/she will also undertake certain specific business research (analysis of a specific trade/investment constraint or of a marketing/management problem applicable to various businesses in a given sector), maintain access to U.S. data bases on availability of U.S. parts and raw materials, technical information, marketing/investment opportunities and quality standards, and will retain sufficient office space to store business reference materials on WB/G. Such studies and reference materials will offer support for the eventual establishment of a local business resource center. The local project coordinator will develop an understanding of local business conditions, trade regulations and business practices such that appropriate prescriptions can be found for individual business problems, and successful solutions can be generalized to similar situation elsewhere in the Territories. He/she will also establish on-going relationships with the local business community and encourage cooperation among its members.

IV. Contract Monitoring and Reporting:

Baseline data on such indicators as client firms' initial employment, investment and export levels will be compiled by the local project administrator and short-term consultants at the beginning of each consultancy so as to facilitate later external evaluation of such consultancies by AID. The U.S. project administrator will provide quarterly reports on problems and progress associated with implementation under the contract, with copies forwarded to ANE/PD/MENA in AID/W, CONGEN/Jerusalem and Embassy Tel Aviv. The U.S. project manager will draw upon quarterly reports prepared by the local project administrator in compiling such documentation.

V. Additional Field Support for Contractor

The contractor will rely upon the skills, office support and local contacts provided through the local project administrator to assure adequate "on-the-ground" logistical and other support for the contract. The CONGEN/Jerusalem Officer overseeing AID programs in the West Bank and the Embassy Tel Aviv Officer monitoring AID activities in Gaza will also provide the contractor guidance and support concerning the local political situation. The contractor is responsible for arranging for his own international and local transportation, communications and logistical support.

draft:ANE/PD/MENA;GLVaughan 0039T 8/1/88

7

Attachment 2.

ILLUSTRATIVE PROJECT BUDGET\*

(US\$)

| <u>Activity</u>   | <u>AID</u>   | <u>Client*</u> | <u>Total</u>  |
|---|--------------|----------------|---------------|
| I. Individual Business Consultancies  |              |                |               |
| A. Senior Consultant (External)   |              |                |               |
| - (salary \$270/day x O.H.**<br>2.2 x 77 days)  | 39,000       | 7,000          | 46,000        |
| - DBA Insurance   | 900          | 100            | 1,000         |
| B. Mid-level Consultant (External)  |              |                |               |
| - (salary \$200/day x O.H.<br>2.2 x 188 days)   | 70,200       | 12,500         | 82,700        |
| - DBA Insurance***  | 1,700        | 150            | 1,850         |
| C. Local Consultants  |              |                |               |
| - (salary \$100/day x O.H.<br>2.2 x 56 days)  | 10,500       | 1,800          | 12,300        |
| D. Per Diem for External Consultants  |              |                |               |
| - (\$102/day x 371 Per Diem<br>days)  | 38,000       | 6,700          | 44,700        |
| E. International Travel for External Consultants  |              |                |               |
| - (18 round trips x \$3,300)  | 50,500       | 8,900          | 59,400        |
| F. Local Support for External and Local Consultants (secretaries, transla. sample shipment, catalogue production, and commun. at \$2,670 per consultancy) | <u>2,200</u> | <u>43,350</u>  | <u>45,550</u> |
| COMPONENT SUBTOTAL  | 213,000      | 80,500         | 293,500       |
| II. Local Consultancy and Training Support***   |              |                |               |
| A. Local Administrator  |              |                |               |
| - (salary \$25,000 x O.H.<br>1.5 x 2 years)**   | 75,000       |                | 75,000        |

8

|  |              |        |              |
|--|--------------|--------|--------------|
| B. Local Travel and Office Support                                       |              |        |              |
| - Mileage Allowance  | 1,000        |        | 1,000        |
| - Office Space, Jerusalem  | 2,500        |        | 2,500        |
| - Office furniture & equip.  | 1,500        |        | 1,500        |
| - Communications   | <u>4,000</u> |        | <u>4,000</u> |
| COMPONENT SUBTOTAL   | 84,000       |        | 84,000       |
| III. U.S. Project Administration   |              |        |              |
| A. Project Administrator   |              |        |              |
| - (Salary \$270/day x O.H. 2.5 x 28 days per year x 2 years)             | 37,800       |        | 37,800       |
| B. Secretary   |              |        |              |
| - (salary \$100 x O.H. 2.5 x 15 days x 2 years)                          | 7,500        |        | 7,500        |
| C. 1 Trip to WB/G per year x 2 years x \$2,500 (for Proj. Administrator) |              |        |              |
|  | 6,600        |        | 6,600        |
| D. 10 days Per Diem x 2 trips x \$102 (for Proj. Admin.)                 |              |        |              |
|  | 2,000        |        | 2,000        |
| E. Communications  |              |        |              |
|  | <u>1,100</u> |        | <u>1,100</u> |
| COMPONENT SUBTOTAL   | 55,000       |        | 55,000       |
| Contractor Fee (6.5%)  | 23,029       |        | 23,029       |
| COMPONENT SUBTOTAL WITH FEE  | 78,029       |        | 78,029       |
| TOTAL  | 375,029      | 80,500 | 455,529      |

Notes:

- \* Client Contribution assumes average 15% local firm contribution to defray cash costs of consultancies in Component I., Items A.-E. The Client Column for Item F. includes both cash and in kind contributions. Component II's AID sponsorship of U.S. travel and training plus local conferences will require a 30% average local cash contribution.
- \*\* Budget Abbreviations:
  - "O.H." = overhead (fringe benefits, office utilities, rent, and indirect labor);
  - "DBA" = Defense Based Act Insurance;
- \*\*\* Above budget assumes contracting of local project administrator in WB/G as a consultant under the proposed 8(a) contract.

draft: GLVaughan 7/26/88 5670d

Attachment 3

EVALUATION CRITERIA AND JUSTIFICATION FOR PROCUREMENT

BY OTHER THAN FULL AND OPEN COMPETITION

(Management Development Project: West Bank/Gaza)

Justification for Use of External Resources for Consulting Services: The Bureau feels that the proposed activity is appropriate for use of external consulting resources (in this case, an 8(a) minority business contractor). There is no A.I.D. Mission in WB/G and all A.I.D.-funded activities there are monitored by two State Department Foreign Service Officers, one in Embassy Tel Aviv and one in the Consulate General in Jerusalem. These officers are already very occupied with a variety of ongoing A.I.D. projects, in addition to their regular State reporting responsibilities. In AID/Washington, the WB/G program is backstopped by the WB/G Working Group. Given their other area backstopping responsibilities, it is also difficult for these Officers to devote additional time to implementing the proposed technical assistance and training project in WB/G. Finally, given the occupied status of WB/G, there are no host country public or private institutions who could carry out this program. Given the above lack of State, AID and host country resources to implement the proposed project, it is thus appropriate to rely on the services of an external contractor.

Evaluation Criteria: Prospective bidders for the contract will be evaluated in accordance with the following criteria:

-- Relevant experience in the U.S. and preferably overseas in developing countries in providing technical assistance and training to small-medium businesses.

-- the quality (academic credentials, business experience, and of lesser importance, language ability) of an illustrative list of at least 12 professionals which the firm would draw upon in providing business consultancies in WB/G.

-- the firm's ability to provide rapid turn-around in providing business consultants and U.S. training/travel opportunities to WB/G within a maximum of 20 work days after receiving a request from the field.

-- the firm's proposed system for handling the receipt and accounting of local counterpart contributions for consultancies and training.

0042T

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

PROJECT AUTHORIZATION

Name of Entity: 8(a) Contractor      Name of Project: Management  
Development Project (West Bank/Gaza)  
Number of Project: 398-0159.30

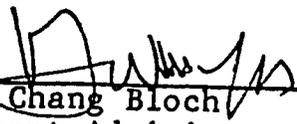
1. Pursuant to Section 531 of the Foreign Assistance Act of 1961 (The Act), as amended, I hereby authorize ESF grant funding in support of the Management Development Project in the West Bank and Gaza in an amount not to exceed Six Hundred and Seventy-Five Thousand Dollars (\$675,000) to be obligated over a two (2) year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The initial recipient of grant funding under the project will be an 8(a) minority business contractor. The planned life of the project is through August 31, 1991.

2. The project will provide technical assistance and consultancy support to small and medium-sized businesses in the West Bank and Gaza. The purpose of the project will be to increase Palestinian managerial competence and to promote entrepreneurial innovation in the restricted trade and investment environment of the West Bank and Gaza.

3. The Contract(s) or Grant(s) which may be negotiated and executed by the Officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms, covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

Source and Origin of Commodities and Nationality of Services

Commodities financed by A.I.D. under this project shall have their source and origin in Special Free World countries (A.I.D. Geographic Code 935), except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have Special Free World Countries as contained in A.I.D. Geographic Code 935 as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

  
\_\_\_\_\_  
Julia Chang Bloch  
Assistant Administrator  
Bureau for Asia and Near East

\_\_\_\_\_  
Date

Clearances:

|                  |   |                     |
|------------------|---|---------------------|
| DAA/ANE:WFuller  |  | Date: _____         |
| ANE/PD:RFVenezia |  | Date: _____         |
| ANE/DP:PBenedict | (draft)   | Date: <u>8/5/88</u> |
| ANE/MENA:PGary   | (draft)   | Date: _____         |
| ANE/TR:BTurner   | (draft)   | Date: _____         |
| GC/ANE:HMorris   | <u>AKP for</u>  | Date: <u>8/4/88</u> |

ANE/PD/MENA:GLVaughan:7/15/88:79065:0007D