

PJCEBE 899

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT  
Manila, Philippines

Ramon Magsaysay Center  
1680 Roxas Boulevard

Telephone: 521-71-16

August 28, 1989

Dr. Conrado L. Lorenzo  
President  
Population Center Foundation, Inc.  
South Superhighway  
Makati, Metro Manila

Dear Dr. Lorenzo:

Subject: Grant No. AID 492-0442-G-SS-9116

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 grants to the Population Center Foundation, Inc. (hereinafter referred to as "PCF" or "Grantee") the sum of ₱2,917,473 to cover local currency costs for which \$138,927.29 shall be made available, to provide additional support for the project "Multi-Service Youth Centers", as is more fully described in the attachment to this Grant, entitled "Schedule and Project Description".

The Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives beginning with the effective date and ending on September 30, 1990.

This Grant is made to Population Center Foundation, Inc. (PCF) on condition that funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled "Schedule and Project Description", Attachment 2, "Standard Provisions" which have been agreed to by your organization.

Please sign and date the original and seven (7) copies of this Grant to acknowledge your acceptance of the conditions under which these funds have been granted and return the original and six (6) copies to the undersigned.

Sincerely,



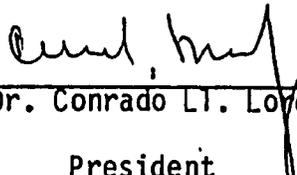
Malcolm Butler  
Director

**Attachments:**

1. Attachment 1, Schedule and Program Description  
Attachment 2, Standard Provisions

**Acknowledged:**

**POPULATION CENTER FOUNDATION INC.**

By :   
Dr. Conrado L. Lorenzo

Title : President

Date : 8-28-89

Fiscal Data

Appropriation : 72-1191021

Budget Plan Code : QDPA-89-27492-KG13

PIO/T No. : 492-0442-3-90121

Project No. : 492-0442

Total Grant Amount: \$138,927.29

COMDOCNO. : AID 492-0442-G-SS-9116

RESCTLNO. : P892607

ATTACHMENT 1

OPERATIONAL PROGRAM GRANT (OPG)  
SCHEDULE AND PROJECT DESCRIPTION

Project Title : Multi-Service Youth Centers  
Total OPG Request : \$138,927.29  
Project Location : Cities of Manila, Baguio and Cebu  
PVO Name and Location: POPULATION CENTER FOUNDATION  
Makati, Metro Manila, Philippines  
Central Headquarters : South Superhighway  
Makati, Metro Manila,  
Philippines  
Contact Person(s) : 1. Dr. Conrado Ll. Lorenzo Jr., M.D.  
President  
2. Marissa C. Reyes  
Officer-in-Charge, Programs Division  
Date of Submission  
to AID : August 2, 1989

I. Project Purpose and Description

The multi-service youth centers in the cities of Baguio, Cebu and Manila take a comprehensive view of responsible adolescent sexuality behavior by focusing on the young person's total health development. Its varied programs, self-awareness activities, values education/formation, information and counseling services are the approaches through which adolescent-sexuality concepts such as saying NO to sex, delayed marriage, and planned parenthood are inculcated in the minds of the young people.

Since the Centers started operations in 1984, they have proven their capacity to offer adolescents with a venue where they can continuously enrich

their knowledge about themselves and others and be given support in modifying their attitudes and behavior. It is now recognized by the community as a support institution to the home and school. As of March 1989, more than 55,000 young people who visited the Centers availed of the following basic services: information and education services for proper value formation; personalized counseling for proper value clarification/formation and identification/clarification of problems and analysis of alternatives; medical and health services; and recreational activities to develop the young person's physical and social well-being.

In order to be more responsive to the needs of a bigger lot of young people, the Centers continuously implemented innovative projects. As a result, program scope broadened and client reach increased.

The Centers which are situated within the university belt areas were initially envisioned to cater primarily to students. Today, they are responding to the special needs of young parents, working youth, community youth (commonly known as out-of-school youth) as well as those of the parents of these young people. Clients are also served in venues where they are found - in schools, other youth-serving agencies, communities and work places.

Coupled with the task of increasing their capability to respond to the needs of young people is the mandate to make the Centers self-reliant, i.e., the Centers assume the project's overhead costs. While they succeeded in the former, they did not fair well in the latter. The Centers' performance over the past years are indicative of their potential to institutionalize themselves in the long run. Based on their experience in fund generation, they developed a five-year plan for institutionalization. Their immediate need, however, is for bridge financing support while they initiate the building of their trust fund.

The proposed project will provide financial support for the three (3) Youth Centers to enable them to implement their programs and services as well as initiate the building of their respective trust funds.

Through this project, the Centers will be able to continuously educate adolescents and young adults (15-24 years old) on the various aspects of life planning, health and parenting within the context of a multi-service youth center. Within a period of 12 months, this project will have:

1. continuously provided adolescents with adequate knowledge of their own physical, mental and emotional maturation processes as related to their fertility in particular and their sexuality in general;
2. continuously provided self-awareness activities, values education, information and counseling services on adolescent sexuality and fertility awareness, parenthood, communication (parent-child and interpersonal), leadership, personality development, goal

- setting, decision making, career planning, employment, substance abuse (drugs, alcohol, cigarettes), and nutrition; and
3. provided the Centers with the necessary lead time to implement the initial phase of their five-year institutionalization plans which are envisioned to enable the Centers to assume operating overhead at the rate of at least 25% per annum beginning the second year of the five-year period.

## II. Project Background

The Population Center Foundation (PCF) is a private resource institution set up in 1972 to provide technical and management services and harness the private sector for population and related programs in the Philippines to help attain national socio-economic development and individual well-being.

Since 1979, PCF has taken a special interest in Filipino youth. Through the creation of the Adolescent Fertility Program (AFP) renamed Program for Adolescent Development (PAD), the Foundation has for the past years implemented some 40 projects which tested the feasibility and effectiveness of innovative approaches or prototype models to deliver information, counseling and referral services to adolescent . Projects were implemented in venues like the schools, government health centers, private hospitals, industries, business firms in an export processing zone, youth serving agencies and clubs, and stand-alone multi-service youth centers. A telephone counseling hotline was likewise installed.

The Young Adult Fertility Survey (YAFS), a research project of PCF conducted in 1982, was a major breakthrough in the area of understanding adolescent fertility behavior. It was the first data set ever produced in the country of national scope on the adolescent's attitudes and behaviors using an all-female representative sample. Data from the YAFS have become useful inputs in the policy-making, planning and implementation of youth projects in the population program.

The multi-service Youth Centers were established by PCF in the cities of Manila (in 1984), Baguio and Cebu (in 1985). The project concept evolved from the recommendations of the Philippine participants to the Adolescent Fertility Management Conference for Asia and the Pacific in 1983. The Centers were envisioned to assist young people understand, appreciate and cope with the many changes that happen during adolescence. This was to be achieved through preventive education programs utilizing the wholistic approach to dealing with adolescents.

As of March 1989, more than 55,000 young people who visited the Centers availed of the following basic services:

- information and education services for proper value formation;
- personalized counseling for proper value clarification and formation; identification and clarification of problems and analysis of alternatives;
- medical and health services through referrals; and
- recreational activities which encouraged young people to develop their physical and social well-being.

These services were initially offered to students from the cities' university belt area. However, during the summer breaks when there were marked slacks in the number of students who visited the Centers, the staff conducted special activities such as leadership training, symposia and film/STP showings and discussions on nutrition, adolescent sexuality and parenthood for the community-based youth and young parents.

During the staff's interaction with this sector of the youth population, it was realized that these special activities were not enough to assist these young people. A comprehensive package of services similar to what was offered to students was needed. What started then as a special outreach activity is now an all-year-round project of the Centers. This development was encouraged when the Centers received recurring requests from barangay officials and other community leaders for regular sessions on adolescent sexuality, parenting, nutrition, etc. Alarmed by the number of young people in their barangay who get pregnant and raise malnourished children, the community leaders looked to the Centers for help. They realized that while there are some government and privately sponsored programs for the young in the community, none addressed adolescent sexuality within the context of a person's total life situation. Moreover, while there are family planning services for older married couples, there is no program which addresses the complex needs of young parents such as raising their children/solo parenting, earning a living, sticking it out with an unemployed/underemployed spouse and preventing future pregnancy among other things.

The venues where the adolescents are found and served have likewise increased. Apart from the Centers, the staff conduct special activities in the schools, communities, youth-serving agencies and workplaces - the companies and business establishments.

The Centers have two(2) major tasks: (1) to provide services to clients and increase their capability to respond to client needs, and (2) to institutionalize the project. While they had been successful in program implementation, performance in fund generation though encouraging had not been as impressive. USAID's bridge financing assistance in 1987 and 1988 were meant to give the Centers time to work towards self-reliance. However, the

**Best Available Document**

timetable set was not realized and the amount generated (which was not significant when compared to the target set) was used to meet the Centers' growing resource needs as a result of program service and clientele expansion, instead of focusing on the initiation of the Centers' trust funds.

In 1989, this problem was compounded with the absence of bilateral assistance from USAID. PCF was forced to shoulder the staff's salaries for the first quarter of the year just to keep the Centers open. In turn, the Centers took care of the house rental and all the other operating expenses. Again, the Centers' trust funds cannot be initiated. If this situation continues, the Centers face an unfortunate closure.

In a country where one out of three individuals fall within the 10-24 years age category, where the incidence of premarital sex is anywhere from 12 to 22 percent, where one out of ten marriages is accounted for by teenagers and where one out of five illegitimate births is also a birth to a teenage mother, the issue of whether youth projects such as the Youth Centers should continue is a critical one. This issue even becomes a matter of urgency when one considers the overall changing moves towards a more liberal or lax stance on premarital sexual behavior among young people.

### III. Project Analysis

#### 1. Technical Analysis

The proposed project will enable the Centers to continuously assist the young people go through this developmental phase in life - adolescence - in a healthy way. The wholistic approach to dealing with adolescents will be effected through acceptable methods. Youth and professional volunteer support and advice will be enlisted.

As had been proven effective through the years, the group approach in handling adolescents will be employed. This includes small group discussion sessions, structured learning exercises, rap sessions, role plays, lectures, film showings and discussions, etc. This approach is supported by face-to-face counseling sessions and other facilities like the clinic, library and recreational activities.

The Centers will use program modules which had been tried and tested - most of which have evolved from their innovative activities/projects. They have likewise been designed based on clients' needs and profile. Program messages will also be disseminated through IEC materials developed and produced based on needs of the various youth sector and parents of adolescents.

To ensure that the Centers conduct activities which have a "youthful" flavor and at the same time increase their manpower capability, youth volunteers will be continuously recruited and trained for peer helping. Assistance from professional volunteers will likewise be sought to provide specialized youth services.

## 2. Social Analysis

The project will reach out to a minimum of 46,000 young people from the cities of Manila, Baguio and Cebu (26,000 returning clients and 20,000 new clients). Majority of these clients are in-school youth (85%) and belong to the C and D economic level. The rest of the 15% will be from the D level or the community youth, young parents and working youth. The latter group of the youth sector will gradually grow in number as the Centers intensify their community-based programs.

## 3. Economic/Financial Analysis

Project Duration	:	One (1) Year
Budget a)(USAID Funds)	:	₱2,917,473.00 (\$138,927.29)
b)(Total Funds)	:	₱4,535,460.00 (\$215,974.29)
Total No. of Beneficiaries	:	46,000 clients
Cost/capita	:	a)₱63.42 (\$3.02) b)₱98.70 (\$4.70)

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$$\$1.00 = \text{₱}21.00$$

## 4. Institutionalization

This bridge financing assistance will provide PCF the additional time necessary to direct the Centers to move towards institutionalization. The Centers have prepared their individual 5-year institutionalization schemes (Attachment 1 Annex D). Essentially, the plan requires a 100% assistance from USAID for the first year to defray its operating overhead. For the 2nd to the 4th years, assistance from other donors will have to be sought in order to further assist the Centers as it gradually absorbs the overhead cost at the rate of 25% per annum.

#### IV. Project Design and Implementation

##### Section IV.1. Implementation Plan

To achieve the stated objectives of the proposed project, the following major strategies and activities shall be employed:

##### A. Service Delivery

###### 1. Continuous Provision of Health Services

The Centers, through their self-awareness activities, values education, information and counseling services will continuously assist the home and school in developing a healthy adolescent. They provide opportunities for health, social, emotional, intellectual, physical, sexual and moral development. They provide support and guide young people as they experiment with new forms of behavior - to test independence and creativity.

Various learning techniques and facilities are employed in the Centers. The most commonly used are small group discussion sessions, symposia, lectures, panel discussions, structured learning exercises, distribution of print information materials, film/slide shows, and library. One major activity which the Centers conduct in order to foster healthy development of the adolescents is its life planning education.

Life planning education confronts the possible serious consequences of teenage pregnancy by educating adolescents about the important link between career planning and planning one's family. It provides young people with the skills to understand the effects of unintended pregnancy and parenthood on their plans for career and employment, and encourages them to examine their attitudes toward sexual behavior, parenthood and future goals. The focus of this program is to prepare the young people for the world of work and in dealing with their sexual and reproductive development, feelings and behavior. Adolescents' life planning concerns dealt with in various sessions in the Centers include adolescent sexuality, parenthood, communication (parent-child and interpersonal), leadership, personality development, goal setting, decision making, career planning and employment/livelihood. Common health concerns discussed are substance abuse (alcohol, drugs and cigarette), sexually-transmitted diseases and nutrition.

Clients with health and medical problems are attended to either by health personnel detailed by health agencies in the Centers or by referral institutions. Specific to young parents, family planning services, pre- and post-natal care, maternal and child care and nutrition are provided by the Centers through the health workers who are either detailed to the Centers or are stationed in the various referral points.

## 2. Development and Production of Support IEC Materials

The informational needs of the new target sectors of the youth population, namely, community youth, young parents and working youth will be assessed. Existing Center materials will be either reprinted or modified to suit the needs. New materials on other life planning health concerns will also be developed and produced.

### B. Institution Building

#### 1. Staff and Volunteer Development

Because of the expansion of Center services and target clients, capability building activities will be conducted for both the staff and peer facilitators. In 1988, The Center staff were provided with skills in proposal writing. This was part of PCF's move to enable them to develop proposals for various activities on their own, with minimum assistance from PCF, to be funded/sponsored by other donors. It becomes imperative that the Center staff be provided with skills in financial/project management and monitoring. A seminar-workshop on managing and monitoring projects to include modules such as project budgeting and accounting, staff/personnel supervision and evaluation, planning and monitoring will be conducted. Among the major outputs of the said workshop will be the preparation of cash flows, accounting procedures, monitoring procedure, instrument and performance evaluation schemes.

Technical assistance in strategic planning, systems development as well as resource management and mobilization is necessary. These will provide the Centers with the readiness to changing environment, mobilize resources and implement strategies and programs for specific groups.

Majority of the staff have had basic training in Adolescent Fertility Management. This training, however, did not include the module on Family Planning (FP). Thus, all Center staff and select peer facilitators will undergo basic training on FP.

Since the Centers will respond to the needs of adolescents in the communities, the staff and select Center professional volunteers will be provided the skills in community organizing. A seminar-workshop wherein the participants will be provided the basic principles, stages and skills in community organizing will be conducted. An important output will be a community organization scheme based on the demands of the project and profile of the community.

Funds to finance Center staff's attendance at scientific/update meetings conducted by PCF or other agencies on subject matter related to the thrust of the Program for Adolescent Development will also be appropriated.

A problem which the Centers have encountered is the turnover of staff. There is a need to train newly-hired staff. Since PCF conducts basic training on adolescent development for professional workers, the project will send these newly-hired staff for training on a tuition fee basis.

The Center will have to train three(3) groups of peer facilitators and practicum students on basic adolescent development concepts, community organizing, project management and family planning. Previously trained peer facilitators will participate only in modules which were not included in their basic training while new ones will go through all the modules.

## 2. Center Planning Workshops

Each Center will organize a planning workshop at the start of the year. This activity is aimed at drafting the year's plan to include the following:

- assessing clients' needs vis-a-vis Center services, facilities and resources
- formulating Centers' monthly themes and objectives
- calendar of major monthly activities for the year
- setting monthly targets in terms of number/type of clients and funds generated from fund raising activities.

Other inputs to the planning session will be based on the results of periodic project assessments.

These workshops will be participated in by the Center staff, youth and professional volunteers. Results of the said workshops will be inputs to a central planning workshop to be attended by the 3 Center directors and PCF project staff.

## 3. Directors' Meeting

As in the past years, a quarterly sharing of Center experiences and airing/discussion of operational problems encountered during a given period will be conducted and organized by PCF. A progress reporting of Centers' accomplishments both in terms of regular provision of client services and the status of center institutionalization will be tackled during these meetings.

### C. Institutionalization

The Centers have drafted their five-year institutionalization schemes, a major step to self-reliance (Attachment 1 Annex D).

### D. Monitoring

Throughout the project's duration, PCF and Centers' staff will closely monitor the various project activities. The record-keeping system intended to facilitate the collection of routine statistics on the progress of the Center has been very recently reviewed and revised vis-a-vis the Centers' new thrusts

and clients. The regular directors' meetings and PCF Program Officer's (PO) field visits will serve as opportunities wherein the Centers' accomplishments will be regularly assessed. Results of these assessments will serve as inputs to the Centers' subsequent plans.

The Centers' service and case records will be the sources of data. On-the-spot interviews with center clients will be conducted by PCF staff during monitoring/field visits to gather feedback on Centers' operations. The success of the project will be assessed by reviewing records on youth's attendance and availment of sexuality-related services to include contraceptive use. The Centers' ability to attract and serve its target clients (i.e., students, adolescent parents, parents of adolescents, working youth, sexually-active adolescents) will be assessed. All these data will be used in planning the Centers' IEC/promotional efforts as well as in designing materials and innovative approaches to effectively reach adolescents. The number of cases and type of problems/concerns will be classified post hoc from Center records. The focus of analysis and project concern will be on fertility-related cases.

As to client satisfaction, feedback on the quality of service given will be obtained through a form to be accomplished by the client (at random).

PCF will monitor, beginning the 6th month of the project, the degree to which the Centers have moved towards institutionalization. This will take the form of a review of projects undertaken in this direction as well as the financial levels that have been achieved. This will also entail an assessment of the actual stage the implementation plans of the Centers are at in terms of funding solicitations for trust fund build up.

E. Timetable of Activities

The following is the project's timetable of activities:

ACTIVITY	M O N T H											
	1	2	3	4	5	6	7	8	9	10	11	12
1. Signing of Memo of Agreement between PCF and USAID	xxxx											
2. Preparation of monthly cash flow	xx											
3. Planning workshop												
- Center level	xx											xx
- Central level	xx											
4. Capability Building												
4.1 Basic training on adolescent development (for newly-hired staff)	xx											
4.2 Basic training on family planning			xx									

ACTIVITY	M O N T H											
	1	2	3	4	5	6	7	8	9	10	11	12
4.3 Seminar-workshop on financial/project management and monitoring				X								
4.4 Seminar workshop on community organizing				X								
4.5 Peer facilitators training:												
- adolescent development & basic facilitating skills						XX						
- community organizing						XX						
- project management						XX						
5. Conduct/provision of self-awareness activities, values education/formation information and counseling services to adolescents												
- in the Centers	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
- in the community	X	X	X	X	X	X	X	X	X	X	X	X
- in business establishments			X	X	X	X	X	X	X	X	X	X
6. IEC activities												
6.1 Identification of IEC needs of Center clients such as:												
- students	XXXX											
- community youth	XXXX											
- adolescent parents				XXXX								
- working youth					XXXX							
- parents of adolescents							XXXX					
6.2 Development and production of informational materials:	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
6.3 Conduct of informational drive for:												
- students	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
- community youth		XXXX										
- adolescent parents						XXXX						
- working youth						XXXX						
- parents of adolescents							XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
7. Assisting parents of adolescents												
7.1 consultative meetings with parents				XXXX								
7.2 development of programs for parents of adolescents:					XXXX							
7.3 launching of parenting programs						XXX						
7.4 implementation of parenting programs and activities							X	X	X	X	X	
8. Project monitoring and provision of technical assistance												

ACTIVITY	M O N T H											
	1	2	3	4	5	6	7	8	9	10	11	12
E.1 Provision of technical assistance in resource management and mobilization, strategic planning, and system development	x	x	x	x	x	x	x	x	x	x	x	x
E.2 Centers' monthly reports	x	x	x	x	x	x	x	x	x	x	x	x
E.3 Conduct of field visits		x		x			x			x		x
E.4 Directors' meeting	x			x		x		x			x	
E.5 Meetings of the Board of Trustees		x		x		x		x		x		x
E.6 Year-end inventory												x
E.7 Post project assessment workshop												x

F. Project Management/Institutional Framework

PCF will continue to provide over-all management, advice and direction to the project through its Program Officer. This will be done in close coordination with the Centers' Board of Trustees. Each Center's Board is expected to meet at least once a month to closely monitor their respective Center's project and fund-raising activities.

The operations of each Center will be continuously managed by the three (3) professional full-time staff, namely, the Center-Director, and two (2) Counselors. The Director assumes the over-all management of the Center. He supervises the Center personnel and networks with and solicits support from various youth-serving groups and institutions. He ensures that the referral network is working and updated. He identifies project leads, develops proposals and identifies potential donors. Implementation of the Centers' institutionalization scheme is a shared responsibility of the Center-Director and Board of Trustees. The Center Counselors render counseling services to adolescents. They organize youth groups and conduct group activities. They assist the Director in Center planning, project development and implementation of the institutionalization plan. They also render administrative support to the Center. The Center staff will be continuously assisted by youth and professional volunteers.

The trained peer facilitators (youth volunteers) of each Center are actively involved in various aspects of Center operation - initiating, planning, implementing and assessing Center activities. Specifically, these youth groups conduct some fund raising activities, organize special youth groups such as theater guild, choir and basketball teams which serve as vehicles for promoting the Centers' services; improve Centers' ambience; plan and implement the Centers' anniversary activities, etc. As peer facilitators,

they assist in manning the Center library and reception desk, receive clients and conduct orientation sessions, co-facilitate small group discussion sessions, promote Center activities in their respective schools and invite new groups of students to attend symposia, lectures and guided film/STP showings. The youth's participation guarantee that the Centers' activities have the genuine "youthful flavor".

In 1989, the trained peer facilitators will be involved in community extension work. They will assist the staff to plan, organize and implement activities for adolescent mothers, and the community and working youths. Another group of youth volunteers which the Centers will continuously tap are selected practicum students of sociology, psychology, social work and community development. They will assist the Center in planning and implementing programs for the community.

The Centers will train and mobilize at least three groups of adolescents, student and community-based peer facilitators and practicum students to perform the specific functions according to the profile of target clients and venues where these clients will be served.

Inter-agency participation will be continuously encouraged in the form of special youth services being provided for; by professional volunteers either detailed in the Centers on a regular basis or are stationed in referral points. In Manila, the Dial-A-Friend (telephone counseling) project of PCF will continuously refer clients to the Center. While adolescents are provided counseling over the phone, clients who need more personal guidance are referred to institutions like the Center for face-to-face counseling.

#### Section IV.2. Measurement and Evaluation of Project Accomplishment

Center performance will be assessed according to the number of clients reached per year. For this funding period of one (1) year, the Centers should be able to generate 20,000 new clients and serve at least 50% of returning clients or 26,000 young people. This performance will be distributed quarterly and assessed accordingly.

The following parameters will also be looked into:

- trend in terms of attendance in activities of the Centers, schools, community and youth-serving agencies;
- extent to which the adolescent health program designed for students can be applied/adapted to community youth, young parents and working youth;
- extent to which the parents of adolescents will be enjoined to attend Centers' special parenting program;

- contraceptive prevalence among married adolescents;
- level of funds generated vis-a-vis set amount.

Since the Centers would have been in operation for five (5) years by the end of 1990, a formal project evaluation is in place. Basically, the evaluation will determine the extent to which the Centers had been instrumental in helping adolescents in their sexuality-related concerns as well as the directions taken for institutionalization and their status. Tracking of a sample group of clients will be made to determine the extent to which the Centers have influenced their sexual behavior/decisions, parenthood and career plans. Center performance across time will be assessed post hoc from Center records. Institutionalization process will be reviewed through financial records of the Centers and interviews with their respective Board members..

#### V. REPORTING REQUIREMENTS

##### Section V.1. Initial Reporting Requirements.

(a) Implementation Plan. The Grantee shall prepare a life of project Implementation Plan in form and substance satisfactory to USAID with the first Request for Cash Advance. The Implementation Plan shall specify project activities, and shall list the individuals responsible, timeframe, related budget line items from both USAID and counterpart funds and other resources needed to support the activity. The Grantee shall update the Implementation Plan using PVO Form No. 1 in the form set forth in Annex A as part of the Quarterly Progress Report.

(b) Evaluation Plan. Within three (3) months following the effective date of the Grant, the Grantee shall submit to USAID one copy of its Evaluation Plan in form and substance satisfactory to USAID describing the evaluation events, when they are to be scheduled, what aspects of the project will be evaluated, who will participate in the evaluation, and an evaluation design indicating the purpose of the evaluation and the methods that will be used to carry it out. The Grantee may decide to undertake a series of evaluations to meet program requirements.

(c) Baseline Report. Within three (3) months following the effective date of the Grant, the Grantee shall submit to USAID one copy of its Baseline Report in form and substance satisfactory to USAID providing a socio-economic profile of the beneficiaries in relation to the broader population. The Baseline Report should focus on the key indicators necessary for evaluating and monitoring the progress, results and impact of the Project.

(d) Financial Review Plan. Within three (3) months following the effective date of the Grant, the Grantee shall submit to USAID one copy of its Financial Review Plan in form and substance

satisfactory to USAID describing the plan for reporting requirements under the Grant Agreement and maintenance of adequate internal controls.

Section V.2. Quarterly Reporting Requirements.

(a) Quarterly Progress Reports. The Grantee shall submit to USAID Quarterly Progress Reports using PVO Form No. 2 in the form set forth in Annex A. These reports shall include a discussion of the status of project implementation and fully describe project activities, making a comparison between planned activities and actual activities.

(b) Quarterly Financial Reports.

(i) Request for Cash Advance. The Grantee shall request advances of funds using PVO Form No. 3 in the form set forth in Annex A.

(ii) Expenditure/Liquidation Report. The Grantee shall prepare Expenditure/Liquidation Reports using PVO Form No. 4 in the form set forth in Annex A, indicating in detail the expenditures of both USAID Grant funds and counterpart funds.

Section V.3. Final Reporting Requirements.

Within ninety (90) days after the Grant Completion Date, the Grantee shall submit to USAID a Project Assistance Completion Report. The report shall cover:

- A final financial report including a summary of contributions made by USAID, the Grantee, the beneficiaries and other donors (i.e., planned versus actual inputs) and disposition of assets obtained under the Grant;
- Status of various project elements (e.g., procurement, construction, training);
- A brief description of project accomplishments including an assessment of the impact the project has had and may have on project beneficiaries in light of baseline indicators at the commencement of the Grant, the original project design during implementation (including a comparison of revised outputs and actual outputs);
- Description of continuing Grantee responsibilities for activities begun under the Grant including the identification of and discussion of the sustainability of benefits and project activities that need to be carried forward;
- A summary of lessons learned from the project that might be relevant to replication, in whole or in part, of project activities.

VI. BUDGET AND FINANCING

Section VI.1. USAID Financing. Funds provided under this Grant Agreement shall be used to finance the Philippine peso costs of the items specified in the budget set forth below. The total amount of funds to be provided by USAID shall not exceed ₱2,917,473.00, for which U.S.\$138,927.29 shall be made available by USAID under this Grant based on an estimated exchange rate of ₱21.00 to \$1.00.

Section VI.2. Limit of USAID's Commitment. If the exchange rate varies so that the amount of dollars required to purchase the peso amount specified above is greater than the amount of dollars therein specified, the specified dollar amount shall be the controlling limit to USAID's commitment. If the exchange rate varies so that the amount of dollars required to purchase the peso amount specified is less than the amount of dollars therein specified, the remaining dollars may be used to purchase pesos for justified peso cost increases over the peso costs provided in the budget set forth, if approved in writing by USAID, provided that the counterpart contribution of the Grantee is adjusted in accordance with Section VI.3..

Section VI.3. Counterpart Financing. The Grantee shall assure that counterpart contributions having a value of not less than 35.67% of the total project cost will be provided in cash or in kind at the time such counterpart contributions are required for performance of this Grant. Based on the total budgeted project cost, counterpart contributions having a value of not less than ₱ 1,617,987.00 shall be provided. In the event that the amount of pesos provided by USAID exceeds the amount specified, the amount of counterpart contributions shall be increased by an amount not less than thirty-five percent of the additional amount provided by USAID. Counterpart contributions shall be valued in accordance with Article XI of this Grant Agreement.

Section VI.4. Separate Account; No Commingling. The Grantee and any subgrantees shall deposit all cash advances made by USAID under this Grant in a separate interest-bearing bank account and shall make all disbursements for goods and services for allowable costs under this Grant from this account. Interest earned with respect to advances, shall promptly be paid to USAID at least quarterly, except that up to the equivalent of \$100.00 may be retained to cover the administrative expenses. The Grantee shall cause to be executed an Agreement for Special Bank Account in the form set forth in Annex B hereto immediately upon establishing the separate account and shall promptly deliver an executed original copy of said Agreement to USAID. Funds provided by USAID under this Grant may not be commingled with other funds owned or controlled by

the Grantee or any subgrantee. The Grantee and any subgrantees shall maintain separate financial records for funds provided under this grant and make available such records for inspection in accordance with the Standard Provisions set forth in Attachment 2 to this Grant Agreement.

Section VI.5. Adjustment of Budget. Without prior written approval of USAID, the Grantee may increase or decrease by up to 15 percent the amount budgeted for each major line item in the budget set forth in Section VI.7, except for the line item for "Salary", provided that the total amount budgeted for the project specified in Section VI.7 is not changed. The Grantee shall promptly submit to USAID revised budgets incorporating any adjustments that are permitted by the foregoing sentence.

Section VI.6. Program Income.

(a) Program income, as defined in subparagraph (b) below, shall be paid to USAID, unless such income is (i) added to funds committed to the project by USAID or the Grantee and used to further eligible project objectives or (ii) used to finance counterpart contributions to the project if approved in writing by USAID. Program income may be used by the Grantee in the foregoing ways without accountability to USAID after termination of the Grant, provided that the Grantee informs USAID of the plan of operations for use of such income prior to expenditure, and provided further, that the Grantee reports to USAID on activities financed with program income during the period of the Grant.

(d) Program income is gross income earned by the Grantee from activities supported by USAID under this Grant. Program income includes, but is not limited to, income from service fees or charges and interest earned with respect to funds loaned under a capital assistance or credit component of the project. Program income does not include any interest earned on funds deposited in the separate bank account described in Section 5.4.

20

Section VI.7. Budget

BUDGET SUMMARY

Exchange Rate: ₱21 = \$1 U.S.

	USAID	PCF	TOTAL
1. Personnel Costs	₱ 761,250	₱ 181,320	₱ 942,570
2. Training Costs	981,900	-	981,900
3. IEC Costs	213,900	297,000	510,900
4. Special Center Services	-	863,667	863,667
5. Evaluation	425,000	-	425,000
6. Other Costs	<u>535,423</u>	<u>276,000</u>	<u>811,423</u>
<b>TOTAL</b>	<b>₱ 2,917,473</b> =====	<b>₱ 1,617,987</b> =====	<b>₱ 4,535,460</b> =====

TOTAL USAID	(64.33%)	₱ 2,917,473	(\$ 138,927.29)
TOTAL COUNTERPART	(35.67%)	₱ 1,617,987	(\$ 77,047.00)
TOTAL PROJECT COST		₱ 4,535,460	(\$ 215,974.29)

A detailed budget schedule is set forth in Annex C hereto. Personnel budgeted under this Grant shall work full-time on Grant activities unless otherwise indicated in the detailed budget schedule.

VII. PAYMENT PROCEDURES

Section VII.1. Advances. The Grantee may request an initial advance of funds equivalent to the amount required for the first ninety (90) days of Grant activities. Advances of funds required for Grant activities in subsequent ninety-day periods may be requested subject to satisfaction of the liquidation requirements in Section VII.2. Each quarterly request for an advance of funds should show a monthly breakdown of expected utilization of funds during the period covered. Upon approval of a quarterly request for an advance of funds, USAID will provide the total amount of the quarterly advance based on the monthly breakdown of expected utilization. The Grantee shall submit quarterly requests for advances of funds at least one month prior to the date funds are required. If disbursements by the Grantee are faster than projected, the Grantee may request an interim advance prior to the regularly scheduled quarter release to ensure that funds will be available

for programmed activities.

Section VII.2. Liquidation of Advances. Within forty-five (45) days following the end of each ninety-day period for which funds were advanced, the Grantee shall submit a certified Expenditure/Liquidation Report (Form No. 4) specifying all costs in accordance with the budget line items set forth in Section VI.7.

USAID may require the Grantee to provide copies of pertinent supporting documents, including, without limitation, receipts, invoices, travel authorizations, purchase orders, payroll data and used tickets. Liquidation of advances for each quarter may be reported independently of the submission of quarterly requests for advances. The Grantee may request and USAID may approve advances for the second quarter after the first quarterly advance prior to the submission of the Expenditure/Liquidation Report for the first quarter. However, no subsequent advances will be approved by USAID unless Expenditure/Liquidation Reports for all prior advances, other than the advance for the then current period, have been received by USAID.

Section VII.3. Refund of Unliquidated Advances. The Grantee shall refund the amount of any advance not liquidated by the final Expenditure/Liquidation Report under the Grant within ninety (90) days after the Grant Completion Date in the form of a check payable to the "Treasurer of the United States." The foregoing right of refund shall be in addition to any other refund rights provided to USAID under this Grant Agreement.

#### VIII. GRANT COMPLETION DATE

The Grant Completion Date shall be twelve months or one year from the effective date of the Grant set forth in the covering Grant letter, or such other date as USAID and the Grantee may agree to in a written amendment to this Grant Agreement. The Grant Completion Date is the date by which all services financed under the Grant shall have been performed and all goods financed under the Grant will have been furnished for the project as contemplated by this Grant Agreement. Except as USAID may otherwise agree in writing, USAID will not issue or approve documentation authorizing disbursement of funds provided under the Grant or approving the liquidation of advances on the basis of disbursement by the Grantee of funds for services performed or for goods delivered subsequent to the Grant Completion Date.

#### IX. CLOSE-OUT PROCEDURES

Section IX.1. Definitions. The following definitions shall apply for purposes of this Article IX:

(a) Close-out. The term "close-out" refers to the process whereby USAID (i) determines whether the provisions of this Grant Agreement have been met and the activities contemplated by the Grant Agreement have been completed satisfactorily and (ii) determines the amount, if any, of unreimbursed costs for which reimbursement is owed by USAID to the Grantee and the amount, if any, of disallowed costs for which refund is owed by the Grantee to USAID.

(b) Disallowed Costs. The term "disallowed costs" refers to costs claimed by the Grantee, whether in an Expenditure/Liquidation Report or otherwise, for financing by USAID under this Grant that USAID or its authorized representatives determine not to be allowable under the terms of this Grant Agreement or applicable U.S. Government cost principles.

Section IX.2. Close-out Procedures.

(a) Unreimbursed Costs. Upon the written request of the Grantee, USAID shall pay the Grantee the amount, if any, of any allowable, allocable and reasonable costs for which reimbursement has not previously been provided.

(b) Refund by Grantee. Except as USAID may otherwise agree in writing, immediately following the Grant Completion Date, the Grantee shall refund to USAID the amount, if any, of funds advanced or paid to the Grantee by USAID that are not irrevocably committed to third parties for allowable, allocable and reasonable costs under the Grant. Immediately following receipt of notification from USAID, the Grantee shall refund to USAID the amount, if any, of any disallowed costs with respect to which payment or reimbursement under the Grant was made by USAID. The foregoing refund rights shall be in addition to any other refund rights provided to USAID under this Grant Agreement.

(c) Reports. Within ninety (90) days after the Grant Completion Date, the Grantee shall submit to USAID all financial, evaluation and other reports required by this Grant Agreement.

(d) Grant-Financed Property. The Grantee shall account for any property received by the Grantee from the U.S. Government or acquired with funds provided by USAID in form and substance satisfactory to USAID.

X. COUNTERPART CONTRIBUTIONS

The following criteria and procedures shall apply for the purposes of determining the allowability of cash and in-kind contributions made by the Grantee, subgrantees or third parties ("counterpart contributions") in

satisfying the counterpart contribution requirement set forth in Section VI.3 of this Grant Agreement:

Section X.1. General. Cash and in-kind contributions shall be accepted toward satisfaction of the counterpart contribution requirement only if such contributions:

- (a) are verifiable from the Grantee's records;
- (b) are not included as contributions for the purpose of any other project or program assisted by the U.S. Government;
- (c) are necessary and reasonable for proper and efficient accomplishment of project objectives;
- (d) are types of charges that would be allowable under applicable U.S. Government cost principles;
- (e) are not financed by the U.S. Government under any other grant or agreement, unless otherwise approved by USAID; and
- (f) are provided for in the budget approved by USAID.

Section X.2. Cash Contributions. Cash contributions are cash outlays by the Grantee and any subgrantees, including the outlay of cash contributed to the Grantee or a subgrantee by third parties other than the U.S. Government. Cash outlays meeting the conditions specified in Section X.1 shall be allocated as counterpart contributions under this Grant in accordance with the following criteria:

- (a) Salaries. The cash counterpart contribution in respect of salaries paid to individuals in connection with services performed for the project shall be determined by multiplying the salary, including all benefits, of the individual by the percentage of time the individual actually provides services for project activities.
- (b) Expendable Personal Property. The cash counterpart contribution in respect of expendable personal property, including office and workshop supplies and per diem, shall equal the cash outlay made to acquire the property.
- (c) Nonexpendable Personal and Real Property. The cash counterpart contribution in respect of nonexpendable personal property (such as equipment) and real property (buildings and land) shall be determined as follows:

(i) If the purpose of the Grant is to assist the Grantee or a subgrantee in the acquisition of the property, the cash counterpart contribution shall equal the total cash outlay made to acquire the property.

(ii) If the purpose of the Grant is to support activities that require the use of the property, the cash counterpart contribution shall equal the depreciation or use charges properly chargeable to the property during the period of the Grant using the straight-line method of depreciation, based on the cash outlay made to acquire the property and the useful life of the property.

(d) Rent and Utilities. The cash counterpart contribution in respect of rent and utilities (such as water and electric charges) shall be determined by multiplying the cash outlay made for such purposes for the facility or facilities housing project activities by the percentage of space in such facilities actually provided for project activities.

Section X.3. In-Kind Contributions. In-kind contributions represent the value of non-cash contributions of property or services by the Grantee, a subgrantee or third party other than the U.S. Government. In-kind contributions meeting the criteria specified in Section X.1 shall be allocated as counterpart contributions under this Grant in accordance with the following criteria:

(a) Volunteer Services. The in-kind contributions of volunteer services shall be valued on the basis of the rate of compensation paid for similar work in the Grantee's or subgrantee's organization, or on the basis of the rate of compensation paid for such work in the local labor market in which the volunteer services are performed.

The value of volunteer services shall be determined by multiplying the applicable rate of compensation by the percentage of time actually devoted to providing services for project activities.

(b) Donated Expendable Personal Property. The in-kind contribution value of expendable personal property shall equal the fair market value of the donated property at the time it is made available for project purposes.

(c) Donated Nonexpendable Personal and Real Property. The in-kind contribution value of nonexpendable personal and real property shall be determined as follows:

(i) If the purpose of the Grant is to assist the Grantee or a subgrantee in the acquisition of the property, the in-kind contribution shall equal the fair market value of like property of the same age and

condition at the time of donation.

(ii) If the purpose of the Grant is to support activities that require the use of the property, the in-kind contribution value shall equal either (i) the depreciation or use charges properly chargeable to the property during the period of the Grant using the straight-line method of depreciation, based on the original acquisition cost of the property and the useful life of the property or (ii) the local cost of renting similar property of the same age and condition at the time of donation during the period the property is used for Grant activities. In the case of space provided for meetings, workshops and similar short-term needs, the in-kind contribution value shall equal the amount chargeable locally if the space were provided for such purposes for a fee. In the case of land provided for agricultural products, the in-kind contribution value shall equal the amount chargeable locally if the land were rented for such purposes.

#### XI. MISCELLANEOUS

Section XI.1. Title to Property. Title to property financed under the Grant shall vest in the Grantee as provided in the Standard Provision relating thereto set forth in Attachment 2 to this Grant Agreement.

Section XI.2. Authorized Geographic Code. If the total procurement element during the life of the Grant is valued at \$250,000 or less, all goods and services financed under the Grant with U.S. dollars shall be procured in and shipped from countries included in AID Geographic Code 935 in accordance with the order of preference specified in the Standard Provision relating thereto set forth in Attachment 2 to this Grant Agreement. If the total procurement element exceeds \$250,000, all goods and services financed under the Grant with U.S. dollars shall be procured in and shipped from the U.S.

Section XI.3. Overhead Rate. The applicable overhead rate(s), the base(s) on which they apply, and the Grantee's accounting period(s) they cover, are as follows:

NOT APPLICABLE

#### XII. STANDARD PROVISIONS

Section XII.1. Standard Provisions. The Standard Provisions set forth in Attachment 2 consist of the following:

(a) Mandatory Standard Provisions

(Standard Provisions 1 through 11, inclusive, under the heading "Mandatory Standard Provisions for Non-U.S., Nongovernmental Grantees" are applicable); and

(b) Other Standard Provisions

(Such of Standard Provisions 1 through 21, inclusive, under the heading "Required as Applicable Standard Provisions for Non-U.S., Nongovernmental Grantees" as are therein checked are applicable.)

Section XII.2. Inconsistencies. In the event of an inconsistency among the elements of this Grant Agreement, the following order of precedence shall apply:

- (i) The covering Grant Letter;
- (ii) Attachment 1 (Schedule and Project Description); and
- (iii) Attachment 2 (Standard Provisions).



PVO Form No. 2

QUARTERLY PROGRESS REPORT

Period Covered: \_\_\_\_\_ through \_\_\_\_\_, 19\_\_

- A. Name of PYO \_\_\_\_\_
- B. Project Title & Grant Number \_\_\_\_\_
- C. PACD \_\_\_\_\_
- D. Date of Last Report: \_\_\_\_\_ E. Date of Last Evaluation: \_\_\_\_\_
- F. Project Funding LOP: Grant \_\_\_\_\_ G. Counterpart: \_\_\_\_\_
- H. Expenditure to date: Grant: \_\_\_\_\_ I. Counterpart: \_\_\_\_\_
- J. Project Purpose: (Use Additional pages if necessary) \_\_\_\_\_

K. Activities for the Period \_\_\_\_\_

L. Outputs (Cumulative, if possible) :

M. Issues/Problems this Quarter and Planned Actions to Resolve Issues/Problems:

N. Contractors/Consultants

Prepared by: \_\_\_\_\_

Date Prepared: \_\_\_\_\_

## PROGRESS REPORT INSTRUCTIONS

(One copy of this report should be submitted to the USAID Project Officer within the first month following the end of the reporting quarter)

### Use Additional Pages If Necessary

- Item A (Name of PVO - Provide Name of PVO)
- Item B (Project Title & Grant Number) - Provide Project Title & Grant Number
- Item C (PACD) - Provide Project Assistance Completion Date
- Item D (Date of Last Report) - Provide Date of Last Quarterly Report
- Item E (Date of Last Evaluation) - Provide Date of Last Evaluation
- Item F (Project Funding LOP: Grant) - Provide Project Funding Life of Project Grant
- Item G (Project Funding LOP: Counterpart) - Provide Counterpart Funding Life of Project
- Item H (Expenditure to Date) - Provide Total Expenditures To Date (Grant Funds)
- Item I (Expenditure To Date: Counterpart) - Provide Total Counterpart Expenditures to Date.
- Item J (Project Purposes) - Should not exceed 4 lines
- Item K (Activities for the Period) - Compare actual accomplishments with planned activities for the quarter. If planned activities were not met, include reasons why they were not met. Information on time schedule, outputs accomplished, other performance goals achieved, and explanation of cost overruns, if any, should be included.
- Item L (Outputs) - If possible, list outputs cumulative not only for quarter.
- Item M (Issues/Problems) - Indicate major issues/problems and planned actions to resolve issues.
- Item N. (Contractors/Consultants) - List major consultants or contractors. If none, state none.

N.B.

In addition to preparing this form every quarter, please submit special reports (a) when events occur that have significant impact upon the project or (b) when problems, delays or adverse conditions will affect the ability to attain objectives. This should be accompanied by a statement of the action taken or planned or further USAID assistance needed.

QUARTERLY REQUEST FOR CASH ADVANCE

Name of Grantee: \_\_\_\_\_  
 Project Title : \_\_\_\_\_  
 Grant Number : \_\_\_\_\_  
 Period Covered : \_\_\_\_\_ through \_\_\_\_\_ 19 \_\_\_\_\_

- 1. Amount Authorized (Life of Project) P \_\_\_\_\_
- 2. Total Cash Advances Received to date \_\_\_\_\_
- 3. Total Disbursements to date \_\_\_\_\_
- 4. Estimated Disbursement up to the end of the Quarter \_\_\_\_\_
- 5. Unexpended Cash Advances /2-(3+4)/ \_\_\_\_\_
- 6. Cash Requirement for this Period \_\_\_\_\_
- 7. Cash Advance Requested (6-5) P \_\_\_\_\_

Projected Expenditures by Line Item  
 for this Period:\*

	Monthly Breakdown		
	1st	2nd	3rd
A. Personnel Costs	P _____	_____	_____
B. Equipt. & Commodities	_____	_____	_____
C. Monitoring & Evaluation	_____	_____	_____
D. Training	_____	_____	_____
E. Administrative & Travel	_____	_____	_____
F. Loan Fund	_____	_____	_____
Monthly Totals	_____	_____	_____
Total Amount Required for the period	P _____	_____	_____

The undersigned hereby certifies: 1) that the above represents the best estimates of funds needed for expenditures to be incurred over the period described; 2) that expenses under any previous advances are progressing in accordance with projections; 3) that appropriate refund or credit to the grant will be made in the event funds are not expended; 4) that appropriate refund will be made in the event of disallowance in accordance with the terms of this grant; 5) that any interest accrued on the funds made available herein will be refunded to the U.S. Agency for International Development (USAID).

\_\_\_\_\_  
 Date Signed

\_\_\_\_\_  
 Project Director/Authorized PVO  
 Representative

\*Line Items may be added based on the approved grant budget.

(One copy of the Request for Cash Advance along with the updated Implementation Plan, should be submitted to the USAID Project Manager within 30 days before the start of the quarter..)

QUARTERLY EXPENDITURE/LIQUIDATION REPORT

Name of Grantee : \_\_\_\_\_  
 Project Title : \_\_\_\_\_  
 Grant Number : \_\_\_\_\_  
 Period Covered: \_\_\_\_\_ through \_\_\_\_\_, 19\_\_

Budget Items	G R A N T F U N D S				Unexpended Balance	C O U N T E R P A R T F U N D S		
	Approved Budget LOP	Advances Cumulative	Disbursements this Period	Total Disbursement		Approved Budget LOP	Disbursement this Period	Total Disbursement
1. Personnel Costs								
Grand total								

I, the undersigned hereby certify that: (1) the expenditures claimed under the cited agreement are proper and due and that appropriate refund to USAID will be made promptly upon request of USAID in the event of non-performance, in whole or in part, under the terms of the agreement; (2) that the information on this Report is correct and such detailed supporting information as USAID may require will be furnished at the grantee's home office, as appropriate; (3) that all requirements called for by the agreement to date of this certification have been met; and, (4) that to the best of my knowledge, none of the commodities purchased were produced in and imported from other than Free World countries.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_  
 Project Director/Authorized Representative

**Best Available Document**

(one copy of the Expenditure/Liquidation Report should be submitted to the USAID Project Officer.)

32

### Quarterly Expenditure/Liquidation Report

Expenditure/Liquidation reports are to specifically include the following detailed information:

- a. Salaries and wages are to be set forth as separate line items for each position, the incumbent's name, indicating whether full-time or part-time (i.e., one-fourth time, one-half time, etc.) rate of pay and total cost for period claimed.
- b. The term Consultant's fee is to be used in appropriate cases. Each consultant's fee must be set forth as a separate line item which clearly indicates the type of consultant service, the consultant's name, period of time employed, rate of pay (i.e. hourly, daily, weekly monthly), and total cost for period claimed.
- c. Purchases of major commodities (e.g. typewriters, calculators, computers, machinery, etc.) shall be listed as distinct line items including the item, brand name, vendors name/address/telephone and amount.

NOTE: Payments of honoraria, however designated, are not permitted.

AGREEMENT FOR SPECIAL BANK ACCOUNT

This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, between the United States of America (the "U.S. Government"), represented by the Agency for International Development ("A.I.D."), [1] \_\_\_\_\_, a non-stock, non-profit corporation organized and existing under the laws of the Republic of the Philippines (the "Grantee") and [2] \_\_\_\_\_, a banking corporation organized and existing under the laws of the Republic of the Philippines (the "Bank")

WITNESSETH:

WHEREAS, A.I.D. and the Grantee entered into a Grant Agreement dated \_\_\_\_\_, 19\_\_\_\_ (the "Grant Agreement") for [3] \_\_\_\_\_ providing for advances of funds by A.I.D. to the Grantee; and

WHEREAS, under the terms of the Grant Agreement, the Grantee is required to establish a separate bank account for the deposit of funds advanced under the Grant Agreement; and

WHEREAS, the Grantee has established a separate bank account with the Bank, hereby designated the [4] \_\_\_\_\_ (the "Special Account").

NOW THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the Bank, A.I.D. and the Grantee hereby agree as follows:

- [1] Insert Grantee's full legal name.
- [2] Insert Bank's full legal name.
- [3] Insert full name of Project
- [4] Insert "Grantee's Name/AID Special Bank Account".

**Best Available Document**

Section 1. The U.S. Government shall have a lien on the credit balance in the Special Account to secure the payment of any obligations of the Grantee under the Grant Agreement to the U.S. Government or its agencies and instrumentalities. The Bank agrees that any lien or claim of the Bank with respect to the Special Account shall be subordinated to the lien of the U.S. Government.

Section 2. The Bank shall be bound by the terms of the Grant Agreement relating to the deposit and withdrawal of funds in the Special Account, but shall not be responsible for the application of funds withdrawn from the account. The Bank shall act upon written directions of the Grant Officer representing A.I.D.'s Mission to the Philippines ("USAID/Philippines") and the duly authorized representatives of said Grant Officer. The Bank shall not be held liable to any party to this Agreement for any action that complies with such written directions. Any written directions received by the Bank through the USAID/Philippines Grant Officer on A.I.D. or USAID/Philippines stationery and purporting to be signed by, or by the direction of said Grant Officer or his or her duly authorized representative, shall be, as far as the rights, duties and liabilities of the Bank are concerned, considered to be properly issued and filed with the Bank by A.I.D.

Section 3. The U.S. Government and its authorized representatives, shall have access to the books and records maintained by the Bank regarding the Special Account at all reasonable times and for all reasonable purposes, including, without limitation, the inspection or copying of said books and records and any and all pertinent memoranda, checks, correspondence and documents. The Bank shall preserve such books and records for a period of six years after the closing of the Special Account.

Section 4. In the event of the service of any writ of attachment, levy of execution or commencement of garnishment proceedings against the Special Account, the Bank shall promptly notify the Grant Officer, USAID/Philippines, Ramon Magsaysay Center Building, 1680 Roxas Boulevard, Manila.

IN WITNESS WHEREOF, the Bank, A.I.D. and the Grantee, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

[5]

[6]

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

UNITED STATES OF AMERICA

By: \_\_\_\_\_

Title: Grant Officer  
USAID/Philippines

[5] Insert Grantee's full legal name  
[6] Insert Bank's full legal name

SIGNED IN THE PRESENCE OF:

\_\_\_\_\_

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)

\_\_\_\_\_ ) S.S.

BEFORE ME, a Notary Public for and in the \_\_\_\_\_, on this \_\_\_\_ day of \_\_\_\_\_ 19 \_\_, personally came and appeared the following:

1. \_\_\_\_\_  
Representative of Grantee

Res. Certificate No. A-\_\_\_\_\_  
Issued at \_\_\_\_\_  
on \_\_\_\_\_

2. \_\_\_\_\_  
Representative of Bank

Res. Certificate No. A-\_\_\_\_\_  
Issued at \_\_\_\_\_  
on \_\_\_\_\_

3. \_\_\_\_\_  
Grant Officer/USAID

\_\_\_\_\_ exempted

all known to me and to me known to be the same persons who executed the foregoing Agreement, which consists of \_\_\_\_ pages, including this page on which this acknowledgment portion is written, duly signed by the parties and

their instrumental witnesses. The parties above acknowledged to me that the execution of the Agreement is their own free, voluntary act and deed and the voluntary act and deed of the firms and agency they are representing.

WITNESS MY HAND AND SEAL on the date and place first above written.

Notary Public

Until December \_\_\_\_\_, 19\_\_

PTR No. \_\_\_\_\_

Doc. No. \_\_\_\_\_:

Page No. \_\_\_\_\_:

Book No. \_\_\_\_\_:

Series of 19\_\_:

34

	USAID ASSISTANCE				PCF COUNTERPART				
	BAGUIO	CEBU	MANILA	TOTAL	PCF	BAGUIO	CEBU	MANILA	TOTAL
<b>a. Personnel Costs*</b>									
1 Three (3) Center Directors P 3,750/mo x 13 mos.	P 74,750.00	P 74,750.00	P 74,750.00	P 224,250.00					
2 Six (6) Counselors P 4,250/mo. x 13 mos. x 2 Counselors/Center	110,500.00	110,500.00	110,500.00	331,500.00					
3 One (1) PCF Program Officer P 7,750/mo. x 13 mos. x 1/3 time/Center	33,584.00	33,583.00	33,583.00	100,750.00					
4 Vice President (.2 time)					P 49,880.00				P 49,880.00
5 One (1) PCF Bookkeeper P 5,750/mo. x 13 mos. x 1/3 time/center	24,917.00	24,917.00	24,916.00	74,750.00					
6 One (1) IEC Officer (part-time) P 1,000/mo. x 12 mos. x 1/3 time/Center	4,000.00	4,000.00	4,000.00	12,000.00					
7 Chief Accountant (.2 time)					25,800.00				25,800.00
8 Controller (.2 time)					31,800.00				31,800.00
9 Clerk typist					8,160.00				8,160.00
10 Driver (.12 time)					5,400.00				5,400.00
11 Dispatcher(.012 time)					800.00				800.00
12 Administrative Personnel. Legal Officer (.21 time)					27,100.00				27,100.00
13 Logistics Officer (.2 time)					14,280.00				14,280.00
14 Employee Benefits	8,000.00	8,000.00	8,000.00	18,000.00	18,300.00				18,300.00
<b>Sub-Total (a)</b>	<b>P 253,751.00</b>	<b>P 253,750.00</b>	<b>P 253,749.00</b>	<b>P 761,250.00</b>	<b>181,320.00</b>				<b>P 181,320.00</b>
<b>b. Training Costs</b>									
1 Basic training on family planning (5 days for 15 Center staff + 3 PCF staff; cost includes honorarium of resource persons, training materials, board and lodging, transpor- tation and development of workshop design	P 45,387.00	45,387.00	45,386.00	136,100.00					
2 Seminar-workshop on project management and monitoring (5 days for 15 Center staff + 3 PCF staff)	45,387.00	45,387.00	45,386.00	136,100.00					
3 Seminar-workshop on community	45,387.00	45,387.00	45,386.00	136,100.00					

DETAILED PROJECT BUDGET

ATTACHMENT 1  
ANNEX C

12

	USAID ASSISTANCE				PCF COUNTERPART				
	BAQUIO	CEBU	HAHILA	TOTAL	PCF	BAQUIO	CEBU	HAHILA	TOTAL
organizing (5 days for 15 Center staff and 3 PCF staff)									
4 Staff upgrading (attendance to scientific meetings and other trainings related to Center management, life planning, health and parenting)	25,000.00	25,000.00	25,000.00	75,000.00					
5 Training of Youth Volunteers on adolescent development, facilitating skills, community organizing and project manage- ment (12 days for 20 youth volunteers/batch x 2 batches/ Center and 5 staff/Center)	188,200.00	188,200.00	188,200.00	484,600.00					
Sub-Total (b)	P 327,301.00	P 327,301.00	P 327,298.00	811,900.00					
<b>c. IEC Costs</b>									
1 Development and production of new IEC materials for the community youth, young parents and working youth	P 30,000.00	P 30,000.00	P 30,000.00	P 90,000.00					
2 Reproduction of existing IEC materials	30,000.00	30,000.00	30,000.00	90,000.00					
3 Honorarium of resource persons during regular symposia and lectures	9,800.00	9,800.00	9,800.00	28,800.00					
4 Consultation meetings with parents	1,700.00	P 1,700.00	P 1,700.00	5,100.00					
5 Radio spots						P 12,000.00	P 5,000.00	P 9,000.00	P 26,000.00
6 TV spots							120,000.00	15,000.00	135,000.00
7 Newspaper releases						10,000.00	95,000.00	10,000.00	115,000.00
8 Center's special events						5,000.00	12,000.00	7,000.00	24,000.00
Sub-Total (c)	P 71,300.00	P 71,300.00	P 71,300.00	P 213,900.00		P 27,000.00	P 232,000.00	P 38,000.00	P 297,000.00
<b>d. Special Center A services</b>									
1. Livelihood program							P 193,867.00		P 193,867.00
2. Program for the street children						P 50,000.00	300,000.00	P 30,000.00	380,000.00
3. Parenting program						30,000.00	30,000.00	30,000.00	90,000.00
4. Skills training for community youth						100,000.00		100,000.00	200,000.00

ok

	USAID ASSISTANCE				:	PCF COUNTERPART				
	BAGUIO	CEBU	MANILA	TOTAL		PCF	BAGUIO	CEBU	MANILA	TOTAL
Sub-total (d)					:	P	180,000.00	P 523,667.00	P 160,000.00	P 863,667.00
e. Evaluation	P 150,000.00	P 150,000.00	P 125,000.00	P 425,000.00	:					
f. Other Costs					:					
1. Utilities					:					
1.1 Space rental				P 222,800.00	:					
* P5,000/mo. x 12 mos.	P 85,000.00				:					
* P8,000/mo. x 12 mos.		P 79,800.00			:					
* P6,500 x 12 mos.			P 78,000.00		:					
1.2 Water					:					
P 100/mo. x 12 mos.	1,200.00	1,200.00	1,200.00	3,600.00	:					
1.3 Electricity					:					
P500/mo. x 12 mos.	8,000.00	8,000.00	8,000.00	18,000.00	:					
1.4 Telephone				42,000.00	:	P 24,000.00				P 24,000.00
* P1,000/mo. x 12 mos.	12,000.00				:					
* P2,000/mo. x 12 mos.		24,000.00			:					
* P500/mo. x 12 mos.			8,000.00		:					
1.5 Janitorial services and Center's maintenance	18,000.00	18,000.00	18,000.00	54,000.00	:					
P1,500/mo. x 12 mos.					:					
1.6 Electricity and water					:		120,000.00			120,000.00
1.7 Office space					:		120,000.00			120,000.00
Sub-Total	P 102,200.00	P 129,000.00	P 109,200.00	P 340,400.00	:	P 264,000.00				P 264,000.00
2. Transportation of Center staff					:					
2.1 Outreach activities	P 7,200.00	P 7,200.00	P 7,200.00	P 21,600.00	:					
P600/mo. x 12 mos.					:					
2.2 Directors' meeting				12,400.00	:					
* P600/meeting x 4 meetings	2,400.00				:					
* P2,400/meeting x 4 meetings		9,600.00			:					
* P100/meeting x 4 meetings			400.00		:					
Sub-Total	P 9,600.00	P 16,800.00	P 7,600.00	P 34,000.00	:					
3. Board and lodging during directors' meeting: P750/day x 4 meetings x 5 days/meeting	P 15,000.00	15,000.00		30,000.00	:					
4. Assessment workshop	P 3,750.00	P 3,750.00	P 3,750.00	P 11,250.00	:					
5. Technical assistance and monitoring by PCF staff					:					

Best Available Document

14

	USAID ASSISTANCE				PCF COUNTERPART				
	BAGUIO	CEBU	MANILA	TOTAL	PCF	BAGUIO	CEBU	MANILA	TOTAL
5.1 Transportation (computed based P on 4 monitoring visits and 1 trip for a year-end inventory)	3,000.00	P 15,000.00	P 2,500.00	P 20,500.00					
5.2 Board and lodging (computed based on 4 monitoring visits and 1 trip for a year-end inventory)	24,000.00	24,000.00		48,000.00					
5.3 Report writing	2,000.00	2,000.00	2,000.00	8,000.00					
Sub-Total	P 29,000.00	P 41,000.00	P 4,500.00	P 74,500.00					
6. Supplies and Communication P 1,000/mo, x 12 mos.	P 12,000.00	P 12,000.00	P 12,000.00	P 36,000.00					
7. Miscellaneous (Bank charges and other project-related expenses)	P 3,448.00	P 3,564.00	P 2,281.00	P 9,273.00					
8. Membership dues and other fees						P 4,000.00	P 4,000.00	P 4,000.00	P 12,000.00
Sub-Total (f)	P 174,998.00	P 221,114.00	P 139,311.00	P 535,423.00	P 284,000.00	P 4,000.00	P 4,000.00	P 4,000.00	P 278,000.00
GRAID TOTAL	P 977,350.00	P 1,029,465.00	P 916,658.00	P 2,917,473.00	P 445,320.00	P 211,000.00	P 759,867.00	P 202,000.00	P 1,817,987.00

\*Rate considered the new government wage order.

61

## CENTERS' FIVE-YEAR FINANCIAL PLAN

Following is PCF's proposed scheme based on the individual proposal of the three (3) Centers and their past performance in funds generation. This proposal is premised on the minimum required trust fund based on the level of overhead cost. The Centers, however, will implement their own plan depending on their own capability. (Attached to the proposed scheme are the Centers' Board resolutions stipulating commitment to institutionalize the project.

Assumptions

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1. Absorption rate of operating overhead per Center = 25% per annum beginning Year 2 of the five-year period.
2. Average rate of increase in overhead cost = 10% per annum.
3. Request for funds for activities from USAID and other donors beginning Year 2 will depend on the nature of Year 2 to Year 5 plans.
4. Bank interest rate (minimum level) = 10% per annum.
5. Centers' Year 1 budget (overhead cost only) at minimum operating level.

	BAGUIO	CEBU	MANILA
A. Administrative Costs			
1. Salaries			
1.1 Center Director P5,000/mo. x 13 mos.	P 65,000.00	P 65,000.00	P 65,000.00
1.2 Counselors			

	BAGUIO	CEBU	MANILA
P3,500/mo. x 2 counselors x 13 mos.	91,000.00	91,000.00	91,000.00
2. Employee Benefits P900/mo. x 12 mos.	10,800.00	10,800.00	10,800.00
3. Supplies and Communications P1,000/mo. x 12 mos.	12,000.00	12,000.00	12,000.00
Sub-Total (A)	P 178,800.00	P 178,800.00	P 178,800.00
<b>B. Operations Costs</b>			
1. Utilities			
1.1 Space rental			
P5,000/mo. 12 mos.	65,000.00		
P6,050/mo. x 12 mos.		72,600.00	
P6,500/mo. x 12 mos.			78,000.00
1.2 Telephone			
P1,000/mo. x 12 mos.	12,000.00		
P2,000/mo. x 12 mos.		24,000.00	
P500/mo. x 12 mos.			6,000.00
1.3 Water			
P100/mo. x 12 mos.	1,200.00		1,200.00
P75/mo. x 12 mos.		900.00	
1.4 Electricity			
P200/mo. x 12 mos.	2,400.00		2,400.00
P500/mo. x 12 mos.		6,000.00	
1.5 Janitorial Services and Maintenance supplies P1,500/mo. x 12 mos.	18,000.00	18,000.00	18,000.00
2. Transportation of Staff P600/mo. x 12 mos.	7,200.00	7,200.00	7,200.00
3. Membership dues and other fees	5,000.00	5,000.00	5,000.00
Sub-Total (B)	P 110,800.00	P 133,700.00	P 117,800.00
GRAND TOTAL	P 289,600.00	P 312,500.00	P 296,600.00

**BAGUID CENTER'S FINANCIAL PLAN**

YEAR	TOTAL OPERATING OVERHEAD REQUIRED	USAID CONTRIBUTION		CENTER COUNTERPART		TRUST FUND REQUIRED ALLOWANCE FOR INFLATION		
		AMOUNT	%	AMOUNT	%	AMOUNT	(8x)	TOTAL
1	P 289,600.00	P 289,600.00	100.00	-	-	(Initial year for building Center's trust fund)		
2	318,560.00	238,920.00	75.00	P 79,640.00	25.00	P 796,400.00	P 63,712.00	P 860,112.00
3	350,416.00	175,208.00	50.00	175,208.00	50.00	1,752,080.00	140,166.40	1,892,246.40
4	385,457.60	96,364.40	25.00	289,093.20	75.00	2,890,932.00	231,274.56	3,122,206.56
5	424,003.36	-	-	424,003.36	100.00	4,280,033.60	342,402.69	4,622,436.29

**CEBU CENTER'S FINANCIAL PLAN**

YEAR	TOTAL OPERATING OVERHEAD REQUIRED	USAID CONTRIBUTION		CENTER COUNTERPART		TRUST FUND REQUIRED ALLOWANCE FOR INFLATION		
		AMOUNT	%	AMOUNT	%	AMOUNT	(8x)	TOTAL
1	P 312,500.00	P 312,500.00	100.00	-	-	(Initial year for building Center's trust fund)		
2	343,750.00	257,812.50	75.00	P 85,937.50	25.00	P 859,375.00	P 68,750.00	P 928,125.00
3	372,125.00	189,062.50	50.00	189,062.50	50.00	1,890,625.00	151,250.00	2,041,875.00
4	415,937.50	103,984.38	25.00	311,953.13	75.00	3,119,531.20	249,562.50	3,369,093.70
5	457,531.25	-	-	457,531.25	100.00	4,575,312.00	366,024.96	4,941,336.96

MANILA CENTER'S FINANCIAL PLAN

YEAR	TOTAL OPERATING OVERHEAD REQUIRED	USAID CONTRIBUTION		CENTER COUNTERPART		TRUST FUND REQUIRED ALLOWANCE FOR INFLATION		
		AMOUNT	%	AMOUNT	%	AMOUNT	(8x)	TOTAL
1	P 296,000.00	P 296,000.00	100.00	-	-	(Initial year for building Center's trust fund)		
2	325,600.00	244,200.00	75.00	P 81,400.00	25.00	P 814,000.00	P 65,120.00	P 879,120.00
3	358,160.00	179,080.00	50.00	179,080.00	50.00	1,790,800.00	143,264.00	1,934,064.00
4	393,976.00	98,494.00	25.00	295,482.00	75.00	2,954,820.00	236,385.60	3,191,205.60
5	433,373.60	-	-	433,373.60	100.00	4,333,736.00	346,698.88	4,680,434.88

DAVUIO CENTER FOR YOUNG ADULTS, INC.  
Ground Floor, RME Building  
Assumption Road, Daguio City

BOARD OF DIRECTORS MEETING HELD ON JUNE 23, 1989 at 3:30 P.M.

PRESENT

Mr. Leonardo dela Cruz  
Ms. Margaret R. Pacsi  
Mr. Ramon Sotto  
Mr. Daniel Urquico  
Ms. Mercedes Cabaya  
Mr. Giovanni Masangcay  
Mr. Ernesto Reyes

ABSENT

Dir. Nelly E. Alabansa  
Kag. Lito Pangilinan  
Kag. Gladys Vergara  
Mr. Oscar Mabalot  
Sis Eugene Mendosa

Whereas, the Board of Directors and Management Staff of BCYA are committed to the program concept of the Baguio Center for Young Adults, Inc., based on the principle of addressing the adolescent not in one dimensional terms, but as a total person whose physical, emotional, intellectual, interpersonal and spiritual needs are inseparable. Given this central philosophy, the BCYA offers a wide range of programs, activities and services that are meant to respond to the multi-faceted interests and concerns of the Baguio Youth.

Whereas, the Board of Directors and Management staff have showed unending dedication and deep concern for the continuance of the implementation of the BCYA's programs and activities in the service of the youth. There is a need, therefore, to put more efforts towards institutionalisation and self-sufficiency programs in the service of the youth.

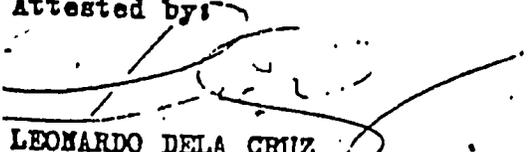
Now, therefore on motion duly seconded, be it:

Resolved, as it is hereby resolved that the Board of Directors and Management staff and Center clients have to prepare and organize strategies towards institutionalization. (see attached document).

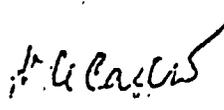
Resolved that the strategies be implemented to make BCYA, Inc. self-reliant in the years to come.

Unanimously approved!

Attested by:

  
LEONARDO DELA CRUZ  
Chairman of the Board  
Baguio Center for Young Adults

Certified Correct:

  
MARLENE DE CASTRO  
Center Director

BAGUIO CENTER FOR YOUNG ADULTS, INC.  
Ground Floor, RME Building  
Assumption Road, Baguio City

PLANNED STRATEGIES FOR IMPLEMENTATION TOWARDS INSTITUTIONALIZATION

1. Book/NewsPaper Sales

The Management staff shall canvass school requirements on text books and workbooks at all levels (Prep. schools, elementary, High School and Collegiate level). Publication House like National Bookstore shall be contacted to supply the negotiated school requirements at 30 to 35% commission on all sales. (Projected income ₱ 10,000.00 per year)

2. Card Sale

The Center clients shall develop personalized cards and Hallmark cards to be sold at the Center (Projected income /year ₱5,000.00)

3. Postcard Development and Sales

Some Center clients with interest in photography shall be encouraged to develop their skills to be able to produce postcards of Baguio sceneries to be sold locally and abroad. (Projected income/year ₱ 10,000 to 15,000)

4. Services Unlimited

The center shall serve as a contact point between people rendering varied services such as gardeners, plumbers, electricians, helpers, baby sitters, carpenters, masons, etc. and people in need of specific service. The Center shall keep the long list of varied names and addresses of the skilled people and contact them as the need of their services arises. The Center shall get 15 to 20% of their service fees upon signing of agreement between the skilled individual and the client. (Projected income ₱5,000.00)

5. Management Fees to be collected on Life Planning Training

Several Trainings shall be undertaken by the Center for a fee Leadership training at ₱ 5,000 per training. Trainor's Training on Life Planning at ₱5,000.00 per training. Youth Values Development at ₱ 5,000.00 per training.

6. Raffle Draw  
This shall be undertaken once in every year. (Projected income ₱20,000 to ₱25,000)
7. Souvenir Program for the Anniversary Celebration on September of every year. Solicitation of Donors (Projected income ₱10,000 to ₱15,000)
8. Solicitation of Contribution from two (2) mine sites  
Phillex Mines and Benguet Gold Operation at ₱5,000 each/year. (Projected income ₱10,000/year)
9. Solicitation from Patron of at least 10 individuals per year paying at ₱1,000 each. (Projected income ₱10,000/year)
10. Solicitation of Contribution from the Local Government through the approval of Sangguniang Panglunsod. (Projected income ₱20,000).
- II. Solicitation of Contribution from the Local PagCor located at Hyatt Teresas Plaza. (Projected income ₱10,000/year)
12. Other Fund Raising activities like concerts, stage plays, rummage sales, etc at ₱5,000 per activity. (Projected income ₱15,000)

**Best Available Document**

CEBU YOUTH CENTER, INC.  
"The Center for Young Adults"

BOARD RESOLUTION NO. 6

"Excerpts from the Minutes of the Regular  
BOT Meeting held on June 22, 1989"

WHEREAS, in the regular monthly meeting of the Board of Trustees on June 22, 1989 Ms. Anita A. Bonsubre, Center Director has informed that in behalf of the three (3) youth Centers, the Population Center Foundation (PCF) will propose to USAID a bridge-financing for one (1) year; and that the Center's Board of Trustees is required to prepare an Institutionalization Scheme / Fund Raising Plan;

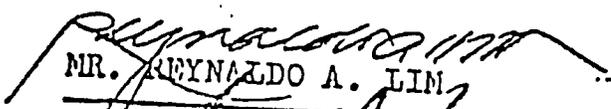
WHEREAS, the Cebu Youth Center, Inc. is interested in availing of the bridge-financing scheme of the USAID.

NOW, THEREFORE, on mass motion and duly seconded by the same, be it resolved as it is hereby resolved that the Center's BOT be authorized to prepare an Institutionalization Scheme with a one (1) year implementation plan and other pertinent document to satisfy the requirements of the USAID.

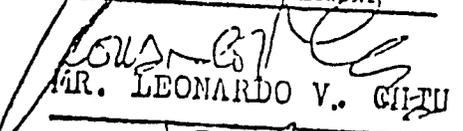
UNANIMOUSLY CARRIED.

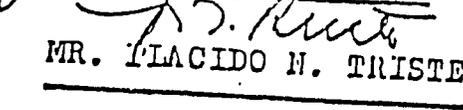
On this 22nd day of June, 1989 at Cebu City, Philippines.

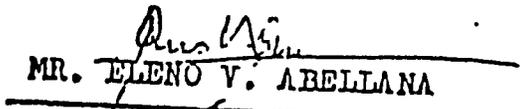
Certified true and correct:

  
MR. REYNALDO A. LIM

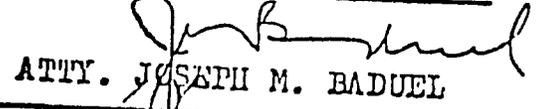
  
MR. JUAN B. SAJA

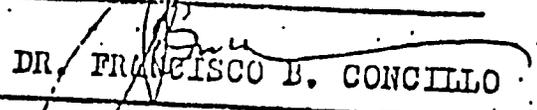
  
MR. LEONARDO V. CHIU

  
MR. PLACIDO N. TRISTE

  
MR. ELENÓ V. ABELLANA

  
DR. MA. LELANI E. VERDAN

  
ATTY. JOSEPH M. BADUEL

  
DR. FRANCISCO B. CONCILLO

MRS. AURORA S. GO

This is a presentation of the financial plan which will be initiated by the Cebu Youth Center, Inc. - "The Center for Young Adults".

The Center is socially and organizationally viable in which case given the realization of the plan herein presented it can very well manage.

THE PLAN

Initially required by the Center is a trust fund of 75.0 million to be raised as follows:

75 % from external sources: Philippine Development Assistance Program (PDAP)

Asia Foundation

ILF - Canadian International Development Agency (CIDA)

Philippine Business for Social Progress (PBSP) Corporate Donations

25 % from local sources: Ramon Abaitiz Foundation Inc. (RAFI)

Cebu Based PBSP - Member Companies

YEAR	TRUST FUND		ANNUAL REQUIREMENTS		
	INITIAL	ADDITIONAL	FOR GENERAL INVESTMENT	FOR GENERAL OPERATIONS	FOR INFLATION
			(2.0)	(10.0)	(18.0)
1	75.0		7400,000	7500,000	7300,000
2	5.4		622,000	550,000	972,000
3	5.322		642,360	605,000	1,047,360
4	6,264,360		632,102.50	605,500	1,127,602.50
5	6,727,153.50		673,153.50	752,350	1,210,503.50

The 75.0 million trust fund is expected to earn 12% to be distributed as follows:

10% for operations

8% for provision for inflation

The operation has a base cost of \$500 which is expected to increase by 10% each year.

IMPLEMENTATION PLAN

ACTIVITY	PERSONNEL		TIME PERIOD	TERMINATION INDICATIONS
	RESPONSIBLE	INVOLVED		
- Meeting of the Board of Trustees & Center Staff	Board Pres. Center Director	BOE Center Staff	First Month	
- Preparation of Proposals/Letters to Prospective Donors	Board Pres. Center Director	BOE Center Staff	First Month to 2nd Month	
- Mailing of Proposals/Letters	Center Staff		Second Month	
- Personal Follow-up to arrange a formal presentation by the Board of Trustees	Center Director BOE FBI Program Officer	Center Staff	4th to 5th Month	
- Formal presentation of request by Board of Trustees to Agencies & Corporations	Board of Trustees Center Director FBI Program Officer		5th Month to 6th Month	
- Finalization of documents pertinent to the donation/records of agreement	Center's Board of Trustees Representatives of Funding Agencies/ Corporate Foundations		6th to 7th Month	

Best Available Document

EXCERPTS FROM THE MINUTES OF THE MEETING  
OF THE BOARD OF TRUSTEES OF THE FOUNDATION  
FOR ADOLESCENT DEVELOPMENT  
HELD ON JULY 10, 1989 AT 8:00 A.M.  
AT 55 DONIA HEMADY STREET, NEW MANILA, QUEZON CITY

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XXXXXXXXXXXXXXXXXXXXXXXXX MRS. AURORA SILAYAN-GC informed the board that PCF will propose to USAID in behalf of the 3 youth centers a bridge financing assistance for one (1) year. In this regard, the board reviewed and approved its five-year financial plan. After some discussions, the following was agreed upon by the Board.

Resolution 89-6: That the five-year financial plan be submitted to USAID to support the PCF's request for bridge financing assistance.

Certified Correct:

EDUARDO M. TAYLOR

**Best Available Document**

FUND RAISING ACTIVITIES  
(To build trust fund)

ACTIVITY	1989	1990	1991	1992	1993	TOTAL
						P 3,500,000.00
1. Corporate solicitations						
* P 10,000/company x 25 companies	P 250,000.00					
* P 10,000/company x 50 companies		P 500,000.00				
* P 10,000/company x 75 companies			P 750,000.00			
* P 10,000 company x 100 companies				P 1,000,000.00	P 1,000,000.00	
2. Donations from PCSO and SSS	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	1,000,000.00
3. Annual car raffle (in coordination with Rotary Club of Manila)	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	500,000.00
4. Grant from Mr. Mark Pangilinan of Guarn		1,000,000.00				1,000,000.00
5. Management fee for trainings and assistance provided to other agencies and groups	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	50,000.00
<b>TOTAL</b>	<b>P 560,000.00</b>	<b>P 1,210,000.00</b>	<b>P 1,060,000.00</b>	<b>P 1,310,000.00</b>	<b>P 1,310,000.00</b>	<b>P 6,050,000.00</b>

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

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

1. ALLOWABLE COSTS (MAY 1986)

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

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

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

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

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

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

**Best Available Document**

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55

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

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

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

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

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

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

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

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

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

3. REFUNDS (MAY 1986)

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

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

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

REVISION OF GRANT BUDGET (MAY 1986)

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

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

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

(2) Additional funding is needed.

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

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

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

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

5. TERMINATION AND SUSPENSION (MAY 1986)

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

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

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

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

6. DISPUTES (NOVEMBER 1985)

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

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

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

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

7. INELIGIBLE COUNTRIES (MAY 1986)

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

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

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

9. NONLIABILITY (NOVEMBER 1985)

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

10. AMENDMENT (NOVEMBER 1985):

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

11. NOTICES (NOVEMBER 1985)

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

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

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

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

(END OF MANDATORY STANDARD PROVISIONS)

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

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

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

(INCLUDE THIS PAGE IN THE GRANT)

1. PAYMENT - PERIODIC ADVANCE (NOVEMBER 1985)

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

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

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

A. Period covered by this report:

FROM (Month, day, year) \_\_\_\_\_  
TO (Month, day, year) \_\_\_\_\_

Period covered by the next report:

FROM (Month, day, year) \_\_\_\_\_  
TO (Month, day, year) \_\_\_\_\_

B. Cash Advance Use and Needs:

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

62

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

FOOTNOTES:

1. The grantee shall submit a cumulative detailed report of disbursements by BUDGET line item quarterly.

2. The grantee shall attach a Summary, by BUDGET line item, of its projected disbursements for the next reporting period.

C. Certification:

The undersigned hereby certifies: (1) that the amount in paragraph 8.9 above represents the best estimate of funds needed for the disbursements to be incurred over the period described, (2) that appropriate refund or credit to the grant will be made in the event of disallowance in accordance with the terms of the grant, (3) that appropriate refund or

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

DATE \_\_\_\_\_

BY \_\_\_\_\_  
TITLE \_\_\_\_\_

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-13)

2. PAYMENT - COST REIMBURSEMENT (MAY 1986)

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

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

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-15)

### 3. AIR TRAVEL AND TRANSPORTATION (MAY 1986)

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

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

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

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

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

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

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

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

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

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

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

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

68+

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

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

(1) International Travel

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

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

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

(END OF STANDARD PROVISION)

4. OCEAN SHIPMENT OF GOODS (MAY 1986)

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

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

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

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-21)

5. PROCUREMENT OF GOODS AND SERVICES (MAY 1986)

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

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

(a) General Requirements:

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

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

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

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

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71

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

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

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

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

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

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

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

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

(A) Basis for contractor selection;

(B) Justification for lack of competition when competitive offers are not obtained;

(C) Basis for award: cost or price.

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

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

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

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

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

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

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

(END OF STANDARD PROVISION)

## 5. AID ELIGIBILITY RULES FOR GOODS AND SERVICES (MAY 1986)

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

(a) Ineligible and Restricted Goods and Services: If AID determines that the grantee has procured any of the restricted or ineligible goods and services specified below, or has procured goods and services from unauthorized sources, and has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to AID the entire amount of the reimbursement.

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

(i) Military equipment,

(ii) Surveillance equipment,

(iii) Commodities and services for support of police or other law enforcement activities,

(iv) Abortion equipment and services,

(v) Luxury goods and gambling equipment, or

(vi) Weather modification equipment.

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

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

(i) Agricultural commodities,

(ii) Motor vehicles,

(iii) Pharmaceuticals,

(iv) Pesticides,

(v) Rubber compounding chemicals and plasticizers,

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

(viii) Fertilizer.

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

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

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

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

(B) The Cooperating Country,

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

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

(ii) Application of Order of Preference: When the grantee procures goods and services from other than U.S. sources, under the order of preference in paragraph (b)(1)(i) above, the grantee shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the grantee's documentation:

76

(A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,

(B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,

(C) Impelling local political considerations precluded consideration of U.S. sources,

(D) The goods or services were not available from U.S. sources, or

(E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the grant.

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

(c) Marine Insurance: The eligibility of marine insurance is determined by the country in which it is placed. Insurance is placed in a country if payment of the insurance premium is made to and the insurance policy is issued by an insurance company located in that country. Eligible countries for placement are governed by the authorized geographic code, except that if Code 941 is authorized, the Cooperating Country is also eligible. Section 604(d) of the Foreign Assistance Act requires that if a recipient country discriminates by statute, decree, rule, or practice with respect to AID-financed procurement against any marine insurance company authorized to do business in the U.S., then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U.S. with a company or companies authorized to do marine insurance business in the U.S.

(d) Ocean and air transportation shall be in accordance with the applicable provisions contained within this grant.

(e) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical

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

- (1) The United States (AID Geographic code 000),
- (2) The Cooperating Country,
- (3) Selected Free World countries (AID Geographic Code 941),
- (4) Free World countries (AID Geographic Code 899).

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

(END OF STANDARD PROVISION)

## 7. SUBAGREEMENTS (MAY 1986)

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

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

701 x

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

(END OF STANDARD PROVISION)

9. LOCAL COST FINANCING (NOVEMBER 1988)

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

(a) Costs qualifying as local costs are eligible for financing under the grant in accordance with the terms of this standard provision. Local costs are defined as (1) indigenous goods, (2) imported shelf items, and (3) services provided by suppliers meeting the requirements contained in subparagraph (b). Indigenous goods are those that have been mined, grown or produced in the cooperating country through manufacture, processing or assembly. In the case of produced goods containing imported components, to qualify as indigenous a commercially recognized new commodity must result that is substantially different in basic characteristics or in purpose or utility from its components. Imported items are eligible for financing under the following situations: (1) Imported items available in the cooperating country which otherwise meet the source/origin requirements of the grant may be financed in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the grant agreement. (2) Imported items from Geographic Code 941 countries which are available in the cooperating country can be funded in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the grant. (3) Imported items from any Free World country which are available locally, or imported specifically for the grant, may be financed if the cost of the transaction, excluding the cost of the transportation, does not exceed the local currency equivalent of \$5,000.

(b) To qualify as local costs, goods and services must also meet the following additional requirements:

(1) They must be paid for in local currency.

(2) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined in AID Handbook 1B, Chapter 5.

(3) Any component from a country not included in AID geographic code 935 renders a commodity ineligible for financing.

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51

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

- (1) Military equipment,
- (2) Surveillance equipment,
- (3) Commodities and services for support of police or other law enforcement activities,
- (4) Abortion equipment and services,
- (5) Luxury goods and gambling equipment, or
- (6) Weather modification equipment.

(d) Ineligible Suppliers: Funds provided under this grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on AID's Consolidated List of Barred, Suspended, or Ineligible Awardees (AID Regulation 3, 192 CFR 208). AID will provide the grantee with this list upon request.

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

- (1) Agricultural commodities.
- (2) Motor vehicles,
- (3) Pharmaceuticals,
- (4) Pesticides,
- (5) Rubber compounding chemicals and plasticizers,
- (6) Used equipment,
- (7) U.S. Government-owned excess property, or
- (8) Fertilizer.

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

(END OF STANDARD PROVISION)

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42

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

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-35) .

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427

9. PATENT RIGHTS (MAY 1986)

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

(a) Definitions:

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

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

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

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

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

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

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

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84

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

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

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

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

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

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

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

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

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

(e) Minimum Rights to Recipient:

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

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

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86 x

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

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

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

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

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

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

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87

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

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

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

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

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

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

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

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

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

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

(3) The recipient shall share royalties collected on a subject invention with the inventor; and

(4) The balance of any royalties or income earned by the recipient with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, shall be utilized for the support of scientific research or education.

(1) Communications: Communications concerning this provision shall be addressed to the grant officer at the address shown in this agreement.

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-43)

10. PUBLICATIONS (MAY 1986)

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

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

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-45)

11. NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS (MAY 1986)

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

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

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-47)

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

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

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-49)

### 13. PARTICIPANT TRAINING (MAY 1986)

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

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

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

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

(1) AID-sponsored participants are admitted to the United States under the Department of State/USIA Exchange Visitor Program and are issued J-1 visas. The program identification number is G-2-0263.

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

(3) Holders of J-1 visas are subject to the Immigration and Nationality Act, as amended, and may not apply for an immigrant or an H or L nonimmigrant visa until 2 years' residency is completed in their home country, after completion of training.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(END OF STANDARD PROVISION)

14. VOLUNTARY POPULATION PLANNING (AUGUST 1986)

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

(a) Voluntary Participation:

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

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

(b) Voluntary Participation Requirements For Sterilization Programs:

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

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

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

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

(c) Prohibition on Abortion-Related Activities:

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

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

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

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

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

(3) In the event AID has reasonable cause to believe that the recipient may have violated its undertaking not to perform or actively promote abortion as a method of family planning, the recipient shall make available to AID such books and records and other information as AID may reasonably request in order to determine whether a violation of the undertaking has occurred.

(4) The recipient shall refund to AID the entire amount of assistance for family planning furnished under this grant in the event it is determined that the certification provided by the recipient under subparagraph (1), above, is false.

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

(6) The recipient may not furnish assistance for family planning under this grant to a foreign nongovernmental organization (the subrecipient) unless (i) the subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in AID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities and (ii) the recipient obtains the written agreement of the subrecipient containing the undertakings described in subparagraph (7), below.

(7) Prior to furnishing assistance for family planning under this grant to a subrecipient, the subrecipient must agree in writing that:

(i) The subrecipient will not, while receiving assistance under this grant, perform or actively promote abortion as a method of family planning in AID-recipient countries or provide financial support to other foreign nongovernmental organizations that conduct such activities.

170

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(15) Assistance for family planning may be furnished under this grant by a recipient, subrecipient or sub-subrecipient to a foreign government even though the government includes abortion in its family planning program, provided that no assistance may be furnished in support of the abortion activity of the government and any funds transferred to the government shall be placed in a segregated account to ensure that such funds may not be used to support the abortion activity of the government.

- (e) The grantee shall insert paragraphs (a), (b), (c), and (e) of this provision in all subsequent subgrants and contracts involving family planning or population activities which will be supported in whole or part from funds under this grant. Paragraph (d) shall be inserted in subagreements and sub-subagreements in accordance with the terms of paragraph (d). The term subagreement means subgrants and subcooperative agreements.

(END OF STANDARD PROVISION)

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

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

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

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106

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

(END OF STANDARD PROVISION)

16. NEGOTIATED OVERHEAD RATES - PROVISIONAL (NOVEMBER 1984)

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

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

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-65)

108

17. GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY (NOVEMBER 1984)

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

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

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-67)

18. TITLE TO AND USE OF PROPERTY (GRANTEE TITLE) (MAY 1985)

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

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

(END OF STANDARD PROVISION)

(NEXT PAGE 4D-69)

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

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

(a) Property, title to which vests in the Government under this grant, whether furnished by the Government or acquired by the grantee, is subject to this provision and is hereinafter collectively referred to as "Government property." Title to Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personal property by reason of affixation to any real property.

(b) Use of Government Property: Government property shall, unless otherwise provided herein or approved by the grant officer, be used only for the performance of this grant.

(c) Control, Maintenance and Repair of Government Property:

(1) The grantee shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this grant. The grantee shall take all reasonable steps to comply with all appropriate directions or instructions which the grant officer may prescribe as reasonably necessary for the protection of the Government property.

(2) The grantee shall submit, for review and written approval of the grant officer, a records system for property control and a program for orderly maintenance of Government property; however, if the grantee's property control and maintenance system has been reviewed and approved by another Federal department or agency pursuant to Attachment N of OMB Circular No. A-110, the grantee shall furnish the grant officer proof of such approval in lieu of another approval submission.

(3) Property Control: The property control system shall include but not be limited to the following:

(i) Identification of each item of Government property acquired or furnished under the grant by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of U.S. Government."

(ii) The price of each item of property acquired or furnished under this grant.

(iii) The location of each item of property acquired or furnished under this grant.

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

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

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

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

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

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

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

(iii) recording of work accomplished under the program.

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

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

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

(d) Risk of Loss:

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

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

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

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

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

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

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

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

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

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

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

- (i) The lost, destroyed, or damaged Government property;
- (ii) The time and origin of the loss, destruction, or damage;
- (iii) All known interests in commingled property of which the Government property is a part; and
- (iv) The insurance, if any, covering any part of or interest in such commingled property.

(4) The grantee shall make repairs and renovations of the damaged Government property or take such other action as the grant officer directs.

(5) In the event the grantee is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, it shall use the proceeds to repair, renovate or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the grant, or shall otherwise reimburse the Government, as directed by the grant officer. The grantee shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the grant officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including assistance in the prosecution of suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.

- (e) Access: The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.
- (f) Final Accounting and Disposition of Government Property: Upon completion of this grant, or at such earlier dates as may be fixed by the grant officer, the grantee shall submit, in a form acceptable to the grant officer, inventory schedules covering all items of Government property not consumed in the performance of this grant or not theretofore delivered to the Government, and shall prepare, deliver, or make such other disposition of the Government property as may be directed or authorized by the grant officer.
- (g) Communications: All communications issued pursuant to this provision shall be in writing.

(END OF STANDARD PROVISION)

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

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

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

(END OF STANDARD PROVISION)

21. COST SHARING (MATCHING) (MAY 1986)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(END OF STANDARD PROVISION)