

PD CBM 227



UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Regional Development Office/South Pacific

American Embassy
P.O. Box 218
Suva, Fiji.

Telephone: 311-399
Telex: 2647 USAID FJ
Telefax: 300 075

September 11, 1991

Mr. Julio Andrews
Pacific Island Nations Representative
The Asia Foundation
P.O. Box 15980
Suva, Fiji

Dear Mr. Andrews:

Andy

Re: Grant 879-0002-G-SS-1134

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereafter referred to as "A.I.D." or "Grantor") hereby grants to the Asia Foundation the sum of \$100,000 to provide support for a regional Magistrate Training Program, as described in the schedule of this grant and the Attachment 2, entitled "Program Description."

This Grant is effective and obligation made as of the date of this letter and shall apply to commitments made by the grantee in furtherance of program objectives during the period beginning with the effective date and ending September 30, 1992.

This Grant is made to the Asia Foundation, on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled the Schedule, Attachment 2, entitled "Program Description," and Attachment 3 entitled "Standard Provisions", which have been agreed to by your organization.

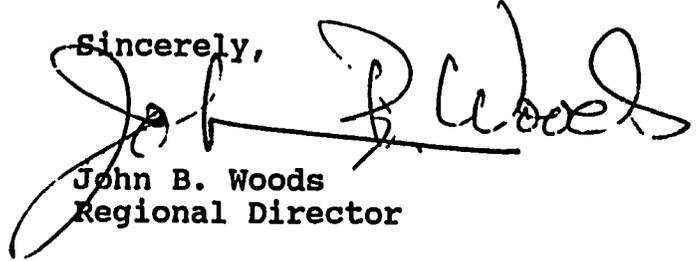
1

Mr. Julio Andrews
Pacific Island Nations Representative
The Asia Foundation
Suva, Fiji

2.

Please sign the original Grant and each copy of this letter to acknowledge your receipt of the grant, and return the original and all but one copy to RDO/SP.

Sincerely,

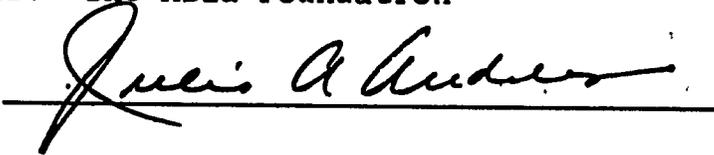


John B. Woods
Regional Director

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACCEPTED: The Asia Foundation



Name: JULIO A ANDREWS

Title: REPRESENTATIVE - PACIFIC ISLANDS

Date: September 12, 1991

ACCOUNTING CLASSIFICATION

APPN: 72-1111021
BPC: PDEA9127879KG12
RESCTLNO: S910329
OBLDOCNO: 879-0002-G-SS-1134
AMOUNT: US\$23,000.00

APPN: 72-1111021
BPC: PDSA9127879KG12
RESCTLNO: S910330
OBLDOCNO: 879-0002-G-SS-1134
AMOUNT: US\$77,000.00

ACCOUNTING SECTION

FUNDS AVAILABLE: \$ 100,000.00
FUNDS VERIFIED BY: [Signature]
ON: 9/18
TRNDAT: BY:
PSTDAT: BY: hiv/ocw "U"
TRN TYP:

SCHEDULE

A. Purpose of Grant

The purpose of this Grant is to provide support for the Regional Magistrate Training Program Activity as specifically described in Attachment 2 to this Grant entitled "Project Description."

B. Period of Grant

The effective date of this Grant is the date of signature of the Grant letter. The expiration date of this Grant is September 30, 1992.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$100,000 for purposes of this Grant.
2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, Standard Provisions entitled "Payment - Letter of Credit."

D. Financial Plan

Financing under this Grant shall be in accordance with the "Financial Narrative" found on page 6 of Attachment 2, "Program Description."

E. Reporting and Evaluation

1. The Grantee shall provide upon a six monthly basis a description of activity progress under this Grant.
2. The Grantee will submit quarterly "Financial Status Report" SF-269, on an accrual basis no later than 30 days after the end of the period, in an original and two copies to A.I.D./M/FM/PAFD, Washington, D.C. 20523. The final financial report must be submitted within 90 days after the conclusion of the grant.
3. The Grantee shall submit an original and one copy of SF272 "Federal Cash Transactions Report," within 15 working days following the end of each quarter to M/FM/PAFD, and a copy to RDO/SP.

Grant 879-0002-G-SS-1134

Attachment 1

F. Indirect Cost Rate

The Indirect Cost Rate under this grant is 25.6 percent.

G. Authorized Geographical Code

In accordance with the A.I.D. "Buy America" policy (State 410442, Dec. 5, 1990, paragraph 12), the Grantee, in procuring goods and services, shall follow the order of preference described in the standard provision entitled "A.I.D. Eligibility Rules for Goods and Services." (Attachment 3). All local cost procurement shall be documented per paragraph (b) (I) (ii) and addition rules of the standard provision entitled "Local Cost Financing" shall be followed also (Attachment 3). Due to the nature of the grant, all costs probably will be local (local being the 10 countries of the South Pacific included in A.I.D. Geographic Code 879) so the Grantee can prepare one justification to cover all local costs financed by this grant.

Grant 879-0002-G-SS-1134

Attachment 2

Program Description

A. SUMMARY

Country: South Pacific Regional

Activity Title: Regional Magistrate Training

Total AID Request: \$100,000 from APRE Asia
Democracy Program as per
State 148265 and State 224867

Activity Location: Fiji, Tonga,
Western Samoa, Kiribati, Cook
Islands, Vanuatu, Solomon
Islands and Tuvalu

Implementing Organization: The Asia Foundation
P.O. Box 15980
Suva, Fiji

B. ACTIVITY AND PURPOSE

The overall purpose of this activity is to strengthen the legal systems in the region and promote awareness of and adherence to the law in the government and society. To achieve this purpose, The Asia Foundation (TAF) will provide training in the lower courts to improve the efficiency of the judicial system. This strengthening of a major pillar supporting the institutions of democratic government is intended to promote the rule of law and the fair and consistent administration of justice by (1) increasing access to the law by private citizens, government officials, and the legal profession, and (2) improving judicial performance in a key area of law.

The proposed activity is a one year program to strengthen the capacity of the judiciary in eight Pacific Island nations. The program is training for the magistrates and paralegal personnel of the lower level courts, especially island magistrates, land magistrates, justices of the peace and court clerks. The training will focus upon substantive as well as procedural aspects of law and the management of court and case flow issues. The program complements work being done by TAF in judicial training programs with higher courts throughout the region.

In-country training programs in up to eight countries tailored to the uniqueness of each island nations' judicial system, will be conducted. Video tapes will be shown of relevant judicial practices and procedures, including tapes obtained by TAF from the U.S. judicial training institutions. The training program in each country will last for up to two weeks (ten working days) with timing adjusted so as not to hinder the flow of cases. The number of participants will vary according to each country, but is expected to be in the range of 20-30 participants.

C. RATIONALE

The development of democratic institutions is a prerequisite for a pluralistic society. The larger goal is thus to encourage the development of the democratic process by supporting the growth of a judicial system that is effective, fair and responsive to the needs of its citizens. The existence of legal procedures and established court systems is not enough to achieve this goal. Even with the best laws and the most modern court systems, the quality of justice is never better than the people who administer it. Excellence in judicial training is a basic pre-condition for the development of pluralistic societies where public participation is encouraged, human rights are protected and democratic institutions are allowed to develop and flourish.

Magistrates could be looked at as the work horses of the Asia/Pacific judicial system. It is common for over ninety percent (90%) of cases to be dealt with by magistrates courts. Almost all criminal cases come before these courts, even if they are later committed to the higher courts for sentence or trial. The magistrate courts also deal with the majority of civil cases at the lower end of the financial spectrum, as well as domestic proceedings.

Traditionally, magistrates and their staff have not received the training they deserve or warrant. Compounding the problem is the fact that magistrates are not required to have a formal legal education. Traditionally, these courts have been manned by older men. While this is acceptable in customary terms, the situation is changing. Pacific Islanders are now better educated and their standards and expectations of the judicial systems is changing.

Compounding the problem of inadequately trained magistrates is the lack of trained paralegals and court clerks who are responsible for the day to day running of the courts. Any training programs for the magistrates must also take into consideration the important role of the paralegal support staff. Thus this program addresses the training needs of both magistrates and their support staff.

The related activities of TAF are described in Section E below. These efforts, however, have reached only a small number of magistrates and paralegals in Kiribati and Solomon Islands. This program is to support TAF's effort to provide this training to reach more people in the countries of the South Pacific - - the majority of whom have little or no training.

D. INVOLVED PACIFIC ISLANDS INSTITUTIONS

The University of Papua New Guinea (UPNG) Faculty of Law has, since the 1970's, been responsible for running the TAF sponsored Legal Education and Assistance to the Provinces (LEAP) program funded partly by A.I.D. It involves final year law students going out to provinces to give talks on various aspects of the law and offer legal advice. This attempt to improve citizen understanding of the law, access to justice and enhancing efficiency of the judicial system is being extended by UPNG to other countries such as Kiribati, Solomon Islands and Vanuatu.

The University of the South Pacific (USP) Law Unit, located in Vanuatu is responsible for the USP's regional legal training programs. It's faculty includes the former Chief Magistrate and Registrar of the Solomon Islands. The Law Unit, with TAF sponsorship, has conducted workshops on legal training in Kiribati. Lack of funds has prevented the Law Unit from conducting legal training in other countries.

E. RELATED ACTIVITIES OF THE ASIA FOUNDATION

TAF has long been at the forefront of developing judicial excellence in Asia and the Pacific. Through its Pacific Islands Nations Program, TAF has done extensive work in the legal and judicial area over the past several years. TAF's efforts have been directed toward magistrate and paralegal training. TAF has provided practical training in court procedures and legal issues to personnel outside the courts, (eg. private attorneys, public solicitors, and public prosecutors). These activities impact on the ability of the courts to provide efficient and effective justice.

In addition to support to UPNG described in D above, TAF has supported long-term programs to upgrade the judiciary of the Solomon Islands through funding for ten magistrates in a two-year Diploma in Magistrate Studies offered by the UPNG Faculty of Law.

The Foundation had also supported a number of efforts in the area of legal codification, mostly under the auspices of the UPNG Faculty of Law, and has supported research and curriculum development on the role of customary law in the region. The foundation has sought to strengthen the upper levels of the judiciary and Pacific Island legal systems through the support for conference participation. In may, 1991, it supported the

participation of eight Pacific Island Chief Justices to the 9th Pacific Judicial Conference.

The TAF activities involving the USP Law Unit include the Kiribati workshops mentioned in D above and funding to develop a new course on custom, and customary laws.

The Foundation's extensive programming experience in the area of law and the administration of justice has enabled it to build widespread resource contacts in the field of judicial education and training in the U.S. and the region. This current project builds upon previous AID and TAF efforts to provide resources and strengthen professional competence within the judiciaries of the region.

F. BENEFICIARIES

The immediate beneficiaries of this training will be the magistrates and paralegals from the various judiciaries throughout the region. The ultimate beneficiaries will be the thousands of people, mostly rural, who come before the magistrates in civil and criminal matters.

G. ANTICIPATED ACCOMPLISHMENT

This program is to train approximately 250 magistrates and paralegals from up to eight judicial systems throughout the region. To illustrate the impact this program could have in a country, Fiji, with a population of 715,000 has 60 magistrates and paralegals. Thus the 2 week training of 30 would be reaching 50% of the lower courts personnel in Fiji. This should result in improving the quality and quantity of the administration of the legal system at the grass roots level throughout the country.

H. IMPLEMENTATION

RDO/SP will make a grant to the Fiji office of the Asia Foundation for \$100,000. TAF will coordinate the program with the participation of the USP Law Unit, the UPNG Faculty of Law in Port Moresby and the respective Ministry of Justice in each country.

TAF will make small grants to the USP Law Unit and UPNG Faculty of Law for costs of handbook writing and production and attendance at the in-country training programs. There will be no charge for salaries or overhead for this work. It is anticipated that much of the printed material and handbooks will be applicable to all of the training programs. However, modifications and adjustments will be made as appropriate and needed. The Law Unit and Faculty of Law will organize the training programs and conduct some of the sessions. Many sessions, however, will be conducted by senior judicial personnel of the country.

The Asia Foundation will sign separate letters of agreement (sub-grants) with the Ministry of Justice or the Chief Justice of each country where a training program is to be provided through this program. TAF will use its established procedures for monitoring and evaluating this grant. The letters of agreement covering sub-grants will clearly state the objectives, TAF's expectations, and the sub-grantee's obligations.

Ministries of Justice will be responsible for local logistics, but funding may be provided for travel, accommodation and meals for participants from outer islands or rural areas. The USP Law Unit will liaise with the respective ministries of justice regarding training content. It is anticipated that pre-training planning trips may be necessary to some locations.

I. TIME FRAME

The eight training programs will be conducted over the next twelve months and will last for up to 10 days each.

J. LOCAL SUPPORT

TAF and the Law Unit have already held discussions with the Ministries of Justice and Chief Justices of the eight countries covered by this program. All of the countries were represented at the 9th Pacific Judicial Conference in May 1991 where the proposed program was discussed. All are enthusiastic for the program and have agreed to provide logistical and professional support for the in-country programs.

K. EVALUATION

The Law Unit or Faculty of Law will distribute an evaluation form at the completion of each training program. In addition they will provide TAF with a narrative evaluation report.

TAF will provide a substantive report to RDO/SP upon completion of the activities. The report will describe the sub-grants provided during the year, and review the overall project in relation to its broad objectives and goals. Rather than a strictly quantitative assessment, the report will attempt to analyze the institutional impact of the project. TAF will also provide RDO/SP with a financial report for the project.

L. BUDGET ESTIMATE

<u>Expenses</u>	<u>Amount</u>
1. In-country training programs* including air fare and per diem for training staff, pre-training preparation including site visits for training staff.	US\$ 72,000*
2. Handbook writing and production	\$ 2,100
3. TAF program service costs (for monitoring and evaluation)	\$ 5,500
	\$ 79,600
4. Indirect costs (25.6% - rounded)	\$ 20,400
TOTAL BUDGET	US\$100,000 =====

* Sample budget from recently completed magistrate training in Nauru provided as illustrative:

Round trip airfares from USP Law Unit/Vanuatu (2 trainers X \$750)	US\$ 1,500
Per diem for 2 trainers (\$60 x 14 days x 2)	1,680
Local ground/air transportation costs for out of town participants (approx. \$118 x 12 persons)	1,420
Per diem for out of town participants (\$25 x 12 days x 12 persons)	3,600
Admin costs	<u>800</u>
	US\$ 9,000 =====

The above is based on the following assumptions:

1. Courses will run for 2 weeks or 10 working days.
2. The number of participants per country will be 25. smaller countries may not meet this number and their programs could cost less. Dispersed countries, such as Tuvalu, Kiribati and the Cook Islands would have more magistrates away from the capitals. Thus more funds will be needed for domestic travel. We assume that at least

half of the participants will be from outside the capital and thus need some form of per diem.

THE NUMBER OF MAGISTRATES AND PARALEGALS IN EACH COUNTRY

FIJI	15 magistrates 45 paralegals
KIRIBATI	200 island magistrates
TONGA	11 magistrates 30 legal practitioners
W. SAMOA	15 land and titles justices
VANUATU	4 magistrates 60-70 island court justices
SOLOMON ISLANDS	8 magistrates Approx. 600 court justices
TUVALU	1 resident magistrate 40 island magistrates
COOK ISLANDS	35 justices of the Peace

Please note that these figures are estimates only and are provided to the best of our knowledge.

M. ADP ELIGIBILITY CRITERIA

This proposal is consistent with the second element of the Asia Democracy Program (ADP) strategy (State 148265, May 7, 1991, paragraph 2) -- governance. It promotes at the lower judiciary levels the effective and open administration of law by trained personnel based on an understanding of the country's laws and their applications rather than by untrained people based on their personal views and concepts of justice.

This proposal meets all the guiding principles for ADP funding (paragraph 4 of reference cable):

1. It will train magistrates and paralegal staff in the country's own procedures and legal system so it is non-partisan and non-interventionist;
2. Each country's training program will receive appropriate publicity so the public will be aware of how they will benefit;

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3. The proposal was prepared after consultation with ministries of justice and chief justices of all involved countries;

4. The proposal is designed to respond to a serious need of both the private sector and the government -- a need that has been recognized by the chief justices of all the countries;

5. The proposal is adapted from previous, more limited training of magistrates and paralegals to take advantage of the interest of the chief justices to make available this legal training to more countries and more people; and

6. The training program will be prepared by South Pacific law institutions for the South Pacific legal system in general, but modified for each country's political, legal and cultural differences.

Regarding the competition rules (paragraph 6, reference cable), this proposal is for a fully funded activity; i.e., the requested funds, together with supporting contributions are adequate to finance the program. The program would lead to improved administration of law in the lower courts, which represents follow-on activities. In addition, TAF is already planning a program, for future funding by A.I.D. or other donors, to establish a permanent, long term (one year) magistrate training educational course of study at the USP Law Unit.

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APPENDIX 4C

OMB Control No. 0412-0510

Expiration Date: 12/31/89

MANDATORY STANDARD PROVISIONS FOR
U.S., NONGOVERNMENTAL GRANTEES¹INDEX OF
MANDATORY STANDARD PROVISIONS

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

1. ALLOWABLE COSTS (NOVEMBER 1985)

The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant, any negotiated advance understanding on particular cost items, and the applicable* cost principles in effect on the date of this grant.

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

* 2. ACCOUNTING, AUDIT, AND RECORDS (SEPTEMBER 1990) *

(a) The grantee shall maintain books, records, documents, and other evidence in accordance with the grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The grantee's financial management system shall provide for the following:

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

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**OPTIONAL STANDARD PROVISIONS FOR
U.S., NONGOVERNMENTAL GRANTEES**

The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of Handbook 13. Each grant is required to have a payment provision. Check off the optional standard provisions which are included in the grant. Only those standard provisions which have been checked off are included physically within this grant.

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

(INCLUDE THIS PAGE IN THE GRANT)

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(1) Accurate, current, and complete disclosure for each AID-sponsored project or program in accordance with the reporting requirements of this grant. While AID requires reporting on an accrual basis, the grantee shall not be required to establish an accrual accounting system but shall develop such accrual data for its reports on the basis of an analysis of the documentation on hand.

(2) Records that identify adequately the source and application of funds for AID-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income.

(3) Effective control over and accountability for all funds, property, and other assets. Grantee shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.

(4) Comparison of actual outlays with budget amounts for each grant. Financial information should be related to performance and unit-cost data whenever appropriate.

(5) Procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement by the recipient, whenever funds are advanced by the Federal Government.

(6) Procedures for determining the reasonableness, allowability, and allocability of costs in accordance with the provisions of the applicable Federal cost principles and the terms of the grant.

(7) Accounting records that are supported by documentation that at a minimum will identify, segregate, accumulate, and record all costs incurred under a grant and which fully disclose (i) the amount and disposition by the grantee of the proceeds of such assistance, (ii) the total cost of the project or undertaking in connection with which such assistance is given or used, (iii) the amount of that portion of the cost of the project or undertaking supplied by other sources, and (iv) such other records as will facilitate an effective audit.

* (8) Audits in accordance with the requirements of OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." *

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

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

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

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

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

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

* 3. REFUNDS (SEPTEMBER 1990)

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

(b) Funds obligated by 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 and not encumbered by a legally binding transaction applicable to this grant at the time of expiration or termination of the grant shall be refunded to AID

(c) AID reserves the right to require refund by the grantee of any amount which AID determines to have been expended for purposes not in accordance with the terms and conditions of this grant, including but not limited to costs which are not allowable in accordance with the applicable Federal cost principles or other terms and conditions of this grant. In the event that a final audit has not been performed prior to the closeout of this grant, AID retains the refund right until all claims which may result from the final audit have been resolved between AID and the grantee. *

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4. REVISION OF GRANT BUDGET (NOVEMBER 1985)

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

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

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

(2) The need for additional funding.

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

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

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

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

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

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

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

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

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

5. TERMINATION AND SUSPENSION (MAY 1986)

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

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

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

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

6. DISPUTES (November 1989)

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

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

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

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

7. INELIGIBLE COUNTRIES (MAY 1986)

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

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

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

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

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

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

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

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

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

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

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

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9. NONDISCRIMINATION (MAY 1986)

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

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

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

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

11. NONLIABILITY (NOVEMBER 1985)

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

12. AMENDMENT (NOVEMBER 1985)

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

13. NOTICES (NOVEMBER 1985)

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

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

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

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

(END OF MANDATORY STANDARD PROVISIONS)