

PD-FAI-859

CONTRACT

PART ONE: COMPLETE EACH BLOCK FOR BOTH NEW ASSISTANCE/ACQUISITION AND MODIFICATION ACTIONS

3. Contract/Agreement Number: AFR-0453-A-00-3063-00		<i>Rec'd. for Vali: 9/30/83</i>											
4. Contractor/Recipient Name: Opportunities Industrialization Centers, International, Inc.		5. Organization Symbol: OLC											
6. Project Title: Opportunities Industrialization Centers, Inc.													
7. Project Officer's Name: C. Husick		8. Organization Symbol: AFR/RA											
9. Requisitioning Document ID No: 698-0453-6135305		19. Budget Plan Code: GDA-83-31698-EG12 App. 72-1131021.5 , All. 345-61-698-00-69-31											
10. TYPE OF ACTION: A. New Acquisition/Assistance <input checked="" type="checkbox"/> A B. Continuation of activities set forth in a contractual document C. Revision of work scope/purpose of award		20. Country or Region of Performance: AFR Regional											
11. Amount of this PIO/T: Obl. U.S. \$ 5,000,000 (inc.)		21. Total Estimated Cost of the Contractual Document: TEC Increased by 6,600,000 U.S. \$ 6,600,000											
12. Amount Obligated/Subobligated/Deobligated by this Action: U.S. \$ 5,000,000		22. Amount of Non-Federal Funds Pledged to the Project: U.S. \$ -0-											
13. Cumulative Obligation: U.S. \$ 5,000,000		23. Effective Date of this Action: 09/30/83											
14. This Action Funded Through: 09/30/85		24. Estimated Completion/Expiration Date: 09/30/86											
15. Date Contractual Documents Signed by AID Official: 09/30/83		25. Contractor DUNS Number: <table border="1" style="width:100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>											
16. Incrementally Funded Contract: YES		26. Consultant Type Award: NO											
17. Host Country/Counterpart Inst.: (Univ. Contracts) N/A		27. Number of Person Months: (PASA/RSSA only) N/A											
18. Campus Coordinator: (Univ. Contracts) N/A		28. Number of Persons: (PASA/RSSA only) N/A											
29. Negotiator's Typed Name: J. Bergman		30. Negotiator's Signature: <i>[Signature]</i>											
32. Contract/Grant Officer's Organization Symbol: ROD/AFR		33. Contract/Grant Officer's Signature: <i>[Signature]</i>											
		31. Date Signed: 09/30/83											
		34. Date Signed: 09/30/83											

PART TWO: COMPLETE EACH BLOCK FOR NEW ASSISTANCE/ACQUISITION ACTIONS ONLY

36. CONTRACT TYPE: A. Fixed Price (Specify: FFP, FPRD, FPEPA, FPI) <input checked="" type="checkbox"/> D B. Cost Reimbursement (Specify: CR, CPFF, CS, CPAF, CPIF) Cooperative Agreement C. IQC & Requirements Contracts D. Other		37. SUBJECT TO STATUTORY REQUIREMENT: A. Walsh-Healey Act, Manufacturer <input checked="" type="checkbox"/> E B. Walsh-Healey Act, Regular Dealer C. Service Contract Act (U.S. ONLY - Guards, Maintenance, Laborers) D. Davis-Bacon Act (Construction) E. Not subject to Walsh-Healey; Service Contract or Davis-Bacon Act (Most AID Contracts) • Equipment, Supplies, Materials, and Commodities	
38. ADVANCE: A. No Advance <input checked="" type="checkbox"/> C B. Advance Non-FRLC C. Advance FRLC		38. Country of Manufacture: USA	

39. CURRENCY INDICATOR:

- A. U.S. Dollar
- B. Local Currency
- C. Combination
- D. Unfunded

A

40. SUBCONTRACTS:

Is There a Provision for a Subcontract? (Contracts only)

NO

41. TYPE SERVICE:

- A. Training of Participants
- B. Technical Assistance to Host Country (Program, Project related except A&E Services)
- C. A&E Services
- D. Construction
- E. Research
- F. Technical Services to AID (other than training; usually operating expense)
- G. Training Service for AID
- H. Equipment, Materials, Supplies, Commodities
- I. Translation Service

B

42. CONTRACT/AGREEMENT SOURCE:

- A. U.S. Contractor/Grantee
- B. Non-U.S. Contractor/Grantee
- C. Combination of A & B

A

43. SELECTION PROCEDURES:

- A. Formally Advertised
- B. Negotiated Price Competition, General Procedure
- C. A&E
- D. Ed. Inst. and/or Int'l. Research
- E. Collaborative Assistance
- F. Predominant Capability
- G. Unsolicited Proposal
- H. Procurement to be Performed by the Contractor in Person
- I. Sole Source
- J. Impairment of Foreign Policy Objectives
- K. 8(a) Selection
- L. Grant/Cooperative Agreement
- M. Competitive
- N. Noncompetitive
- O. Small Business Set Aside
- P. Overseas Procuring Activities
- Q. Institution Building/Strengthening

M

44. TYPE OF AMERICAN OWNERSHIP:

- A. Minority
 - A. Asian/Pacific Islander
 - B. Black American
 - C. American Aleuts or Eskimos
 - D. American Indian
 - E. Hispanic
 - F. Other (Specify) _____
- B. Non-Minority

B

45. LABOR SURPLUS AREA PREFERENCE:

- A. Labor Surplus Area
 - A. No Preference
 - B. Tie Bid Preference
 - C. Total Set Aside
- B. Not a Labor Surplus Area Preference Award

D

46. Number of Bidders Offering Items or Services of Foreign Content:

NO

47. TYPE OF BUSINESS:

- A. Source: Non-U.S. and Used Outside U.S. & Possessions
- B. Source: Non-U.S. and Possessions (Foreign Purchases Used Inside U.S.) (If U.S. Source, complete C through Q)
- C. Firm - Profit Making & PSC's
- D. Non-Profit Organizations
 - D. Private Educational Organizations
 - E. Hospitals
 - F. Research Institutions, Foundations, and Laboratories
 - G. Other
- E. Private Voluntary Organizations
 - H. U.S. Registered
 - I. U.S. Non-Registered
 - J. Foreign
- F. State/Local Government
 - K. Educational Institutions
 - L. Hospitals
 - M. Research Organizations
 - N. Other
- G. International Agricultural Research Organizations
- H. Public International Organizations
- I. U.S. Cooperatives

H

48. Women Owned Business?

NO

49. TYPE AWARD:

- A. Small Business
 - A. Not Set Aside
 - B. Partial Set Aside
 - C. Total Set Aside
- B. Personal Service Contract
- C. Individual Non-Personal Service Contract
- D. U.S. Government
- E. University
- F. Other Non-Profit Organizations
- G. Large Businesses

H

ORIGINAL

OCT 24 1983

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON D C 20523

SEP 30 1983

Rev. Leon H. Sullivan
Chairman of the Board
Opportunities Industrialization
Centers International, Inc.
240 West Tulpehocken Street
Philadelphia, PA 19144

Subject: Cooperative Agreement No. AFR-0453-A-00-3063-00

Dear Rev. Sullivan:

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 provides to Opportunities Industrialization Centers International, Inc. (hereinafter referred to as "OICI" or "Recipient") the sum of Five Million Dollars (\$5,000,000) to provide partial support for the Recipient to develop and effectively implement LDC non-formal skills training programs, and to increase the institutional viability of the Recipient and that of its country-specific organizations, as more fully described in Attachment 1 of this Cooperative Agreement entitled "Schedule" and Attachment 2, entitled "Program Description".

This Cooperative Agreement is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Recipient in furtherance of program objectives through the estimated completion date of September 30, 1986.

The total estimated amount of the program is \$6,600,000, of which \$5,000,000 is hereby obligated. AID shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount. However, AID may provide additional funds during the Cooperative Agreement period up to an additional amount of \$1,600,000.

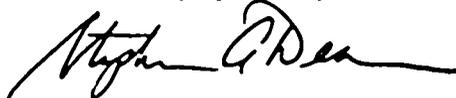
This Cooperative Agreement is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled "Schedule", Attachment 2, entitled "Program Description", and Attachment 3, entitled "Standard Provisions", which have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

ORIGINAL

4

Please acknowledge receipt and acceptance of this Cooperative Agreement by signing all copies of this Cover Letter, retaining one set for your files, and returning the remaining copies to the undersigned, being sure to return all copies marked "Funds Available".

Sincerely yours,



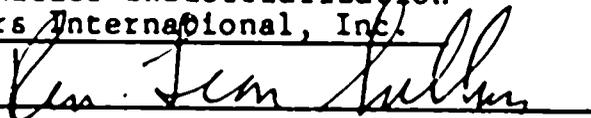
Stephen A. Dean
Grant Officer
Regional Operations Division-AFR
Office of Contract Management

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions
Appendices

ACKNOWLEDGED:

Opportunities Industrialization
Centers International, Inc.

BY: X 

TYPED NAME: Rev. Leon Sullivan

TITLE: Chairman of the Board OIC International

DATE: October 7, 1983

FUNDS AVAILABLE


Regional Operations Division
OFFICE OF CONTRACT MANAGEMENT

FISCAL DATA

PIO/T No.: 698-0453-3-6135305
Appropriation No.: 72-1131021.5
Budget Plan Code: GDA-83-31698-EG12
Allotment No.: 345-61-698-00-69-31
Project No.: 698-0453
Total Estimated Amount: \$6,600,000
Total Obligated Amount: \$5,000,000
E.I. No.: 23-1726113
FRLC No.: 72-00-1211
Technical Office: AFR/RA

ATTACHMENT 1

SCHEDULE

A. Purpose of Cooperative Agreement

The purpose of this Agreement is to provide support for the Recipient to develop and effectively implement LDC non-formal skills training programs, and to increase the institutional viability of the Recipient and that of its country-specific organizations, as more specifically described in Attachment 2 of this Agreement entitled "Program Description."

B. Period of Agreement

1. The effective date of this Agreement is the date of the Cover Letter and the estimated completion date is September 30, 1986.

2. Funds obligated hereunder are available for program expenditures for the estimated periods shown in the Financial Plans set forth in the Appendices of this Agreement.

C. Amount of Agreement and Payment

1. The total estimated amount of this Agreement for the period shown in B.1. above is \$6,600,000.

2. AID hereby obligates the amount of \$5,000,000 for program expenditures during the periods set forth in the Financial Plans shown in the Appendices of this Agreement.

3. Payment shall be made to the Recipient in accordance with procedures set forth in the Standard Provision of this Agreement entitled "Payment - Federal Reserve Letter of Credit (FRLC) Advance", as shown in Attachment 3.

4. Additional funds up to the total estimated amount of this Agreement shown in C.1. above may be obligated by AID subject to the availability of funds, and to the requirements of the Standard Provision of this Agreement, entitled "Revision of Financial Plans."

D. Financial Plan

The following is the Financial Plan for this Agreement. Each program is defined in the Appendix of this Agreement which corresponds with that program. Each Appendix also sets forth the detailed Financial Plan for the corresponding program. It is anticipated that this Agreement will be amended from time to time to add country-specific programs as they are approved (see Attachment 2 of this Agreement entitled "Program Description"). The Recipient may not transfer funds between Appendices, nor may the Recipient exceed the grand total of the total estimated amount or the obligated amount, whichever is less (see Part C above). Except as specified in the Standard Provision of this Agreement entitled "Revision of Financial Plans", the Recipient may adjust line item amounts within the grand total for each Appendix as may be reasonably necessary for the attainment of program objectives.

<u>Appendix</u>	<u>Description</u>	<u>Obligated Amount</u>	<u>Estimated Additional</u>	<u>Total Estimated</u>
A	Headquarters	\$4,489,328	\$ -0-	\$4,489,328
B	Togo	510,672	1,600,000	2,110,672
		<u>\$5,000,000</u>	<u>\$1,600,000</u>	<u>\$6,600,000</u>

E. Substantial Involvement Understandings

It is understood and agreed that AID will be involved in the following:

1. The AID/W Project Officer is situated in AFR/RA. Before the end of CY 1983, it is anticipated that AID/W Project Officer responsibilities will be transferred to FVA/PVC. In such an event, it is further anticipated that Grant Officer responsibilities will be transferred from M/SER/CM/ROD/AFR to M/SER/CM/SOD/PDC. The Recipient shall be notified of such transfers of responsibilities at the time they occur.

2. Concurrence for international travel which will be charged to the Headquarters budget will be requested by the Recipient from the AID/W Project Officer, with a concurrent information copy to the applicable USAID Mission(s). Concurrence for international travel which will be charged to a local program budget shall be requested by the Recipient from the applicable Mission(s), with a concurrent information copy to the AID/W Project Officer (see the Standard Provision of this Agreement entitled "Travel and Transportation").

3. Prior to undertaking Interest Group Development, Preliminary Project Appraisal, or Feasibility Study activities, the Recipient shall obtain the written concurrence of the AID/W Project Officer. Development of a country-specific study by the Recipient will be done within the framework created by this Cooperative Agreement and the then-existing AID CDSS for that country. The Recipient shall submit the feasibility study to the applicable USAID Mission for comment, with an information copy to the AID/W Project Officer.

4. The Recipient and the relevant USAID Mission must concur in the project's feasibility prior to any further development of the project proposal. The Recipient shall collaborate closely with the USAID Mission at every stage of the project development, especially in reviewing the feasibility study and preparing the final project proposal. If development of the project proposal is approved by AID, the Recipient shall prepare and submit a country-specific proposal to the USAID Mission, with a copy to the AID/W Project Officer, who, in turn, will review the proposal with the AID/W Program Committee (which will include representatives of AID Regional Bureaus), and will secure comments from the appropriate Bureau. The AID/W Project Officer will forward any comments to the USAID Mission for consideration before Mission approval of the Activity. Part of the concurrence of the appropriate Bureau will be to assure that funding will be made available for the activity once approved by the USAID Mission.

5. The USAID Mission will have complete responsibility for approval of the country-specific activity (program description, funding level, etc.). Once discussions between the USAID Mission and the Recipient concerning implementation are completed, and the USAID Mission approves the country-specific activity, a cable notification of approval will be provided by the USAID Mission to the AID/W Project Officer, who will then process a PIO/T for amendment of this Cooperative Agreement by the Grant Officer. Funding citations will come from the appropriate Bureau or USAID Mission.

6. Once a USAID Mission has approved a country-specific activity and this Cooperative Agreement is amended accordingly, the disbursement of any funds for country-specific activities shall require a Project Implementation Letter (PIL) from the appropriate USAID Mission authorizing the commencement of project activities.

7. The monitoring responsibility for country-specific activities authorized hereunder will be carried out by the USAID Mission in cooperation with the AID/W Project Officer. On a yearly basis, the AID/W Program Committee and the

Recipient will review progress under this Cooperative Agreement and take whatever action is necessary to ensure success of this program.

8. AID may evaluate this program in coordination with the Recipient and an independent contractor (see Part E of Attachment 2, entitled "Evaluation").

9. It is anticipated that this Cooperative Agreement will establish a single funding source for the Recipient's programs which are funded by AID. In FY 1984 and 1985, the Recipient and the relevant USAID Missions will work closely with one another, in consultation with the AID/W Project Officer, to ascertain whether sufficient Mission funds are set aside for transfer to this Cooperative Agreement for the funding of any country-specific activities which have been approved by the USAID Mission.

10. A project proposal, meeting the requirements of a PVO proposal, will be submitted by the Recipient to USAID/Togo. USAID/Togo must approve the proposal, in writing, prior to the Recipient's implementation of the Togo program. Such approval must be furnished to the AID/W Project Officer. If necessary, this Cooperative Agreement will be amended to reflect the agreements reached between USAID/Togo and the Recipient regarding the Togo program.

11. With respect to Part I of this Attachment 1, entitled "Authorized Geographic Code", source/origin waivers for goods and services for the Recipient's headquarters operations will be requested from the AID/W Project Officer. Source/origin waivers for goods and services for country-specific activities will be requested from the applicable USAID Mission. The Recipient shall retain a copy of all approved waivers.

F. Reporting

1. Financial Reporting

a. Financial reporting requirements shall be in accordance with the Standard Provision of this Agreement entitled "Payment - Federal Reserve Letter of Credit (FRLC) Advance", as shown in Attachment 3.

b. The original and two copies of all financial reports shall be submitted to AID, Office of Financial Management, Program Accounting Division (FM/PAD), Washington, D.C. 20523. In addition, three copies of all financial reports shall be submitted to the AID/W Project Officer.

2. Program Performance Reporting

a. The Recipient shall submit quarterly program performance reports, and a final report, which briefly presents the following information:

(1) A comparison of actual accomplishments with the goals established for the period, the findings of the investigator, or both. If the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(2) Reasons why established goals were not met.

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

b. Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Recipient shall inform AID as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any AID assistance needed to resolve the situation.

(2) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

c. If any performance review conducted by the Recipient discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Agreement entitled "Revision of Financial Plans", the Recipient shall submit a request for budget revision.

d. Three copies of each program performance report shall be submitted to the Technical Office specified in Section E.1. of this Attachment 1, and three copies shall be submitted to any USAID Mission whose country-specific activities are authorized and included hereunder.

e. The fourth program performance report for each year of this Cooperative Agreement shall include a summary of the past year's activities, in order to facilitate discussions at the annual review between the Recipient and the AID/W Program Committee. At each annual review, a work plan and budget for the coming year shall be submitted. The budget shall be presented in such a manner as to segregate direct costs from indirect costs, for (1) the Recipient's entire organization, and (2) for this Cooperative Agreement.

G. Indirect Cost Rates

1. Pursuant to the Standard Provision of this Cooperative Agreement entitled "Negotiated Overhead Rates - Nonprofit Organizations Other than Educational Institutions", a rate or rates shall be established for the first of the Recipient's accounting periods which apply to this Agreement (10/1/83 - 9/30/84). Pending establishment of revised provisional or final indirect cost rates for the first of the Recipient's accounting periods which apply to this Agreement, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate applied to the base which is set forth below.

<u>Rate</u>	<u>Base</u>
19.0%	Total Direct Costs, excluding Commodities and Equipment

2. For subsequent accounting periods of the Recipient which apply to this Agreement, it is currently anticipated that all costs will be treated as direct costs. However, notwithstanding the Headquarters financial plan set forth in Appendix A, and pursuant to paragraph (b)4. of the Standard Provision of this Agreement entitled "Revision of Financial Plans", until such time as this Cooperative Agreement is modified, the Recipient shall continue to allocate costs in the present manner (i.e. direct vs. indirect), utilizing the same rate and base set forth above.

H. Title to Property

Title to property procured hereunder shall vest in the Recipient.

I. Authorized Geographic Code

The Recipient shall procure all goods and services financed hereunder in accordance with the Standard Provision of this Agreement entitled "Procurement of Goods and Services Over \$250,000", as modified by the July 1982 Attachment to AID Forms 1420-51, -52, -53, -54, entitled "Alterations in Grant". In the event that procurement of goods and services from non-U.S. sources becomes necessary, the Recipient shall request a source/origin waiver as specified in Section E.11. of this Attachment 1, with concurrent copies to the USAID Mission and the Grant Officer. The Recipient shall not procure non-U.S. goods and services unless a waiver has been granted. The Recipient shall provide a copy of all waivers to the Grant Officer, and shall retain copies for audit purposes. In preparing proposals for country-specific activities, the Recipient shall, to the maximum practicable extent, identify the need for such waivers, in order to permit consideration of such need as part of the project approval process.

J. Special Provisions

1. OMB Circular A-122

a. The cost principles of OMB Circular A-122 are synonymous with Subpart 1-15.6 of the Federal Procurement Regulations (FPR), which includes Subpart 7-15.6 of the AID Procurement Regulations.

b. Subpart 1-15.6 reserves the sections on bid and proposal costs and independent research and development costs. AID and the Recipient hereby agree upon the following treatment of these costs, pending such time as the FPR is amended to include them:

(1) Bid and proposal (B&P) costs are the immediate costs of preparing bids, proposals, and applications for potential Federal and non-Federal grants, contracts and agreements, including the development of scientific, cost, and other data needed to support the bids, proposals, and applications. B&P costs of the current accounting period are allowable as indirect costs. B&P costs of prior accounting periods are unallowable in the current period. In this regard, B&P costs incurred for the preparation of requests for specific projects and programs are acceptable for recovery as indirect costs. However, proposal costs incurred in the attempt to obtain unrestricted funds are to be treated as fund raising and must be included in the organization's direct cost base. B&P costs do not include independent research and development costs

which are covered by paragraph (2) below, or preaward costs covered by Attachment B, Paragraph 33, of OMB Circular A-122. (FPR 1-15.603.2.)

(2) Independent research and development (IR&D) costs are for research and development conducted by an organization which is not sponsored by Federal or non-Federal grants, contracts or other agreements. IR&D costs must be included in the organization's direct cost base for allocation of its proportionate share of indirect costs. The costs of IR&D, including its proportionate share of indirect costs, are unallowable under AID agreements.

2. Computer and Computer-Related Purchases

The Recipient shall obtain the prior approval of the Grant Officer for any purchases of automation equipment (e.g. computers, word processors, etc.), software, or related services financed hereunder.

3. Continued Funding

Continued funding of this Cooperative Agreement will depend on successful development and implementation of country-specific activities, and the availability of funds.

K. Alterations and Additions to Standard Provisions:

1. The Standard Provisions applicable to this Agreement are set forth as Attachment 3 to this Agreement, and consist of form AID 1420-52, dated 2-82, which includes provisions 1 through 34.

2. The Standard Provisions, as defined above, are modified as set forth in the July 1982 Attachment to AID Forms 1420-51, -52, -53, and -54 entitled "Alterations in Grant", which is attached hereto and made a part of this Agreement.

3. Delete the following Standard Provisions from form AID 1420-52, dated as above:

- a. Provision 5A : Negotiated Overhead Rates - Predetermined
- b. Provision 7B : Payment - Periodic Advances
- c. Provision 7C : Payment - Reimbursement
- d. Provision 10A : Procurement of Goods and Services
Under \$250,000

e. Provision 13B : Title To and Care of Property
(U.S. Government Title)

f. Provision 13C : Title To and Care of Property
(Cooperating Country Title)

4. The Standard Provision entitled "Patents", as set forth in AID Form 1420-52, dated as above, is superseded by the Standard Provision entitled "Patent Rights (Small Business Firms and Nonprofit Organizations) (March 1982) (OMB Circular A-124)", which is attached hereto and made a part of this Agreement.

5. The Standard Provision entitled "Workmens' Compensation Insurance" is attached hereto and made a part of this Agreement.

ATTACHMENT 2

PROGRAM DESCRIPTION

A. Purpose of Agreement

The purpose of this Agreement is to enable the Recipient to develop and effectively implement LDC non-formal skills training programs, and to increase the institutional viability of the Recipient and that of its country-specific organizations.

B. Specific Objectives

The specific objectives of this Agreement are to provide support for the Recipient to (a) develop proposals for country-specific activities, and to receive approval therefor; (b) implement country-specific activities as they are developed and approved; and (c) generate sufficient levels of non-U.S. Government support to promote the viability of the Recipient's country-specific organizations, as more specifically described in the Appendices of this Agreement. It is AID's intent to fund additional country-specific activities as they are developed, submitted, and approved. The country-specific activities include, but are not limited to, vocational training in the areas of auto mechanics, secretarial skills, carpentry, plumbing, masonry, electrical construction, small business management, animal husbandry, and farm technology. These additional country-specific activities will be included as new Appendices of this Cooperative Agreement by amendment hereof.

C. Implementation

In order to accomplish the foregoing objectives, the Recipient shall, with funds from this Agreement and other sources, carry out the activities set forth in the Appendices of this Agreement.

D. Indicators

By the end of this Agreement period, it is anticipated that the Recipient shall have (a) completed the institutionalization process in four countries (Gambia, Sierra Leone, Ghana, and Liberia); (b) expanded existing activities in two countries (Lesotho and Togo); (c) developed, proposed, and had approved new activities in six countries; and (d) increased the non-U.S. Government contributions to the Recipient's organization and programs.

E. Evaluation

1. Annually, the Recipient and the AID/W Program Committee shall formally review progress under this Cooperative Agreement. At the annual meetings, The Recipient shall submit a work plan and budget for the coming year, and as preparation for the annual meetings, each fourth quarterly report shall include a summary of the prior year's activities (see paragraph e. of Part F of Attachment 1).

2. At the end of 18 months and 36 months from the effective date of this Cooperative Agreement, an evaluation by an independent contractor will be jointly organized by the AID/W Project Officer and the Recipient. AID and the Recipient's personnel may participate in the actual evaluation, as appropriate. Country-specific activity proposals shall also include an evaluation plan and related funding.

APPENDIX A

HEADQUARTERS

I. PROGRAM DESCRIPTION

A. Goal

1. Goal Statement

The goal of this program is to help improve the quality of lives in Third World countries by institution building which facilitates skills training and job placement. This goal is congruent with the U.S. Government's belief that the programs of PVO's embody the traditional humanitarian ideals of the American people and that they support a major objective of the foreign policy of the United States. This objective is "the encouragement and sustained support of the people of developing countries in their efforts to acquire the knowledge and resources essential to development and to build the economic, political and social institutions which will improve the quality of their lives." (Section 101, Foreign Assistance Act "FAA".)

2. Objectively Verifiable Indicators

The achievement of program goals will be reflected in:

- a. The expanded institutional and financial capability of the currently self-supporting (non-AID funded) OIC projects.
- b. The institutionalization and self-supporting status achieved by OIC projects which are currently funded by AID under the Operational Program Grant (OPG) or Cooperative Agreement arrangement.

3. Important Assumptions

The following assumptions are necessary to ensure the long term value of the proposed program:

- a. There will be adequate opportunities in local commerce, government and industry to absorb the skilled labor trained by OIC institutions.
- b. Personnel recruitments and hiring practice in OIC project countries will not discriminate against workers trained in non-formal skills training institutions.
- c. Governments in OIC project countries will continue to involve private and semi-private institutions in their human resource development undertakings.

B. Purpose

1. Purpose Statement

The purpose of this program is to increase the capacity of OIC International to develop and effectively service non-formal skills training institutions and to generate increased levels of non-USG resources with a view to ensuring greater financial viability for the organization.

The program will directly benefit the Board and staff members of overseas OIC projects during the three (3) year period of the cooperative agreement (FY84-86). The ultimate beneficiaries of the institutionalized program will primarily include unemployed school leavers and school dropouts who will be served in each of the OIC skills training institutions throughout the program period.

2. Objectively Verifiable Indicators

The end-of-program status indicators which will verify that the program purpose has been achieved are as follows:

- a. By September 30, 1986 a total of fourteen (14) overseas OIC projects will be fully operative. Included within this total will be:

- i. A total of six (6) new OIC projects will have been started.
- ii. A total of two (2) OIC replication/expansion projects will be fully operative by September 30, 1986: Lesotho OIC and Togo OIC.
- iii. OIC "graduate" programs will continue to operate effectively after the AID Operational Program Grants/Cooperative Agreements have terminated:

<u>FY84</u>	<u>FY85</u>	<u>FY86</u>
Gambia	Gambia Sierra Leone Ghana	Gambia Sierra Leone Ghana Liberia

- b. By September 30, 1986 OICI, in partnership with overseas OIC programs, will have increased the level of non-USG funding support from twenty-six percent (26%) in FY84 to the level of thirty percent (30%) in FY86. The annual schedule of non-USG funding support which is part of the total budget of OICI Headquarters and OICI's field projects will be as follows:

<u>FY84</u>	<u>FY85</u>	<u>FY86</u>
26%	29%	30%

3. Important Assumptions

Two (2) major assumptions are necessary to ensure that the achievement of program purpose will lead to the attainment of program goal (i.e. the broader objective to which this program contributes):

- a. Institution building will remain a priority concern of USAID development assistance strategies.
- b. PVOs will continue to serve as an important conduit of U.S. foreign assistance.

OICI considers the above assumptions to be reasonably assured. The recent AID Policy Paper on Private and Voluntary Organizations provides a clear indication that AID will continue to maintain a viable and productive partnership with PVOs. Moreover, Section 101 of the Foreign Assistance Act serves to underscore the commitment of the United States to develop and build institutions which will improve the quality of lives in Third World nations.

C. Output

1. Types and Magnitude of Outputs

al. Output #1: Overseas OIC Interest Groups Developed

The OICI program development process begins with the formation and development of local country OIC interest groups. OICI generally responds to a formal request for assistance in initiating an OIC program. Such requests may be the result of efforts by local community leaders, or may represent the desire of a host government following some initial contacts between OICI and representatives of the same government.

The subsequent steps towards the development of an OIC interest group include:

- i. The dissemination of written materials on the OIC philosophy, methodology, and recommended guidelines on the structure and organization of the local interest group/Board of Directors.
- ii. The registration and/or incorporation of local OIC interest groups in accordance with each country's legal requirements.
- iii. The orientation and training of selected interest group representatives by OICI in Philadelphia.
- iv. The in-country visit by OICI staff to assess and facilitate the readiness of local interest groups to undertake the development of a full-scale OIC project.

v. The follow-up contact and communication with appropriate host government authorities, Embassy officials and representatives of donor agencies.

a2. Magnitude of Output #1:

During the three (3) year program period, a total of eleven (11) OIC Interest Groups will have been oriented and organized for project development purposes.

b1. Output #2: Preliminary Project Appraisal Study Visits Completed

In order to determine the viability of a local OIC Interest Group, and prior to conducting a full scale Feasibility Study, a preliminary project appraisal (PPA) visit will be conducted by one or more OICI representatives. These preliminary visits will normally not exceed ten (10) working days. The PPA study will determine whether all or most of the crucial pre-conditions for a successful OIC project exist and whether a follow-up feasibility study should be performed. Among the important pre-conditions that will be verified during a PPA study are the following: a well organized interest group with the potential for purposeful and efficient direction of the OIC program; demonstrated community and host government support; potential for availability of funds from a targeted donor agency and a tentative identification of the skill training areas and project site which are examined in detail during the full scale feasibility study.

b2. Magnitude of Output #2:

By September 30, 1986 a total of six (6) PPA studies will be completed in accordance with the following schedule:

<u>FY84</u>	<u>FY85</u>	<u>FY86</u>
2	2	2

c1. Output #3: Feasibility Study Reports Completed

If the preliminary project appraisal is positive, then preparations for a feasibility study are set in motion. A sound feasibility study report will then verify and quantify the preliminary assessments and assumptions. It will also identify possible program and/or financial constraints which require definite resolutions prior to a full-scale project proposal development. The feasibility study will, in short, serve as a blueprint of the project expected to meet a specific host country need. It will present a program design whose narrative details and logical framework elements (input, output, purpose, goal) justify the involvement of OICI, donor agencies, and host country government and local business and industry.

c2. Magnitude of Output #3:

By September 30, 1986 a total of seven (7) feasibility studies will be completed in accordance with the following schedule:

<u>FY84</u>	<u>FY85</u>	<u>FY86</u>
3	2	2

d1. Output #4: Project Proposals Developed

Good proposals are rooted in good feasibility studies. OICI project proposals must persuade potential sources of support in addition to OICI's management and the host country Interest Groups. The proposal contains a detailed project design which should clearly demonstrate the potential for achieving project objectives. It is also a submission soliciting formal commitments from concerned parties through memoranda of agreement and contractual obligations, which provide for financial, logistical and material supports. These supports are expected to be forthcoming from a combination of sources: the U.S. and Host Country governments, various international development agencies, and the local country OIC interest group/Board of Directors.

d2. Magnitude of Output #4:

By September 30, 1986 a total of seven (7) project proposals will have been completed:

<u>FY84</u>	<u>FY85</u>	<u>FY86</u>
4	1	2

e1. Output #5: Field Project Management Control System in Place

To strengthen the institutionalization process and to ensure quality project performance, certain uniform management tools and procedures have been identified by OICI for implementation in its project countries. During the planned period (FY84-FY86), OICI will provide its field projects with specific planning tools, reporting systems, staff development procedures and other means of effective project operations along with an evaluation methodology, all necessary to achieve the objective of institutionalization. The technical assistance intended for OICI's field projects will be delivered through:

- i. Long-term, in-country technical advisors who will be assigned to new project countries to assist the local OIC Board and staff.
- ii. OICI Central Office's Program and Financial Monitoring which will ensure that projects are effectively implemented in accordance with contractual agreements.
- iii. Program and financial evaluation/audit which will be conducted at appropriate intervals to verify the progress of project implementation and to identify possible problems as well as their solutions in a timely manner.
- iv. Short-term, in-country technical assistance by OICI Central Staff and/or Consultants to strengthen local OIC projects in either one or a combination of the following areas:

- o Project Management and Operations
- o Financial Management and Control
- o Project Evaluation
- o Management Information System
- o Board Development
- o Resource Mobilization

e2. Magnitude of Output #5:

By September 30, 1986, all fourteen (14) overseas OIC projects will have implemented the following OICI management control tools and systems:

- i. Program and Financial PPT schedules
- ii. Program Operation Work Plan
- iii. Management Information System (MIS)
- iv. Program Evaluation System
- v. Program Reporting System
- vi. Resource Mobilization System

f1. Output #6: Key Local Program Board and Staff Members Trained in U.S.

An integral part of the overall technical assistance provided by OIC International is the annual stateside (U.S.) Participants Training Program. This activity is designed to bring together representatives from overseas OIC programs in order that we can share experiences and prepare for improved performance and service in the future.

The OIC's in the United States, after 19 years of operation, provide many examples of the potential success of an OIC program. During the Participants Training Program, OICI will expose international Board and staff members to selected OIC prototypes within the U.S. parent organization, which

will provide a meaningful demonstration of OIC concepts in actual practice. In addition, overseas OIC representatives are able to participate in the Annual OIC Convocation activities, such as meetings and symposia for the purpose of strengthening their understanding of the OIC philosophy and methodology. In so doing, they enhance their capability to:

- i. effectively operate an OIC program;
- ii. mobilize in-country support for OIC activities; and
- iii. develop a meaningful partnership with their countries' governments, business and industries in furthering the development of the local OIC program.

In addition to the interchange of experience and exposure to stateside OIC programs, OICI will provide to the participants a series of selected workshops in program planning, implementation, evaluation, and in resource mobilization. These workshops are organized on the basis of identified problem areas and the specific needs of each OIC program abroad.

f2. Magnitude of Output #6:

By September 30, 1986 a total of 104 persons will have been served through OICI's annual stateside Participant Training Programs.

<u>FY84</u>	<u>FY85</u>	<u>FY86</u>
34	33	37

g1. Output #7: Critical Program Documents Upgraded

During the three-year period of this program, OIC International will devote appropriate staff and consultant resources to the task of upgrading three types of critical OIC program documents - training curricula, standard operating procedure manuals and the Management Information System (MIS). These documents will be

streamlined on the basis of OICI's past experience in the planning and implementation of its field projects. Through the provision of well-defined and standardized procedures for both OICI and field projects, the same documents are expected to improve effectiveness and efficiency in the transfer of technology, institution-building, and backstopping field projects' operations by OICI.

g2. Magnitude of Output #7:

By September 30, 1986 the following critical program documents will have been upgraded and implemented:

- i. OICI Standard Operating Procedures (SOP)
- ii. Overseas Projects' SOP
- iii. OICI Management Information System
- iv. OIC Training Curricula

h1. Output #8: Local Program Equipment and Commodities in Place

OICI Central Staff and/or its field technical advisors will assist local OIC staff in identifying appropriate training equipment and commodities to be requisitioned. The Procurement Office of OICI in Philadelphia will provide services in purchasing and shipping arrangements in response to field project needs. OICI will ensure that all requisitions, purchases and shipments will comply with the provisions of this Agreement as well as the rules and regulations of the U.S. and host government.

h2. Magnitude of Output #8:

All stateside purchases and shipment of program equipment and commodities for overseas OIC projects will be completed in accordance with each local project's PPT schedule.

i1. Output #9: Non-U.S. Government Support Secured

A major objective of OICI during the three-year program is to reduce the present level of dependence upon AID financial support. To ensure successful accomplishment of this objective, an on-going resource mobilization unit will be activated at the OICI Headquarters in Philadelphia or in Washington, D.C. This unit will operate in close coordination with an OICI information/liaison office to be established in Washington, D.C. and/or New York City. In addition to generating funds to help support headquarter's operations, the resource mobilization unit will initiate contacts with a variety of international donor agencies to assist overseas programs in their effort to secure additional funds and/or in-kind contributions. Additionally, local Boards of Directors of the OIC programs abroad are expected to help mobilize local and international resources in support of the local OIC programs.

12. Magnitude of Output #9:

By September 30, 1986 a total of thirty percent (30%) of OICI and local program funds will be generated from a diversified portfolio of non-USG support sources which will include:

- o Private Corporate Support
- o Foundations/Trusts
- o International Donor Sources
- o CFC
- o Host Government Support
- o Special Projects

11. Output #10: Method for Assessing Cost-Effectiveness in Institution-Building Developed

The purpose of developing this methodology is to assist OICI to better plan and implement the field programs as cost

effectively as is practically feasible. The methodology is expected to measure with greater dependability the cost effectiveness of OICI's headquarters as well as its field project operations.

j2. Magnitude of Output #10:

By September 30, 1985 a cost effectiveness methodology manual will be completed.

k1. Output #11: Assessment Report on OICI's Program Impact and Cost Effectiveness

The study will focus on long-term cost effectiveness in institution building for human resource development. The study will be based on the experience of OICI's "graduate" projects. By assessing OICI's experience and performance, the study will serve as a tool for both OICI and USAID to determine extent of impact and the associated costs.

k2. Magnitude of Output #11:

By September 30, 1986 a comprehensive study of the program impact and overall cost effectiveness of OICI's institution building systems will have been completed.

2. Important Assumptions Affecting Output to Purpose Link:

The aforementioned outputs will lead to OICI's program purpose if:

- a. Manpower development programs will remain a high priority in host countries' government development plans.
- b. Host Governments' financial contributions will continue at levels sufficient to ensure the continuity of local OIC programs' operations.

D. Input

1. Type and Magnitude of Input

The input required to successfully accomplish the previously described program output can be classified into the following four (4) areas:

- a. New Project Development Activities
- b. Field Project Implementation Support Activities
- c. General and Administrative Support
- d. Overseas Project Operating Budgets

The following analysis is presented to clarify the input required for each of these broad categories of activity.

a. New Project Development Activities

OICI procedures for new project development will involve the following five (5) steps:

- o Interest Group Development
- o Preliminary Project Appraisal Studies
- o Feasibility Studies
- o Proposal Development
- o Funding Negotiations

b. Field Project Implementation Support Activities

OICI support services to each operational overseas project will consist of an appropriate combination of the following technical assistance strategies:

- o Program and Finance Monitoring (Headquarters)
- o TDY Field Support Visits
- o Participant Training in U.S.

- o Procurement/Shipment of Equipment and Commodities
- o Annual Program Review/Evaluation
- o Critical Program Documents Support
- o In-country Technical Advisors
- o OIC Development Conference in Africa

These services, as well as others which are budgeted under the category of General and Administrative Support (i.e. Resource Mobilization support, Annual financial audits, etc.) will be provided to three categories of overseas OIC projects--new, on-going, and graduate programs.

As overseas OIC projects progress from new to graduate program status, the transfer of technology enables local OIC Board and staff to assume increased levels of implementation responsibility. Accordingly, the amount of OICI technical support and assistance decreases significantly.

c. General and Administrative Support Activities

General and Administrative services encompasses four (4) important areas of OICI operations. They are Management, General and Administrative, Independent Audits, and Resource Mobilization. The following summary highlights some of the essential features for each of these areas:

- o Management - the time of key management staff within OICI is divided in varying proportions between direct services to overseas projects and management responsibilities which relate to the development requirements of OIC International.
- o General and Administrative - this area includes personnel, secretarial services, accounting and physical plant maintenance. These internal support activities are essential to ensure that

OICI operations proceed in an efficient and timely manner.

- o Independent Audits - at the end of FY84, FY85, and FY86, OICI will provide for independent audits to ensure compliance with program and fiscal responsibilities.
- o Resource Mobilization - by the end of FY86, OICI and local operating programs will be expected to attain its goal of thirty percent (30%) of operating funds coming from non-AID sources. Establishment of a resource mobilization unit at OICI Headquarter; is the key factor essential to achieving that goal.

d. Overseas Project Operating Budgets

During the three year period covered in the program, an important budgetary input requirement will be the OIC overseas local program operating budgets.

2. Important Assumptions Affecting Input to Output Link:

The aforementioned inputs will lead to OICI's program outputs if:

- a. This Cooperative Agreement is complied with by both OICI and AID at all levels in the course of the three year implementation period.
- b. Financial obligations from AID are committed in a timely manner.

II. IMPLEMENTATION PLAN

A. The OIC Training and Institutionalization Model

1. Local Board and Local Counterpart Training

Since the local Board of Directors have a high policy making, supervisory and institutionalization responsibilities, OICI's training model includes a provision for this important body. Similarly, the model provides

for the training of the local staff which, by design, plays a crucial role in the process of institutionalization.

2. Recruitment

OIC recruiters reach out into the community target area to find those individuals who do not possess marketable skills but who are motivated or can be motivated to undergo skills training. Historically, once the program is set-up, there is no dearth of applicants but only a need to identify the target audience among the many who apply for entrance in the program. All OICs maintain a lengthy waiting list.

3. Counseling

The applicants' interests, vocational aptitudes and personal problems are identified and discussed. All necessary steps are taken to rectify any concerns which may hinder the effectiveness of the training. The personal relationships initiated here between trainees and OIC counselors continue throughout the trainee's association with OIC.

4. Feeder

Enrollees are inspired, motivated and assisted in the development of pre-vocational skills in a unique job-readiness program known as Feeder. This program prepares enrollees for vocational training courses. They are also counselled on career selection, and offered basic training in communication and computation skills. In addition, a positive attitude toward their intended skill training and future job opportunities is instilled.

5. Vocational Training and Placement

Trainees may enroll in courses at any time, because of OIC's flexible, individualized open-entry, open-exit approach to learning. Training is only conducted in skills for which there is an established local demand. When trainees are properly equipped in both skill and attitude, they are placed in productive jobs.

6. ET/MD

a. The Training Component

- o Entrepreneurial training and small business development - new and old
- o Small business management (including bookkeeping)
- o Management development for civil servants and parastatal organizations

b. Production Services Component

- o Fee for service activities e.g. parastatal personnel training, private industry personnel
- o Fee for production e.g. request by public or private agencies to produce chairs, etc.

7. Job Development and Follow-Up

OIC job developers initiate and maintain contact with the local businesses, industry and government agencies in order to ensure a flow of job openings, opportunities for on-the-job training, and "prescription training" programs designed to meet employers' needs. After placement, periodic follow-up contacts are made to check graduates' progress.

8. Resettlement & Extension Services

Graduates of OIC agricultural training programs are assisted in acquiring land and farm input for crop and animal production. Extension agents are assigned to visit the graduates at their farms and provide technical assistance as needed.

9. IAC and TAC Development

Each OIC program is assisted by an Industrial Advisory Council composed of representatives from the host government, and local businesses and industry. The Industrial Advisory Council assists the OIC Board of Directors in determining the overall direction of the program and in garnering adequate community support for program activities. A Technical Advisory Committee is also formed in a similar manner and is intended

to provide practical guidance in the development and periodic review of the training curriculum.

B. The OIC Methodology

OIC International has developed a methodology for implementing its training services. The method has evolved in the last thirteen (13) years and has been refined with experience and is at the present time more cost effective than ever before. Ten years ago OICI had as many as nine (9) technical assistance personnel assigned to one project in a program country. Today, service delivery output per person is continuing to improve significantly while unit cost of production is declining proportionately. At present and in the next three years, the average number of OICI's technical assistance personnel assigned to a program country is no more than three (3). In fact, in some cases no technical assistance personnel are assigned on a long term basis since their services are replaced by short-term TDY assignments by OICI headquarters personnel. Translated in cost-terms, this way of service delivery means a substantial reduction of such costs as: housing allowance, surface and air shipment, overseas differential, post allowance, education allowance, R&R and home leave. Also, even where the above allowances are incurred for the very limited number of field technical assistance personnel, expenditure is reduced by staggering the phase in of TCT and minimizing the duration of assignment. To ensure that quality and quantity of output is not compromised as a result of the above reduction in expenditure, OICI has augmented its headquarters personnel TDY visits. Here again, these visits are designed to be cost effective since each person on TDY services a number of countries in a single trip, hence maximizing returns on transportation cost.

In terms of program implementation, the OIC methodology is comprehensive due to the coordinated delivery of services and intensive interaction between the OICI Central Office, its field technical assistance personnel, the local counterpart staff as well as the local Board of Directors.

The components of the methodology are listed below.

1. OICI Indirect Managerial and Technical Assistance Support Services for Program Implementation

- a. Recruitment of managerial and technical staff for field service
 - b. Pre-service training of field staff prior to assignment
 - c. Supervision and guidance of TCT activities
 - d. Submission of annual budgetary request to funding agency
 - e. Submission of program and financial reports to funding agency
 - f. Liaison with donor agencies in Washington and at USAID mission level abroad (assisted by OICI field staff)
 - g. Establishment and maintenance of host government relationships assisted by OICI field staff
 - h. Contracting of consultants for field assignments including independent CPA firms for audits.
2. OICI's Direct Managerial and Technical Services
- a. Produce critical program documents such as:
 - o Program Performance Tracking System (PPT)
 - o Financial PPT
 - o Technical Curricula
 - o Staff Development Plan
 - o Board Organizational and Development Plan
 - o Management Information System (MIS)
 - o Memorandum of Agreement (MOA)
 - o Standard Operating Procedures (SOP)

- o Organization Chart
- o Job Descriptions
- o Wage & Salary Plan
- o Guidelines for Internal Financial and Program Audit
- o Periodic Evaluation Reports
- b. Monitor and control program and financial activities, records and reports
- c. Provide TDY, in-country managerial and technical assistance
- d. Procure U.S. commodities and equipment
- e. Ship commodities and equipment
- f. Assist in resource mobilization
- g. Organize Board and staff development (participant training) in the U.S. or in Africa for local counterpart staff and Board of Directors
- h. Engage in research and development activities upon special request from programs

It should be noted that the direct and indirect managerial and technical services enumerated above are provided by the OICI headquarters staff in an interactive and cost effective way. While basic functions and responsibilities of headquarters' professional staff are clearly defined, the organization gets maximum mileage out of each professional whose experience and range of expertise permit him/her to partake in such diverse tasks as feasibility studies, proposal development, project negotiation, financial and programmatic planning, implementation, evaluation and the preparation of organizational position papers. Hence, the credentials of the professional staff and their effective interaction as well as the overall systems approach have contributed to cost effectiveness without short-changing its output qualitatively or quantitatively at the present economies of scale.

3. The OICI Field-Staff

The OICI field staff is a direct extension of the OICI headquarters staff. Ongoing, on-site managerial and technical tasks which cannot be carried out by OICI headquarters in the U.S. (due to distance and logistical implausibility) are delegated to contractual field personnel each of whom in many instances has the capability to carry out the functions of more than one position slot.

Depending on program needs at each project site, any three or fewer of the following position slots may be activated at any one time.

a. Program Advisor

This is the top field management position representing the management of OIC International. This person coordinates and supervises the functions and activities of other members of the technical cooperation team (TCT). She/he advises Board members in policy matters relating to the OIC program. She/he also trains Board members with respect to the roles and responsibilities of an effective OIC Board operation as well as the development of an Industrial Advisory Council (IAC) and a Technical Advisory Committee (TAC). The Program Advisor does so on the basis of OICI guidelines and in coordination with staff TDY visits. Another important aspect of the Program Advisor's role is the training and operational guidance to his/her counterpart i.e. the local Program Director. The Program Advisor further ensures, on an ongoing basis, the smooth flow of logistics and compliance with the provisions of the program. On behalf of OIC International, she/he liaises with the USAID Mission, other donor agencies and the host government. Last but not least, she/he is required to submit to OICI headquarters financial and program MIS and progress reports.

b. Finance Officer

This position involves working closely with local counterparts in the setting up of a fiscal office; she/he monitors books of record and ensures that monthly fiscal reports are in accordance with the OICI MIS format and fiscal guidelines. She/he further assists the local counterpart in preparing all essential documents for examination by external auditors and evaluators. The Finance Officer is also in charge of time sheets, housing contracts for all the U.S. Technical Cooperation Team (TCT) members, custom clearance and the preparation of receiving reports for U.S. purchases. For capital assets/nonconsumables, the Finance Officer keeps inventory per U.S. Department of Labor inventory guidelines.

For reasons of minimizing overall cost of operations, in the next three years, OICI headquarters staff will assume the above responsibilities on a TDY basis.

c. Feeder/Counselor

In view of the short-term nature of this component, an experienced OIC Feeder Specialist will be assigned as a consultant for counterpart training and the setting up of records as well as curriculum development. In the years ahead, this approach is considered more cost effective than contracting a long-term resident TCT.

d. Building Trades Specialist

This is generally a key position in vocational OIC programs covering many trade areas such as:

- o Masonry (brick and stone)
- o Carpentry and joinery
- o Plumbing and metal fitting (welding)
- o Electricity

Since OIC is historically a vocational training program in the United States, there is an ample supply of skilled staff in building trades available to OIC International. In particular, in the course of OICI's 13 years of existence, a cadre of experienced and qualified personnel have been developed for overseas assignments. OIC International contracts only one well rounded specialist to handle several aspects of building trades. This specialist usually has more than one local counterpart to train and is assisted by OICI Central Office specialists, including curriculum and training specialists.

e. Auto Mechanics Specialist

Basically, this position calls for counterpart training and curriculum development. S/he is also in charge of specification writing for the purchase of auto spare parts, tools and testing equipment. This person has to be an experienced auto mechanic although formal credentials are also desired.

f. ET/MD Specialist

This person is both a manager and a technician. S/he is the planner and coordinator of the training program for entrepreneurs and middle level managers. In addition, this person is responsible for the development of fee for service and fee for production activities. Counterpart training in these areas is a high priority responsibility. Accordingly, the ET/MD Specialist is assisted by OICI Central Office ET/MD Specialist and or by consultants. Last but not least, curriculum development as well as the development of a core of resource material and the conducting of research in the area of business development are also the responsibilities of the ET/MD Specialist.

To fulfill the above tasks, the ET/MD Specialist is required to have an MBA with practical experience in small business development and some public administration.

g. Agriculture Project Positions

o Program Advisor/Farm Manager

An experienced manager with a strong technical background in one or more of the following areas:

Agronomy
Animal Husbandry
Farm Mechanics

This person is the chief coordinator and supervisor of the TCT activities as well as those of the local counterparts. His/Her additional responsibilities are those of other Program Advisors at vocational project centers.

o Agronomist

This person, who is a qualified and experienced Agronomist, is assisted by the OICI Central Office Agricultural Specialist, in discharging his/her various responsibilities including counterpart training. Where needed she/he is further assisted by consultants.

o Farm Mechanic Specialist

This person is a qualified and an experienced agro-mechanic, in charge of the use and maintenance of all farm equipment as well as the training of a counterpart. As needed, this person is also assisted by OICI Central Office Agricultural Specialist and or consultants.

C. The Need for and Justification of the OICI Training Model

The OIC training model derives from the recognition that school dropouts, particularly in less developed countries, have neither skill nor opportunity nor the means to better their future either through training or via employment. As a consequence, this group, and it is a sizeable group, constitute a social and a political problem for the governments concerned. Nor do

they, unfortunately, contribute to the production and to the growth of their countries' economy. In fact, they only consume and do become a chronic welfare case which does not help the tax dollar.

Significantly, existing educational institutions in these countries, by and large, do not have provisions for the training and re-orientation of these youths. The OIC training programs not only meet this unsatisfied need by training these unemployed dropouts, it also places them in remunerative jobs through its job placement component which, to date, has proven to be highly successful.

The OICI training model offers a number of built-in advantages. The feeder component transforms the attitude of the trainee through feeder counseling. This component instills in the trainee a new and stronger motivation and a more positive perspective towards the importance of training, work and progress. Additionally, the feeder program upgrades the trainee's qualifications to enable him/her to meet the minimum requirements before matriculating in a particular area of specialization within the vocational training program.

Given the background of the trainees, the vocational courses are offered following a system of individualized training. While the training is, for the most part, practically geared, short-term, and intensive, flexibility is allowed to accommodate the few that cannot fit the rules (i.e. those that need a few months more). Conversely, the few that are exceptional in their learning power are graduated and placed sooner.

The range of courses to be offered is determined at the time the feasibility study is conducted and the project proposal developed. In other words, the choice of courses is not random as is often the case in academic curricula in conventional schools. The chosen courses are a direct response to established demand for skilled labor by private industry, government or for self-employment.

From the standpoint of productivity, OICI's and external independent surveys of the local OIC training program graduates show that their performance on the job is considered quite satisfactory by most employers.

Because of the success of the training component of the ET/MD program, and the growing need for tapping local resources, OICI is currently incorporating in its existing ET/MD model, a production/service component to improve the effort toward local self sufficiency and long-term institutionalization.

Based on OICI's experience on the African scene, fee for service and fee for production activities are expected to become a stable source of revenue for the local OIC programs.

The essential end result is a functional and replicable institution capable of transferring technology at the local level. OICI leaves behind a capable local Board of Directors, a trained local counterpart staff, standard operating procedures, personnel policies, a management information system, developed curricula, a core of basic training equipment and a built-in capability for resource mobilization.

These end results are additional to the trainee output and are not left behind without a governing principal or a basic philosophy. The OIC philosophy is an important heritage of self-help and self-reliance.

D. The Management Philosophy of OICI

The methodology underlying the OIC model is aimed at not only the transfer of technology but also at creating and strengthening the local managerial capability to run the program. OICI recognizes the need to emancipate local capability and self-reliance. Since OICI management is faced with a growing demand for OICI's involvement in other program countries, the basic OICI approach is to assist in the development of new programs without perpetuating its presence or stifling the opportunity for local initiative.

Notwithstanding this belief and practice, OICI provides upon request selective and periodic technical assistance to the OIC graduate programs. Fundamentally speaking, this practice is in line with OICI's partnership concept as regards its overseas affiliates.

OICI's management philosophy is people-oriented, which is reflected in its community based programs and in its participative management. Its modus operandi is interactive, which is systematically essential to productivity and output maximization.

While individual initiative by a section manager or technician is encouraged, the need for collaboration is simultaneously emphasized. Management believes that this coordinated and collaborative approach helps prevent rather than correct tactical or strategic mistakes. The approach does enhance better output, both qualitatively and quantitatively. It therefore, helps cost effectiveness. The same process also engenders not only a sense of belonging to the OICI movement, but indirectly, is a self evaluation process which leads to continuous improvement in planning and operational effectiveness. OICI's staff being small, the interactive approach does promote versatility.

Another dimension of OICI's managerial philosophy derives from its receptiveness to constructive criticism and concurrently from its realization of the need to adapt to changing environments.

Finally, OICI's management is committed to service rather than monetary gain.

E. Progress Towards Self-Sufficiency

The philosophy of the OIC movement includes a recognition of the need for self-sufficiency. Accordingly, OIC International has been sharing this philosophy with the Board and Management staff of its overseas programs from the very beginning of its operations. It has been felt that although host government financial input is highly desirable, the need to develop other resource sources has been emphasized in order to avoid either being considered a government

institution, or becoming hostage to precarious and whimsical government regulations and budgetary limitations. Self-sufficiency to OICI means a substantial degree of independence to operate as efficiently as possible and to service as many needy people as opportunities and resources permit.

In the recent assessment of OIC International, a major recommendation was to diversify OICI's funding portfolio in order to be in position to circumvent funding crises such as those which occurred in 1982 when a staff reduction of nearly 50% was necessitated in order for the organization to even survive.

It should be noted that OICI already has a substantial resource base developed over the past several years. The size of local cash contributions to OICI field projects during FY81 clearly reflects the wide support and importance attached to the OIC program by host governments and local communities, notwithstanding the fact that the economies of these countries are fragile. As verified by the 1982 Barnett & Engel and Druben & Ricci Assessment report, OIC-Ghana received \$371,600; OIC-Liberia \$170,000; OIC-Sierra Leone \$107,500; and OIC-Lesotho \$852,000 of which \$800,000 is a contribution from the World Bank. Hence, a total of over \$1,500,000 was received. These cash contributions, of course, do not include the in-kind contributions which are also substantial--acres of land in Togo and acres in the Gambia; all the classroom facilities, office space and training equipment in Lesotho were donated by the host government; in Ghana, a Texaco Gas Station was donated to help serve as an automechanic workshop and to generate some income for OIC Ghana. In Freetown, Sierra Leone, the office space and classrooms for the ET/MD program were donated by the host government. Similarly, the office space, classroom and workshop facilities in Bo, Sierra Leone were donated by a Church Mission. As acknowledged in the Barnett & Engel and Druben & Ricci's joint 1982 Assessment report, OIC-Nigeria has received substantial assistance.

"The new facility has been grant-funded by ICCO, and will cost over \$500,000. The Nigerian Youth Trust, a private sector organization, provided funds to equip the center's automotive training workshop. A member company of the Trust has contributed 36 units of office machines and equipment for the center's secretarial sciences and vocational training courses, with an aggregate value of more than \$8,300. Equipment for vocational skills training shop needs, valued at more than \$9,300, has been provided by the Youth Development Division of the Federal Ministry of Social Development, Youth, Sports and Culture. That ministry has also written to the OIC to express interest in helping it to meet other equipment needs in 1982."

On the home front, between 11/3/82 and 7/1/83, OICI raised from corporation and foundations \$92,000 for its headquarters in Philadelphia. This modest amount represented minimum effort. With much greater effort to be undertaken by the new resource mobilization office, the potential for increasing revenue from private sources is considered very bright.

As one avenue towards this end, OIC International recently made application for and was accepted as a participant of the Combined Federal Campaign. Through this resource alone, OICI expects to double its private revenue.

Thus, OICI is moving to a more self-reliant financial stance and has an action plan that is targeted to development objectives.

F. Organizational Structure and Staffing Requirement

In order to achieve the goals and objectives of this three-year cooperative agreement, OICI headquarters requires the appropriate staff to carry out operations of the organization over that period. This calls for a minor change in staffing level requirements and the organizational chart.

Under the present organizational structure, OICI headquarters has twenty-three (23) approved

position slots. Under the proposed plan, OICI will require an active staff of twenty-seven (27). This is an increase of four (4) positions over currently approved levels.

The new organization chart attached to this Appendix shows how OICI will operate under the provisions of the three-year cooperative agreement. Since structure should provide for adequate manpower while facilitating OICI's modus operandi, this level of staffing will help sustain efficiency and effectiveness.

OICI's modus operandi is interactive, which is systematically essential in both management and technical operations. While individual initiative is encouraged at all times, the need to coordinate and collaborate is emphasized in order to maximize output, both qualitatively and quantitatively.

OICI's staff was limited in size compared to the magnitude of its planning, operational, evaluative and reporting tasks. In the years ahead, staff versatility will be a plus to normal individual performance.

The specific OICI headquarters staff positions which will be required to implement the three-year cooperative agreement are as follows:

1. Executive Director
2. Deputy Executive Director
3. Director of Operations
4. Director of Evaluation
5. Director of Information/Liaison
6. Senior Program Development Officer
7. Chief Accountant
8. Procurement Officer
9. Administrative Officer
10. Personnel Officer
11. Program Advisor II
12. Vocational Training Specialist
13. Agricultural Training Specialist
14. Entrepreneurial Training/Management Development Specialist
15. Program Officer
16. Accountant IV
17. Accountant III
18. Accountant II

19. Accountant II
20. Personnel Administrative Assistant
21. Research Analyst
22. Executive Secretary
23. Receptionist/Secretary
24. Secretary
25. Secretary
26. Secretary
27. Typist

G. Resource Mobilization Plan

An important aspect of OICI's three-year operational plan (FY84-86) is the implementation of a purposeful resource mobilization program. OICI intends to diversify and increase its portfolio of funding sources for OICI's headquarters and its field projects. Towards this end, an action plan consisting of the following major steps will be undertaken:

1. Establishment of in-house marketing and fundraising capability.
2. Commencement and maintenance of a systematic process for garnering support from a carefully researched and selected number of foundations, corporations, and funding consortia.
3. Energizing the full Board of Directors of OICI to its vital role in resource development.
4. Formulation of a strategy and a detailed plan for reaching individual Americans, to build on and extend OICI's current participation in the Combined Federal Campaign.
5. Provision for appropriate office space, equipment, supplies, publications, resource materials, and other logistical support required for the effective functioning of a Resource Mobilization Office.
6. Installation of information-gathering and record-keeping systems by which data on planned fundraising activities and results will be properly collected, analyzed and maintained for continued reference.
7. Conducting periodic reviews and assessments of resource mobilization activities and results.

To strengthen the effectiveness of the Resource Mobilization Office, the Management of OICI is considering the establishment of an Information/Liaison Office in Washington, D. C. in FY85. The proposed Information/Liaison Office will, on behalf of OICI, facilitate better communication and access to AID. Embassies of OICI's current and potential project countries, International Organizations based in Washington, as well as foundations and corporate representatives. With respect to the working relationship between OICI and AID, the Information/Liaison Officer will help reduce some of the present communication problems between the two organizations which are caused by distance and the shortage of staff who can spend time in Washington on a regular basis for follow-up purposes. The Resource Mobilization Director and the Information/Liaison Officer report directly to OICI's Deputy Executive Director.

To achieve optimal efficiency in fund raising for both OIC International and OICI field projects, the Resource Mobilization Officer will also provide technical assistance to the overseas OICs in the identification of potential donors and the development of funding request proposals. Contractual activities will also be considered by OICI and/or field projects for revenue raising purposes, whenever these activities are within the capability of OICI and are in line with the OIC philosophy and methodology. Examples of contractual activities are feasibility studies, proposal developments, and technical assistance to project implementation in host countries and per request of host governments or international organizations.

The above Resource Mobilization Program is intended to raise non-USG funding support for both OICI's headquarters and its field projects from twenty-six percent (26%) in FY84 to the level of 30% in FY86. The annual schedule for this process will be as follows:

<u>FY84</u>	<u>FY85</u>	<u>FY86</u>
26%	29%	30%

The primary sources which are anticipated to contribute to OICI's non-USG resources are as follows:

- o Private Corporate Contributions
- o Foundations/Trusts
- o International Donor Agencies/Sources
- o Combined Federal Campaign Contributions
- o Host Country Government Contributions
- o Service for Fees
- o Production for fees (local programs)
- o Special Fund Raising Projects

In its resource mobilization efforts, OICI will seek appropriate counsel, critique and collaboration from a selected number of relevant professionals to ensure that objectives are met and new opportunities properly explored. The Business Advisory Council (BAC) and the Technical Advisory Council (TAC) of OICI will assume a key role in guiding the resource mobilization program of OICI vis-a-vis the private sector in the U.S. The BAC and TAC will also provide technical support to OICI in its liaising activities with U.S. business subsidiaries and multinational corporations for the purpose of garnering support for OICI in the U.S. and its programs abroad.

The detailed financial plan for this Appendix A, Headquarters, is set forth on the last page of this Appendix.

III. PROGRAM AND FINANCIAL ACCOUNTABILITY

A. Reporting Schedules

The three year cooperative agreement program between USAID and OICI will be carefully monitored and documented at all levels including:

1. Program Outputs and Inputs as per the logical framework and three (3) year Program Performance Tracking Schedule (PPT) to be supplemented by annual PPT submissions.
2. Finance inputs as per the three (3) year budget to be supplemented by annual budget submissions (ABS).
3. The program purpose and goal levels will also be discussed annually.

In addition to the above mentioned annual and quarterly submissions there will also be several other special reports during the three (3) year period. These are the following:

1. Mid-term Joint Assessment

OICI and AID will conduct an assessment at the mid-term period from the commencement of the three (3) year cooperative agreement. The assessment will cover all OIC local programs funded by the cooperative agreement.

2. Final Program Cost Effectiveness Assessment

OIC International will contract an independent evaluation firm to carry out a final program and cost-effectiveness assessment of the three (3) year Cooperative Agreement Program. All parties concerned (AID, Host Governments and local OICs) will be interviewed for their input in the process.

B. Annual Program & Financial Independent Audit

1. Audit Period

2. Audit to Cover

- a. OICI Headquarters
- b. Local Programs

- 1. Program
- ii. Finance

3. Scope of Audit

a. OICI Headquarters

Financial Audit Considerations:

- 1. Reliability and fairness as to financial recording, reporting and general accounting principles applicable to a non-profit organization
- ii. Compliance with U.S. State Department Standard Provisions, AID's Grant/ Cooperative Agreement Provisions, OICI operating policies and procedures, and OICI's MIS

b. Local Programs

Financial: Same as in items a.i. and a.ii. above

Programmatic:

1. Comparative review of planned/ modified targets vs. actual accomplishments.
 - ii. Comments as to efficiency and effectiveness of people, facilities equipment and general structure and mode of implementation.
 - iii. Timeliness of approvals and actual funding obligations.
 - iv. General comments as to program objectives and results; identification of crucial causal factors and processes as they relate to specific output levels.
4. Available Information at OICI Headquarters
 - a. Audit reports (independent) by year
 - b. Program and financial MIS reports
 - c. Inventory listing by program
 - d. Internal control flow charts & FPPTS
 - e. Program objectives by project
 - f. Operating procedures/policy

C. Program Evaluation Plan

OICI's program monitoring and evaluation plan during the three-year period (FY84-86) will consist primarily of:

1. On-going monitoring of field projects' operations by OICI's offices of Finance/Administration, Operations and Evaluation.
2. On-going monitoring of the operations of OICI's headquarters by the Office of Evaluation in collaboration with the Management Staff.
3. Annual on-site evaluation of field projects per the PPT schedule of each project. Most of these evaluations will be jointly conducted by OICI, AID, and Host Governments.
4. Mid-term joint program review by OICI and AID in the eighteenth month of the life of the Cooperative Agreement. The joint program review will:

- a. Determine OICI's progress toward the objectives stated in this proposal.
 - b. Verify the continuation of the validity of major program assumptions.
 - c. Identify adjustments which might be required with respect to the projected end-of-program status, program inputs and outputs.
5. Assessment of OICI's program impact and cost effectiveness by independent consultants toward the end of FY86. This assessment will cover both OICI's headquarters and the field projects.

OICI's program monitoring and evaluation process will take into consideration:

1. Planned vs. actual program performance at both OICI headquarters and field projects.
2. Program and financial PPTs.
3. Program and fiscal MIS records and reports.
4. OICI's standard program and financial guidelines.
5. Provisions of the three-year Cooperative Agreement.
6. Provisions contained in Operational Program Grants/Cooperative Agreements governing individual projects of OICI.
7. General standard provisions of AID with respect to the implementation of AID grants.
8. On-going communication between OICI, field projects' management, AID/Washington, USAID Mission, and Host Governments.
9. Feedback from beneficiaries and employers of OIC graduates on the services and impact of OICI.

MIS Reports Submitted to OICI Headquarters by Local
Operating Programs

A. Program MIS Reports

1. Intake/Orientation Activity Report (10-C)
2. Attendance Analysis Report (30-C)
3. ET/MD Report (31-C)
4. Job Development Follow-up Report (40-C)
5. Statistical Summary (70-C)
6. Program Activity Summary (71-C)
7. Summary of Trainee Characteristics (72-L)
8. Board of Directors Activity Report Part I (73-CI)
9. Board of Directors Activity Report Part II (73-CII)

B. Financial MIS Reports

1. Request for Reimbursement (61-C)
2. Statement of Financial Position (62-C)
3. Statement of Revenues, Expenses and Fund Balance (63-C)
4. Position Control and Personnel Status Report (64-C)
5. Property Report (65-C)
6. Summary of Shipments Received/Open Purchase (66-C)
7. Report on Local Funding (67-C)

IV. COMPONENTS OF THE OIC MODEL

1. THE OCI TRAINING MODEL

The program design proposed for an Opportunities Industrialization Center consists of six distinct but interrelated components which focus upon preparing the trainee for work in a semi-industrial society. These components are described in detail below:

- a. Community Outreach - This component involves recruiting individuals to participate in programs sponsored by the center. These activities include advertising and community relations; employment counselling and referral; recruitment of voluntary staff; and recruitment of trainees for the feeder and vocational skills classes.

A variety of techniques will be used to make the community aware of the Center and its services, such as public speaking; billboard posting; pamphlet preparation and dissemination; and establishing contact with related private agencies, churches, and government offices. In OICI's African programs it has not been necessary

to engage in a great degree of recruitment activities and there is, in fact, an extensive waiting list for all established programs. Generally, in Africa the demand for employment is so great and yet existing institutions that can accommodate the demand for training are very few. Once a program opens its doors it is more a matter of defining and locating the type of person to serve from amongst the many applicants.

- b. Intake - The intake component includes processing an individual who is interested in applying to OIC for vocational training. It includes completion of an application, intake counseling, orientation, and enrollment. Based on the intake interview, applicants may: (a) be accepted for training and assigned to orientation; (b) transferred to job development/placement or be counseled for special services; (c) be referred to either the Community Services component or to another agency whose services for trainee applicants are more appropriate than those offered by OIC (e.g., vocational skills for handicapped person).
- c. Counseling - The third component includes counseling by staff assigned to provide vocational guidance and general assistance to enrollees. Counseling activities will include group or individual sessions with trainees to discuss their attendance, behavior, or other personal concerns. Periodic trainee assessments will be a critical part of the counseling process. Diagnostic tests and other measurement techniques will be used to help identify trainee aptitude. Where applicable, work sample testing is used as an alternative to written tests. The work sample technique is task oriented and is often a valuable guide to the potential accomplishments of trainees with low verbal and math achievement levels.
- d. Feeder (Pre-Vocational Training) - This program component will attempt to augment trainee motivation and attitudinal development as well as improving basic educational skills. "Feeder" is a term which refers to the service delivery concept and technique that is essential to the preparation of the trainee for effective participation in the subsequent vocational skills

courses. The Feeder service concept is predicated on the belief that factors affecting life-style, self-image, basic skills development and aspiration level of the individual frequently prevents one from making a satisfactory occupational adjustment. The specific techniques utilized in Feeder include the provision of comprehensive pre-job conditioning, basic remedial academic skills development, attitudinal and motivational training, personal hygiene and grooming, and finally on introduction to basic vocational tools and equipment.

- e. Vocational Skills Training - The fifth program component provides practical and theoretical skills training in a classroom, workshop, or simulated work setting. Instructions will be offered in a range of occupational skills designed to prepare the trainee for employment in several specific occupations related to a common field of interest.

This training strategy known as the "cluster concept" will allow trainees to master a number of occupational levels within a given cluster (e.g., motor mechanics) or to complete training after meeting performance objectives in a single occupational specialty (e.g., carpenter). This approach broadens the trainee's skill capabilities and improves his/her marketability in industry.

Since the proposed target trainee population consists of varying levels of academic achievement, OIC curriculum developers will prepare vocational courses of study which emphasize verbal and visual communication. Theoretical principles will be included, but emphasis will be placed on practical applications.

- f. Job Development, Placement and Follow-Up - This component focuses upon the identification and development of on-the-job training opportunities and when possible, places trainees in permanent jobs. The job developer's primary objective is to find job openings that match the skills and work experience of OIC trainees. After a job placement is completed, the job developer maintains contact with the employer and graduate on a periodic basis (usually from 30 days through

6 months) after placement to verify job retention, and to evaluate the graduate's performance and progress on the job. Follow-up is also valuable for curriculum modification. Positive and negative feedback from employers and graduates can influence the quality of training by revealing the most useful training methods currently applicable to the work-site. In the case of agricultural programs, graduates are assisted in resettling on the land and are visited by extension agents in order to help resolve any technical problems on site.

In conclusion, the major training program components described above are intended to meet the needs of a non-normative population, e.g., one that is educationally, socially, and economically disadvantaged relative to the mainstream of the population. The classic pedagogical approaches have been submerged in favor of instructional innovations and a unique service delivery concept geared toward preparation of the individual for the "World of Work" in the shortest possible time.

a. ET/MD

The Entrepreneurial Training and Management Development component of the OIC program model is important, not only in its training capacity, but also in its role as a resource mobilization of the OIC program.

In terms of training, the ET/MD component offers courses in the following areas:

1. Small business development and management
2. Supervisory management
3. Bookkeeping
4. Foreman Training

The beneficiaries of these courses offered are diverse and do include the unemployed who wish to enter into a small business venture, small business men and women who wish to upgrade their operations, government civil servants and middle managers from private industries as well as foremen from the construction industry.

In addition to training this diverse population, the ET/MD section of an OIC program is directly involved in revenue generation in essentially two ways:

1. Fee for service: Since many of the course offerings are directed towards private industry and already established businesses, it is justifiable for those organizations with a profit making base and capability to be charged fee for attending ET/MD courses through the local OIC.
2. Fee for production: Since the personnel of the ET/MD unit have business background, it is logical that they become involved in procuring production contracts for the vocational training components as another source of revenue for the OIC program. For example, the making of furniture, repairing of automobiles/buildings and typing services are offered for fee, part of which goes to the trainee, and the balance is ploughed back into the OIC service delivery component.

2. ADMINISTRATIVE MODEL

a. Organization and Development of the Board of Directors

The local OIC National Board of Directors serves as the principal policy-making body for the program as distinguished from the executive staff of OIC who are responsible for implementing the policy decisions of the Board. The major roles of the Board are:

1. to establish the legal existence of the program
2. to establish the long-range goals of the organization
3. to establish policies that will insure the stability and growth of the organization
4. to determine the major structure of the organization
5. to select the major executives of the organization

6. to appraise the performance of the major executives on a periodic basis
7. to review and monitor the program operation

The Program Advisor, with guidance from OICI headquarters and assistance from OICI-Personnel TDY visits, spearheads the training of local Board members in helping them understand and execute their responsibilities.

b. Local Staff Development

A formalized staff development program is an integral part of the overall technical assistance package to be provided by OICI during the life of the project. Initially, key local OIC staff members, the Executive Directors, the Training Managers and the Fiscal Officers receive in-service training designed to improve their management and administrative skills and to firmly inculcate detailed knowledge of project goals, objectives, requirements and resources. The OICI Advisors complement OICI TDY staff and monitor the staff development program; while consultants assist in designs and conducting workshops in specialized subjects including Management Information Systems, Program Evaluation Techniques, and Curriculum Development.

Other consultants are utilized to conduct workshops for the vocational instructors with a focus upon improvement of their instructional skills for vocational education. Typical problem encountered in vocational education are presented and analyzed, including: classroom organization and management, instructional materials development, on-the-job training or work experience, evaluation of teaching and training methodologies.

In addition to the above specialized training programs and staff development sessions, staff meetings are scheduled to take place on a monthly basis throughout the life of the project. The OICI Program Advisors will conduct the staff development sessions, utilizing local consultants for training in subjects outside of their area of expertise.

Each OICI technical cooperation team member is responsible for the training of a counterpart or a number of counterparts, depending on the situation.

c. LAC/TAC/AAC

The Industrial Advisory Council (IAC), the Technical Advisory Committee (TAC), and the Agricultural Advisory Committee (AAC) are all voluntary advisory bodies which assist an OIC program in the following areas:

1. IAC

- o Advises OIC Board and Management staff in understanding realistically the employment trends and skill needs of industries in the country.
- o Assists in locating job placement opportunities for OIC graduates.
- o Assists in resource mobilization for the OIC program through:
 - company cash donations
 - equipment donations
 - mobilizing support of other industries in country to donate cash or in-kind resources.

2. TAC

- o Advises OIC technical staff on appropriations of curriculum and equipment for each of the skill areas offered.
- o Advises OIC management of needs for specific skill area in country.

3. AAC

- o Advises OIC Board and management staff on the needs for skills in agricultural industries in the country.

- o Advises OIC management and technical staff on appropriateness of agricultural technology transfer in the country.

The OICI Program Advisor, with guidance from OICI headquarters and assisted by OICI TDY, visits the primary developer of the advisory councils and committees in cooperation with the local board and local Program Director.

d. Local OIC Lines of Communication

The development of the local OIC program is a partnership undertaking between OIC International and the local OIC Board of Directors.

In general, the sponsors of this local OIC non-formal vocational training program are the local Government in collaboration with the United States Agency for International Development (AID).

The long range and short run success of the OIC project calls for effective channels of communication among each of these four collaborators (OICI, local board, local government and AID) who contribute to the development and institutionalization of OIC. The relationships among each of these contributors have to be cooperative and mutually supportive, this is absolutely essential.

The following chart attached to this Appendix depicts the intended lines of communications between OIC International, the OIC Board of Directors, the local Government and AID or any other major donor.

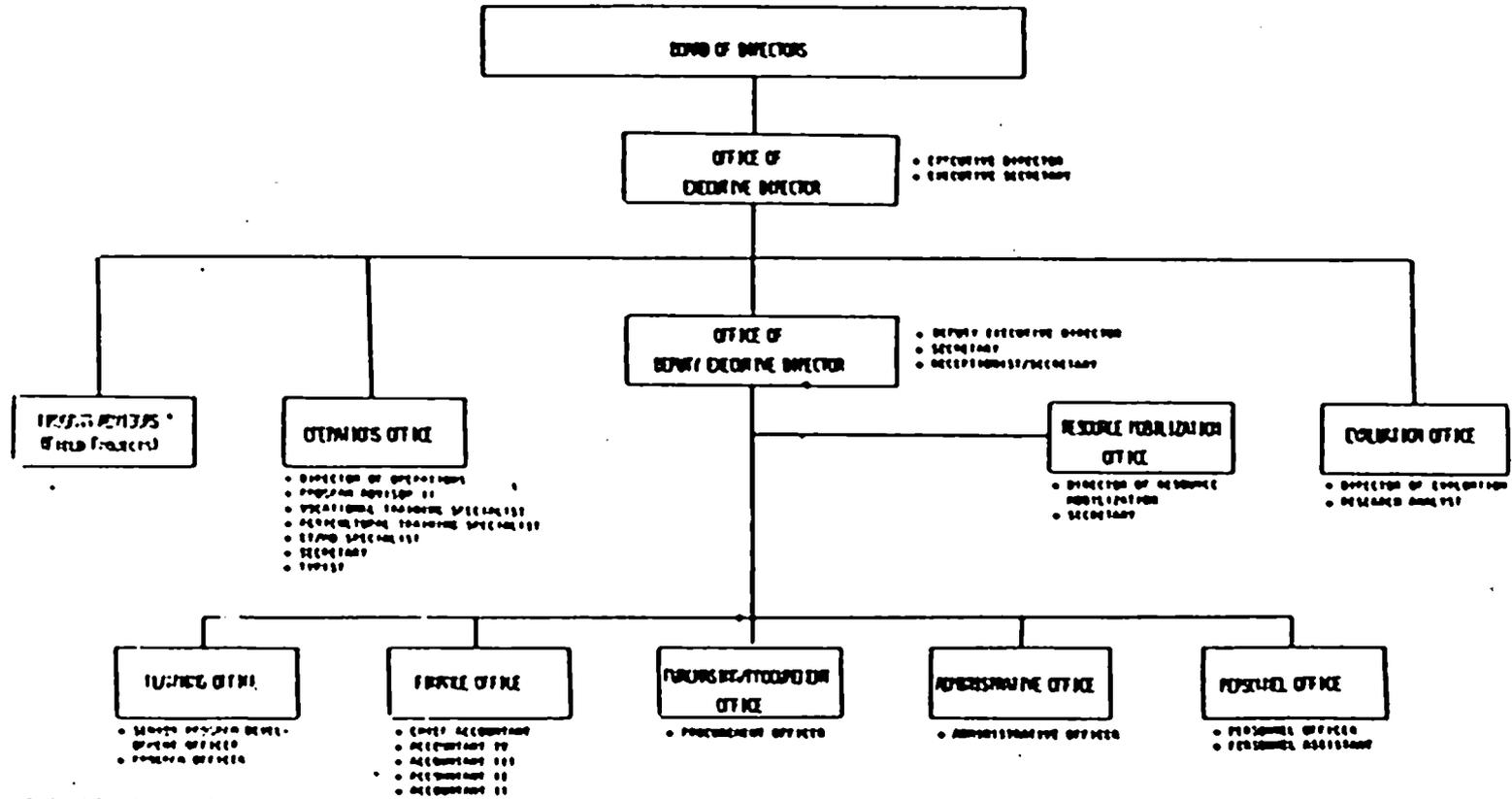
e. Disbursement and Procurement Procedures

OICI's financial relationship with the local OIC Board of Directors for goods and/or services to the program and program support commitments will be defined in a Memorandum of Agreement prior to the inception of the project. The Memorandum of Agreement will include the following stipulations:

1. Disbursements to the OIC program shall be used exclusively to finance the purchase of goods and/or services for the program;
2. Flexibility of expenditures within the program budget will be allowed as long as the cost of any line item is decreased or increased by no more than 20 percent;
3. All expenditures shall be open to audit by OICI fiscal representatives, external auditors, and/or local Government;
4. Costs incurred before the effective date of the agreement will not be allowed;
5. The OIC will be reimbursed only for allowable expenditures upon regular submission of fiscal reports and program progress reports as required by the OICI Management Information System; and
6. A joint project evaluation mission will be undertaken on an annual basis, consisting of representatives from OICI, the local OIC and the local Government.

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OIC INTERNATIONAL, INC.
 ORGANIZATIONAL CHART



A-4b

Excluded from Control Office Position Sheet

Previous
Organization Chart
OICI - Headquarters

ATTACHMENT TO
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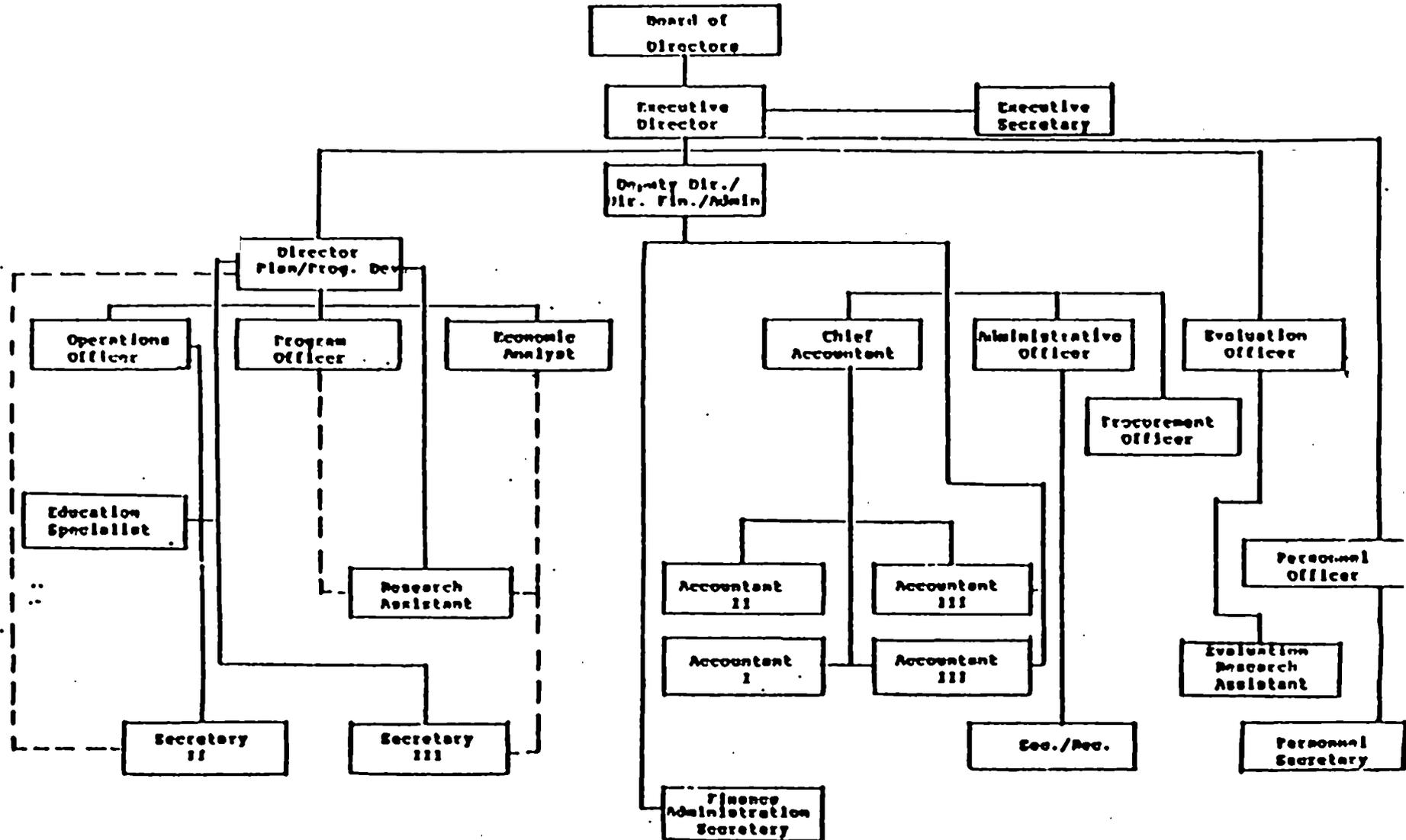
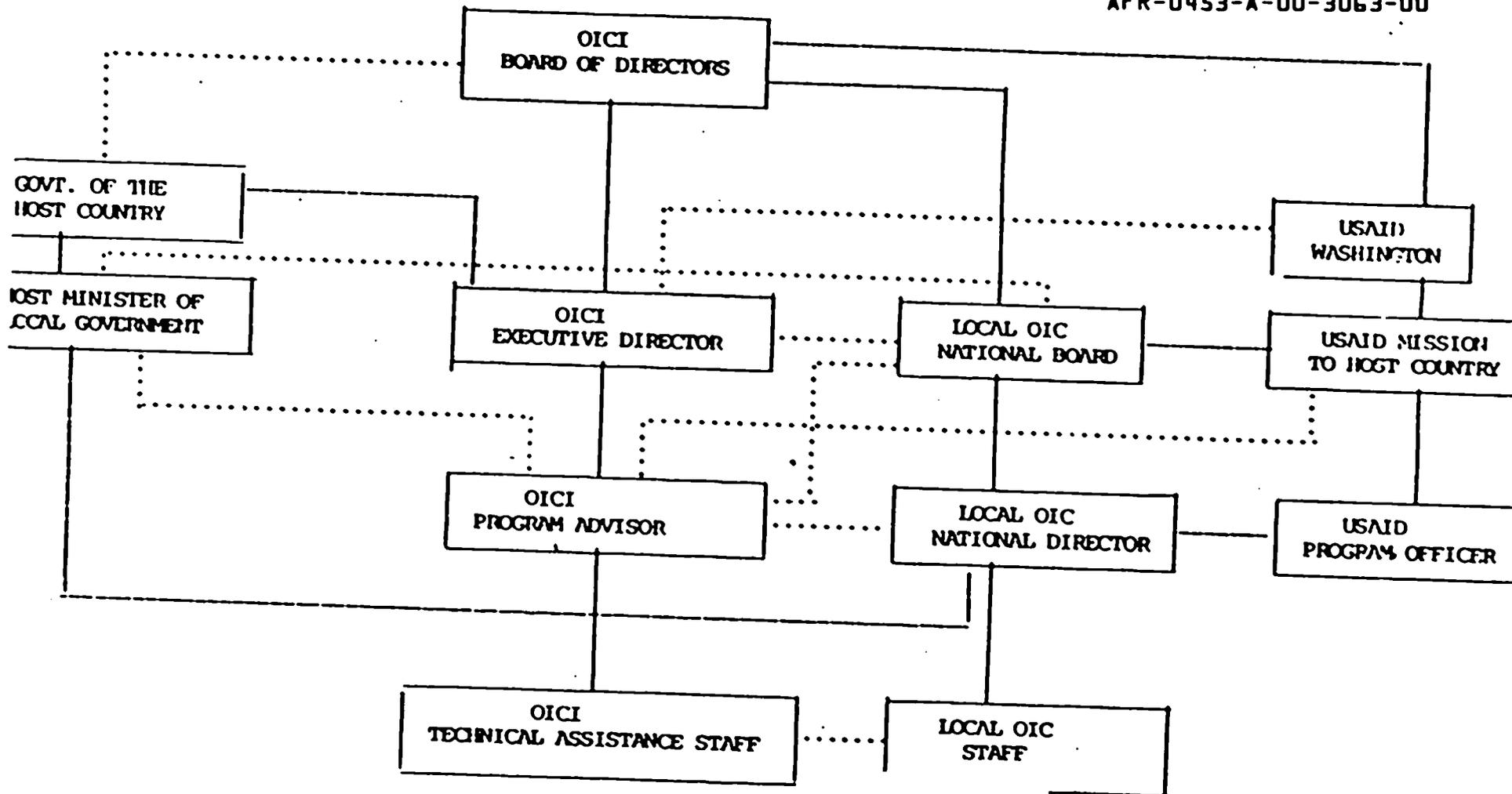


CHART III: OICI LINES OF COMMUNICATION

ATTACHMENT TO
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-110-

_____ DIRECT REPORTING LINE
 DIRECT COMMUNICATION LINE
 - - - - - AWARENESS & COOPERATION LINE

ATTACHMENT TO
APPENDIX A
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HEADQUARTERS

Financial Plan

	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>Total</u>
Personnel	\$ 251,742	\$ 884,529	\$ 843,099	\$ 1,979,370
Consultants	75,167	138,774	139,060	353,001
Travel and Transportation	106,634	305,352	353,964	765,950
Other Direct Costs	97,081	185,138	177,991	460,210
Participants	116,541	189,706	263,965	570,212
Commodities and Equipment	-0-	52,212	32,292	84,504
TOTAL DIRECT COSTS	<u>\$ 647,165</u>	<u>\$ 1,755,711</u>	<u>\$ 1,810,371</u>	<u>\$ 4,213,247</u>
Indirect Costs	276,081	-0-	-0-	276,081
TOTAL HEADQUARTERS	<u>\$ 923,246</u>	<u>\$ 1,755,711</u>	<u>\$ 1,810,371</u>	<u>\$ 4,489,328</u>

Accounting and Appropriation Data

PIO/T:	698-0453-3-6135305
Appropriation:	72-1131021.5
Allotment:	345-61-698-00-69-31
Budget Plan Code:	GDA-83-31698-EG12
Amount Obligated:	\$4,489,328

APPENDIX B

TOGO

- A. Goal: This project is intended to contribute to the broader objective of increasing the GOT's capacity to effectively train agricultural development agents (i.e. training the trainers). The project is, therefore, expected to contribute ultimately to improvement in the productivity and life of the Togolese small farmer.
- B. Purpose: Project activities will focus on the effective development and institutionalization of the program. This includes practical training and demonstration aimed at upgrading GOT's agricultural instructors and extension agents on an on-going basis.
- C. Output: The project will:
1. Train and develop a local project staff of twenty-nine (29) Togolese who will be capable of independently managing project operation in an effective and efficient manner.
 2. Develop a Management Committee that will effectively assume responsibilities with respect to policy making, overall project administration and resource mobilization in support of the project.
 3. Upgrade 2,120 GOT extension agents.
 4. Upgrade instructors and training programs of GOT's Five (5) Regional Young Farmers Training Centers and the National Institute of Agricultural Training.
 5. Provide an extensive demonstration program in support of the training of GOT's agricultural instructors and extension agents. This demonstration program will avail direct extension and training services to:
 - o Local farmers in seven (7) villages;
 - o Eighty (80) young adults who have definite plans to engage in farming but who need proper training;

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- o 120 resettled graduates of the five (5) Regional Young Farmers Training Centers of GOT; and
- o Sixty (60) former OIC trainees (who were in the on-site training programs during the period of FY77-81) who have been resettled since.

Demonstration projects will also be established at the OIC Center in addition to a practical research program on animal feeds and housing.

6. Provide in-service training in fiscal management and control to selected staff members of specific parastatal agencies in the agricultural sector which will be recommended by MRD. This category of service has been incorporated in the project design per request of the MRD.

- D. Input: The in-country Technical Cooperation Team (OICI technical advisors) will consist of three (3) full-time staff members during the first two (2) years of the project. The direct services of OICI Central Office such as TDY visits by OICI staff and/or consultants will increase as the Technical Cooperation Team phases out.

III. Conclusion

This project will strengthen GOT's institutional capability in agricultural training by providing:

- A. Skills development opportunities to agricultural instructors and extension agents who will have greater impact on the farmers and agricultural students with whom they work; and
- B. Key commodities and equipment (such as demonstration chickens and pigs, and animal traction equipment, etc.) that will help increase the effectiveness of GOT's training programs.

OIC Togo's demonstration farm and its off-site demonstration activities will fill a major gap in the current agricultural training system in Togo, i.e. the lack of both means and opportunities to observe and practice appropriate farming methods.

In brief, this project is expected to be a lasting and meaningful contribution of OICI and AID to the development efforts of Togo. A detailed project proposal and budget will be submitted to AID/W, REDSO/WCA, and OAR/Lome, and must be approved prior to the implementation of the Togo program. This cooperative Agreement will be amended accordingly, to reflect the results of discussions held in response thereto.

The detailed financial plan for this Appendix B, Togo, is set forth on the last page of this Appendix.

TOGO

Financial Plan

	Obligated Amount <u>09/30/83 -</u> <u>03/31/84</u>	Estimated Additional <u>04/01/84 -</u> <u>09/30/85</u>	Total Estimated <u>09/30/83 -</u> <u>09/30/85</u>
Personnel			
- TCT	\$ 52,773	\$ 172,173	\$ 224,946
- Local Staff	63,507	219,886	283,393
Consultants	3,720	12,880	16,600
Allowances	47,172	118,571	165,743
Travel and Transportation	56,539	167,033	223,572
Crops and Livestock Activities	11,824	47,638	59,462
Training (On-Site)	20,386	71,741	92,127
Commodities and Equipment	135,732	477,787	613,519
Installation and Infrastructure	87,685	223,705	311,390
Other Direct Costs	31,334	88,586	119,920
TOTAL	<u>\$510,672</u>	<u>\$1,600,000</u>	<u>\$2,110,672</u>

Accounting and Appropriation Data

PIO/T: 698-0453-3-6135305
Appropriation: 72-1131021.5
Allotment: 345-61-698-00-69-31
Budget Plan Code: GDAA-83-31698-EG12
Amount obligated: \$510,672

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ALTERATIONS IN GRANT

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

1. Change the title of Standard Provision 15*, dated "2-82, to read:

"TERMINATION AND SUSPENSION".

2. Insert a new paragraph "(d)" in Standard Provision 15* as follows:

(d) Suspension: Termination for Changed Circumstances. If at any time AID determines (1) that disbursement by AID would be in violation of applicable law, or (2) that continuation of funding for a program should be suspended or terminated because such assistance is not in the national interest of the United States, then AID may, following notice to the Grantee, suspend this Grant and prohibit the Grantee from incurring additional obligations chargeable to this Grant other than necessary and proper costs in accordance with the terms of this Grant during the period of suspension. If the situation causing the suspension continues to pertain for 60 days or more, then AID may terminate this Grant on written notice to the Grantee and cancel that portion of this Grant which has not been disbursed or irrevocably committed to third parties. Financial settlement of this Grant shall be governed by the termination procedures specified in paragraph (c) above.

3. Delete the applicability statement in Standard Provision 16, Voluntary Participation, and substitute the following therefor:

"(This provision is applicable to all grants involving any aspect of family planning or population assistance activities.)"

4. Delete the applicability statement in Standard Provision 17, Prohibition on Abortion-Related Activities, and substitute the following therefor:

*This is Standard Provision 5 for AID Forms 1420-53, and -54

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

5. Add the following to the last line of paragraph (a) of Standard Provision 17: "; (5) lobbying for abortion."

6. Delete paragraph (b) of Standard Provision 17 and substitute the following therefor:

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

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

7. *Delete Paragraph (c) of Standard Provision 10A entitled "Procurement of Goods and Services Under \$250,000" and substitute the following therefore:

"(c) Geographic Source and Order of Preference

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

- (1) the United States (AID Geographic Code 000),
- (2) the cooperating country,
- (3) "Selected Free World" countries (AID Geographic Code 941),
- (4) "Special Free World" countries (AID Geographic Code 935)."

8. **Delete Paragraph (d) of Standard Provision 10B entitled "Procurement of Goods and Services Over \$250,000," and substitute the following therefore:

*This is Standard Provision 12A for AID Forms 1420-53 and -54.
**This is Standard Provision 12B for AID Forms 1420-53 and -54

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

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

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

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

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

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

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

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

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

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

(B) The corporation or partnership:

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

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

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

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

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

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

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

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

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

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

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

(5) Joint ventures. A joint venture or unincorporated association is eligible only if each of its members is eligible in accordance with paragraphs (d)(2), (3), or (4) of this clause.

(6) Construction services from local firms. When the host country is an authorized source for services, and the estimated cost of the construction services is \$5 million or less, a corporation or partnership may be determined by AID to be an integral part of the local economy in accordance with AID Handbook 1B, Chapter 5, Paragraph 5D5, is eligible.

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

(8) Special restrictions on procurement of construction or engineering services. Section 604(g) of the Foreign Assistance Act provides that AID funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under the Geographic Code 941, which have attained a competitive capability in international markets for construction services or engineering services." In order to insure eligibility of a Code 941 contractor for construction or engineering services, obtain the AID Grant Officer's approval for any such contract."

**U.S. Grantees and U.S. Subgrantees
NONPROFIT ORGANIZATIONS—OTHER THAN EDUCATIONAL INSTITUTIONS
INDEX OF
STANDARD PROVISIONS**

- | | |
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—SEE FOOTNOTE ON PAGE 22—

If the institution is not on a predetermined rate basis, omit 5A; otherwise use both provisions.

Select only 1 payment provision from Group 7.

Select only 1 procurement provision from Group 10.

Select only 1 title provision from Group 13, if title to all property is vested in one entity; however, if title is to be split by categories among two or more entities, select the appropriate provisions from Group 13 and identify the categories and entities in the Schedule of the Grant.

1. ALLOWABLE COSTS AND CONTRIBUTIONS (NONPROFIT ORGANIZATIONS—OTHER THAN EDUCATIONAL INSTITUTIONS)

(This provision is applicable to nonprofit organizations other than educational institutions)

(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 (1) this grant, (2) any negotiated advance understanding on particular cost items, and

(3) cost principles contained in OMB Circular A-122 entitled "Cost Principles for Nonprofit Organizations" in effect on the date of this grant (hereinafter referred to as "applicable cost principles").

(b) If Grantee contributions in the form of cost sharing/matching are required under this grant, the allowability of costs applied to the grant for such contributions shall be determined by the Grant Officer in accordance with the terms of paragraph 1K, "Cost Sharing and Matching" of Handbook 13 in effect on the date of this Grant.

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(c) The requirements set forth in this provision are only applicable to costs incurred with funds provided by AID under this grant. Except for paragraph (b) above, the requirements set forth in this provision are not applicable to costs incurred by the Grantee from non-Federal funds. Such costs will be considered allowable to the extent they conform to the requirements of paragraph (b) above and are incurred for purposes of the grant.

2. ACCOUNTING, AUDIT AND RECORDS

(a) With respect to accounting, records and audit, the Grantee shall comply with the requirements set forth in paragraphs II, IJ, IL, and IM of Handbook 13.

(b) The AID Inspector General and the Comptroller General of the United States or their duly authorized representatives (see paragraph 116 of Chapter I of Handbook 13) reserve the right to conduct an audit of the Grantee's books and records to determine whether the Grantee has expended AID's funds in accordance with the terms and conditions of this grant. The Grantee agrees to make available any further information requested by AID with respect to any questions arising as a result of the audit.

3. REFUNDS

(a) If use of the AID funds provided hereunder results in accrual of interest to the Grantee or to any other person to whom Grantee makes such funds available in carrying out the purposes of the grant, the Grantee shall refund to AID an amount equivalent to the amount of interest accrued.

(b) Funds obligated by AID hereunder, 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 disbursed to but not expended by the Grantee at the time of expiration or termination of the Grant shall be refunded to AID.

(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.

4. NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS

(a) No person in the United States shall be excluded from participation in, be denied the benefits

of, or be otherwise subjected to discrimination under any program or activity receiving financial assistance from AID in accordance with:

(1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352, 42 U.S.C. 2000-d) which prohibits discrimination on the basis of race, color or national origin, in programs and activities receiving Federal financial assistance.

(2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) which prohibits discrimination on the basis of handicap in programs and activities receiving Federal financial assistance.

(3) The Age Discrimination Act of 1975, as amended (Pub. L. 95-478), which prohibits discrimination based on age in the delivery of services and benefits supported with Federal funds.

(4) Title IX of the Education Amendments of 1972 (20 U.S.C. 1681, *et seq.*) which prohibits discrimination on the basis of sex in education programs and activities receiving Federal financial assistance (whether or not the programs or activities are offered or sponsored by an educational institution); and

(b) In accordance with its written assurance, the Grantee agrees to comply with AID regulations implementing the above nondiscrimination laws, set forth in Chapter II of Title 22 of the Code of Federal Regulations.

5A. NEGOTIATED OVERHEAD RATES—PREDETERMINED

(This provision is applicable to educational or other nonprofit organizations or institutions that are on a predetermined overhead rate basis)

(a) Notwithstanding the provision of this grant entitled "Allowable Costs and Contributions," the allowable indirect costs under this grant shall be obtained by applying predetermined overhead rates to the base(s) agreed upon by the parties, as specified in the Schedule of this grant.

(b) The Grantee, except for educational institutions covered by OMB Circular A-88, as soon as possible but not later than 3 months after the close of each of its accounting periods during the term of this grant, shall submit to the AID Grant Officer with copies to the cognizant audit activity, the AID Inspector General, and the AID Overhead and Special Costs Branch, Services Operations Division, Office of Contract Management, AID/Washington, D.C. 20523, a proposed predetermined overhead rate or rates based on the Grantee's actual cost experience during that fiscal year, together with supporting cost data. Negotiation of predetermined overhead rates by the Grantee and the AID Grant Officer shall be

undertaken as promptly as practicable after receipt of the Grantee's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the provisions of the applicable cost principles in effect on the date of this grant.

(d) Predetermined rates appropriate for the work under this grant in effect on the effective date of this grant shall be incorporated into the grant. Rates for subsequent periods shall be negotiated and the results set forth in a written overhead rate agreement executed by both parties. Such agreement shall be automatically incorporated into this grant upon execution and shall specify (1) the agreed predetermined overhead rates, (2) the base(s) to which the rates apply, (3) the fiscal year unless the parties agree to a different period for which the rates apply, and (4) the specific items treated as direct costs or any changes in the items previously agreed to be direct costs. The overhead rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.

(e) Pending establishment of predetermined overhead rates for any fiscal year or different period agreed to by the parties, the Grantee shall be reimbursed either at the rates fixed for the previous fiscal year or other period or at billing rates acceptable to the AID Grant Officer subject to appropriate adjustment when the final rates for the fiscal year or other period are established.

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

**5B. NEGOTIATED OVERHEAD RATES—
NONPROFIT ORGANIZATIONS—
OTHER THAN EDUCATIONAL
INSTITUTIONS**

(This provision is applicable to nonprofit organizations which do not have predetermined rates; however, it shall also be included when the NEGOTIATED OVERHEAD RATES—PREDETERMINED provision is used, under the conditions set forth therein)

(a) Pursuant to this provision, an overhead rate shall be established for each of the Grantee's accounting periods during the term of this Grant. Pen-

ding establishment of a final rate, the parties have agreed that provisional payments on account of allowable indirect costs shall be at the rate(s), on the base(s), and for the period shown in the Schedule of this grant.

(b) The Grantee, as soon as possible but not later than 90 days after the close of each of its accounting periods during the term of this grant shall submit to the Grant Officer with copies to the Overhead and Special Cost Branch, Services Operations Division, Office of Contract Management, AID Washington, D.C. 20523, and to the Office of the Inspector General, AID/Washington, D.C. 20523, a proposed final rate or rates for the period, together with supporting cost data. Negotiation of final overhead rates by the Grantee and the Grant Officer shall be undertaken as promptly as practicable after receipt of the Grantee's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with OMB Circular A-122 (Cost Principles for Non-profit Organizations) as in effect on the date of this grant.

(d) The results of each negotiation shall be set forth in a written overhead rate agreement executed by both parties. Such agreement shall specify (1) the agreed final rates, (2) the bases to which the rates apply, and (3) the periods for which the rates apply. The overhead rate agreement shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.

(e) Pending establishment of final overhead rates for any period, the Grantee shall be reimbursed either at negotiated provisional rates as provided above or at billing rates acceptable to the Grant Officer, subject to appropriate adjustment when the final rates for that period are established. 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 a modification to this grant.

(f) Any failure by the parties to agree on any final rate or rates under this provision shall be considered a dispute within the meaning of the Standard Provision of this Grant, entitled "Disputes," and shall be disposed of in accordance therewith.

6. REVISION OF FINANCIAL PLANS

(a) The Financial Plan, i.e., grant budget, is the financial expression of the project or program as approved during the application and/or award process.

(b) The Grantee shall immediately request approval from the Grant Officer when there is reason to

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believe that within the next 30 calendar days a revision of the approved Financial Plan will be necessary for any of the following reasons:

1. To change the scope or the objectives of the project or program.

2. Additional funding is needed.

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

4. The Grantee plans to transfer amounts budgeted for indirect costs to absorb increases in direct costs or vice versa.

5. The Grantee plans to transfer funds budgeted for training allowances (direct payments to trainees) to other categories of expense.

6. The Grantee plans to incur an expenditure which would require approval under the terms of this grant, and was not included in the approved Financial Plan.

7. The Grantee intends to subcontract or subgrant any of the substantive programmatic work under this grant, and such subcontracts or subgrants were not included in the approved Financial Plan.

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

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

(e) If the requested budget revision requires the obligation of additional funding, and, if after notification pursuant to this Standard Provision, AID determines not to provide additional funds, the AID Grant Officer will, upon written request of the Grantee, terminate this grant pursuant to the Standard Provision of this grant, entitled "Termination."

(f) Except as required by other provisions of this grant specifically citing and 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, and the Grantee shall not be obligated to continue performance under the grant (including actions

under the "Termination" 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 an increased amount constituting the total amount then obligated under the Grant.

7A. PAYMENT—FEDERAL RESERVE LETTER OF CREDIT (FRLC) ADVANCE

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

(a) AID shall open a Federal Reserve Letter of Credit (hereinafter referred to as "FRLC") in the amount of funding obligated by this grant, against which the Grantee may draw cash only for immediate disbursing needs. The term "immediate disbursing needs" when applied to FRLC's is defined as the cash requirements for a three-day period. Any subgrantee funded by the Grantee from funds provided by this grant, shall obtain such funds from the Grantee only as needed for disbursement. The financial management system of the Grantee shall provide for effective control over and accountability for Federal funds as stated in paragraph 1L of Handbook 13.

(b) FRLC Operational Requirements

(1) The Grantee will select a commercial bank that agrees to receive payment vouchers, TFS Form 5401, "Payment Voucher on Letter of Credit," drawn on the U.S. Treasury and to forward such payment vouchers to the applicable Federal Reserve Bank or branch. The Grantee shall select a commercial bank that will credit the account of the Grantee at the time of presentation of the completed payment voucher. Immediate credit by the commercial bank will enable the Grantee to meet its responsibilities to

draw cash only when actually needed for disbursements.

(2) After arranging with a commercial bank for operations under the FRLC and obtaining the name and address of the Federal Reserve Bank or branch serving the commercial bank, the Grantee shall deliver to the AID Controller, three originals of Standard Form 1194, "Authorized Signature Card for Payment Vouchers on Letters of Credit," signed by those officials authorized to sign payment vouchers against the FRLC and by the designated official of the Grantee who has authority to specify individuals to sign payment vouchers. Only those officials whose signatures appear on the SF-1194 can sign the TFS Form 5401. New signature cards must be submitted whenever there is a change in the persons authorized to sign payment vouchers.

(3) The Grantee shall subsequently receive one certified copy of the Letter of Credit, SF-1193. No payment vouchers shall be presented to the commercial bank before the FRLC is opened. The SF-1193 indicates the effective date the FRLC is opened.

(4) As funds are required for immediate disbursement needs, the Grantee will submit a properly completed payment voucher (Form TFS 5401) to the commercial bank for transmission to the Federal Reserve Bank or branch. The commercial bank may at this time credit the account of the Grantee with the amount of funds being drawn down. Payment vouchers shall not ordinarily be submitted more frequently than daily and shall not be less than \$5,000 or more than \$5,000,000. In no event shall the accumulated total of all such payment vouchers exceed the amount of the FRLC.

(5) In preparing the payment voucher, the Grantee shall assign a voucher number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the FRLC.

(6) After the first payment voucher (Form TFS 5401) has been processed, succeeding payment vouchers shall not be presented until the existing balance of previous drawdowns has been expended or is insufficient to meet current needs.

(c) FRLC Reporting

(1) A "Financial Status Report" SF-269, shall be prepared on an accrual basis and submitted quarterly no later than 30 days after the end of the period, in an original and two copies. If the Grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system, but shall develop such accrual information through best estimates

based on an analysis of the documentation on hand. The final report must be submitted within 90 days after the conclusion of the grant. This report shall be submitted to the addresses specified by AID in the Schedule of this grant. In cases where grants are Mission funded, the Grantee will forward an information copy to the AID Mission accounting station at the same time the original and one copy are mailed to AID/Washington.

(2) The Grantee shall submit an original and two copies of SF-272, "Federal Cash Transactions Report", 15 working days following the end of each quarter to the address specified in the Schedule. Grantees receiving advances totaling more than \$1 million per year shall submit SF-272 on a monthly basis within 15 working days following the close of the month. Grantees shall report in the Remarks section of SF-272 all cash advances. Those cash advances in excess of immediate disbursement requirements in the hands of subrecipients or the Grantee's field organizations shall be supported by short narrative explanations of action taken by the Grantee to reduce the excess balances.

(d) Suspension of FRLC

(1) If at any time, the AID Controller determines that the Grantee has failed to comply with the terms and conditions of the FRLC, the AID Controller shall advise the Grant Officer who may cause the FRLC to be suspended or revoked.

(2) The Controller may recommend suspension or revocation to the Grant Officer on the grounds of an unwillingness or inability of the Grantee to: (A) establish procedures that will minimize the time elapsing between cash drawdowns and the disbursement thereof, (B) timely report cash disbursements and balances as required by the terms of the grant and (C) impose the same standards of timing of advances and reporting on any subrecipient or any of the Grantee's overseas field organizations.

7B. PAYMENT—PERIODIC ADVANCES

(This provision is applicable when the conditions for use of an FRLC cannot be met (including those pertaining to mixed dollar and local currency advances) and when: (i) the Grantee has the ability to maintain procedures that will minimize the time elapsing between the transfer of funds and the disbursement thereof, and (ii) the Grantee's financial management system meets the standards for fund control and accountability required under the standard provision of this grant entitled: "Accounting, Audit and Records")

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

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

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

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

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

7C. PAYMENT—REIMBURSEMENT

(This provision is applicable to grants for construction, or to grants where Grantees do not meet the conditions for either an FRLC or periodic advance payment)

(a) Each month, the Grantee shall submit an original and two copies of SF-270, "Request for Advance or Reimbursement," to the address specified in the Schedule of this grant.

(b) A "Financial Status Report," SF-269, shall be submitted quarterly no later than 30 days after the end of the period in an original and two copies. The final "Financial Status Report" must be submitted within 90 days after the conclusion of the grant.

(c) Both reports will be prepared on a cash basis, however if the Grantee's accounting records are not normally kept on a cash basis, the Grantee shall not be required to convert its accounting system to meet this requirement.

8. TRAVEL AND TRANSPORTATION

(This provision is applicable when domestic or international air travel or shipment costs are reimbursable under the grant)

(a) The Grant Officer hereby approves international travel to be reimbursed under this grant provided that the Grantee shall obtain written concurrence from the cognizant Project Officer in AID prior to sending any individual outside the United States to perform work under the grant. For this purpose the Grantee shall advise the Project Officer at least 30 days in advance of any travel to be undertaken outside the United States. After concurrence is received the Grantee shall provide the cognizant Mission or U.S. Embassy advance notification (with a copy to the Project Officer) of the arrival date and flight identification of grant-financed travelers.

(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, it will so notify the Grantee after receipt of advice of intent to travel, required above. AID will issue a 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 international air travel and all international air shipments funded under this grant shall be made on United States flag air carriers (hereinafter referred to as "certificated air carriers"), to the extent service by such carriers is available in accordance with paragraphs (d) and (e) below:

The terms used in this provision have the following meanings:

(1) "International air transportation" means transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States.

(2) "U.S. flag air carriers" means one of a class of air carriers holding a certificate of public convenience and necessity issued by the Civil Aeronautics Board, approved by the President, authorizing operations between the United States and/or its territories and one or more foreign countries.

(3) The term "United States" includes the fifty states, Commonwealth of Puerto Rico, possessions of the United States, and the District of Columbia.

(d) Passenger or freight service by a certificated air carrier is considered "available" even though:

(1) Service by noncertificated air carrier can be paid for in excess foreign currency, or

(2) Service by a noncertificated air carrier is preferred by the agency or traveler needing air transportation, or

(3) Service by a noncertificated air carrier is more convenient for the agency or traveler needing air transportation.

(e) Passenger service by a certificated air carrier will be considered to be "unavailable":

(1) When certificated air carriers offer only first class service, and less than first class service is available from noncertificated air carriers, or

(2) When the traveler, while en route, has to wait 6 hours or more to transfer to a certificated air carrier to proceed to the intended destination, or

(3) When any flight by a certificated air carrier is interrupted by a stop anticipated to be 6 hours or more for refueling, reloading, repairs, etc., and no other flight by a certificated air carrier is available during the 6 hour period, or

(4) When, by itself or in combination with other certificated or noncertificated air carriers (if certificated air carriers are "unavailable") it takes 12 or more hours longer from the original airport to the destination airport to accomplish the agency's mission than would service by a noncertificated air carrier or carriers.

(5) When the elapsed travel time on a scheduled flight from origin to destination airports by noncertificated air carrier(s) is 3 hours or less, and service by certificated air carrier(s) would involve twice such scheduled travel time.

(f) Freight service by a certificated air carrier will be considered to be unavailable when:

(1) No certificated air carrier provides scheduled air freight service from the airport serving the

shipment's point of origin, and a noncertificated air carrier does.

(2) The certificated air carrier(s) serving the shipment's point of origin decline to issue a through airway bill for transportation to the shipment's final destination airport.

(3) Use of a certificated air carrier would result in delivery to final destination at least 7 days later than delivery by means of a noncertificated air carrier.

(4) The total weight of the consignment exceeds the maximum weight per shipment which a certificated air carrier will accept and transport as a single shipment, and a noncertificated air carrier will accept and transport the entire consignment as a single shipment.

(5) The dimensions (length, width, or height) of one or more of the items of a consignment exceed the limitation of the certificated aircraft's cargo door openings, but do not exceed the acceptable dimensions for shipment on an available noncertificated air carrier.

(g) Where U.S. Government funds are used to reimburse the Grantee's use of other than U.S. flag carriers for international transportation, the Grantee will include a certification on vouchers involving such transportation which is essentially as follows:

CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS

I hereby certify that the transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reason(s): (State appropriate reason(s) as set forth in (e) or (f) above; see 41 CFR 1-1.323-3 for further guidance.)

(h) *Travel Costs and Overseas Maintenance Allowances*

(1) *Travel Within the United States*

(i) As used herein, the term "travel within the United States" includes the 50 states, District of Columbia, Commonwealth of Puerto Rico, Virgin Islands, and all the U.S. Territories except the Trust Territories of the Pacific Islands.

(ii) Subsistence allowances paid to Grantee employees traveling within the United States will be reimbursed in accordance with the established policies and practices of the Grantee which are uniformly applied to both federally financed and other activities of the Grantee.

(2) *International Travel*

(i) As used herein, the term "international travel" includes travel to the U.S. Trust Territories of the Pacific Islands.

(ii) The Grantee will be reimbursed for international travel, subsistence, and post differentials and other allowances paid to employees in an international travel status, or assigned overseas, in accordance with the Grantee's established policies and practices which are uniformly applied to federally financed and other activities of the Grantee, but only to the extent that such reimbursement does not exceed the applicable amounts or rates established in the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended.

9. OCEAN SHIPMENT OF GOODS

(This provision is applicable when goods purchased with funds provided under this grant are transported to the Cooperating Country on ocean vessels)

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

(b) At least 50% of the gross freight revenue generated by shipments of goods purchased under this grant and transported to the Cooperating Country on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial 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 certificate of nonavailability from the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, giving the basis for the request. Such a determination of nonavailability will relieve the Grantee of the requirement to use U.S. flag vessels for the tonnage of goods included in the determination.

(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 Maritime Administration Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bills of lading state all of the carrier's charges including the basis for calculations such as weight or cubic measurement."

(e) Shipments by voluntary nonprofit relief agencies (i.e., PVO's) shall be governed by this Standard provision and by AID Regulation 2, "Overseas

Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR 202).

10A. PROCUREMENT OF GOODS AND SERVICES UNDER \$250,000

(This provision is applicable when the total procurement element (i.e., the sum of all purchase orders and contracts for goods and services) of this grant does not exceed \$250,000)

(a) 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.

If AID determines that the Grantee has procured any of the ineligible goods and services specified above under this grant, and has received reimbursement for such purposes, the Grantee agrees to refund to AID the entire amount of the reimbursement.

(b) Restricted Goods

The Grantee shall not procure any of the following goods and services without the prior written authorization of the Grant Officer:

- (1) agricultural commodities,
- (2) motor vehicles,
- (3) pharmaceuticals,
- (4) pesticides,
- (5) rubber compounding chemicals and plasticizers,
- (6) used equipment,
- (7) U.S. Government-owned excess property, or
- (8) fertilizer.

If AID determines that the Grantee has procured any of the restricted goods specified above under this grant, without the prior written authorization of the Grant Officer, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the reimbursement.

(c) Geographic Source and Order of Preference

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

- (1) the United States (AID Geographic Code 000),

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

(3) the cooperating country,

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

(d) 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 (c) above, it 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:

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

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

(3) impelling local political considerations precluded consideration of U.S. sources,

(4) the goods or services were not available from U.S. sources, or

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

(e) The Grantee's Procurement System

The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and order of preference requirements of this provision and the standards set forth in paragraph 1U of AID Handbook 13, "Grants."

(f) Small Business

To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this grant, the Grantee shall to maximum extent possible, provide the following information to the Office of Small and 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:

(1) Brief general description and quantity of goods or services;

(2) Closing date for receiving quotations, proposals, or bids; and

(3) Address where invitations or specifications can be obtained.

(g) Ineligible Suppliers

Funds provided under this grant shall not be used to procure any commodity or commodity-related services furnished by any supplier whose name appears on the List of Ineligible Suppliers under AID Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing" (22 CFR 208). The Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be reimbursable under this grant. AID will provide the Grantee with this list.

(h) Ocean and Air Transportation

For requirements relating to transportation by ocean vessel of commodities purchased under this grant, see the Standard Provision entitled "Ocean Shipment of Goods." For requirements relating to transportation of commodities by air, see the Standard Provision entitled "Travel and Transportation."

10B. PROCUREMENT OF GOODS AND SERVICES OVER \$250,000

(This provision is applicable when the total procurement element, i.e., the sum of all purchase orders and contracts for goods and services, of this grant will be greater than \$250,000 over the life of the grant)

(a) *General.* Except as may be specifically approved or directed in advance by the Grant Officer, all goods (e.g., equipment, vehicles, materials, and supplies) and services which will be financed under this grant with United States dollars shall be procured in and shipped from the United States (Code 000) and from any other countries within the authorized geographic code specified in the Schedule of this grant.

(b) *Procurement of goods.* In order to be eligible under this grant, goods purchased under this grant must be of eligible source and origin, and must satisfy AID's componentry requirements set forth below. In addition, the supplier of commodities must meet the nationality requirements specified in paragraph (d)(1) of this provision.

(1) *Source.* Source means the country from which a commodity is shipped to the Cooperating Country or the Cooperating Country itself if the commodity is located therein at the time of purchase. However, where a commodity is shipped from a free port or bonded warehouse in the form in which received therein, source means the country from which the commodity was shipped to the free port or bonded warehouse.

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(2) *Origin.* The origin of a commodity is the country or area in which a commodity is mined, grown, or produced. A commodity is produced when through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity results that is substantially different in basic characteristics, or in purpose or utility, from its components.

(3) *Componentry.* Components are the goods that go directly into the production of a produced commodity. AID componentry rules are as follows:

(i) If a commodity produced in an eligible source country contains no imported component, it is eligible for AID financing.

(ii) Unless otherwise specified by the Grant Officer, components from the United States, the Cooperating Country, and any other countries included in Geographic Code 941 may always be utilized in unlimited amounts regardless of the geographic code authorized.

(iii) Unless procurement is authorized from countries included in Code 899, components from free world countries not included in Code 941 are limited according to the following rules:

(A) They are limited only if they are acquired by the producer in the form in which they were imported.

(B) The total costs to the producer of such components (delivered at the point of production) may not exceed 50 percent of the lowest price (excluding the cost of ocean transportation and marine insurance) at which the supplier makes the commodity available for export sale (whether or not financed by AID).

(C) AID may prescribe percentages other than 50 percent for specific commodities.

(iv) Any component from a non-free world country makes the commodity ineligible for AID financing.

(4) *Supplier Nationality.* (See paragraph (d) of this provision)

(c) *Eligibility of commodity-related services*

(1) *Incidental services.* Nationality rules are applied to the contractor supplying equipment under this grant and not separately to any contractor that may supply commodity-related incidental services. Such services, defined as the installation or erection of AID-financed equipment, or the training of personnel in the maintenance, operation, and use of such equipment, are eligible if specified in the equipment contract and performed by citizens of countries included in AID Geographic Code 935, or non-United States citizens lawfully admitted for permanent residence in the United States.

(2) *Ocean and air transportation*

(i) Except as otherwise approved in writing by the Grant Officer, AID will finance only those ocean transportation costs:

(A) Incurred on vessels under U.S. flag registry, when Geographic Code 000 is authorized for procurement of goods or services;

(B) Incurred on vessels under U.S. Cooperating Country, or other countries included in Geographic Code 941 flag registry, when Geographic Code 941 is authorized for procurement of goods or services; or

(C) Incurred on vessels under flag registry of any free world country, if the costs are part of the total cost on a through bill of lading paid to a carrier for initial carriage on a vessel which is authorized in accordance with paragraphs (c)(2)(i)(A) and (B), above.

(ii) Any ocean or air charter, covering full or part cargo, for the transportation of goods purchased under this grant must be approved by the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, prior to shipment.

(iii) When use of non-U.S. flag vessels has been authorized, the following requirements still apply:

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

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

(iv) When U.S. flag vessels are not available, or their use would result in a significant delay, the Grantee may request a certificate of nonavailability from the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, giving the basis for the request. Such a determination of nonavailability will relieve the Grantee of the requirement to use U.S. flag vessels for the tonnage of goods included in the determination.

(v) 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 Maritime Administration,

Cargo Preference Control Center, Commerce Building, Washington, D.C. 20235, and that such bills of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement."

(vi) For use of U.S. flag air carriers, see the Standard Provision, entitled "Travel and Transportation."

(3) *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 any State of the United States, then any AID-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the United States with a company or companies authorized to do a marine insurance business in any State of the United States.

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

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

(i) An individual who is a citizen or legal resident of a country or area included in the authorized geographic code; or

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

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

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

(2) *Suppliers of services.* A contractor or subcontractor thereunder providing services under an AID-financed grant must fit one of the following

categories for the costs of such contracts or subcontracts to be eligible for AID financing under this grant. (NOTE: the term contractor includes personal services contractors):

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

(ii) A corporation or partnership that is incorporated or legally organized under the laws of a country or area included in the authorized geographic code, has its principal place of business in a country or area included in the authorized geographic code, and meets the criteria set forth in either subparagraph (A) or (B), below:

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

(B) The corporation or partnership:

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

(2) has performed within the United States administrative and technical, professional or construction services under a contract or contracts for services and derived revenue therefrom in each of the three years prior to the date described in the preceding paragraph, and

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

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

(iii) A joint venture or unincorporated association consisting entirely of individuals, corporations, or partnerships which fit categories (d)(2)(i) and (d)(2)(ii) above. However, joint ventures with firms wholly or partially owned by the host government are ineligible.

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(iv) A duly authorized officer of the firm shall certify that the participating firm meets either the requirements or subparagraphs (d)(ii)(A) or (d)(ii)(B) above. In the case of corporations, the certifying officer shall be the corporate secretary. With respect to the requirements of subparagraph (d)(ii)(A), of this provision, the certifying officer may presume citizenship on the basis of the stockholder's record address, provided the certifying officer certifies, regarding any stockholder (including any corporate funds or institutional stockholder) whose holdings are material to the corporation's eligibility, that the certifying officer knows of no fact which might rebut that presumption.

(3) *Ineligible suppliers of commodities and services.* Citizens or firms of any country not included in AID Geographic Code 935 are ineligible as suppliers, contractors, subcontractors, or agents, for goods and services the costs of which will be reimbursed under this grant. However, non-U.S. citizens lawfully admitted for permanent residence in the United States are eligible.

(e) *Nationality of employees under contracts and subcontracts for services.* The nationality policy of subparagraph (d)(2) of this provision does not apply to the employees of contractors or subcontractors whose services will be reimbursed under this grant, but all contractor and subcontractor employees engaged in providing services under AID-financed grants must be citizens of countries included in AID Geographic Code 935 or non-U.S. citizens lawfully admitted for permanent residence in the United States.

(f) *The Cooperating Country as a source.* With certain exceptions, the Cooperating Country is not normally an eligible source for procurement to be paid in U.S. dollars. The exceptions are for ocean freight and marine insurance (see paragraphs (c)(1) and (c)(2) of this provision). The Cooperating Country may be an eligible source if local cost financing is approved either by specific action of the Grant Officer or in the Schedule of the grant. In such cases, the Standard Provision entitled "Local Cost Financing with U.S. Dollars," will apply.

(g) *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.

If AID determines that the Grantee has procured any of the ineligible goods and services specified above under this grant, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the reimbursement.

(h) *Restricted goods.* The Grantee shall not procure any of the following goods or services without the prior written authorization of the Grant Officer:

- (1) agricultural commodities,
- (2) motor vehicles,
- (3) pharmaceuticals,
- (4) pesticides,
- (5) rubber compounding chemicals and plasticizers,
- (6) used equipment,
- (7) U.S. Government-owned excess property, or
- (8) fertilizer.

If AID determines that the Grantee has procured any of the restricted goods specified above under this grant, without the prior written authorization of the Grant Officer, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the reimbursement.

(i) *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) Code 000, United States,
- (2) the Cooperating Country,
- (3) Code 941, Selected Free World,
- (4) Code 899, Free World.

(j) *Ineligible suppliers:* Funds provided under this grant shall not be used to procure any commodity or commodity-related services furnished by any supplier whose name appears on the List of Ineligible Suppliers under AID Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing (22 CFR 208). The Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be reimbursable under this grant. AID will provide the Grantee with this list.

(k) *The Grantee's procurement system.* The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and nationality requirements of this provision and the standards set forth in paragraph 1U of AID Handbook 13, "Grants".

11. LOCAL COST FINANCING WITH U.S. DOLLARS

(This provision is applicable whenever local cost financing has been specifically authorized in the Schedule of this grant regardless of dollar amount)

(a) Local cost financing is the use of U.S. dollars to obtain local currency for the procurement of goods and services in the Cooperating Country in furtherance of the purpose of the grant. Local cost financing must be specifically authorized in the Schedule of the grant. The amount of U.S. dollars which may be used must be specified in the authorization, together with any special restrictions on their use.

(b) Procurement of goods and services under local cost financing is subject to the following restrictions:

(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.

If AID determines that the Grantee has procured any of the ineligible goods and services specified above under this grant, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the reimbursement.

(2) *Restricted goods*

The Grantee shall not procure any of the following goods or services without the prior written authorization of the Grant Officer:

- (i) agricultural commodities,
- (ii) motor vehicles,
- (iii) pharmaceuticals,
- (iv) pesticides,
- (v) rubber compounding chemicals and plasticizers,
- (vi) used equipment,
- (vii) U.S. Government-owned excess property, or
- (viii) fertilizer.

If AID determines that the Grantee has procured any of the restricted goods specified above under this grant, without the prior written authorization of the Grant Officer, and has received reimbursement for such purpose, the Grantee agrees to refund to AID the entire amount of the reimbursement.

(3) Any component from a non-free world country makes a commodity ineligible for AID financing.

(4) *Nationality*

(i) Citizens or firms of any country not included in AID Geographic Code 935 are ineligible as suppliers, contractors, subcontractors, or agents for goods and services the costs of which will be reimbursed under this grant.

(ii) Local cost financing is the use of appropriated U.S. dollars to obtain local currency for the payment for goods and services purchased in the Cooperating Country. Authorization of local cost financing makes the Cooperating Country, in addition to the United States and any other country included in the authorized geographic code for the project, an eligible source for the purchase of goods or services in the Cooperating Country. Goods or services purchased under local cost financing must be located in the Cooperating Country at the time they are purchased; they cannot be imported specifically for the project being implemented by this grant. The supplier from which goods or services are purchased under local cost financing must also be in the Cooperating Country. Suppliers of goods or services under local cost financing must meet the nationality eligibility tests prescribed in paragraph (d) of the provision of this grant entitled "Procurement of Goods and Services over \$250,000." When local cost financing has been authorized, the Cooperating Country is deemed to be included in the "authorized geographic code" for purposes of determining nationality eligibility pursuant to paragraph (d) of the provision, entitled "Procurement of Goods and Services over \$250,000."

(c) *General principles.* Under local cost financing, the Grantee shall follow sound procurement policies, utilizing competition to the maximum practical extent, obtaining the lowest available price, and documenting such procurements to justify the method used and the price established.

(d) *Procurement of goods.* In order to be eligible under local cost financing, goods are subject to the following specific requirements:

(1) *Indigenous goods.* Goods which have been mined, grown, or produced in the Cooperating Country through manufacture, processing, or assembly are eligible for local cost financing under this grant. Goods produced with imported components must result in a commercially recognized new commodity that is substantially different in basic characteristics or in purpose or utility from its components in order to qualify as indigenous; such goods may not contain components from any nonfree world country.

(2) *Imported shelf items.* Imported shelf items are goods that are normally imported and kept in

stock, in the form in which imported, for sale to meet a general demand in the country for the item; they are not goods which have been specifically imported for use in an AID-financed project.

(i) Shelf items are eligible for local cost financing in unlimited quantities up to the total amount available for local cost financing if they have their source in the Cooperating Country and their origin in a country included in AID Geographic Code 941.

(ii) Shelf items having their origin in any country included in Code 899 but not in Code 941 are eligible if the price of one unit does not exceed \$5,000. For goods sold by units of quantity; e.g., tons, barrels, etc., the unit to which the local currency equivalent of \$5,000 is applied is that which is customarily used in quoting prices. The total amount of imported shelf item purchases from countries included in Code 899 but not in Code 941 may not exceed \$25,000 or 10% of the total local costs financed by AID for the project whichever is higher; however, in no case may the total amount of such purchases exceed \$250,000 without first obtaining a specific geographic source waiver.

(3) *Goods imported specifically for the project.* Goods imported specifically for the project being implemented by this grant are not eligible for local cost financing; they are subject to the requirements of the provision entitled "Procurement of Goods and Services over \$250,000."

12. GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY

(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.

13A. TITLE TO AND USE OF PROPERTY (GRANTEE TITLE)

(This provision is applicable when the Government vests title in the Grantee only)

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

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

(b) The Grantee agrees to use and maintain the property for the purpose of the grant in accordance with the requirements of paragraph 1T of Chapter 1, Handbook 13.

(c) With respect to nonexpendable property having an acquisition cost of \$1,000 or more, title to which vests in the Grantee, the Grantee agrees:

(1) To report such items to the Grant Officer from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.

(2) To transfer title to any such items to the Government in accordance with any written request therefore issued by the Grant Officer at any time prior to final payment under this grant.

13B. TITLE TO AND CARE OF PROPERTY (U.S. GOVERNMENT TITLE)

(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 personalty by reason of affixation to any realty.

(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

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.

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 (see paragraph 1T of Chapter 1 Handbook 13), the Grantee shall furnish the Grant Officer proof of such approval in lieu of another approval submission.

(1) *Property Control*

The property control system shall include but not be limited to the following:

(A) 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."

(B) The price of each item of property acquired or furnished under the grant.

(C) The location of each item of property acquired or furnished under the grant.

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

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

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

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

(2) *Maintenance Program*

The Grantee's maintenance program shall be such as to provide for, consistent with sound business practice and the terms of the Grant:

(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..

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 of the article or articles designated in the Schedule of this grant.

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

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

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

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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, and 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.

The Grantee shall make repairs and renovations of the damaged Government property or take such other action as the Grant Officer directs.

(4) 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 suit and the execution of instruments of 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 disposal 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.

13C. TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE)

(This provision is applicable to property titled in the name of the Cooperating Country or such public or private agency as the cooperating 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 reimbursed to the Grantee by AID or by the Cooperating Government, shall at all times be in the name of the Cooperating Government 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, of 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 his/her custody, title to which is in the Cooperating Government or public or private agency designated by the Cooperating Government, which have not been consumed in the performance of this grant. The Grantee shall also indicate what disposition has been made of such property.

14. CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY

Upon arrival in the Cooperating Country, and from time to time as appropriate, the Grantee's Chief of Party shall consult with the Mission Director who

shall provide, in writing, the procedure the Grantee and its employees shall follow in the conversion of United States dollars to local currency. This may include, but is not limited to, the conversion of said currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

15. TERMINATION

(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) *Termination Procedures.* Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above the Grantee shall forthwith 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, and the Grantee shall within 30 calendar days after the effective date of such termination repay to the Government all unexpended portions of funds theretofore paid by the Government to the Grantee 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 effective date of the termination of this grant, be insufficient to cover the Grantee's obligations pursuant to the aforementioned 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, and, subject to the limitations contained in this grant, the Grant Officer shall determine the amount or amounts to be paid by the Government to the Grantee under such claim in accordance with the applicable Federal cost principles.

16. VOLUNTARY PARTICIPATION

(This provision is applicable to all grants involving any aspect of family planning or population assistance activities, and all Title X grants in particular)

(a) 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 individuals' 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.

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

17. PROHIBITION ON ABORTION-RELATED ACTIVITIES

(This provision is applicable to all grants involving any aspect of family planning or population assistance activities, and all Title X grants in particular)

(a) No funds made available under this grant will be used to finance, support, or be attributed to the following activities: (1) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (2) special fees or incentives to women to coerce or motivate them to have abortions; (3) payments to persons to perform abortions or to solicit persons to undergo abortions; (4) information, education, training, or communication programs that seek to promote abortion as a method of family planning.

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

18. VOLUNTARY PARTICIPATION REQUIREMENTS FOR STERILIZATION PROGRAMS

(This provision is applicable when any surgical sterilization will be supported in whole or in part from funds under this grant)

(a) 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.

(b) The Grantee shall insure that any surgical sterilization procedures supported in whole or in part

by funds from this grant are performed only after the individual has voluntarily presented himself or herself at the treatment facility and has given his or her informed consent to the sterilization procedure. Informed consent means the voluntary, knowing assent from the individual after he or she has been 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 his or her 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.

(c) Further, the Grantee shall document the patient's informed consent by (1) 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 (2) 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.

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

(e) The Grantee shall insert paragraphs (a), (b), (c), (d) and (e) of this provision in all subgrants, subcontracts, purchase orders, and any other subordinate agreements hereunder involving the performance of any sterilization which will be supported in whole or in part from funds under this grant.

19. PUBLICATIONS

(This provision is applicable to any grant which produces any book, publication, or other copyrightable materials)

(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 Project Manager with one copy of all published works developed under the grant. The Grantee shall provide the Project Manager 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.

(d) The Grantee is permitted to secure copyright to any publication produced or composed under the grant in accordance with paragraph 1T8.b. of Chapter 1, Handbook 13. Provided, the Grantee agrees to and does hereby grant to the Government a royalty-free, nonexclusive, and irrevocable license throughout the world to use, duplicate, disclose, or dispose of such publications in any manner and for any purpose and to permit others to do so.

20. PATENTS

(This provision is applicable to any grant which produces patentable items, patent rights, processes, or inventions)

(a) Grantee agrees to notify the Grant Officer, in writing, of any invention or discovery conceived or first actually reduced to practice in the course of or under this grant. The Grant Officer will determine the patent rights to be afforded the Grantee in accordance with the Presidential Memorandum and Statement of Government Patent Policy (36 FR 16889) and paragraph 1T8.a. of Chapter 1, Handbook 13.

(b) Nothing contained in this provision shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

21. REGULATIONS GOVERNING EMPLOYEES OUTSIDE THE UNITED STATES

(This provision is applicable only to the Grantee's U.S. and third country national employees; it is not applicable to the Grantee's Cooperating Country national employees)

(a) The Grantee's employees, when employed in work overseas, shall maintain private status and may not rely on local U.S. Government Offices or facilities for support while so engaged.

(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 or consultant is assigned by the Grantee, no regular or short term employee or consultant of the Grantee shall engage directly or indirectly, either in his/her 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 he/she is assigned, nor shall he/she make loans or investments to or in any business, profession or occupation in the foreign countries to which he/she 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 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 right 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.

22. SUBORDINATE AGREEMENTS

(a) The placement of subordinate agreements (i.e., grants or contracts) with other organizations, firms or institutions, and the provisions of such subordinate agreements are subject to prior written consent of the Grant Officer unless such subordinate agreements were identified in the approved Financial Plan, in accordance with paragraph (b)(7) of the Standard Provision of this grant entitled "Revision of Financial Plans."

(b) The use of the Standard Provisions of this grant is mandatory for subgrants to U.S. institutions. For subgrants to foreign institutions the Grantee shall use the Standard Provisions set forth in Appendix 4D of Handbook 13.

(c) Contracts awarded with funds provided by the grant shall be undertaken in accordance with the requirements of the Standard Provision of this grant entitled "Procurement of Goods and Services over \$250,000" or "Procurement of Goods and Services under \$250,000" (whichever is applicable), and paragraph 1U3 of Handbook 13. Contracts awarded with funds provided by this grant to U.S. organizations shall set forth the provisions of paragraph 1U4 of Handbook 13. Paragraph 1U4 does not apply to foreign organizations.

23. SALARIES

All salaries, wages, fees, and stipends, which will be reimbursable by AID under this grant, shall be in accordance with both the Grantee's usual policy and practice and the applicable cost principles. To the extent that the Grantee's policy and practice conflict with the applicable cost principles, the latter shall prevail.

24. INELIGIBLE COUNTRIES

Unless otherwise approved by the AID Grant Officer, no AID funds will be expended for costs incurred in countries ineligible for assistance under the Foreign Assistance Act of 1961, as amended, or under acts appropriating funds for foreign assistance.

25. DISPUTES

(a) Any dispute arising under this grant, which is not disposed of by agreement, shall be decided by the AID Grant Officer who shall reduce his/her decision to writing and mail or otherwise furnish a copy thereof to the Grantee.

(b) Decisions of the AID Grant Officer shall be final and conclusive unless, within 30 days of receipt of the decision of the Grant Officer, the Grantee appeals the decision to the Administrator, 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 any such appeal shall be concurrently furnished to the Grant Officer.

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

(d) A decision under this provision by the Administrator or his duly authorized representative shall be final and conclusive, unless determined by a court of competent jurisdiction to be fraudulent, capricious, arbitrary, an abuse of discretion, or

based on clearly erroneous findings of facts or conclusions of law.

26. PARTICIPANT TRAINING

(This provision is applicable if AID funds provided hereunder will be used to finance participant training)

(a) Definitions

(1) Participant training is the training of any foreign national outside of his or her home country, using AID funds.

(2) A participant is any foreign national being trained under this grant outside of his or her home country.

(b) Applicable regulations

Participant training is to be conducted according to the policies established in AID Handbook 10—Participant Training, except to the extent that specific exceptions to AID Handbook 10 have been provided in this grant (Handbook 10 may be obtained by submitting a request to the Office of International Training, at the address specified in paragraph (c) below).

(c) Reporting requirement

Once each month the Grantee shall submit three copies of form AID 1380-9, "Monthly Report of Participants Under Grant, Loan, or Contract Programs," to the Office of International Training, Bureau for Science and Technology (S&T/IT), AID/Washington, D.C. 20523.

27. HEALTH AND ACCIDENT COVERAGE FOR AID PARTICIPANT TRAINEES

(This provision is applicable if AID funds provided hereunder will be used to finance the training of non-U.S. participants in the United States)

(a) The Grantee shall enroll all non-U.S. participants (hereinafter referred to as "participants"), whose training in the United States is financed by AID under this grant, in the Agency for International Development's Health and Accident Coverage (HAC) program.

(b) The Grantee shall, prior to the initiation of travel by each participant financed by AID under this grant, fill out and mail to AID a self-addressed, postage prepaid, HAC Program Participant Enrollment Card (form AID 1380-98). The Grantee can obtain a supply of these cards and instructions for completing them from the Office of International Training, AID/Washington, D.C. 20523.

(c) The Grantee shall assure that enrollment shall begin immediately upon the participant's departure for the United States for the purpose of participating in a training program financed by AID and that

enrollment shall continue in full force and effect until the participant returns to his/her country of origin, or is released from AID's responsibility, whichever is the sooner. The Grantee shall continue enrollment coverage for participants whose departure is delayed due to medical or other compelling reasons, with the written concurrence of the AID Project Manager and subject to the requirements of paragraph (d).

(d) The Grantee shall submit the HAC Program Participant Enrollment Card to AID, as specified in paragraph (b), above, to enable the participant(s), or the provider of medical services, to submit bills for medical costs resulting from illness or accident to the HAC Administrator, Trust Fund Administrators, Inc., 1030 15th Street, NW, Suite 500, Washington, D.C. 20005. The HAC Administrator, not the Grantee, shall be responsible for paying all reasonable and necessary medical charges, not otherwise covered by student health service or other insurance programs (see paragraphs (e) and (f)), subject to the availability of funds for such purposes, in accordance with the standards of coverage established by AID under the HAC program, and subject to the payment of the fee specified in paragraph (d) (1), below.

(1) Within thirty (30) days after enrollment, the Grantee shall send an enrollment fee computed on the basis of the fixed rate per participant per month* (the minimum period for calculation of fee is one month—that is, one participant month, 30 days, not one calendar month—premiums may not be prorated for fractional periods of less than 30 days), to: Agency for International Development, Office of Financial Management, Program Accounting Division, Nonproject Assistance, Washington, D.C. 20523.

The enrollment fee should cover a minimum period of up to one year or the current training period for which funds are obligated under this grant, whichever is less. As applicable, payments for additional periods of enrollment shall be made 30 days prior to the beginning of each new enrollment period or new period of funding of this grant (the monthly enrollment fee for succeeding fiscal years may be obtained by calling the AID Office of International Training). All such fee payments shall be made by check, payable to the "Agency for International Development (HAC)." If payments are not made within 30 days, a late payment charge shall apply at a percentage rate based on the current value of

*The rate is \$25.00 per participant-month for Fiscal Year 1982.

funds to the Treasury for each 30-day period; the full charge shall also be applicable to periods of less than 30 days. The percentage rate will be calculated by the Treasury as an average of the current value of funds to the Treasury for a recent three-month period and will be transmitted to AID in TFRM Bulletins.

The late payment charge shall be applied to any portion of the fees in arrears and be remitted together with the fees as a separately identified item on the covering memorandum.

(2) Whenever possible, fee payments for groups of several participants entering the HAC Program within the 30-day reporting period shall be consolidated and covered by a single check. Participants covered by the fee payment shall be listed individually in the covering letter, identifying each participant (the name reported must be identical to that on the HAC enrollment card), showing period of enrollment (or period of coverage for which payment is remitted if this is different from the enrollment period), fee amount paid, grant number, and U.S. Government appropriation number (as shown under the "Fiscal Data" section of the grant cover letter).

(e) The Grantee, to the extent that it is an educational institution with a student health service program, shall also enroll all participants in their institution's student health service program. Medical costs which are covered under the institution's student health service shall not be eligible for payment under AID's HAC program. The Grantee shall provide the HAC Administrator with a copy of information showing what medical costs are covered by the institution's student health service program; medical costs that are not covered by the institution's student health service program shall be submitted to the HAC Administrator.

(f) If the Grantee has a mandatory, nonwaivable health and accident insurance program for students, 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. 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 more comprehensive HAC program, and HAC payments MUST be made to AID as provided above. In addition, a copy of the mandatory insurance policy must be forwarded to the HAC Administrator.

(g) Any payments for medical costs not covered by the Grantee's student health service program, or mandatory, nonwaivable health and accident insurance program, or AID's HAC program shall be reimbursable under this grant only with specific writ-

ten approval of the Grant Officer and subject to the availability of funds.

(h) The HAC Administrator, for the period February 1, 1980 through January 31, 1983, is:

Trust Fund Administrators, Inc.
1030 15th Street, NW, Suite 500
Washington, D.C. 20005.

28. USE OF POUCH FACILITIES

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for AID Grantees and their employees as a general policy, as detailed in items (1) through (7) below; however, the final decision regarding use of pouch facilities rests with the Embassy or AID Mission. In consideration of the use of pouch facilities as hereinafter stated, the Grantee and its employees agree to indemnify and hold harmless the Department of State and AID for loss or damage occurring in pouch transmission.

(1) Grantees and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of two pounds per shipment of correspondence and documents needed in the administration of assistance programs.

(2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of one pound per shipment (but see (a)(3) below).

(3) Merchandise, parcels, magazines, or newspapers, are not considered to be personal mail for purposes of this clause, and are not authorized to be sent or received by pouch.

(4) Official mail pursuant to (a)(1) above, sent by pouch should be addressed as follows:

Name of individual or organization
(followed by letter symbol "C")
Name of post (USAID/_____)
Agency for International Development
Washington, D.C. 20523

(5) Personal mail pursuant to (a)(2) above should be to the address specified in (a)(4) above, but without the name of the organization.

(6) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.

(7) AID Grantee personnel are *not* authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide. Posts having access to APO/FPO facilities and using such for diplomatic pouch dispatch may, however, accept official mail from Grantees and letter mail from their

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employees for the pouch, provided of course, adequate postage is affixed.

(b) The Grantee shall be responsible for advising its employees of this authorization and these guidelines and limitations on use of pouch facilities.

(c) Specific additional guidance on Grantee use of pouch facilities in accordance with this clause is available from the Post Communication Center at the Embassy or AID Mission.

29. U.S. OFFICIALS NOT TO BENEFIT

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.

30. COVENANT AGAINST CONTINGENT FEES

The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure this grant upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial or selling agencies maintained by the Grantee for the purpose of securing business. For breach or violation of this warranty, AID shall have the right to cancel this grant without liability or, in its discretion, to deduct from the grant amount, or otherwise recover, the full amount of each commission, percentage, brokerage, or contingent fee.

31. NONLIABILITY

AID does not assume liability with respect to any third party claims for damages arising out of work supported by this Grant.

32. AMENDMENT

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.

33. THE GRANT

The letter to the Grantee signed by the Grant Officer, the Schedule, the Program Description and the Standard Provisions which have been reviewed and agreed to by the Grantee, constitute the grant.

34. NOTICES

Any notice given by any of the parties hereunder, shall be sufficient only if in writing and delivered in person or sent by telegraph, cable, registered or regular mail 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 as either or such parties shall designate by notice given as herein required. Notices hereunder shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

FOOTNOTE:

When the Standard Provisions are used for Cooperative Agreements, the following terms apply:

"Grantee" means "Recipient,"

"Grant" means "Cooperative Agreement."

"AID Grant Officer" means "AID Agreement Officer,"

"Subgrant" means "Subcooperative Agreement," and

"Subgrantee" means "Subrecipient."

Grant Standard Provision No. _____

**PATENT RIGHTS (Small Business Firms and
Nonprofit Organizations) (March 1982)
(OMB Circular A-124)**

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 grantee conceived or first actually reduced to practice in the performance of work under this grant.

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

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

b. Allocation of Principal Rights

The grantee may retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this provision and 35 U.S.C. 203. With respect to any subject invention in which the grantee retains title, the Federal Government shall have a non-exclusive, non-transferable, irrevocable, paid-up license to practice or

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have practiced for or on behalf of the United States the subject invention throughout the world. This license will include the right of the Agency for International Development (AID), with respect to any existing or future international agreement entered into under the Foreign Assistance Act of 1961, as amended, to sublicense any foreign government or public international organization in accordance with the terms of any such international agreement.

c. Invention Disclosure, Election of Title and Filing of Patent Applications by Grantee

(1) The grantee will disclose each subject invention to AID within two months after the inventor discloses it in writing to grantee personnel responsible for patent matters. The disclosure to AID shall be in the form of a written report and shall identify the grant 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, operations, 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 grantee will 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 grantee.

(2) The grantee will elect in writing whether or not to retain title to any such invention by notifying AID within twelve months of disclosure to the grantee; 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 for 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 grantee will 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 grantee will 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

(1) The grantee will convey to AID, upon written request, title to any subject invention:

(i) If the grantee fails to disclose or elect the subject invention within the times specified in paragraph c. of this provision, or elects not to retain title.

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

(iii) In any country in which the grantee 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 Grantee

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

(2) The grantee's domestic license may be revoked or modified by AID to the extent necessary to achieve expeditious practical application of the subject invention pursuant to an application for an exclusive license submitted in accordance with applicable provisions in the Federal Property Management Regulations. This license will not be revoked in that field of use or the geographical areas in which the grantee 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 grantee, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

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

f. Grantee Action to Protect the Government's Interest

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

(2) The grantee agrees to require, by written agreement, its employees, other than clerical and non-technical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the grantee each subject invention made under grant in order that the grantee can comply with the disclosure provisions of paragraph c. of this provision, 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) of this provision. The grantee 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 grantee will 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 thirty days before the expiration of the response period required by the relevant patent office.

(4) The grantee 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 grant) awarded by AID. The Government has certain rights in this invention."

g. Subcontracts and Subgrants

(1) The grantee will include this provision suitably modified to identify the parties, in all subcontracts and subgrants, regardless of tier, for experimental developmental or research work to be performed by a small business firm or nonprofit organization. The subcontractor or subgrantee will retain all rights provided for the grantee in this provision, and the grantee will not, as part of the consideration for awarding the subcontract or subgrant, obtain rights in the subcontractor's or subgrantee's subject inventions.

(2) With respect to any subcontract or subgrant with a profit making organization, regardless of tier, the clause specified in Sec. 1-9.1 of the Federal Procurement Regulations (41 CFR 1-9.1) shall be used for such subcontracts, and the provision specified in Appendix 4C, provision 28, Patents, of AID Handbook 13 shall be used for such subgrants. With respect to any subcontract or subgrant with any small business firm or nonprofit organization, regardless of tier, this provision's requirements shall apply.

(3) In the case of subcontracts or subgrants, at any tier, when the prime award with AID was a grant (but not a contract), AID, subcontractor or subgrantee, and the grantee agree that the mutual obligations of the parties created by this provision constitute a contract between the subcontractor or subgrantee and AID with respect to those matters covered by this provision.

h. Reporting on Utilization of Subject Inventions

The grantee 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 grantee 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 grantee, and such other data and information as AID may reasonably specify. The grantee also agrees to provide additional reports as may be requested by AID in connection with any march-in proceeding 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 grantee, its licensee or assignee to be privileged and confidential and is so marked, AID agrees that, to the extent permitted by 35 USC 202(c)(5), it will not disclose such information to persons outside the Government.

i. Preference for United States Industry

Notwithstanding any other provision of this provision, the grantee 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 or produced through the use of the subject invention will 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 grantee or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

j. March-in Rights

The grantee agrees that with respect to any subject invention in which it has acquired title, AID has the right in accordance with the procedures in OMB Circular A-124 and Appendix 4C, provision 28, Patents, Handbook 13 to require the grantee, 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 grantee 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 grantee 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 grantee, 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 grantee, assignees, or licensees; or

(4) Such action is necessary because the agreement required by paragraph i of this provision has not been obtained or waived or because a licensee 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 Grants with Non-profit Organizations

If the grantee is a non-profit organization, it agrees that:

(1) Rights to a subject invention in the United States 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 will be subject to the same provisions as the grantee;

(2) The grantee may not grant exclusive licenses under 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:

(1) 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 will 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 will not be deemed to end the exclusive period to different subsequent products covered by the invention.

(3) The grantee will share royalties collected on subject invention with the inventor; and

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

1. Communications

Communications concerning this provision shall be addressed to the AID Grant Officer at the address shown on the face of this grant.

STANDARD PROVISION

Workmens' Compensation Insurance
(Defense Base Act)
(Dec 1977)

- (1) The Recipient before commencing activities under this cooperative agreement shall provide and thereafter maintain such Workmens' Compensation Insurance or security as is required by the Defense Base Act, as amended (42 USC 1651 et seq.).
- (2) Recipient agrees to procure Defense Base Act insurance coverage requirements pursuant to a contract between AID and its insurance carrier; unless, Recipient has a DBA self insurance program approved by the Department of Labor; an approved retrospective rating plan for DBA; entered into a long term agreement for DBA coverage with an underwriter or agent prior to November 14, 1977. However, if it would be economical to cancel the long-term coverage and pay short-term rates, recipient is required to do so.
- (3) If the Recipient secures a waiver of Defense Base Act coverage for its employees who are not citizens of the United States, residents of or hired in the United States, or, AID has secured such a waiver, the Recipient agrees to comply with the conditions of such waiver.
- (4) The Recipient further agrees to insert in all subcontracts and sub-agreements hereunder to which the Defense Base Act is applicable, a clause similar to this clause, including this sentence, imposing on all such subcontractors and subrecipients a like requirement to provide overseas Workers' Compensation Insurance coverage and obtain Defense Base Act coverage under the AID requirements contract.