

CONTRACT/AGREEMENT
DATA SHEET

1. M/SER/CM/SD/SS
Action Monitor:
USAID/Panama

2. Date PIO/T Received:
08 / 10 / 83

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

3. Contract Agreement Number: 525-0229-G-00-1022, Amendment No. 3

4. Contractor/Recipient Name: Overseas Education Fund

5. Organization Symbol:
OEF

6. Project Title: Employment Training for Women

7. Project Officer's Name: Young, M. -

8. Organization Symbol:
ERG

9. Requisitioning
Document ID No: 525-0229-3-30010, Amendment 3

19. Budget
Plan Code: LDAA-83-25525-EG13

10. TYPE OF ACTION:
- A. New Acquisition/Assistance
 - B. Continuation of activities set forth in a contractual document
 - C. Revision of work scope/purpose of award

B

20. Country or
Region of
Performance: Panama

11. Amount of
this PIO/T: U.S. \$ 192,000

21. Total Estimated
Cost of the
Contractual
Document: U.S. \$ 668,000

12. Amount Obligated/
Subobligated/
Deobligated by
this Action: U.S. \$ 192,000

22. Amount of Non-
Federal Funds
Pledged to the
Project: U.S. \$ -0-

13. Cumulative
Obligation: U.S. \$ 668,000

23. Effective Date
of this Action: 08 / 11 / 83

14. This Action
Funded Through: 09 / 30 / 84

24. Estimated
Completion/
Expiration
Date: 09 / 30 / 84

15. Date Contractual
Documents Signed
by AID Official: 08 / 11 / 83

25. Contractor
DUNS Number:

16. Incrementally
Funded Contract: No

26. Consultant
Type Award: No

17. Host Country/
Counterpart Inst: N/A
(Univ. Contracts)

27. Number of
Person Months: N/A
(PASA/RSSA only)

18. Campus
Coordinator: N/A
(Univ. Contracts)

28. Number of
Persons: N/A
(PASA/RSSA only)

29. Negotiator's Typed Name:
John C. Speicher

30. Negotiator's Signature: *J Speicher for G6*

31. Date Signed: 9/8/83

32. Contract Grant Officer's
Organization Symbol: RCO

33. Contract Grant Officer's Signature: *J Speicher for G6*

34. Date Signed: 8 September 1983

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

5. CONTRACT TYPE:
- A. Fixed Price (Specify: FFP, FPRD, FPEPA, FPI)
 - B. Cost Reimbursement (Specify: CR, CPFF, CS, CPAF, CPIF)
 - C. IQC & Requirements Contracts
 - D. Other

37. SUBJECT TO STATUTORY REQUIREMENT:
- A. Walsh-Healey Act, Manufacturer
 - 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

6. ADVANCE:
- A. No Advance
 - B. Advance Non-FRLC
 - C. Advance FRLC

38. Country of
Manufacture:

- CURRENCY INDICATOR:**
- A. U.S. Dollar
 - B. Local Currency
 - C. Combination
 - D. Unfunded

45. SUBCONTRACTS:
Is There a Provision for a Subcontract? (Contracts only)

- 46. 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. Transition Service

- CONTRACT AGREEMENT SOURCE:**
- A. U.S. Contractor/Grantee
 - B. Non-U.S. Contractor/Grantee
 - C. Combination of A & B

- 47. 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
 - P. Institution Building-Strengthening

- TYPE OF AMERICAN OWNERSHIP:**
- O Minority
 - A. Asian/Pacific Islander
 - B. Black American
 - C. American Aleuts or Eskimos
 - D. American Indian
 - E. Hispanic
 - F. Other (Specify)
 - G. Non-Minority

- 45. LABOR SURPLUS AREA PREFERENCE:**
- O Labor Surplus Area
 - A. No Preference
 - B. Tie Bid Preference
 - C. Total Set Aside
 - D. Not a Labor Surplus Area Preference Award

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

- 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
 - O Non-Profit Organizations
 - D. Private Educational Organizations
 - E. Hospitals
 - F. Research Institutions, Foundations, and Laboratories
 - G. Other
 - O Private Voluntary Organizations
 - H. U.S. Registered
 - I. U.S. Non-Registered
 - J. Foreign
 - O State/Local Government
 - K. Educational Institutions
 - L. Hospitals
 - M. Research Organizations
 - N. Other
 - O International Agricultural Research Organizations
 - P. Public International Organizations
 - Q. U.S. Cooperatives

48. Women Owned Business?

- 49. TYPE AWARD:**
- O Small Business
 - A. Not Set Aside
 - B. Partial Set Aside
 - C. Total Set Aside
 - D. Personal Service Contract
 - E. Individual Non-Personal Service Contract
 - F. U.S. Government
 - G. University
 - H. Other Non-Profit Organizations
 - I. Large Businesses



UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
U. S. AID MISSION TO PANAMA

APO MIAMI 34002

August 11, 1983

Ms. Elise F. Smith
Executive Director
Overseas Education Fund
2101 L Street, N.W.
Washington, D.C. 20037

Subject: Operational Program Grant No. 525-0229-G-00-1022
Amendment No. 3

Dear Ms. Smith:

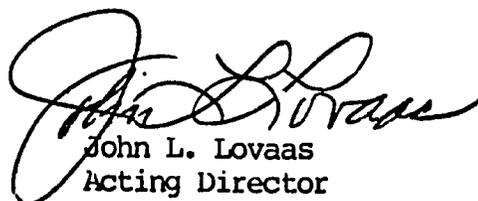
pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Overseas Education Fund (hereinafter referred to as "OEF" or "Grantee") the additional sum of \$192,000. These additional funds provide support for a program to adjust the Project towards the development and implementation of a new model of training and employment to assist low income mothers in obtaining employment in the formal sector and to help others in establishing micro-entrepreneurs as fully described in Attachment No. 1 to this Grant Amendment entitled "Program Description", as amended. The total cumulative obligation is now six hundred and sixty-eight thousand dollars (\$668,000) and represents the final A.I.D. financing required for this Project.

All other terms and conditions of the original Grant remain unchanged.

This amendment is effective and obligation is made as of the date of the Grant Officer's signature and shall apply to commitments made by the Grantee in furtherance of program objectives through September 30, 1984.

Please sign the original and six (6) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Sincerely,


John L. Lovaas
Acting Director

ACCEPTED:

OVERSEAS EDUCATION FUND

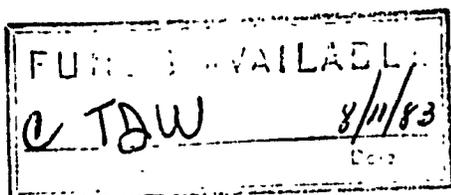
By: Carlynn Rose-Arcia

Title: Director of Program Development

Date: August 12, 1983

Fiscal Data

Appropriation	72-1131021.5
Budget Plan Code	LDAA-83-25525-EG-13
PIO/T 525-0229-3-30010	Project No. 525-0229
Total Amount Obligated by this Action	\$192,000
Cumulative Obligation through this Action	\$668,000
Total Estimated Grant Amount	\$668,000



Authorized by Cable State #222040 dated 8/8/83.

OPERATIONAL PROGRAM GRANT
No. 525-0229-G-00-1022
Amendment No. 3

PROGRAM DESCRIPTION

Attachment No. 1

This Grant is further amended as follows:

1. Delete paragraph "A" of Attachment No. 1 and substitute the following:

"A. PURPOSE OF GRANT

The purpose of this Grant is to improve the social and economic conditions of low income and economic conditions of low income mothers, preferably head of families. To achieve this goal the Overseas Education Fund and IFARHU will select 300 participants, 150 each from Panama City and San Miguelito, and conduct a 36-month project that will accomplish the following:

1. Increase knowledge and skills necessary for the development of small businesses, cottage industries or for paid employment.
2. Integrate the participating women into the economic and social development of Panama.
3. Develop a Rotating Fund and appropriate credit mechanisms for the women who wish to start their own business.
4. Assist women to gain worthwhile employment.
5. Increase the income of the participants.
6. Create training program in Panama City and San Miguelito to generate income for women. The training program will then be replicated in other areas of Panama.
7. Train the participating women in activities that promote personal development, provide skills in decision-making and group problem-solving, and in the creation, mobilization and utilization of resources in their communities.
8. Offer several means of support that will contribute to and guarantee the good use of the training and maximum productivity by the trained women:
 - a. Provide Food for Peace P.L. 480 Title II commodities to the participants and their families.

- b. Establish a scholarship level for the children of the participating mothers who meet the conditions required to obtain such a scholarship.
- c. Other health programs (medical exams, eyeglasses at low cost, etc.).
- d. Obtain day care services for their children through contact with existing institutions.
- e. Incorporate the Project into the national development program."

2. B. IMPLEMENTATION is amended as follows:

On page 6 of Attachment No. 1, after the last paragraph of "Phase V" add a new paragraph as follows:

"In addition to the material and Technical Assistance Support contemplated under the original Grant agreement, "Annex A" is incorporated as attached."

3. Paragraph E. Budget

Delete second sentence and replace with the following:

"The amount obligated under this Grant (\$668,000) may not be exceeded. Adjustments among the line items are unrestricted. It is agreed that A.I.D. will not increase the Federal Reserve Letter of Credit (FRLC) by the additional \$192,000 obligated by this Amendment No. 3 until USAID/Panama has been provided evidence of the following:

- a. The initial twelve (12) loans funded by IFARHU have been effected;
- b. A detailed description of the mechanism and the responsibilities for collection of loan repayments under this activity;
- c. The eight staff members (Project Director and seven technicians) required by IFARHU to implement the project, as a result of the replanning and expansion of the program, have been hired and are working on the project; and

- d. Written documentation from IFARHU showing amounts spent to date, balance available in their 1983 budget and amounts which will be requested for 1984 and 1985 to support this project."

Delete page 8 (Budget Summary) and substitute the budget shown in page 4 of this Attachment No. 1.

BUDGET SUMMARY

	<u>ORIGINAL BUDGET</u>		<u>ACTUAL BUDGET</u>	<u>ADDITIONAL FUNDS</u>		<u>TOTAL ESTIMATED NEW BUDGET</u>		<u>GRAND TOTAL</u>
	<u>AID</u>	<u>OEF/IFARHU</u>	<u>AID (1)</u>	<u>AID</u>	<u>OEF/IFARHU</u>	<u>AID</u>	<u>IFARHU</u>	
Salary	154,691	23,455	163,422	63,542	22,200	226,964	45,655	272,619
Benefits	36,812	3,518	50,922	14,590	4,400	65,512	7,918	73,430
Travel	10,860	-0-	19,604	24,988	500	44,592	500	45,092
Skills Training/Cons	43,680	-0-	53,252	12,125	6,600	65,377	6,600	71,977
Market Survey	12,000	-0-	8,000	-0-	17,000	8,000	17,000	25,000
Equipment	30,837	-0-	19,543	5,000	-0-	24,543	-0-	24,543
Materials and Supplies	17,200	-0-	20,600	22,500	6,900	43,100	6,900	50,000
Space	-0-	28,160	-0-	-0-	35,200	-0-	63,360	63,360
Revolving Loan Fund	-0-	72,000	-0-	-0-	28,000	-0-	100,000	100,000
Telephone-Telegrasph	13,000	-0-	13,000	-0-	960	13,000	960	13,960
Remuneration for Participants	-0-	70,200	-0-	-0-	(70,200)	-0-	-0-	-0-
Housing Allowance	37,484	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Other Costs	<u>5,250</u>	<u>-0-</u>	<u>5,758</u>	<u>-0-</u>	<u>9,200</u>	<u>5,758</u>	<u>9,200</u>	<u>14,958</u>
All Direct Costs	361,814	197,333	354,101	142,745	60,760	496,846	258,093	754,939
Overhead	<u>114,186</u>	<u> </u>	<u>121,899</u>	<u>49,255</u>	<u> </u>	<u>171,154</u>	<u> </u>	<u>171,154</u>
TOTAL	476,000	197,333	476,000	192,000	60,760	668,000	258,093	926,093

(1) This "Actual Budget" reflects various line items adjustments made over life of project as permitted by Paragraph E. Budget; page 7 of Attachment 1, to the OPG. Original total remains unchanged.

OEF PROPOSAL
FOR AMENDING GRANT 525-0229-G-00-1022

- I. SUMMARY
- II. BACKGROUND
 - A. Project Midpoint Evaluation
 - B. Current Activity Status
 - 1. Changes in program to date
 - 2. Current activities to date
 - a. Market research and evaluation
 - b. Knowledge transfer
 - c. Equipment and Administration
 - C. Projected Future Activity Status
 - 1. Projected program changes
 - 2. Implementation of projected program changes
 - D. Changes in Beneficiary Targets
 - E. Current and Projected Financial Status
- III. PROJECTED PROJECT DESCRIPTION
 - A. Goal and Purposes
 - B. End of Project Status
- IV. APPENDICES
 - Issues Pending

I. Summary

The Apranda, Trabaje y Gane project, being carried out by the Overseas Education Fund (OEF) in collaboration with the Instituto de Formación y Aprovechamiento de Recursos Humanos (IFARHU) has been operating as a vocational training program for low-income mothers, preferably heads of households, seeking employment in the formal labor sector or interested in establishing their own micro-enterprises. Because the vast majority of the women being trained by the program remained unemployed or were not operating micro-enterprises upon completion of training led OEF to re-examine the program's design and operation and incorporate modifications which would better assure employment placement and retention or micro-enterprise development amongst the program's participants.

The modifications being incorporated develop the existing vocational training program into a comprehensive employment and training program model that systematically corresponds its functions to the demands of both the formal and informal job sector. As such, the program will incorporate a two-pronged approach providing comprehensive services to those seeking employment in either labor sectors. Additional program activities designed for addressing the formal labor market include an on going concentrated but systematic job search mechanism to identify jobs and develop and maintain contacts with employers; a job placement mechanism to coordinate with the job search function facilitating placement of program participants in jobs upon completion of training; and on-the-job follow-up to assure job retention. Additional program activities designed to address the informal sector include: collaborating with IFARHU to operationalize the existing credit fund with conditions that meet the needs of the program's micro-entrepreneur; and complementing the access to credit by on-site credit and business management assistance.

The overall objective of the program is to provide a model approach to employment acquisition in both labor markets, offering comprehensive services to facilitate both micro-enterprise development and/or job entry and retention.

II. BACKGROUND

A. Project midpoint evaluation

The Overseas Education Fund (OEF) received a \$476,000 OPG from AID on August 28, 1981. The purpose of this grant was to assist OEF in establishing an employment training program for low-income mothers with the Instituto de Formación y Aprovechamiento de Recursos Humanos (IFARHU). The midpoint evaluation, completed in June 1983 found the project to be producing well trained but unemployed low-income mothers. Although the program had established an innovative and comprehensive approach to vocational training—one that complemented job skills training with life skills training and micro-business management training—it had not bridged the gap between training and employment acquisition. The evaluation, therefore, suggested the following: that OEF focus on the experimental nature of the program and reduce beneficiary levels; conceptually separate out employment needs in the formal labor sector from employment needs in the informal labor sector and; develop the follow-up mechanisms to training necessary for placing program participants in paid employment or for developing their micro-enterprises.

The evaluation provided the following recommendations within the following areas for carrying out the program modifications:

(1) Purposes:

-stress the development and testing of a model.

(2) Project activities for the next 18 months:

-consolidate gains in Panama City and San Miguelito, do not expand to another urban area such as Colon until a means of actually getting women to earn more income has been tested.

-break out program into a two pronged approach:

+explore more fully formal sector work and develop a sound job placement mechanism

+consolidate entrepreneurial development by training in the use of credit and practical business management

(3) Implementation plan for the next 18 months:

-more training in San Miguelito and other communities should be explored

-other training models such as apprenticeship models which are less costly than the present ones should be explored

-members of women to be trained should be cut back drastically
research should begin on women who have come out of the first phase of the program

-put credit mechanism in place

-80 women could be set up in small business within 18 months

(4) Institutional context of the project:

-the project should remain with IFARHU and the question of the local institution be re-evaluated during final evaluation

(5) OEF request for additional funds:

-OEF request for additional funds should be granted and perhaps expanded

(6) Continuation of project activities beyond present projection completion date:

-the work being done by OEF/IFARHU is needed in Panama and it is expected that the model will be replicated and expanded.

B. Current Activity Status

1. Changes in Program to Date

The following principal changes reflect how the program has evolved to date (up to mid-point evaluation May, 1983) The explanation of the change indicates whether the change will change again or remain the same during the new phase of the project. The changes identified here do not reflect the new additional changes contemplated for the program with increased funds.

-Since the signing of the grant agreement the beneficiary population has changed from being low-income mothers of students of IFARHU educational credit to low-income mothers in general but preferably heads of households. The beneficiary population will continue to be characterised as such with the newly modified project design.

-The original grant agreement contemplated the establishment of training/production centers. The actual project only provides training programs. The production center concept has been dropped because it was deemed too costly. The new phase of the project does not contemplate resurrecting the production center concept as a principal output of the project.

-The original grant agreement contemplated establishing one training program each in Panama City, Colon and San Miguelito successively. The program, instead, has established one training program for both Panama and San Miguelito and up until the midpoint evaluation expected doing another one in Colon. However, the new phase of the project has dropped consideration of extending to Colon-rather it will consolidate its efforts in Panama City and San Miguelito.

-A series of support services have been added to the project to date which were not contemplated in the grant agreement. It is contemplated that these support services will continue during the new phase of the project.

2. Current Activities to Date

- a. market demand research and evaluation: The original project carried out an extensive market study to assess the availability of local markets and resources in the participants communities and to use as a guide for selecting areas of skill trainings. The results of the study demonstrated that the contractor was biased against supporting any enterprise smaller than the small industry level of productive or commercial activities. Those competitive economic activities determined by the study as worth promoting were limited to markets formed by tourism. The potential economic markets of the participants' local communities are not even considered. Consequently, the study proved to be of limited use in determining appropriate skill areas in which to train participants at the micro-entrepreneur level.

A mid point evaluation has also been completed on the project. The evaluation was instrumental in focusing the project's re-design.

- b. knowledge transfer: In spite of the inadequate market study OEF/IFARHU developed an innovative comprehensive approach to vocational training. Job skills training was complemented by life skills training and business management training. Three training modules were developed - job skills, life skills and business management- providing a coordinated training package for the majority of the program's participants.

The areas in which job skills training has already been provided include:

- .landscaping
- .custom sewing:
 - adult women
 - children
 - babies
 - uniforms
 - household linens
- .baking/cooking
- .upholstery
- .industrial sewing

Based on the program's administrative needs OEF worked with project personnel in designing the project's activities and trained personnel to carry them out. Three personnel were trained in (a) program administration and budget management (b) program promotion (c) participant selection (d) and as life skills trainers and (e) job skills coordinators.

The original project targets contemplated 200 women to be trained by midpoint of the project. In total 188 were registered for job skills training and 100 completed training with another 21 expected to finish in July 1983. Of the 121, 78 completed life skills training, and 85 completed business management training. 56 completed all 3 training modules. The total 121 were relatively equally distributed in groups of approximately 20 throughout the various job skills training.

OEF's project has also coordinated to date with a number of public and private institutions. Through May, 1983, OEF/IFARHU have developed linkages with the following institutions:

Formal sector employment

MITRAB
MIPPE
Consejo Nat'l de Inversiones

Informal sector employment

MICI
FEDPA
APEDE

In general:

DIGEDCOM
SENAFOR
Ministerio de Educación
Ministerio de Salud
MIDA

(See appendix: Issues Pending, No.6 Interinstitutional coordination for more information

- c. equipment and administration: To date a total of 3 full time staff, and 1 full time OEF technical advisor have been hired by OEF/AID funds. IFARHU has hired one staff. In total, these consist of a project director, a secretary and two other positions which are not specifically defined but carry out the various project functions including the participant selection, trainee support activities and job skills training coordination. All required equipment for the projects original scope has been purchased.

C. Projected Future Activity Status

1. projected program changes

The current program offers comprehensive vocational skills training including life skills and business management training. However, present program activities are not systematically distinguished between the informal and formal labor market demands and do not provide follow-up activities beyond training.

The program re-adjustments include conceptually and functionally breaking out activities designed for formal sector employment from those designed for micro-enterprise development and adding appropriate follow-up activities according to labor sector.

The formal employment sector of the program will add the following mechanisms to the job skills training already offered by the program to better correspond skills training to labor market demand. These include (a) a job search mechanism to identify available formal labor sector employment in order to better correspond the selection of job skills training according to market demand; provided and to develop and maintain contacts with prospective employers for later job placement; (b) employment readiness training as an expansion of the life skills training, preparing the participants for adaptation to the actual work environment; (c) employment placement arranging for training graduate interviews with prospective employers in accordance with the information generated by the job search activities (d) on the-job follow-up for an extended time once the participant is placed in a job, to ease adjustment to the working environment and help assure job retention.

III. PROJECTED PROJECT DESCRIPTION

A. Goal and Purposes

The goal of the project is to improve the socio-economic conditions of low-income mothers, preferably heads of households, by increasing their income into the family. The purpose of this grant is to develop and test in Panama, with technical assistance from OEF and in collaboration with IFARHU, a model approach to employment access in both informal and formal labor markets, offering comprehensive training and technical assistance to facilitate either micro-enterprise development or job entry and retention.

The project will: (a) Develop and test a two-pronged employment and training model to assist low-income mothers in entering employment or establishing micro-enterprises. This will be accomplished through the provision of a package of trainings in job skills, life and employment readiness skills and business management designed according to job sectors; and employment assistance to include job placement and on-the-job follow-up for formal sector employment or credit and on-site business and credit management follow-up for informal sector employment. (b) Institutionally incorporate the model program within Panama's development strategies to counteract urban unemployment.

B. End of Project Status

The conditions for an end of project status would be to have developed and tested an urban employment and training model for low-income mothers capable of training for employment and placing participants in employment in both labor sectors. This capability should be sufficient to train and facilitate employment for an additional 150 women over and above the 100 already trained but presently unemployed to make a total of 250. This 250 will be distributed according to the formal and informal labor sectors, with a total of 150 micro-entrepreneurs and approximately 100 total paid formal sector employees at end of project.

Major beneficiary targets are as follows:

micro-enterprises: 150 total capacity of program with a credit ceiling of \$100,000

76 - trained women presently existing to begin micro-enterprises

74 - additional maximum program will accept with present credit fund ceiling.

150 - Total

Formal Sector Employment: Goal = 100 jobs

32 - trained women presently existing to be placed in employment

68 - additional estimated program capacity for job placement
100 = Total

Total additional training with expected job placement and micro-enterprise establishment:

74 - micro-enterprises
68 - formal sector employment
142 - total additional trained and working beneficiaries

The program will have 50 additional women still in training at close of project.

Increasing total additional trainings:

142 - already placed or operating micro-enterprises
50 - in process of training
192 - total additional trainings

Major Project targets are as follows:

<u>Activities</u>	<u>Original Grant</u>	<u>To date</u>	<u>With additional funds</u>	<u>Total</u>
job skills trainings	30	0	9.6	18.6
life skills trainings	30	6	9.6	15.6
job readiness-formal	0	0	3.4	3.4
job readiness-informal	0	0	3.7	3.7
micro-business training	30	7	3.7	10.7
job searches	600	0	150	150
job placements	600	0	100	100
on-the-job-follow-up	0	0	500	500
1 job x 5 visits				
loans	?	0	150	150
micro-enterprise visits	0	0	450	450
1 bus. x 3 visits				

The micro-enterprise component of the program will build on to the existing micro-enterprise training by incorporating the following new activities: (a) local community market surveys carried out on an on-going basis by the projects personnel and participants; (b) self-employment readiness training built in to the life skills training to better prepare the potential micro-entrepreneur for the personal and family life adjustments required in order to run a business; (c) credit from the credit fund set aside by IFARHU for the project with conditions appropriate to level I micro entrepreneurs and (d) on-site business and credit management follow-up provided to newly established micro-entrepreneurs. The business management assistance begins during the business management training and includes having the micro-entrepreneur carry out a feasibility study on her business and continues guiding her through the actual loan request. Once credit is granted assistance continues, allowing the micro-entrepreneur to gain practice in making sound business judgements and begin slowly expanding activity within existing resource ranges.

2. implementation of projected program changes

To implement the above program modifications the program will first target the existing population of trained but unemployed mothers. Of 108 of these women, 76 are planning to establish micro-entreprises and 32 are seeking employment in the formal sector.

For the informal sector, IFARHU is establishing the mechanisms for the credit fund which the 76 micro-entrepreneurs will be prepared to apply for. Five additional staff will make up the micro-enterprise component. They will provide on-site follow-up assistance, first, to this existing group and then to expand to include new micro-entrepreneurs once the approach has been tested. The five staff include: an OEF consultant in micro-enterprise development and 1 tecnico with OEF/AID funds; one jefe tecnico and another two additional tecnicos with IFARHU funds.

The development of the formal sector employment component of the program will begin with a concentrated job search focusing on securing job placements for the existing 32 trained but unemployed program participants. The component's design will focus on institutionally coordinating its activities with other employment programs, such as the Ministry of Labor's office of employment placement and with private sector contacts. Once the job search mechanism, job placement and follow-up assistance are tested on the existing group of women the program's services will expand to include increased numbers of program participants. In order to implement the recommended mechanisms for the formal labor sector component of the project additional staff will be hired and staff functions will be re-distributed to cover the following new functions:

- job search
- job placement
- follow-up
- job readiness training

Staff training and re-distribution of present staff functions will be a significant prerequisite for implementation of the programs additional activities. Observation visits are contemplated for key personnel to visit successful formal and informal employment programs. For example, for the informal sector, visits will be made to the successful micro-enterprise program of the Fundacion Dominicana in the Dominican Republic. For the formal sector, visits will be made to the successful Womens Employment and Education Program in San Antonio, Texas.

The on-going feedback mechanism to monitor program implementation and provide on-going support will come through the creation of the Program's Graduate Association. Once the first population of program training graduates are on-the-job or running micro-enterprises they will be encouraged and assisted in forming their own graduate association which can provide feedback to the program's operation, support participants in training and possibly function as trainer's assistants. The association will as well give the program graduates experience in leadership roles while encouraging greater program spirit.

To accomodate new staff IFARHU has already just recently increased the program's office space by 50 square meters.

Final evaluation research will be carried out on the program to document the pilot effort.

IV. APPENDICES

A. Issues Pending

The following are the principal issues with OEF was asked to clarify as a result of the proposal review meeting held on June 30, 1983.

1. The Credit Fund:

- Are the funds actually available?
- Are all the credit functions designed?
- Is there assurance that the loans can be recuperated?
- How many projects are already ready for loan application?
- How much will be the cost of these projects?

2. Clarification of Targets (See main document page-)

3. Institution Building

4. Project Continuation

5. Supervision by OEF/W

6. Justification of Program Operation in Formal Labor Sector

7. Coordination with other Institutions

1. The Credit Fund

Are the funds actually available? IFARHU already has \$70,000 ready for immediate use. This \$70,000 was budgeted last year (1982). IFARHU was provided the \$70,000 as they had requested in their budget. IFARHU has submitted a budget request for an additional \$30,000 for the credit fund beginning 1984. IFARHU expects their request for \$30,000 additional funds to be granted.

Are all the credit functions designed? According to the Director of Special Programs, IFARHU, all of the credit functions are ready to process the first loan application. OEF has also already seen the draft application forms.

Is there assurance that the loans can be recuperated? IFARHU's success in loan recuperation of educational credit has improved two-fold in the last 2 years according to the Director of Special Programs. Improved recuperation of loans has been the result of a recently instituted promotional campaign for loan recuperation by IFARHU.

However, educational credit is also characteristically distinct from credit for production. Educational credit is not intended to directly increase earnings. Credit for production, on the other hand, is directly intended to increase earnings with the expectation that a portion of the increased earnings is for loan repayment.

Admittedly, credit provided to micro-producers has had varying results. However, it has been demonstrated that with the proper orientation and follow-up micro-producers are as reliable as larger-scale producers. In addition, according to research being carried out on the micro-enterprise population in the Dominican Republic there is evidence developing that within the micro-entrepreneur population, those with the least resource base are proving to be the most reliable credit risks. Interestingly, women entrepreneurs make-up the majority of this most limited resource base population amongst micro-entrepreneurs. It should also not be forgotten that the micro-entrepreneur population is not totally unfamiliar with credit. Loan Sharks using 40-80% interest rates are commonly used by the poor who do not have access to traditional lines of credit.

Finally, the micro-enterprise training and follow-up is designed specifically to encourage discipline in managing credit.

How many projects are already ready to request credit? Approximately 8 projects:

- 2 - upholstery
- 2 - cooking
- 2 - sewing-adults
- 2 - sewing - babies .

The cost of each one of these projects will vary within a range of \$1,200-\$2,500

2. Clarification of Targets:
(See page 26 of main document)

3. Institution building: IFARHU has increased their interest in the project activities. Their increased interest has been demonstrated by various administrative adjustments they've made to incorporate the project into IFARHU. For example, in May, 1983, the deputy director of IFARHU moved the project into the department of Special Programs. Prior to this time, the project was not linked to any department of the institution. The Director of Special Programs is directly responsible for overseeing the operation of the project. Since she has taken responsibility, she has been able to put many program activities into action; she has facilitated the development of the mechanism for the credit fund; and the development of the mechanisms for the credit fund; in general, she has played the role of spokesperson for the project at IFARHU, educating various departments about the project's activities. Prior to her participation and the participation of the deputy director the project was relatively unknown by the majority of IFARHU. She has also tripled the original office space provided for the project. She was given permission to tear out one of the walls in the building in which the project office is located and acquire more than 3 times additional space. This space adequately accomodates the planned increase in staff.

IFARHU has also increased their counterpart funds to the budget. They have requested from their budget more than 68% of the additional funds being requested by OEF from AID/P.

IFARHU has already begun placing the additional staff they agreed to place with the replanning and expansion of the program. They have placed one tecnico for the micro-enterprise component of the program and are presently moving another additional tecnico to take the position of jefe tecnico.

The credit fund has also become a reality. One of the principal issues inhibiting the provision of credit was the interest rate that would be applied to the loans. Funds for the credit fund are considered educational credit. Educational credit in IFARHU has an interest rate by regulation of 5%. IFARHU recently agreed to adjust the interest rate up to 10% for the loans to be provided in this program so the interest would correspond more appropriately to market rates for production credit. Interest rates are very delicate issues. The fact IFARHU agreed to re-adjust theirs reflected the seriousness with which they are taking the project.

Finally, during the replanning process of the project, IFARHU requested that the heads of the Finance department, Credit department, and Special Programs Department participate in the process. IFARHU and OEF representatives met 2 full days and one half days conceptualizing the modified program design.

4. Project Continuation: The present administration of IFARHU has admitted that they would probably not have considered this program as an activity corresponding to IFARHU when it was originally conceptualized. However, they have demonstrated a concern for meeting their obligation to the project which their institution originally committed them to, and since, have developed a profound interest in exploring the feasibility of the project's model. The fact that they are requesting increased funds for the credit fund provides an indication of an interest in seeing the project continue. Nevertheless, they do maintain a wait and see attitude and would probably prefer to evaluate the model's effectiveness before arranging long term institutional commitments.

Nonetheless, regardless of their particular interest in continuing the project as their own they have expressed an interest in exploring with OEF other institutions in Panama that may be able to absorb the program or at least components of it once it is operating and producing the newly projected results. OEF will continue this dialog with IFARHU establishing possible channels which would allow the program to continue. For example, the Ministry of Labor-office of employment placement considers the program an indispensable activity to increase employment in Panama. As the Director of this office expressed to OEF, one of the major factors inhibiting employment placement in Panama is the lack of appropriately skilled workers - skilled, not only in the sense of technical training but as well in the ability to adjust to the disciplined formal sector working environment - the vast majority of this population being made up of mothers, heads of households. The Director of Special Programs is also willing to explore other institutions which can provide increased funds for micro-enterprise level credit if in fact, IFARHU decides not to continue with the project.

5. Supervision of Project by OEF: Day to day OEF supervision of project funds from USAID/P is the responsibility of the OEF technical advisor in Panama. However, the technical advisor, in the role of a technical advisor is not the director of the project and therefore must share the day to day supervisory role of project implementation with the project director. The Project Director is selected by IFARHU in collaboration with OEF. The overall responsibility for project grant management is held by OEF/W's Director of Program Development for Asia and Americas. This position supervises the technical advisor and provides supervisory and technical assistance to the project through the technical advisor. It maintains policy level communication with the counterpart institution.

OEF/Washington will increase its overall supervision to the employment training program for women in Panama. With the requested additional funds OEF/W will provide approximately 40% of one Washington base salary time to the project. Approximately 3 supervisory trips will be made to Panama of one week's duration. The technical advisor will make one trip to Washington. OEF/W will also accompany project personnel on observation trips to other similar projects.

OEF/Washington will maintain a more frequent dialog with management levels of IFARHU. Additionally, the Director of Program Development for Asia and Americas is requesting the re-initiation of the interinstitutional monthly meetings which were once held between OEF/P - AID - IFARHU on this project. According to the technical advisor the meetings were very useful in maintaining an open on-going dialog re: the project.

6. Justification of program focus on the formal employment sector: There is a need for creative formal sector employment preparation and placement mechanisms in Panama. As is mentioned in point 4, one of the fundamental inhibiting factors to employment has been shown to be not only the lack of employment but the lack of appropriately skilled workers - both technically and in terms of adjustment to the working environment. As mentioned above, one of the major problems confronting the Office of Employment Placement of the Ministry of Labor is not the lack of jobs but the lack of appropriately skilled workers to fill job vacancies. The program's concentrated focus on the formal sector fills a recognized need for improving employment placement in Panama.

Finally, the economy in Panama may also experience an expansion during the upcoming period. It will be necessary to have employment preparation and placement models such as this one in place to accommodate this expansion.

7. Coordination with other institutions: The project has always maintained an impressive level of interinstitutional coordination (please see attachments). This coordination is partially responsible for the success of the project up to now. This coordination will continue with a greater emphasis in creating systematic long term links with appropriate institutions. These links may eventually lead to creating the channels necessary to allow the project to be adopted by either Panama's private sector or public sector.

The systematization of the coordination will follow according to employment sectors. As can be noted in the attachments, there had already begin a distinction according to employment sector. In the future, however, the coordination will follow more precisely according to employment sector. For example, in the formal sector, it is possible that the office of Employment Placement would work with the project to identify the types of employment available, acting in conjunction with the job search mechanism of the project allowing for selection of job skills trainings according to labor market demand. It is also contemplated to experiment with developing direct links to employers preparing employees according to the employers needs. In the informal sector, it may be possible to work in coordination with another credit institution shifting the credit responsibility from the program but continuing to prepare micro-entrepreneurs for credit and facilitating the link to the available lines of credit.

COORDINACION INTERINSTITUCIONAL

Uno de los aspectos significativos del Proyecto ha sido la magnífica coordinación interinstitucional y la estrategia empleada para la movilización de recursos humanos y materiales para el logro de los distintos propósitos.

A la fecha, además de personal del Proyecto, un centenar de personas, de distintos niveles sociales, económicos y educativos, y con distintas responsabilidades han participado, en una u otra forma, en el Proyecto. Este personal trabajó en tareas de formulación de estrategias de empleo, criterios y mecanismos de selección de participantes, estudio de mercado; capacitación y desarrollo de mecanismos para el empleo, tanto formal como no formal, etc.

A continuación se señalan algunas de las instituciones y organizaciones con quienes se ha mantenido estrecha coordinación.

AREAS COMUNES (tendientes a la selección, capacitación, apoyos

1. Organizaciones femeninas que ayudaron en la promoción del proyecto, en la selección y en la promoción de la mujer capacitada (eje: Asociación de Mujeres Universitarias; Magisterio Panameño Unido).
2. Ministerio de Educación, Ministerio de Trabajo, Ministerio de Desarrollo Agropecuario y Universidad quienes pusieron a la disposición del Proyecto los espacios físicos necesarios y el correspondiente equipo para la capacitación. En algunas ocasiones ofrecieron tiempo del instructor.
3. Ministerio de Salud, Instituto Panameño de Rehabilitación Especial, Asociación contra el Cáncer; Guardia Nacional quienes ofrecen su cooperación para los programas de apoyo de salud y bienestar social que lleva a cabo el Proyecto.
4. La Dirección de Desarrollo de la Comunidad; los Representantes de Corregimiento; Alcaldes y Gobernación quienes, además de promover el Proyecto, colaboraron en la etapa de selección de participantes.
5. Otras instituciones como Lotería Nacional, Caja del Seguro Social, Aeronáutica Civil ofrecieron su apoyo a través de personal técnico (psicólogos) para la selección.

AREA DE EMPLEO FORMAL

1. Ministerio de Trabajo, quien a través de la Dirección Nacional de Empleo ayudó en la inscripción de aspirantes; además suministró las instalaciones de SENAFORP para la capacitación en Modistería y Confección Industrial. Actualmente más del 50% de las participantes se encuentran registradas en la Dirección Nacional de Empleo para su debida colocación, de ser posible, en el Sector Formal. Se ha establecido la debida coordinación y se adelantan conversaciones para lograr sistematizar con esta Dirección, mecanismos que ayuden a: preveer necesidades de empleo, y detectar vacantes posibles de ser cubiertas por las egresadas del Proyecto.
2. Ministerio de Planificación y Política Económica participó en la Comisión Estrategias de Empleo y aportó lineamientos importantes sobre la posibilidad de emplear las mujeres en programas de Maquila.
3. Consejo Nacional de Inversiones invitó al IFARHU a reuniones de coordinación para establecer mecanismos que promuevan el empleo en Panamá.

AREA DE EMPLEO EN EL SECTOR NO FORMAL

1. Ministerio de Planificación y Política Económica, quien a través de la Secretaría de Pre Inversión colaboró con un préstamo para el estudio de mercado y ofreció asesoría en estos aspectos.
2. Ministerio de Comercio e Industrias aportó algunos datos sobre perfiles de micro empresas y estudia la posibilidad de dedicar las posibilidad de dedicar fondos para préstamos a las egresadas del Proyecto.
3. La Asociación Panameña de Ejecutivos de Empresa, (APEDE), quien a través del Proyecto de Pequeña Empresa (APEDE/AID) ofreció la capacitación sobre Administración de Empresa a más de 80 mujeres.
4. Se llevaron a cabo conversaciones con el Banco Nacional de Panamá y el Banco Internacional de Desarrollo para posibilidades de crédito.
5. La Federación de Cooperativas de Ahorro y Crédito (FEDPA) dió la debida capacitación y asesoría a las mujeres para que éstas constituyan la Cooperativa de Ahorro y Crédito del Proyecto Aprenda, Trabaja y Gane.

CONTRACT/AGREEMENT
DATA SHEET

1.M/SER/CM/SD/SS
Action Monitor:
USAID/Panama

2. Date PIO/T Received:
11 / 30 / 82

74

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

3. Contract/Agreement Number: 525-0229-G-00-1022-02	
4. Contractor/Recipient Name: Overseas Education Fund	5. Organization Symbol: OEF
6. Project Title: Employment Training for Women	
7. Project Officer's Name: Young, M.	
8. Organization Symbol: HRD	
9. Requisitioning Document ID No: 525-0229-3-30010	19. Budget Plan Code: LDAA-83-25525-EG13
10. TYPE OF ACTION: A. New Acquisition/Assistance B. Continuation of activities set forth in a contractual document C. Revision of work scope/purpose of award	20. Country or Region of Performance: Panama
	21. Total Estimated Cost of the Contractual Document: U.S. \$ 476,000
11. Amount of this PIO/T: U.S. \$ 227,000	22. Amount of Non-Federal Funds Pledged to the Project: U.S. \$ -0-
12. Amount Obligated/ Subobligated/ Deobligated by this Action: U.S. \$ 227,000	23. Effective Date of this Action: 12 / 07 / 82
13. Cumulative Obligation: U.S. \$ 476,000	24. Estimated Completion/Expiration Date: 09 / 30 / 84
14. This Action Funded Through: 09 / 30 / 84	25. Contractor DUNS Number:
15. Date Contractual Documents Signed by AID Official: 12 / 07 / 82	26. Consultant Type Award: No
16. Incrementally Funded Contract: No	27. Number of Person Months: (PASA/RSSA only) N/A
17. Host Country/Counterpart Inst.: (Univ. Contracts) N/A	28. Number of Persons: (PASA/RSSA only) N/A
18. Campus Coordinator: (Univ. Contracts) N/A	29. Negotiator's Typed Name: Gerald P. Gold
30. Negotiator's Signature: <i>Gerald P. Gold</i>	31. Date Signed: 1 / 1
32. Contract/Grant Officer's Organization Symbol: EX-0	33. Contract/Grant Officer's Signature: <i>Gerald P. Gold</i>
	34. Date Signed: 213183

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

35. CONTRACT TYPE: A. Fixed Price (Specify: FFP, FPRD, FPEPA, FPI) B. Cost Reimbursement (Specify: CR, CPFF, CS, CPAF, CPIF) C. IQC & Requirements Contracts D. Other	37. SUBJECT TO STATUTORY REQUIREMENT: A. Walsh-Healey Act, Manufacturer* 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
36. ADVANCE: A. No Advance B. Advance Non-FRLC C. Advance FRLC	38. Country of Manufacture: (Specify)

<p>39. CURRENCY INDICATOR: A. U.S. Dollar <input type="checkbox"/> B. Local Currency C. Combination D. Unfunded</p>	<p>45. LABOR SURPLUS AREA PREFERENCE: <input type="checkbox"/> ● Labor Surplus Area A. No Preference B. Tie Bid Preference C. Total Set Aside D. Not a Labor Surplus Area Preference Award</p>
<p>40. SUBCONTRACTS: Is There a Provision for a Subcontract? (Contracts only)</p>	<p>46. Number of Bidders Offering Items or Services of Foreign Content:</p>
<p>41. TYPE SERVICE: <input type="checkbox"/> 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</p>	<p>47. TYPE OF BUSINESS: <input type="checkbox"/> 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 ● Non-Profit Organizations D. Private Educational Organizations E. Hospitals F. Research Institutions, Foundations, and Laboratories G. Other ● Private Voluntary Organizations H. U.S. Registered I. U.S. Non-Registered J. Foreign ● State/Local Government K. Educational Institutions L. Hospitals M. Research Organizations N. Other O. International Agricultural Research Organizations P. Public International Organizations Q. U.S. Cooperatives</p>
<p>42. CONTRACT/AGREEMENT SOURCE: <input type="checkbox"/> A. U.S. Contractor/Grantee B. Non-U.S. Contractor/Grantee C. Combination of A & B</p>	<p>48. Women Owned Business?</p>
<p>43. SELECTION PROCEDURES: <input type="checkbox"/> 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 ● Grant/Cooperative Agreement L. Competitive M. Noncompetitive N. Small Business Set Aside O. Overseas Procuring Activities P. Institution Building/Strengthening</p>	<p>49. TYPE AWARD: <input type="checkbox"/> ● Small Business A. Not Set Aside B. Partial Set Aside C. Total Set Aside D. Personal Service Contract E. Individual Non-Personal Service Contract F. U.S. Government G. University H. Other Non-Profit Organizations I. Large Businesses</p>
<p>44. TYPE OF AMERICAN OWNERSHIP: <input type="checkbox"/> ● Minority A. Asian/Pacific Islander B. Black American C. American Aleuts or Eskimos D. American Indian E. Hispanic F. Other (Specify) _____ G. Non-Minority</p>	



UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
U. S. AID MISSION TO PANAMA

APO MIAMI 34002

DEC 7 1982

Ms. Elise F. Smith
Executive Director
Overseas Education Fund
2101 L Street, N.W.
Washington, D.C. 20037

Subject: Operational Program Grant No. 525-0229-G-00-1022
Amendment No. 2

Dear Ms. Smith:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to the Overseas Education Fund (hereinafter referred to as "OEF" or "Grantee") the additional sum of \$227,000 to provide support for a program in employment training for women as more fully described in Attachment No. 1 to this Grant entitled "Program Description."

The total cumulative obligation is now four hundred and seventy-six thousand dollars (\$476,000). This Grant is fully funded.

The Grant is further amended as follows:

A. Attachment No. 1

1. Paragraph E, Budget.

- a. On page 7 delete "\$249,000" in the second sentence.
- b. On page 8 delete the dates "8/28/81 - 8/27/82" under Grand Total and substitute "8/28/81 - 9/30/84".

2. Delete Paragraph F in its entirety and substitute the following:

"F. Modifications to the Standard Provisions:

. Delete the following clauses:

- a. 5A Negotiated Overhead Rates - Pre-determined
- b. 7B Payment - Periodic Advances
- c. 7C Payment - Reimbursement
- d. 10B Procurement of Goods and Services over \$250,000
- e. 13A Title to and Use of Property (Grantee Title)
- f. 13B Title to and Use of Property (U.S. Government Title)"

3. Add new paragraph G. as follows:

"G. Establishment of Overhead Rate

Pursuant to the General Provision of this contract entitled "Negotiated Overhead Rates," a rate or rates shall be established for each of the Contractor's accounting periods during the term of the contract. Pending establishment of final overhead rates for the initial period, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rates applied to the base(s) which are set forth below:

<u>Type of Rate</u>	<u>Rate(s)</u>	<u>Base</u>	<u>Period (From /To)</u>
On Site	36%	*	8/28/81 until amended

*Total cost input excluding equipment costs, construction costs, subgrants, and participant support costs."

B. Attachment No. 2

Delete Attachment No. 2 "Standard Provisions" and substitute in lieu thereof Attachment No. 2 entitled "U.S. Grantee and U.S. Subgrantees NONPROFIT ORGANIZATIONS - OTHER THAN EDUCATIONAL INSTITUTIONS INDEX OF STANDARD PROVISIONS, AID 1420-52 (2-82)."

All other parts of the Grant remain unchanged.

This Amendment is effective on the date of the Grant Officer's signature and shall apply to commitments made by the Grantee in furtherance of program objectives through September 30, 1984.

Please sign the original and six (6) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Sincerely,

Gerald P. Gold
Gerald P. Gold
Regional Contracting
Officer

ACCEPTED:

Overseas Education Fund

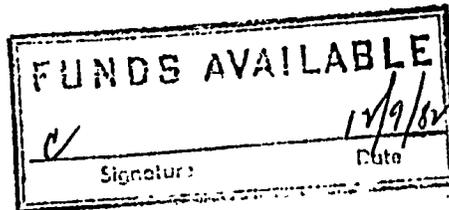
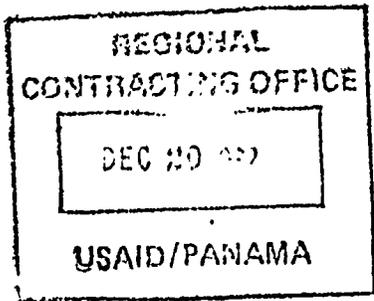
By: *Elise Silver Smith*

Title Executive Director

Dated December 17, 1982

Fiscal Data

Appropriation.....	72-1131021.5
Budget Plan Code.....	LDAA-83-25525-EG13
PIO/T.....	525-0229-3-30010
Project No.....	525-0229
Total Amount Obligated by this Action.....	\$227,000
Cumulative Obligation through this Action.....	\$476,000
Total Estimated Grant Amount.....	\$476,000



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

- | | |
|--|--|
| <ul style="list-style-type: none"> 1. Allowable Costs and Contributions (Nonprofit Organizations—Other Than Educational Institutions) 2. Accounting, Audit and Records 3. Refunds 4. Nondiscrimination in Federally Assisted Programs 5A. Negotiated Overhead Rates—Predetermined 5B. Negotiated Overhead Rates—Nonprofit Organizations Other Than Educational Institutions 6. Revision of Financial Plans 7A. Payment—Federal Reserve Letter of Credit (FRLC) Advance 7B. Payment—Periodic Advances 7C. Payment—Reimbursement 8. Travel and Transportation 9. Ocean Shipment of Goods 10A. Procurement of Goods and Services Under \$250,000. 10B. Procurement of Goods and Services Over \$250,000 11. Local Cost Financing With U.S. Dollars 12. Government Furnished Excess Personal Property 13A. Title to and Use of Property (Grantee Title) 13B. Title to and Care of Property (U.S. Government Title) | <ul style="list-style-type: none"> 13C. Title to and Care of Property (Cooperating Country Title) 14. Conversion of United States Dollars to Local Currency 15. Termination 16. Voluntary Participation 17. Prohibition on Abortion—Related Activities 18. Voluntary Participation Requirements For Sterilization Programs 19. Publications 20. Patents 21. Regulations Governing Employees Outside The United States 22. Subordinate Agreements 23. Salaries 24. Ineligible Countries 25. Disputes 26. Participant Training 27. Health and Accident Coverage for AID Participant Trainees 28. Use of Pouch Facilities 29. U.S. Officials Not To Benefit 30. Covenant Against Contingent Fees 31. Nonliability 32. Amendment 33. The Grant 34. Notices |
|--|--|

—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.

(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 1I, 1J, 1L, and 1M of Handbook 13.

(b) The AID Inspector General and the Comptroller General of the United States or their duly authorized representatives (see paragraph 1I6 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

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.

(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.

(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

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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 systems 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

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 I380-9, "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

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."

CONFIDENTIAL SERVICES
FEB 28 2 51 PM '83

CONTRACT

CONTRACT/GRANT/COOPERATIVE AGREEMENT DATA SHEET

SER/CM/SD/SUP Action Monitor

SER/CM/SD/SUP Action Office

INSTRUCTIONS: AID/W - Complete 4 copies of the form. Original SER/CM/SD/SUP Statistical Section Copy; Copy 2 SER/CM/SD/SUP Administrative Copy; Copy 3 Contracting Officer's Copy; Copy 4 SER/CM/SD/SUP Admin. (Suspense) Copy.
 Missions - Complete 2 copies of the form. Original SER/CM/SD/SUP Statistical Section Copy, and Copy 2 will be retained in the Missions.

PART IA.

Contractor/Grantee Name

OVERSEAS EDUCATION FUND

PIO/T Number N/A	Appropriation Number 72-1111021.5	Allotment Number 145-50-525-00-69-11	Project Number 525-0229
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Project Title

Amount of this PIO/T N/A	Project Manager's Name and Office Symbol Aura Othon, Training Officer, HRD	Contractor's D-U-N-S Number
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Negotiator's Typed Name Gerald Gold	Signature <i>Gerald Gold</i>	Date 9/8/81
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Contract/Grant Officer's Typed Name S.R. Nevin	Signature <i>S. Nevin</i>	Date
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PART IB.

Contract/Grant Number 525-0229-G-88-1022-00	Type Order --	Order Number --	Amendment/Modification Number --	Date PIO/T Received by CM/SD/SUP or Mission Contract Office --
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PART II.

Effective Date of Document August 28, 1981	Signature Date of Document September 8, 1981	Estimated Completion Date September 30, 1984	Contract/Grant funded through (date) September 30, 1984
Host Country Institution (University contract ONLY) --	Campus Coordinator (University contract ONLY) --	Amount Obligated/Deobligated/Subobligated by this Action \$99,000	Cumulative Obligation thru this Action \$99,000

PART III.

Description of Contract/Grant: Please 'X' ONLY ONE item under each heading IF OTHER, please specify. (Complete both pages 1 and 2). NOTE: Not to be completed for Amendment or Modification Actions

M03 - TYPE ACTION

- 0. Contract/Grant/Cooperative Agreement
- 1. Task Order (BOA)*
- 2. Work Order (IOC)*
- 3. Delivery Order (Requirements)*
- 4. Purchase Order

*If 1, 2, or 3 have an 'X', complete M12 ONLY.

M04 - CONTRACT/GRANT TYPE

- 0. MOA, (BOA, BMA, etc.)
- 1. Fixed Price (Specify: TFP, TPRD, FPEPA, FPI) _____
- 2. Cost Reimbursement (Specify: CR, CPFI, CS, CPAF, CPIF) _____
- 3. Cooperative Agreement
- 4. Grant - General Support*
- 5. Grant - Specific Support*
- 6. Grant - 211(d)*
- 7. Do Not Use
- 8. IQCs
- 9. Host Country Contract/Grant*

*Complete ONLY through M51.

M05 - SELECTION PROCEDURES

- A. Formally advertised (IFB) (AIDPR 7-2.4 & FPR 1-2.4)
- B. Negotiated Price Competition, General Procedure (RFP) (AIDPR 7-4.56)
- C. A & E (AIDPR 7-4.10)
- D. Ed. Inst. and/or Int'l Research (AIDPR 7-4.57)
- E. Collaborative Assistance (AIDPR 7-4.58)
- F. Predominant Capability (AIDPR 7-3.101-50(b)(3))

- G. Unsolicited Proposal (AIDPR 7-3.101-50(b)(6))
- H. Procurement to be Performed by the Contractor in Person (AIDPR 7-3.101-50(b)(1))
- I. Sole Source (AIDPR 7-3.101-50(b)(4))
- J. Impairment of Foreign Policy Objectives (AIDPR 7-3.101-50(b)(7))
- K. 8(a) Selection (FPR 1-1.713-1)
- L. Grant (Handbook 13)
- M. Do Not Use
- N. Cooperative Agreement (Handbook 13)
- O. Small Business Set-Aside (FPR 1-1.706-8)
- P. Overseas Procuring Activities (AIDPR 7-3.101-50(b)(2))

M06 - TYPE SERVICE

- A. Training of Participants
- B. Technical Assistance (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

M07 - TYPE CONTRACTOR/GRANTEE

- A. Firm - All profit-making firms (other than A & E)
- B. A & E Firms

- C. Individual (Non-personal service)
- D. Individual (Personal Service)
- E. University/Other Educational Institutions
- F. Non-Profit Organization, Institutions other than Ed or PVO)
- G. Private Voluntary Organization (PVO)
- H. International Agricultural Research Organization
- I. Public International Organization (UN Agencies, ICRC, World Bank, etc.) (HB 13, Chapter 5)

M08 - TYPE AWARD

- A. SB Set-Aside - Awarded to Non-Minority
- B. SB Set-Aside - Awarded to Minority
- C. SB Not Set-Aside - Awarded to Non-Minority
- D. SB Not Set-Aside - Awarded to Minority
- E. 8(a) SBA Awarded to Non-Minority (Women-Owned, Veterans, etc.)
- F. 8(a) SBA Awarded to Minority
- G. Personal Service Contract - Non-Minority
- H. Personal Service Contract - Minority
- I. Individual Non-Personal Service Contract - Non-Minority
- J. Individual Non-Personal Service Contract - Minority
- K. Not Small Business (Univ., Non-Profit, Large Firms) Non-Minority
- L. Not Small Business (Univ., Non-Profit, Large Firms) Minority
- M. U.S. Government

(Continued on Page 2)

M09 - CONTRACTING PARTIES

- 1. Direct AID/W Executed Contract/Grant
- 2. Direct AID Mission Executed Contract/Grant
- 3. Host Country Grant Financed
- 4. Host Country Loan Financed
- 5. Host Country Contract/Grant Source of Finance Unknown

M10 - PRIVATE VOLUNTARY ORGANIZATION

- 1. U.S. Registered PVO
- 2. U.S. Non-Registered PVO
- 3. U.S. Cooperative
- 4. Foreign Cooperatives
- 5. Foreign PVO
- 6. Other (Specify) _____

M11 - ADVANCE

- 1. No Advance
- 2. Advance - Non-FRLC
- 3. Advance - FRLC

M12 - COUNTRY OF PERFORMANCE

(Specify) PANAMA, R.P.

M13 - Is any travel required outside U.S.?

- YES NO

M14 - CONTRACT/GRANT SOURCE

- 1. U.S. Contractor/Grantee
- 2. Non-U.S. Contractor/Grantee
- 3. Combination of 1 & 2

M15 - TYPE OWNERSHIP

- 1. American Oriental
- 2. Black American
- 3. American Aleuts or Eskimos
- 4. American Indian
- 5. Hispanic
- 6. Other (Specify) WOMEN OWNED

M22 - CURRENCY INDICATOR

- 0. U.S. Dollar
- 1. Local Currency
- 2. Combination
- 3. Unfunded

M50 - SUBCONTRACTING CODE

- 0. 0 Dollars
- 1. 1 - 10,000 Dollars
- 2. 10,001 - 499,999 Dollars
- 3. 500,000 and over
- 4. Unknown

M51 - SUBCONTRACTOR TYPE AWARD

- A. Small Business Set-Aside Awarded to Non-Minority
- B. Small Business Set-Aside Awarded to Minority
- C. Small Business Not Set-Aside Awarded to Non-Minority

- D. Small Business Not Set-Aside Awarded to Minority

- E. 8(a) - SBA Awarded to Non-Minority (Women Owned, Veterans)

- F. 8(a) - SBA Awarded to Minority

- G. Personal Service Contract - Non-Minority

- H. Personal Service Contract - Minority

- I. Individual Non-Personal Service Contract - Non-Minority

- J. Individual Non-Personal Service Contract - Minority

- K. Not Small Business (Univ., Non-Profit, Large Firms) - Non-Minority

- L. Not Small Business (Univ., Non-Profit, Large Firms) - Minority

- M. U.S. Government

- N. Unknown

M56 - SUBJECT TO STATUTORY REQUIREMENT

- A. Walsh-Healey Act, Manufacturer*

- 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

M57 - AFFIRMATIVE ACTION PLAN ON FILE

- YES NO

M58 - AFFIRMATIVE ACTION PLAN ON PREVIOUSLY HELD CONTRACTS

- YES NO

M60 - INCREMENTAL FUNDED CONTRACT

- YES NO

M61 - CONSULTANT TYPE AWARD

Is the Award for Consulting Type Service to AID?

- YES NO

M63 - EXTENT OF COMPETITION IN

NEGOTIATION

COMPETITIVE

- A1. Small Business Total Set-Aside
- A2. Small Business Partial Set-Aside
- A3. Labor Surplus Set-Aside
- A4. Labor Surplus/Small Business Set-Aside
- A9. Other (Specify) _____

NON-COMPETITIVE

- B1. Buy Indian
- B2. 8(a) Program

- B3. Follow-on After Competition

- B9. Other (Specify) Grant

M65 - TYPE OF BUSINESS

- E1. Source: Non-U.S. and Used Outside U.S. and Possessions

- E2. Source: Non-U.S. and Possessions (Foreign Purchases Used Inside U.S.) (If U.S. Source, complete A thru D)

- A1. Small Business - Disadvantaged 8(a)

- A2. Small Business - Owned by Minority Group

- A3. Other Small Business (Including Individuals)

- B1. Large Minority Business

- B2. Other Large Business

- C1. Non-Profit Private Educational Organization

- C2. Non-Profit Hospital

- C3. Non-Profit Research Institution, Foundation, and Laboratories

- C4. Other Non-Profit Institutions

- D1. State/Local Government Educational Institution

- D2. State/Local Government Hospital

- D3. State/Local Government Research Organization

- D4. Other State/Local (Specify) _____

M66 - COST ACCOUNTING STANDARDS

- Required Not Required

M67 - NUMBER OF BIDDERS OFFERING ITEMS OR SERVICES OF FOREIGN CONTENT

M68 - WOMEN OWNED BUSINESS

- YES NO

M69 - PERCENT FOREIGN CONTENT OF COMMODITIES AND SERVICES

M70 - LABOR SURPLUS AREA (LSA)

PREFERENCE

(Location of Contractor)

- 1. Labor Surplus Area - No Preference
- 3. Labor Surplus Area - Tie Bid Preference
- 5. Not a Labor Surplus Area Preference Award
- 7. Total Labor Surplus/Small Business Set-Aside Preference
- 8. Total Labor Surplus Set-Aside Preference (P.L. 95-89)

NOTE: M03 thru M51 are required for AID reporting; M56 thru M70 are required for the Office of Federal Procurement Policy reporting. SER/CM has no control over those elements.



USAID-PANAMA



UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
U. S. AID MISSION TO PANAMA

APO MIAMI 34002

August 28, 1981

Ms. Elise F. Smith
Executive Director
Overseas Education Fund
2101 L St. N.W.
Washington, D.C. 20037

Subject: Operational Program Grant No. 525-0229-G-00-1022-00

Dear Ms. Smith:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or Grantor") hereby grants to the Overseas Education Fund (hereinafter referred to as "OEF" or "Grantee") the sum of \$99,000 to provide support for a program in employment training for women as more fully described in Attachment 1 to this Grant entitled "Program Description".

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period August 28, 1981 through September 30, 1984. Additional funds in the amount of \$377,000 shall be provided under this Grant subject to their availability.

Please sign the Statement of Assurance of Compliance, enclosed herein, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Please return the Statement of Assurance of Compliance and the original and six (6) copies of this Grant to the USAID, Panama, APO Miami 34002, Attention: Mr. Gerald P. Gold, Regional Contracting Officer.

Sincerely yours,

S. R. Nevin
Regional Contracting
Officer

Attachments

1. Program Description
2. Standard Provisions
3. Statement of Assurance of Compliance

Ms. Elise F. Smith
Executive Director
Overseas Education Fund

2.

Accepted:

Overseas Education Fund

By

Elise F. Smith

Title

Executive Director

Dated

September 8, 1981

Fiscal Data

Appropriation: 72-1111021.5

Allotment: 145-50-525-00-69-11

Project No: 525-0229

Total Amount Obligated: \$99,000

Total Estimated Grant Amount: \$476,000

FUNDS AVAILABLE	
<i>RFH</i>	<i>8/28/81</i>
SIGNATURE	DATE

A. PURPOSE OF GRANT

The purpose of this Grant is to improve the social and economic conditions of the mothers and/or guardians of those students who receive Institute for Training and Development of Human Resources (IFARHU) scholarships and educational credit. To achieve this goal, the Overseas Education Fund and IFARHU will select 600 participants, 200 each from Panama City, Colón and San Miguelito, and conduct a 36-month project that will accomplish the following purposes:

- (1) increase knowledge and skills necessary for the development of small businesses, cottage industries or for paid employment;
- (2) Integrate the participating women into the economic and social development of Panama;
- (3) Assist in using the scholarships or loans specifically for the education of the recipients;
- (4) Assist women to gain worthwhile employment;
- (5) Increase the income of ^{the} participants;
- (6) Create training/production centers in Panama City, Colon and San Miguelito to generate income for women. The centers will then be replicated in other areas of Panama.
- (7) Train the participating women in activities that promote personal development, provide skills in decision-making and group problem-solving, and in the creation, mobilization and utilization of resources in their communities;
- (8) Train approximately 20 of the participants from each community to develop skills as trainers in the substantive and process areas cited above.

B. IMPLEMENTATION

The project will be implemented in five phases:

Phase I. Project Preparation

- a. OEF will recruit and orient the Project's Technical Advisor (TA). This person will speak fluent Spanish, have skills in project coordination, skills training and employment placement, and special concern for women's needs. Preferable the TA will have work-experience in Panama. Orientation for the TA will also be done by IFARHU once she is on-site in Panama.

b. IFARHU, with the assistance of the TA, will recruit and orient the Project Director (PD) and other essential staff members. Preferably the PD will be a Panamanian woman. OEF believes that such a person will be the best qualified to understand the problems and culture of Panamanian women, and will be well received by the participants. If needed, a consultant skilled in market surveys and needs assessments will also be hired.

c. The project staff will coordinate a thorough needs assessment and market survey utilizing the skills of a consultant if necessary. The methodology will be designed in this phase which will be used in all three areas, but the survey will actually be done only in Panama City during the first phase. It will be done in Colon and San Miguelito in Phase 2.

(1) The needs assessment will identify those specific skills most likely to provide employment for the prospective participants; requirements of the proposed training centers to handle training tasks; identification of consultants and trainers; transportation needs and arrangements; availability of training equipment and materials; and other matters determined by the staff as crucial to the operation of the project.

(2) The market survey will concentrate on various aspects of the general term "market". An assessment of which skills are most marketable in the three participating communities will be conducted. A study of work places where the participants can apply their new and/or improved skills will be undertaken. A survey of marketable products and the availability of resources required to make the products will be needed. A thorough assessment of those systems required to market any products that may grow out of the training skills application efforts will be done.

d. Project Planning - A thorough plan for project implementation will be developed based on the results of the needs assessment/market survey.

e. Training Program Design - Combining the skills of the project staff, advisors and consultants with the information gained from the needs/market assessments, the Project Staff will work with a representative committee of potential participants to design the Panama City training agenda.

f. Publicity Outreach - The communities in which the project will take place should have ample opportunity to learn about and contribute to the project's goals and training plans. Furthermore, if interest among prospective participants is to be strong, an effective information campaign will be needed.

To accomplish these purposes the Project Staff will conduct an extensive publicity program. The benefits the skills training will bring to the participants and the communities will be stressed, ideas on how the training programs will operate will be discussed, and suggestions from the prospective participants will be sought. One of the major purposes of the publicity outreach effort will be to stimulate motivation among prospective participants. OEF and IFARHU will include helpful techniques on motivation outreach during the initial orientation/training session.

Phase II. Panama City Center

The actual implementation of the major project activities will begin in Phase II with the Panama City Training and Production Center.

a. Skills trainers will be selected and oriented in the training methodology.

b. Based on the selection process defined by IFARHU, approximately 200 participants will be selected for the Panama City training program. Also during this period, the skills of the selected participants will be assessed, thereby providing direction for the training program and skills level against which the end-of-the-project progress assessment can be measured.

In selecting the participants, the following characteristics will be emphasized:

(1) Women who are of an economically active age, who reside in the marginal communities of urban, suburban, or rural areas, and who are mothers and guardians of the student beneficiaries of the IFARHU programs;

(2) Women who show a marked interest in improving themselves and who are prepared to make changes;

(3) Individuals inclined to work and produce in a group and to cooperate with others in the creation of enterprises of collective benefit.

c. The training center will be prepared, including installation of equipment and finalizing of training materials.

d. Skills Training - Although the specific nature and agenda of the training will be planned after the Phase I assessment of needs, markets and skills has been completed, several general training formats with sound potential will be identified.

The training content will focus on those skills needed to assist women in improving their overall socio-economic condition within the Panamá City context. Based on research already done by IFARHU, several skill areas have been identified as among the priorities.

One major skills area will be production. The manufacture of clothing for use in hospitals and for sale at markets; the production of marketable goods such as sporting equipment and fiber products; and other production skills identified by the Phase I studies will be taught during the Phase II training program. These skills can assist the participants in obtaining jobs, upgrading their job performance, and generating much needed income.

A second important area of skills training will focus on those basic human development skills that form a foundation for effective participation in the daily life of a society. Emphasizing concepts and processes that strengthens the participants' attitudes of self-worth and confidence, communication skills, abilities to work as a group, decision-making skills, leadership capabilities, and use of personal and community resources, the human development component of the training program will add significantly to the overall project. The DEF Life Skills Handbook, developed specifically for human development training among women, will serve as a valuable resource.

A third major component of skills training will be financial management and administration. As individual wage earners, consumers and household managers, the women who will participate in the IFARHU-DEF project have daily responsibilities in managing finances. The training program will provide opportunities for the participants to improve their skills in handling these personal and family financial responsibilities.

It is hoped that many of the participants will also be involved in small businesses or production groups. Skills training in administration, marketing, accounting, and organizational management crucial to effective participation in these enterprises will also be a part of the training program. IFARHU loans will help the production groups/enterprises begin.

Although the skill areas discussed above have been identified as likely training needs, other important skills training components will emerge as the Project Staff, consultants and participants study and identify the needs and capabilities of the trainees and their communities.

Additional components of the training program will be added as need arises. Family planning instruction, group dynamics, home economics and other similar areas will comprise a portion of the overall training. Expertise in these areas will be sought as necessary.

e. Approximately 20 participants will be selected from among the 200 for special preparation as Assistant Trainers. Each will be trained to assist the Project Staff in carrying out training and assessment activities and, specifically, will receive special preparation to do the life skills training. These women will remain a part of their training groups throughout the duration of their community's project.

f. The next months of Phase II will involve the participants in practical work designed to apply the skills learned and/or improved during the first portion of the training program. Although some of the participants will already have jobs, some will need to be placed in employment situations in the community. On-the-job training and consultation by the Project Staff and consultants will assist the participants to maximize their skills application experience. Efforts will also be made to utilize the various components of the skills training and practical work experience to establish small businesses or production groups managed by graduates of the project.

g. The final month of Phase II will include a midpoint formative evaluation. An OEF person skilled in evaluation will work with Project Staff, IFARHU and the participants in conducting the evaluation. The evaluation plan is described in more detail later in this proposal.

Phase III: Colon Training

The same basic methodology in the Panama City program will be applied to the Colon program in Phase III. Any needed improvements identified in the Panama City evaluation and those changes related to specific characteristics of the Colon context will be incorporated into the Phase III program.

Phase IV: San Miguelito Training

The Phase IV efforts in San Miguelito will employ the same basic training methodology used in Phases II and III, with, of course,

special changes that respond that respond to specific characteristics of the San Miguelito context.

Phase V: Final (Summative) Evaluation and Future Planning

- a. During the final two months of the project, an in-depth evaluation of the entire project will be conducted. An OEF person skilled in evaluation will work with the Project Staff, IFARHU's ATD and the participants in conducting the evaluation.
- b. Future planning for the project is the final activity under this proposal. The project is seen as a pilot effort. Measures to ensure its continuity into a permanent on-going IFARHU program are necessary. Thought for this will be necessary throughout the project, but special time is reserved at the end of the project to guarantee its accomplishment.

C. PERSONNEL

The Grantee agrees that the appointment of the project technical advisor and the project director will be mutually acceptable to AID and the Grantee.

D. REPORTS

The Grantee agrees to provide AID's Project Director with the reports listed below; two (2) copies in English and one (1) copy in Spanish. Each report will contain expenditure data by line item of the Grant Budget, separately for the AID contribution and the OEF/IFARHU contribution. The detailed formats of these reports will be determined jointly by AID and the Grantee.

1. Monthly Report

Describe the progress being made towards the goals of the Grant, significant problems being encountered and suggested solutions to the problems mentioned. In addition, the Grantee will include a statement of the dollar amount drawn down from the FRLC provided under the Grant.

2. Semi-Annual Report

This report shall consist of both narrative and tabular detail on each program plus headquarters costs. The narrative shall contain a brief discussion of progress against program objectives of the past 6 months, of significant program developments anticipated during the current period and a statement of projected accomplishments for the coming period. Past, current and budget year information should be presented tabularly by project input costs.

The report shall be due in AID Panama no later than thirty (30) days after the reporting period.

3. Final Report

No later than 60 days after the completion of the Grant activities a final report describing the entire activities and a statement of accomplishments shall be submitted.

E. BUDGET

The budget for this project is described on the next page.

The amount obligated under this grant (\$99,000) may not be exceeded. Adjustments among the line items are unrestricted.

BUDGET SUMMARY

YEAR 1
8/28/81
8/27/82

YEARS 2 & 3
8/28/82
9/30/84

Page 8
GRAND TOTAL
8/28/81 - 8/27/82

	AID	OEF IFARHU	TOTAL	AID	OEF IFARHU	TOTAL	AID	OEF IFARHU	TOTAL
I. SALARIES	\$39,463	\$ 1,527	\$40,990	\$115,228	\$21,928	\$137,156	\$154,691	\$23,455	\$178,146
II. BENEFITS	9,803	229	10,032	27,009	3,289	30,298	36,812	3,518	40,330
III. TRAVEL	3,500	0 -	3,500	7,360	0	7,360	10,860	0	10,860
IV. SKILLS TRAINING	0	0	0	43,680	0	43,680	43,680	0	43,680
V. MARKET SURVEYS	4,000	0	4,000	8,000	0	8,000	12,000	0	12,000
VI. EQUIPMENT	1,802	0	1,802	29,035	0	29,035	30,837	0	30,837
VII. MATERIALS & SUPP. (incd. vehic, rep.)	2,700	0	2,700	14,500	0	14,500	17,200	0	17,200
VIII. SPACE	0	8,000	8,000	0	20,160	20,160	0	28,160	28,160
IX. REVOLVING LOAN FUND	0	0	0	0	72,000	72,000	0	72,000	72,000
X. TELEPHONE, TELE- GRAPH, POSTAGE, PRINTING	2,000	0	2,000	11,000	0	11,000	13,000	0	13,000
XI. REMUNERATION FOR PART. a) \$3/wk.	0	0	0	0	70,200	70,200	0	70,200	70,200
XII. HOUSING ALLOWANCE FOR TECH. ASST.	10,800	0	10,800	26,684	0	26,684	37,484	0	37,484
XIII. OTHER CONS. TA	0	0	0	5,250	0	5,250	5,250	0	5,250
ALL DIRECT COSTS	74,068	9,756	83,824	287,746	187,577	475,323	361,814	197,333	559,147
OVERHEAD a) 34.5% on all Direct Costs other than Equip.	24,932	0	24,932	89,254	0	89,254	114,186	0	114,186
TOTAL	99,000	9,756	108,756	377,000	187,577	564,577	476,000	197,333	673,333

F. Modifications to The Standard Provisions:

1. SP No.1 entitled "Allowable Costs and Payment (other than Educational Institutions)"

In lines 3 and 4 delete "15.2 (Contracts with Commercial Organizations)" and substitute in lieu thereof: "1-15.6-Contracts with Nonprofit Organizations".

2. Delete in their entirety SP No.6 entitled "Negotiated Overhead Rates - Predetermined" and SP No.8 "Negotiated Overhead Rates - Educational Institutions;"

3. Delete in their entirety SP No.11 entitled "Payment - Periodic Advance" and SP No.12 "Payment - Reimbursement"

4. Delete in their entirety SP No.18 "Title to and Use of Property (Grantee Title)" and SP No.19 "Title to and Care of Property (U.S. Government Title)".

STANDARD PROVISIONS
FOR
U.S. GRANTEES AND U.S. SUBGRANTEES

1. ALLOWABLE COSTS AND PAYMENT (OTHER THAN EDUCATIONAL INSTITUTIONS)

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 allowable in accordance with the terms of this Grant and Subpart 15.2 (Contracts with Commercial Organizations) of the Federal Procurement Regulations (41 CFR 1-15.2) in effect on the date of this Grant. Payment of allowable costs shall be in accordance with the payment provision of this Grant.

2. ALLOWABLE COSTS AND PAYMENT (EDUCATIONAL INSTITUTIONS)

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 allowable in accordance with the terms of this Grant and Federal Management Circular No. 73-8, "Cost Principles for Educational Institutions" in effect on the date of this Grant. Payment of allowable costs shall be in accordance with the payment provision of this Grant.

3. ACCOUNTING, RECORDS, AND AUDIT

The Grantee shall maintain books, records, documents, and other evidence in accordance with the Grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The Grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives (a) until the expiration of three years from the date of termination of the program and (b) for such longer period, if any, as is required to complete an audit and to resolve all questions concerning expenditures unless written approval has been obtained from the AID Grant Officer to dispose of the records. AID follows generally accepted auditing practices in determining that there is proper accounting and use of grant funds. The Grantee agrees to include the requirements of this clause in any subordinate agreement hereunder.

4. REFUNDS

- (a) If use of the Grant funds 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 this Grant, the Grantee shall refund to AID an amount equivalent to the amount of interest accrued.
- (b) Funds obligated hereunder but not disbursed to the Grantee at the time the grant expires or is terminated, shall revert to AID, except for 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, it is determined by AID that funds provided under the Grant have been expended for purposes not in accordance with the terms of the Grant, the Grantee shall refund such amounts to AID.

5. EQUAL OPPORTUNITY IN EMPLOYMENT

- (a) With regard to the employment of persons in the U.S. under this Grant, the Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to race, color or national origin of such persons and that, in accordance with Title VI of the Civil Rights Act of 1964, when work funded by this Grant is performed in the U.S. no person shall, on the grounds of race, color or national origin, be excluded from participation, be denied benefits, or be subjected to discrimination. In addition, the Grantee agrees to comply in accordance with its written assurance of compliance, with the provisions of Part 209 of Chapter II, Title 22 of the Code of Federal Regulations, entitled "Non-Discrimination in Federally Assisted Programs of the Agency for International Development - Effectuation of Title VI of the Civil Rights Act of 1964."
- (b) In addition, the grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to sex, religion, age and handicap, in accordance with P.L. 92-261, P.L. 93-259, P.L. 93-112 and P.L. 93-508, when work funded by A.I.D. under this grant is performed in either the U.S. or overseas no person shall, on the grounds of sex, religion, age or handicap, be excluded from participation, be denied benefits, or be subjected to discrimination.

6. NEGOTIATED OVERHEARD RATES - PREDETERMINED

(This provision is applicable to educational institutions that are on a predetermined overhead rate basis.)

- (a) Notwithstanding the provision of this Grant entitled "Allowable Costs and Payment", 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 Attachment 1 of this Grant.

(b) The Grantee, as soon as possible but not later than 3 months after the close of its fiscal years during the term of this Grant, shall submit to the AID Grant Officer with copies to the cognizant audit activity, the AID Auditor General, and the AID Overhead and Special Costs Branch, 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 Federal Management Circular 73-8, "Cost Principles for Educational Institutions", 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 "Negotiated Overhead Rates-Educational Institutions" provision of this Grant.

7. NEGOTIATED OVERHEAD RATES - OTHER THAN EDUCATIONAL INSTITUTIONS

(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. Pending 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 Attachment 1 to 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, Special Operations Division, Office of Contract Management, AID, Washington, D.C. and to the Office of the Auditor General, AID, Washington, D.C., 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 Subpart 1-15.2 (Contracts with Commercial Organizations) of the Federal Procurement Regulations 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.

8. NEGOTIATED OVERHEAD RATES - EDUCATIONAL INSTITUTIONS

(This provision is applicable to educational institutions 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. Pending establishment of a final rate, the parties have agreed that provisional payments on account of allowable costs shall be at the rate(s), on the base(s), and for the period shown in Attachment 1 to 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, Special Operations Division, Office of Contract Management, AID, Washington, D. C. and to the Office of the Auditor General, AID, Washington, D.C., 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 Federal Management Circular No. 73-8, "Cost Principles for Educational Institutions", 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.

9. LIMITATION OF FUNDS

(a) It is estimated that the cost to the Government for the performance of this Grant will not exceed the estimated cost set forth in Attachment 1 (hereinafter referred to as "the Schedule") to this Grant, and the Grantee agrees to perform the work specified in the Schedule and all obligations under this Grant within such estimated cost.

(b) The amount presently available for payment and obligated under the Grant, the items covered thereby, and the period of performance which it is estimated the obligated amount will cover, are specified in the Schedule. It is contemplated that from time-to-time additional funds will be obligated under this Grant up to the full estimated cost set forth in the Schedule. The Grantee agrees to perform or have performed work on this Grant up to the point at which the total amount paid and payable by the Government pursuant to the terms of this Grant approximates but does not exceed the total amount actually obligated under the Grant.

(c) If at any time the Grantee has reason to believe that the costs which it expects to incur in the performance of this Grant in the next succeeding 30 days, when added to all costs previously incurred, will exceed 75 percent of the total amount then obligated under the Grant, the Grantee shall notify the Grant Officer in writing to that effect. The notice shall state the estimated amount of additional funds required to continue performance for the period set forth in the Schedule. Thirty days prior to the end of the period specified in the Schedule, the Grantee will advise the Grant Officer in writing as to the estimated amount of additional funds, if any, that will be required for the timely performance of the work under the Grant or for such further period as may be specified in the Schedule or otherwise agreed to by the parties. If, after such notification, additional funds are not obligated by the end of the period set forth in the Schedule or an agreed date substituted therefor, the Grant Officer will, upon written request by the Grantee, terminate this Grant pursuant to the "Termination" provision of this Grant on such date. If the Grantee, in the exercise of its reasonable judgment, estimates that the funds available will allow it to continue to discharge its obligations hereunder for a period extending beyond such date, it shall specify the later date in its request and the Grant Officer, in his discretion, may terminate this Grant on that later date.

(d) 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. To the extent the amount obligated exceeds the estimated cost set forth in the Schedule, such estimated cost shall be correspondingly increased. No notice, communication or representation in any other form or from any person other than the Grant Officer shall affect the amount obligated under this Grant. In the absence of the

specified notice, the Government shall not be obligated to reimburse the Grantee for any costs in excess of the total amount then obligated under the Grant, whether those excess costs were incurred during the course of the Grant or as a result of termination. When and to the extent that the amount obligated under the Grant has been increased, any costs incurred by the Grantee in excess of the amount previously obligated shall be allowable to the same extent as if such costs had been incurred after such increase in the amount obligated; unless the Grant Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

(e) Nothing in this provision shall affect the right of the Government to terminate this Grant. In the event this Grant is terminated, the Government and the Grantee shall negotiate an equitable distribution of all property produced or purchased under the Grant based upon the share of cost incurred by each.

10. PAYMENT - FEDERAL RESERVE LETTER OF CREDIT (FRLC) ADVANCE

(a) AID shall open a Federal Reserve Letter of Credit (hereinafter referred to as an "FRLC") in the amount of this Grant, against which the Grantee may present payment vouchers (i.e., Form TFS 5401). 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. Since the FRLC method enables the recipient organization to obtain funds from the U.S. Treasury concurrently with and as frequently as disbursements are made by the recipient, there need be no time lag between disbursements by the recipient organization and drawdowns from the U.S. Treasury by FRLC. Therefore, there is no necessity for the recipient to maintain balances of Federal cash other than small balances.

(b) In no event shall the accumulated total of all such payment vouchers exceed the amount of the FRLC.

(c) If at any time, the AID Controller determines that the Grantee has presented payment vouchers in excess of the amount or amounts allowable in (a) and (b) above, the AID Controller shall advise the Grant Officer who may: (1) cause the FRLC to be suspended or revoked; or (2) direct the Grantee to withhold submission of payment vouchers until such time as, in the judgment of the AID Controller, an appropriate level of actual, necessary and allowable expenditures has occurred or will occur under this Grant, and/or (3) request the Grantee to repay to AID the amount of such excess. Upon receipt of the Grant Officer's request for repayment of excess advance payments, the Grantee shall promptly contact the AID Controller to make suitable arrangements for the repayment of such excess funds. Advances made by primary recipient organizations (those which receive payments directly from the Government) to secondary recipients shall conform to the same standards outlined above applicable to advances made by the Government to primary recipient organizations.

(d) Procedure for Grantee

- (1) After arranging with a commercial bank of its choice for operation 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, 3 originals of Standard Form 1194, "Authorized Signature Card for Payment Vouchers on Letters of Credit" signed by those official(s) authorized to sign payment vouchers against the FRLC and by an official of the Grantee who has authorized them to sign.
- (2) The Grantee shall subsequently receive one certified copy of the FRLC.
- (3) The Grantee shall confirm with his commercial bank that the FRLC has been opened and is available when funds are needed.
- ~~(4)~~ To receive payment, the Grantee shall:
 - (A) Periodically, although normally not during the last five days of the month, prepare payment vouchers (Form TFS 5401) in an original and three copies.
 - (B) Have the original and two copies of the voucher signed by the authorized official(s) whose signature(s) appear on the Standard Form 1194.
 - (C) Present the original, duplicate and triplicate copy of the Form TFS 5401 to his commercial bank.
 - (D) Retain the quadruplicate copy of the voucher.
- (5) After the first payment voucher (Form TFS 5401) has been processed, succeeding payment vouchers shall not be presented until the existing balance of previous payments has been expended or is insufficient to meet current needs.
- (6) In preparing the payment voucher, the Grantee assigns a voucher number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the FRLC.
- (7) A report of expenditures (i.e., SF 269, "Financial Status Report") shall be prepared and submitted not more than quarterly within 30 days of the end of the period to the AID Controller, AID, Washington, D.C. 20523. This SF 269 Report, submitted with Standard Form 1034, "Public Voucher for Purchases and Services Other Than Personal," shall be in an original and 2 copies.
- (8) The SF 269 report is reviewed against the Grant provisions, and any improper disbursement is disallowed. The Grantee is notified of the reason for the disallowance and is directed to adjust the next periodic report of expenditures to reflect the disallowance and to reduce its next payment voucher against the FRLC by the amount of the disallowance.

(9) In addition to the submission of the SF 269 and the SF 1034, the Grantee shall submit an original and 2 copies of SF 272, "Federal Cash Transaction Report" as follows:

(A) For advances totaling less than \$1 million per year, the Grantee shall submit the SF 272 within 15 working days after the end of the reporting quarter,

(B) For advances totaling more than \$1 million per year, the Grantee shall submit the SF 272 within 15 working days after the end of each month, and

(C) The Grantee's cash needs for the ensuing period (i.e., quarter or month) shall be explained under the "Remarks" section of the SF 272.

(e) Refund of Excess Funds

(1) If all costs have been settled under the Grant and the Grantee fails to comply with the Grant Officer's request for repayment of excess FRLC funds, the Government shall have the right, on other contracts or grants held with the Grantee, to withhold reimbursements due to the Grantee in the amount of the excess being held by the Grantee.

(2) If the Grantee is still holding excess FRLC funds on a Grant, contract, or similar instrument under which the work has been completed or terminated but all costs have not been settled, the Grantee agrees to:

(A) Provide within 30 days after requested to do so by the Grant Officer, a breakdown of the dollar amounts which have not been settled between the Government and the Grantee. (The Grant Officer will assume no costs are in dispute if the Grantee fails to reply within 30 days.)

(B) Upon written request of the Grant Officer, return to the Government the sum of dollars, if any, which represents the difference between (i) the Grantee's maximum position on claimed costs which have not been reimbursed and (ii) the total amount of unexpended funds which have been advanced under the Grant; and

(C) If the Grantee fails to comply with the Grant Officer's request for repayment of excess FRLC funds, the Government shall have the right, on other contracts, grants or similar agreements held with the Grantee, to withhold payment of FRLC or other advances and/or withhold reimbursements due the Grantee in the amount of the excess being held by the Grantee.

11. PAYMENT--PERIODIC ADVANCE

(This provision is applicable when (1) the sum of all advances under the Grantee's contracts and grants with AID does not exceed \$120,000 per annum, or (2) when the sum of all such advances does exceed \$120,000 per annum, but there is not a continuing relationship with the Grantee of at least a year.)

(a) Each month (or quarter, if the Grantee is on a quarterly basis) after the initial advance, the Grantee shall submit to the AID Controller an original and 2 copies of SF 272, "Federal Cash Transactions Report" as follows:

(1) The Grantee shall submit the SF 272 within 15 working days after the end of the reporting period, and

(2) The Grantee's cash needs for the ensuing period (i.e., quarter or month) shall be explained under the "Remarks" section of the SF 272.

(b) Along with each SF 272 submission, the Grantee shall submit an original and 3 copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal"; each voucher shall be identified by the Grant number and shall state the total actual expenditures for the reporting period.

(c) Each quarterly voucher (i.e., SF 1034) or each third monthly voucher, if the Grantee is on a monthly basis, shall also be supported by an original and 2 copies of a SF 269, "Financial Status Report". The SF 269 shall be submitted within 30 days after the end of the reporting quarter and may be submitted separately from the SF 1034 and the SF 272; however, the SF 269 shall cover the same quarterly period as the SF 1034(s) and the SF 272(s).

(d) Refund of Excess Funds

(1) If all costs have been settled under the Grant and the Grantee fails to comply with the Grant Officer's request for repayment of excess advance funds, the Government shall have the right, on other contracts or grants held with the Grantee, to withhold reimbursements due to the Grantee in the amount of the excess being held by the Grantee.

(2) If the Grantee is still holding excess advance funds on a Grant, contract, or similar instrument under which the work has been completed or terminated but all costs have not been settled, the Grantee agrees to:

A) Provide within 30 days after requested to do so by the Grant Officer, a breakdown of the dollar amounts which have not been settled between the Government and the Grantee. (The Grant Officer will assume no costs are in dispute if the Grantee fails to reply within 30 days.)

B) Upon written request of the Grant Officer, return to the Government the sum of dollars, if any, which represents the difference between (i) the Grantee's maximum position on claimed costs which have not been reimbursed and (ii) the total amount of unexpended funds which have been advanced under the Grant; and

(C) If the Grantee fails to comply with the Grant Officer's request for repayment of excess advance funds, the Government shall have the right, on other contracts, grants or similar agreements held with the Grantee, to withhold payment of other advances and/or withhold reimbursements due the Grantee in the amount of the excess being held by the Grantee.

12. PAYMENT--REIMBURSEMENT

(This provision is applicable to grants for construction, or to grants which do not provide for either a periodic advance or an FRLC in accordance with AID Handbook 13, paragraph 10.5.)

- (a) Each month the Grantee shall submit to the AID Controller an original and 3 copies of SF 1034, "Public Voucher for Purchases and Services Other Than Personal"; each voucher shall be identified by the Grant number and shall state the total amount of costs incurred for which reimbursement is being requested.
- (b) In addition to the SF 1034, each non-construction grant voucher shall be supported by an original and 2 copies of SF 270, "Request for Advance or Reimbursement", and each construction grant voucher shall be supported by an original and 2 copies of SF 271, "Outlay Report and Request for Reimbursement for Construction Programs".
- (c) Each quarterly voucher (or each third monthly voucher) shall also be supported by an original and 2 copies of a SF 269, "Financial Status Report". The SF 269 shall be submitted within 30 days after the end of the reporting quarter and may be submitted separately from the SF 1034; however, the SF 269 shall cover the same quarterly period as the SF 1034(s).

13. TRAVEL AND TRANSPORTATION

(a) The Grant Officer hereby approves international travel hereunder 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 travellers.

(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 under this Grant shall be made on United States flag carriers. Exceptions to this rule will be allowed in the following situations, provided that the Grantee certifies to the facts in the voucher and other documents retained as part of his Grant records to support his claim for reimbursement and for post audit:

(1) Where the traveler, while enroute, has to wait 6 hours or more to transfer to a U.S. flag air carrier to proceed to the intended destination, or

(2) Where a flight by a U.S. flag 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 U.S. flag air carrier is available during the 6 hour period, or

(3) Where by itself or in combination with other U.S. flag air carriers (if U.S. flag air carriers are "unavailable") it takes 12 hours or longer from the original airport to the destination airport to accomplish the Grantee's program than would service by a non-U.S. flag air carrier or carriers, or

(4) When the elapsed traveltime on a scheduled flight from origin to destination airports by non-U.S. flag air carrier(s) is 3 hours or less, and services by U.S. flag air carrier(s) would involve twice such traveltime.

NOTE: Where U.S. Government funds are used to reimburse Grantee's use

of other than U.S. flag air 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 U.S. flag air carrier was unavailable for the following reason(s): (State appropriate reason(s) as set forth above; see 41 CFR 1-1.323-3 for further guidance).

(d) Travel allowances shall be reimbursed in accordance with the Federal Travel Regulations (FTR); however, if the Grantee's domestic and international travel allowance policies and procedures have been reviewed and approved by AID or another Federal department or agency pursuant to the applicable Federal cost principles, the Grantee may use its travel allowance system in lieu of the FTRs after it has furnished the Grant Officer with a copy of such approval.

14. OCEAN SHIPMENT OF GOODS

(a) 50% of all international ocean shipment made by the Grantee, to be financed hereunder, shall be made on U.S. flag vessels. Where U.S. flag vessels are not available, or their use would result in a significant delay, the Grantee may request a release from this requirement from the Transportation Support Division, Office of Commodity Management, AID, Washington, D.C. 20523, giving the basis for the request.

(b) When the AID Transportation Support Division makes and issues a determination to the Grantee that U.S. flag vessels are not available, the ocean shipment costs on foreign flag vessels, as named in the determination, will be eligible for reimbursement under the Grant. In all instances Grantee vouchers submitted for reimbursement under the Grant which include ocean shipment costs will include 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 bill(s) of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement, and indicate the applicable A.I.D. Grant Number."

(c) Shipments by voluntary non-profit relief agencies (i.e., PVO's) shall be governed by paragraphs (a) and (b) above and by AID Regulation 2, "Overseas Shipments of Supplies by Voluntary Non-Profit Relief Agencies" (22 CFR 202).

15. PROCUREMENT OF GOODS AND SERVICES UNDER \$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.

(For a more detailed discussion of the subject, see AID Handbook 1, Supplement B, *Chapter 4D.*)

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 purchase.

(b) Restricted Goods

The Grantee shall not procure any of the following goods or services from a non-U.S. source (i.e., other than AID Geographic Code 000) without the prior written authorization of the Grant Officer:

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

(For a detailed discussion of the subject, see AID Handbook 1, Supplement B, *Chapter 4C.*)

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 purchase.

(c) Geographic Source and Order of Preference

Except as may be specifically approved or directed in advance by the Grant Officer under paragraph 15(b) above, all other 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 15(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

- (1) 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 paragraphs 3 and 4, Attachment 0 of OMB Circular No. A-110.
- (2) If the Grantee's procurement policies and procedures have been reviewed against the procurement requirements of paragraphs 3 and 4 of Attachment 0 to OMB Circular No. A-110 and have been approved by

AID or another Federal department or agency, the Grantee shall furnish the Grant Officer a copy of such approval; otherwise the Grantee's procurement policies and procedures shall conform to the specified requirements of OMB Circular No. A-110. (See AID Handbook 13, Chapter 1, paragraph 1U.)

(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 the maximum extent possible, provide the following information to the Small Business Office, AID, Washington, D.C. 20523 at least 45 days prior (except where a shorter time is requested of, and granted by the Small Business Office) 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.

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

(RESERVED)

17. GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY

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.

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

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 therefor issued by the Grant Officer at any time prior to final payment under this Grant.

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

(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 11 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 operations 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 Attachment A to 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 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.

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

(a) Except as modified by Attachment 1 of this Grant, title to all equipment, materials and supplies, the cost of which is reimbursable to the Grantee by AID or by the Cooperating 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 Attachment 1 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 for 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 11 of Chapter 1, Handbook 13.

(c) Within 90 days after completion of this Grant, or at such other date as may be fixed by the Grant Officer, the Grantee shall submit an inventory schedule covering all items of equipment, materials and supplies under his 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.

21. 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.

22. 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 for any reason he/she shall determine that such termination is in the best interest of the Government.

(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.

23. VOLUNTARY PARTICIPATION

(This provision is applicable to all grants involving any aspect of family 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.

-24. PROHIBITION ON ABORTION-RELATED ACTIVITIES

(This provision is applicable to all grants involving any aspect of family 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.

25. 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.

26. PUBLICATIONS

(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, non-exclusive 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.

27 PATENTS

(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.

- 28. 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 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 is assigned, nor shall he make loans or investments to or in any business, profession or occupation in the foreign countries to which he 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.

29. SUBORDINATE AGREEMENTS

The placement of subordinate agreements (e.g., leases, options, etc.), 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 if they will be funded hereunder, unless the Grantee's procurement system has been reviewed and approved pursuant to the appropriate section(s) of paragraph 1U, Chapter 1 of AID Handbook 13. In no event shall any such subordinate agreement, grant, or contract be on a cost-plus-a-percentage-of-cost basis. Subordinate contractors (including suppliers) shall be selected on a competitive basis to the maximum practicable extent consistent with the obligations and requirements of this Grant:

30. 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.

31. 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.

32. NONLIABILITY

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

33. 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.

34. THE GRANT

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

35. 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 of 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.

ASSURANCE OF COMPLIANCE WITH THE AGENCY FOR
INTERNATIONAL DEVELOPMENT REGULATION UNDER TITLE VI
OF THE CIVIL RIGHTS ACT OF 1964

Overseas Education Fund (hereinafter called the "Grantee")
(Name of Grantee)

HEREBY AGREES THAT it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Regulation of the Agency for International Development (22 CFR Part 209, 30 FR 317) issued pursuant to that title, to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Grantee receives Federal financial assistance from the Agency; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Grantee by the Agency, this assurance shall obligate the Grantee, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance shall obligate the Grantee for the period during which it retains ownership or possession of the property. In all other cases, this assurance shall obligate the Grantee for the period during which the Federal financial assistance is extended to it by the Agency.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Grantee by the Agency, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The Grantee recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Grantee, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Grantee.

Overseas Education Fund

(Grantee)

BY (Signature) Elise Fiber Smith TITLE Executive Director

TYPED NAME Elise Fiber Smith

DATE September 8, 1981