

PD FAQ 750

CONTRACT

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

3. Contract/Agreement Number: <i>685-0260-A-00-4067-00</i>		AUG 9 1985	
4. Contractor/Recipient Name: <i>NEW TRANS CENTURY FOUNDATION</i>		5. Organization Symbol:	
6. Project Title: <i>COMMUNITY AND ENTERPRISE DEVELOPMENT</i>		8. Organization Symbol:	
7. Project Officer's Name: <i>WILLIAM G. ANDERSON, USAID/DAKAR</i>		8. Organization Symbol:	
9. Requisitioning Document ID No: <i>685-0260-3-40067</i>		19. Budget Plan Code: <i>G SHX-84-21685- KG13</i>	
10. TYPE OF ACTION: A. New Acquisition/Assistance <input checked="" type="checkbox"/> A B. Continuation of activities set forth in a contractual document C. Revision of work scope/purpose of award		20. Country or Region of Performance: <i>SENEGAL</i>	
11. Amount of this PIO/T: U.S. \$ <i>2,000,000</i>		21. a. This Action Increases TEC by \$ <i>—</i> b. Total Est. Cost of Contractual Document \$ <i>8,623,397</i>	
12. Amount Obligated/ Subobligated/ Deobligated by this Action: U.S. \$ <i>2,000,000</i>		22. Amount of Non-Federal Funds Pledged to the Project: U.S. \$ <i>—</i>	
13. Cumulative Obligation: U.S. \$ <i>2,000,000</i>		23. Effective Date of this Action: <i>7/1/85</i>	
14. This Action Funded Through: <i>10/31/86</i>		24. Estimated Completion/Expiration Date: <i>1/31/90</i>	
15. Date Contractual Documents Signed by AID Official: <i>8/2/85</i>		25. Contractor DUNS Number: <i>0911334623</i>	
16. Incrementally Funded Contract: <i>yes</i>		26. Consultant Type Award: <i>no</i>	
17. Host Country/Counterpart Inst.: (Univ. Contracts) <i>no</i>		27. Number of Person Months: (PASA/RSSA only) <i>—</i>	
18. Campus Coordinator: (Univ. Contracts) <i>no</i>		28. Number of Persons: (PASA/RSSA only) <i>—</i>	

29. Negotiator's Typed Name: <i>P. L. Bullock</i>		30. Negotiator's Signature: <i>P. L. Bullock</i>		31. Date Signed: <i>8/18/85</i>	
32. Contract/Grant Officer's Organization Symbol: <i>REDS9/CWA</i>		33. Contract/Grant Officer's Signature: <i>Stephen A. Dean</i>		34. Date Signed: <i>8/18/85</i>	

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

<p>35. SELECTION PROCEDURE:</p> <ul style="list-style-type: none"> 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 <div style="text-align: center; margin-top: 20px;"> <p style="transform: rotate(-45deg); font-weight: bold; font-size: 1.5em;">ENTERED</p> <p style="transform: rotate(-45deg); font-weight: bold; font-size: 1.5em;">OCT 1985</p> <p style="transform: rotate(-45deg); font-weight: bold; font-size: 1.5em;">UNCLASSIFIED</p> <p style="font-size: 1.2em;">Made 685 purchase order since K#15 will administer K.</p> </div>	<ul style="list-style-type: none"> H. Procurement to be Performed by the Contractor in Person <input checked="" type="checkbox"/> E I. Sole Source J. Impairment of Foreign Policy Objectives K. 8(a) Selection <ul style="list-style-type: none"> ● Grant/Cooperative Agreement L. Competitive M. Noncompetitive N. Small Business Set Aside O. Overseas Procuring Activities
---	---

<p>36. CONTRACT TYPE:</p> <p>A. Fixed Price (Specify: FFP, FPRD, FPEPA, FPI) <input type="checkbox"/> D</p> <p>B. Cost Reimbursement (Specify: CR, CPFF, CS, CPAF, CPIF)</p> <p>C. IQC & Requirements Contracts</p> <p>D. Other</p>	<p>45. LABOR SURPLUS AREA PREFERENCE: <input type="checkbox"/> D</p> <p>● Labor Surplus Area</p> <p>A. No Preference</p> <p>B. Tie Bid Preference</p> <p>C. Total Set Aside</p> <p>D. Not a Labor Surplus Area Preference Award</p>
<p>37. ADVANCE: <input type="checkbox"/> C</p> <p>A. No Advance</p> <p>B. Advance Non-FRLC</p> <p>C. Advance FRLC</p>	<p>46. Number of Bidders Offering Items or Services of Foreign Content: <i>None</i></p>
<p>38. SUBJECT TO STATUTORY REQUIREMENT: <input type="checkbox"/> E</p> <p>A. Walsh-Healey Act, Manufacturer*</p> <p>B. Walsh-Healey Act, Regular Dealer*</p> <p>C. Service Contract Act (U.S. ONLY – Guards, Maintenance, Laborers)</p> <p>D. Davis-Bacon Act (Construction)</p> <p>E. Not subject to Walsh-Healey; Service Contract or Davis-Bacon Act (Most AID Contracts)</p> <p>* Equipment, Supplies, Materials, and Commodities</p>	<p>47. TYPE OF BUSINESS: <input type="checkbox"/> F</p> <p>A. Source: Non-U.S. and Used Outside U.S. & Possessions</p> <p>B. Source: Non-U.S. and Possessions (Foreign Purchases Used Inside U.S.) (If U.S. Source, complete C through Q)</p> <p>C. Firm – Profit Making & PSC's</p> <p>● Non-Profit Organizations</p> <p>D. Private Educational Organizations</p> <p>E. Hospitals</p> <p>F. Research Institutions, Foundations, and Laboratories</p> <p>G. Other</p> <p>● Private Voluntary Organizations</p> <p>H. U.S. Registered</p> <p>I. U.S. Non-Registered</p> <p>J. Foreign</p> <p>● State/Local Government</p> <p>K. Educational Institutions</p> <p>L. Hospitals</p> <p>M. Research Organizations</p> <p>N. Other</p> <p>O. International Agricultural Research Organizations</p> <p>P. Public International Organizations</p> <p>Q. U.S. Cooperatives</p>
<p>39. Country of Manufacture (Specify) <i>Senegal US</i></p>	<p>48. Women Owned Business? <i>NO</i></p>
<p>40. CURRENCY INDICATOR: <input type="checkbox"/> A</p> <p>A. U.S. Dollar</p> <p>B. Local Currency</p> <p>C. Combination</p> <p>D. Unfunded</p>	<p>49. TYPE AWARD: <input type="checkbox"/> H</p> <p>● Small Business</p> <p>A. Not Set Aside</p> <p>B. Partial Set Aside</p> <p>C. Total Set Aside</p> <p>D. Personal Service Contract</p> <p>E. Individual Non-Personal Service Contract</p> <p>F. U.S. Government</p> <p>G. University</p> <p>H. Other Non-Profit Organizations</p> <p>I. Large Businesses</p>
<p>41. SUBCONTRACTS: Is There a Provision for a Subcontract? (Contracts only) <i>NO</i></p>	<p>50. Paying Office: Payment will be made by <i>MJ/Lom/PAFO</i></p>
<p>42. TYPE SERVICE: <input type="checkbox"/> B</p> <p>A. Training of Participants</p> <p>B. Technical Assistance to Host Country (Program, Project related except A&E Services)</p> <p>C. A&E Services</p> <p>D. Construction</p> <p>E. Research</p> <p>F. Technical Services to AID (other than training; usually operating expense)</p> <p>G. Training Service for AID</p> <p>H. Equipment, Materials, Supplies, Commodities</p> <p>I. Translation Service</p>	
<p>43. CONTRACT/AGREEMENT SOURCE: <input type="checkbox"/> A</p> <p>A. U.S. Contractor/Grantee</p> <p>B. Non-U.S. Contractor/Grantee</p> <p>C. Combination of A & B</p>	
<p>44. TYPE OF AMERICAN OWNERSHIP: <input type="checkbox"/> F</p> <p>● Minority</p> <p>A. Asian/Pacific Islander</p> <p>B. Black American</p> <p>C. American Aleuts or Eskimos</p> <p>D. American Indian</p> <p>E. Hispanic</p> <p>F. Other (Specify) _____</p> <p>G. Non-Minority</p>	

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D C 20523

AUG 8 1985

ORIGINAL

2 AUG 1985

Mr. Warren Wiggins
President
New Transcentury Foundation
1724 Kalorama Road, N.W.
Washington, D.C. 2009-2624

Dear Mr. Wiggins,

SUBJECT: Cooperative Agreement No. 685-0260-A-00-~~4~~⁵067-00

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.") hereby grants New Transcentury Foundation [(NTF) hereinafter referred to as "Recipient"], the sum of \$2,000,000 to provide technical assistance to the Government of Senegal as fully described in Attachment One, "Schedule," and Attachment Two, "Program Description".

This Cooperative Agreement is effective and obligation is made as of July 1, 1985 and shall apply to commitments made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending not later than October 31, 1986.

This Cooperative Agreement is made to New Transcentury Foundation on condition that the funds be administered in accordance with the terms and conditions set forth in Attachment 1, entitled "Schedule", Attachment 2, entitled "Program Description," Attachment 3 entitled "Standard Provisions," and Attachment 4 - Sample Format for PVO Subgrants which have been agreed to by your organization.

The total estimated amount of the program is \$8,623,397, of which \$2,000,000 is hereby obligated. A.I.D. shall not be liable for reimbursing the Recipient for any costs in excess of the obligated amount. However, subject to the availability of funds, A.I.D. may provide additional funds during the Cooperative Agreement period up to a maximum of an additional \$6,623,397. It is anticipated that the obligated amount will be sufficient through October 31, 1986.

4

Please sign the original and seven (7) copies of this letter to acknowledge your receipt of the Cooperative Agreement, and return the original and six (6) copies to the Agreement Office listed below.

Sincerely yours,



Stephen A. Dean
Agreement Officer
Regional Operations Division, Africa
Office of Contract Management

Attachments:

1. Schedule.
2. Program Description.
3. Standard Provisions, dated 2/82 and Alterations dated 11/84.
4. Sample Format For PVO Subgrants.

ACKNOWLEDGED:

New Transcendury Foundation

BY: 

Title: President

Date: August 6, 1985

FISCAL DATA

Appropriation	:	72-11X1012
Budget Plan Code	:	GSHX-84-21685-KG13
PIO/T No.	:	685-0260-3-40067
Project No.	:	685-0260
Total Estimated Amount	:	\$8,623,397
Total Obligated Amount	:	\$2,000,000
IRS Employer Identification Number	:	52-0891377
LOC-FRB Number	:	72-00-1410
Funding Source	:	USAID/Senegal
Technical Office	:	USAID/Senegal
DUNS NUMBER	:	09-133-4623

SCHEDULE

A. Purpose of Agreement

The purpose of this Cooperative Agreement is to provide technical assistance to the Government of Senegal's Community and Enterprise Development Project, as more specifically described in Attachment 2 of this Agreement entitled "Program Description".

B. Period of Agreement

1. The effective date of this Cooperative Agreement is July 1, 1985. The estimated completion date is January 31, 1990.
2. Funds obligated hereunder are available for estimated program expenditures for the period from July 1, 1985, to October 31, 1986 as shown in the Financial Plan below.

C. Amount of Agreement

1. The total estimated amount of this Cooperative Agreement for the period shown in B.1 above is \$8,623,397.
2. A.I.D. hereby obligates the amount of \$2,000,000 for program expenditures during the period set forth in B.2 above and as shown in the Financial Plan below.
3. Additional funds up to the total amount of this Agreement shown in C.1 above may be obligated by A.I.D. during the Agreement period, subject to the availability of funds, and to the requirements of the Standard Provision of this Agreement entitled "Revision of Financial Plans".

D. Financial Plan:

1. The following is the Financial Plan for this Cooperative Agreement. Revision to this Plan shall be made in accordance with the Standard Provision of this Cooperative Agreement, entitled "Revision of Financial Plans."

New Transcentury Budget Number 1

<u>Line Item</u>	<u>PIO/T 685-0260-3-40067 (est. 7/1/85 - 10/31/86)</u>	<u>Est. Additional Amount 11/1/86 - 1/31/90</u>	<u>Project Total</u>
1. Personnel			
(a) Field Staff	\$ 173,152	\$ 455,510	\$ 628,662
(b) Home Office	36,694	62,248	98,942
(c) Local Hire	181,363	536,326	717,689
2. Allowances	145,139	267,328	412,467
3. Consultants	68,020	86,220	154,240
4. Travel, Transportation and Per Diem	51,294	80,831	132,125
5. Other Direct	102,721	319,824	422,545
6. Equipment and Supplies	128,625	16,275	144,900
7. Overhead	72,962	175,002	247,964
8. G & A *	204,015	468,728	672,743
9. Subrecipient (Management, Systems International)	438,895	852,225	1,291,120
Subtotal	<u>\$1,602,880</u>	<u>\$3,320,517</u>	<u>\$4,923,397</u>
10. Revolving Credit Fund for Small Entrepreneurs	50,000	400,000	450,000
11. Revolving Credit Fund for Village Organizations	97,120	652,880	750,000
12. PVO Subgrants	250,000	2,250,000	2,500,000
Total	<u>\$2,000,000</u>	<u>\$6,623,397</u>	<u>\$8,623,397</u>

* Note: The disbursement of the subgrant/credit funds and the corresponding G&A calculation assume institutionalization of those project components in Year four of the project. That is, in Year four, alternative local disbursement mechanisms have been identified and are functioning for the remainder of the project. Should this not be the case, the G&A calculated on grant/loan funds for Years four and five would be subject to renegotiation between NTF and AID.

NEW TRANSCENTURY FOUNDATION

BUDGET - SENEGAL COMMUNITY AND ENTERPRISE DEVELOPMENT PROJECT (685-00260)

SUMMARY SCHEDULE

	Schedule	Year 1 AID	Year 2 AID	Year 3 AID	Year 4 AID	Year 4 Reflows	Year 5 AID	Year 5 Reflows	Total Years 1-5	Total AID	Total Reflows
Field Staff - Salaries & Fringe	I	137150	144008	151208	126220	32548		37528	628662	558586	70076
Overhead @ 30%	I	41145	43202	45362	37866	9764		11259	188598	167575	21023
Home Office Support - Salaries & Fringe	II	31067	22506	17441	14559	3754		9614	98942	85574	13368
Overhead @ 60%	II	18640	13504	10465	8735	2253		5769	59366	51344	8022
Consultants	III	58540	37920	37920	11066	2854		5940	154240	145446	8794
Local-Hire Field Staff	IV	143370	151972	161091	135751	35005		90501	717689	592183	125506
Travel & Transportation	V	30125	8810	10776	16035	4135		12719	82600	65746	16854
Per Diem	VI	16481	9940	8988	5934	1530		6652	49525	41343	8182
Allowances	VII	123850	85155	86263	69504	17922		29774	412467	364771	47696
Other Direct Costs	VIII	204433	93951	84080	63726	16433		37330	499954	446191	53763
Subcontract: Management Systems International		356641	329014	228763	173940	44852		157910	1291120	1088358	202762
Subgrants & Credit Funds - Year 1/2/3		190000	570000	760000					1520000	1520000	
Subtotal		1351442	1509982	1602356	663336	171050		404996	5703163	5127117	576046
G&A @ 11.8%		159470	178178	189078	78274	20184		47790	672974	605000	67974
Subtotal		1510913	1688160	1791434	741610	191234		452786	6376137	5732117	644020
Subgrants & Credit Funds - Years 4/5					1140000		1040000		2180000	2180000	
Year 4 - G&A only on 570,000					67260				67260	67260	
Year 5 - no G&A											
Total		1510913	1688160	1791434	1948870	191234	1040000	452786	8623397	7979377	644020

2. Total USAID-funded expenditures shall not exceed the total of the USAID funds obligated. However, within the total obligated, the Recipient may reasonably adjust line items within each category without prior written approval of the USAID Mission Director with the exception of items 6, 7, 8, 9, 10, 11, and 12 provided that the total amount of the Cooperative Agreement shall not exceed \$8,623,397.
3. New Transcentury Foundation's financial accounting under this agreement is to include a separate account for both the \$750,000 Revolving Credit Fund as well as the \$450,000 Revolving Credit Fund and the PVO subgrants fund of \$2,500,000.

Double entry bookkeeping must be utilized and monthly financial statements for the funds will be required. Financial statements will include a balance sheet, a statement of profit and loss, a statement of cash flow, and an age-trial balance.

As funds are disbursed by the Management Unit to Sub-grantees they will be considered as disbursed under the cooperative agreement. All funds disbursed by the Management Unit to borrowers will be considered as a disbursement under the Cooperative Agreement. All funds for the credit program will first be placed in a segregated local bank account pending disbursement to borrowers. The account should receive interest at the highest legal rate for such an account in Senegal. All interest on this account shall be returned to the U.S. Treasury. A second bank account will be maintained for repayment from borrowers. This account shall also earn interest. However, the bank interest earned on this account shall not be remitted to the U.S. Treasury but instead will become part of the credit fund to be used for program expenses as set out in the Financial Plan.

In the event that a special project or subgrant bank account controlled by the Management Unit is set up to implement a subgrant, it will earn interest and such interest shall be remitted to the U.S. Treasury. The creation of the account will not constitute a disbursement under the agreement. Only disbursements to the subgrantee or others from the account will be considered as disbursements under the agreement.

4. If as anticipated loan reflows see Budget Number 2 of \$644,000 in excess of credit needs exist in the final year of the project, these reflows would be used for program expenses. Given interest rates and administrative charges for loans and levels of repayments, these funds may or may not be available. If these funds do not become available for any reason, AID is, under no commitment to provide additional funds for the program.

5. PVO Subgrants

The PVO subgrants awarded to non-U.S. Organizations shall be awarded in a format similar to that included as Attachment 4 with the inclusion of the Standard Provisions Forms AID 1420-53 and -54 dated 1/85. For U.S. Organizations Standard Provisions Form AID 1420-52 dated 2/82 and Alterations dated 11/84 shall apply.

USAID/Senegal reserves the right to disapprove Subgrants to individual PVOs under the Agreement, if it determines that the PVO cannot meet the objectives of the project because of

- 1) insufficient financial and internal controls,
- 2) inadequate performance under past or current grants, or
- 3) other reasons which the Mission considers important enough to warrant such action.

E. Method of Payment

Payment shall be made to the Recipient in Accordance with the following provisions:

Payment - Letter of Credit (August 1984)

(This provision is applicable only when the following conditions are met: (i) the total advances under all the recipient'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 recipient for 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 recipient's financial management system meets the standards for fund control and accountability required under the standard provision of this agreement, entitled "Accounting, Audit, and Records" and either (v) the foreign currency portion of the total advance under this agreement is less than 50% or (vi) the foreign currency portion of the total advance under this agreement is more than 50% but more than one foreign currency country is involved.)

(a) Payment under this agreement shall be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by AID's Office of Financial Management, Program Accounting Division (M/FM/PAFD).

(b) As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/FM/PAFD constitute payment conditions of this agreement, superseding and taking precedence over any other provision of this agreement concerning payment.

(c) 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 to AID/M/FM/PAFD, Washington, D.C. 20523. If the recipient's accounting records are not normally kept on the accrual basis, the recipient's 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 agreement to M/FM/PAFD. In cases where agreements are Mission funded, the recipient will forward an information copy to the AID Mission accounting station and the AID Project Officer at the same time the original and one copy are mailed to M/FM/PAFD, AID Washington.

2) The recipient shall submit an original and one copy of SF-272, "Federal Cash Transactions Report," within 15 working days following the end of each quarter to M/FM/PAFD. Recipient's receiving advances totaling more than \$1 million per year shall submit the SF-272 on a monthly basis within 15 working days

following the close of the month. Recipient's shall report all cash advances in the Remarks section of SF-272. Those cash advances in excess of immediate disbursement requirements in the hands of subrecipients or the recipient's field organizations shall be supported by short narrative explanations of action taken by the recipient to reduce the excess balances.

- (d) Revocation of the LOC is at the discretion of the authorized LOC certifying officer of M/FM/PAFD after consultation with the agreement officer. Notification of revocation must be in writing and must specify the reason for revocation. FM/PAFD shall provide the agreement officer a copy of the revocation notice and a recommendation for an alternative method of payment (periodic advance or cost reimbursement) based upon the reasons for the revocation. The agreement officer shall immediately amend this agreement to provide for an appropriate alternative method of payment. The recipient may appeal any such revocation to the agreement officer.

F. SUBSTANTIAL INVOLVEMENT

The following constitutes the substantial involvement of the USAID in project implementation.

USAID/Senegal will judge the performance of NTF on the basis of the following criteria. If USAID/Senegal judges the recipient's performance to be unsatisfactory on any one or more of these criteria, AID reserves the right to terminate the Agreement with the recipient.

NTF is expected to:

1. Submit required reports, in the required numbers of copies and languages, on time and with the necessary information and analysis.
2. Provide key personnel who are highly qualified and who perform in a manner satisfactory to USAID/Senegal.
3. Prepare and submit the first annual workplan which is acceptable to AID within 90 days of the MU Manager's arrival or the arrival of any three of the long-term expatriate staff.

4. Field a complete team, carry out necessary logistical arrangements for the team's personal living situation, and establish a functioning MU office including the hiring of necessary local staff as soon as possible but in any case no later than three months after the award of the Cooperative Agreement is made. Provide satisfactory logistical and administrative backstopping from the home office for the Management Unit Staff as a whole NOTE: This does not allow for lengthy French language training for key personnel who do not receive the required FSI test scores in French.
5. Establish an approved financial management system within six (6) months of the team's arrival in country.
6. Manage the project's financial accounts and reporting in a satisfactory manner, which means that annual financial audits to be performed will not discover glaring deficiencies.
7. Establish an approved monitoring and evaluation system for project activities, including appropriate collection of baseline data, within six months of MU team's arrival.
8. Establish a project management system for coordinating and interrelating all project activities within six months of the MU team's arrival.
9. Be responsible for managing per diem, advance and reimbursements as well as gas for GOS employees monitoring project activities for the National Project Committee.
10. Be responsible for reviewing PVO financial systems.
11. Have responsibility for reviewing PVO financial management and internal control systems to determine if they are adequate for managing and allocating for funds provided by the project and reporting to the Mission on its decision.
12. Establish close consultative working relationships with important national and regional institutions and individuals. These include the following:

- the members of the National Project Committee and their seconds and other appropriate members of their Ministries,
 - the Governors of Kaolack and Fatick regions, their adjoints and the regional chiefs of major technical services and parastatal organizations involved in agricultural or entrepreneurial development,
 - the Prefets of all six departments in the two regions and those Sous-Prefets in whose areas project activities exist, or are planned.
 - local agents of technical services, Rural Council members, and other important local leaders in whose areas project activities are going on, and
 - staff of PVOs involved in project activities.
13. Make arrangements for and prepare background material and presentations as required for Annual Project Reviews. These reviews will involve representatives of the National Project Committee, USAID, regional and local authorities, PVOs, and village organizations and entrepreneurs.
14. Achieve the indicators at the Purpose and Output levels of the logical framework or inform USAID as soon as it is known, but in any case no later than the end of year three of the cooperative agreement, recommendations for how these indicators or other aspects of the project elements should be revised.

G. Reporting

1. Financial Reporting

- a. Financial reporting requirements shall be in accordance with the provision at paragraph D and E above.
- b. The original and two copies of all financial reports shall be submitted to AID, Office of Financial Management, Program Accounting and Finance Division (FM/PAFD), Washington, D.C. 20523. In addition two copies of all financial

reports shall be submitted to the Technical Office specified in the Cover Letter of this Agreement. The final "SF-269-Financial Status Report" shall include an attachment that shows expenditures for this Cooperative Agreement by line item.

- c. The Recipient will also submit the following reports. Five (5) copies in french and five (5) copies in English will be submitted.
 - (a) Monthly financial reports for the revolving Credit Fund. Monthly financial statements will include a balance sheet, a statement of profit and loss, a statement of cash flow, and an age-trial balance. These reports will also include the financial status of all sub-grants and other sub-activities.
 - (b) Quarterly program reports indicating the activities undertaken, progress in meeting workplan and project objectives, problems and proposed solutions, overall financial status of the Cooperative Agreement, and findings of the monitoring and evaluation system.
 - (c) Ninety-days after the MU team's arrival, the recipient will submit a workplan for the coming year for USAID approval.
 - (d) An annual workplan of projected activities by project component for each project year to be submitted eight weeks in advance of the beginning of each project year. The work plan will include an annual budget by task.
 - (e) A twelve-month progress report for each project year is to be submitted within six weeks after the completion of that year. This report shall be a substantive report covering the status of the work under the Cooperative Agreement, indicating progress made with respect thereto, setting forth plans for the ensuing period, including recommendations for meeting project objectives.

- (f) A final report to be submitted within 45 days of the completion of all work hereunder unless the period is extended in writing by the Grant Officer. This final report shall summarize the accomplishments of the project, methods of work used, and recommendations regarding unfinished work and/or program continuation.
- (g) All reports by outside independent auditors are to be submitted to USAID/Senegal.

Documents or decisions to be submitted to USAID/Senegal for approval

- (a) Annual workplans and financial plans which will be reviewed by the USAID/Senegal Project Officer, Project Committee, and other relevant Mission staff and which will be discussed with the recipient organization and modified as needed, prior to Project Officer approval.
- (b) Key personnel, substitutions for key personnel prior to award, and replacements of key personnel after activities under the Agreement have begun.
- (c) The financial management system for all project activities, which will be reviewed by the Project Committee and particularly by the USAID/Senegal Controller.
- (d) Principal funding instruments, such as sub-granting, sub-contracting, and credit agreements.
- (e) The monitoring and evaluation system which the MU will institute for all sub-activities.

H. Indirect Cost Rate

Pursuant to the Standard Provision of this Cooperative Agreement entitled "Negotiated Overhead Rates - Nonprofit Organizations other than Educational Institutions", a rate or rates shall be established for each of the Recipient's accounting periods during the term of this Agreement. Pending establishment of final indirect cost rates for the initial period, provisional payment on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate applied to the base which is set forth below.

<u>Type</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>		
Overhead Home Office	60%	Direct salaries & wages, leave & fringe benefits	From:	Effective date of Agreement	
			To:	Until Amended	
Field staff	30%	" " "	"	"	"
G&A	11.8%	Total Cost input excluding G&A pass-through Costs.	"	"	"

If the overhead rate is later adjusted, the total obligated amount of \$2,000,000 remains in force and no further amounts shall be made available to Recipient unless this Cooperative Agreement is otherwise amended.

I. Title to Property

Title to all property procured under this cooperative agreement shall be in the Recipient's name. However, upon termination of this cooperative agreement, title to all property shall be vested in the Government of Senegal.

J. Authorized Geographic Code

The recipient shall procure goods and services financed by this Agreement in accordance with Standard Provision 10.B of this Agreement entitled, "Procurement of Goods and Services Over \$250,000", as modified by the November Attachment to AID Forms 1420-51, and 52, entitled "Alterations in Grant".

K. Special Provisions

1. For the purpose of this agreement, references to "OMB Circular A-122" in the Standard Provisions of this agreement shall include the AID implementation of such circular, as set forth in Subpart 731.7 of the AID Acquisition Regulations (AIDAR)(41 CFR Chapter 7).
2. The AID Liaison Official shall be the the USAID/Senegal Project Officer.
3. AID will designate Project Officers to monitor and to provide guidance and clarifications, as needed, on the technical and administrative responsibilities of the contractor.

4. Under present policies of the post, personnel will be eligible to use the American Embassy pouch facilities for letter mail, but continuation of this privilege cannot be guaranteed.
5. Under present policies of the post, personnel for Mission Institutional recipients are eligible to use the Embassy Commissary and the Embassy Health Unit.
6. No help can be given by the Embassy or AID to the recipient and his personnel in obtaining customs clearances, resident permits, etc... (however, the Embassy will aid the recipient in obtaining a visa). The recipient will seek the assistance of the Ministry of Plan in all such matters.
7. Under present post policies, personnel will be eligible to use the American Embassy check-cashing facilities but continuation of this privilege cannot be guaranteed.
8. The President of the National project Committee is the GOS Liaison Official.

L. Pre-Agreement Expenses

The Recipient is hereby authorized pre-agreement expenses not to exceed \$4,000 for the purpose of two Senegal team members attending the PVO Conference in Dakar on June 24 and 25, 1985.

M. Alterations and Additions to Standard Provisions:

1. The Standard Provisions set forth as Attachment 3 of this Agreement consist of form AID 1420-51, dated 2-82, which includes provisions 1 through 34.
2. The Standard Provisions, as defined above, are modified as set forth in the November 1984 Attachment to AID Forms 1420-51, and -52, Alteration to AID 1420-51 (2-82) and 1420-52 (2-82), entitled "Alterations in Grant", which are attached hereto and made a part of this Agreement.
3. Delete the following Standard Provisions from Form AID 1420-52, dated as above:

- a. Provision 5A : Negotiated Overhead Rates -
Predetermined
 - b. Provision 7B : Payment - Periodic Advances
 - c. Provision 7C : Payment - Reimbursement
 - d. Provision 10A : Procurement of Goods and
Services Under \$250,000
 - e. Provision 12 : Government Furnished Excess
Personal Property
 - f. Provision 13B : Title to and Care of Property
(U.S. Government Title)
 - g. Provision 13C : Title to and Care of Property
(Cooperating Country Title)
3. In addition Standard Provision entitled "Workmens" Compensation Insurance" is attached hereto and made a part of this Agreement.
 4. Notwithstanding Standard Provision 8, Travel and Transportation, the USAID Mission or his/her designee is hereby authorized to approve in writing, all travel and transportation which shall take place under this cooperative agreement and the sub-agreement.
 5. Standard Provision 11 is hereby altered to provide the following:
 - (b)(2) Restricted goods - Procurement of Agricultural commodities and pesticides may be authorized with the prior approval of the Mission Director or his/her designee; and
 - (d)(2)(ii) Imported shelf items - Increase shelf-item procurement unit value from \$5,000 to \$20,000 and the total amount available for shelf-item procurement from 10 percent to 15 percent of local currency costs of

26

the project. Authorization is also given for procurement of commodities whose source and origin is Senegal or whose nationality is Senegal.

The total amount of local cost financing expected under the project shall not exceed \$1,150,000.

Authorization for the above is included in the Source/origin Waiver which is a part of the Project Paper approved September 6, 1983.

6. 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"

"Subgrantee" means "Subrecipient"

SECTION II: PROGRAM DESCRIPTION

A. PROJECT BACKGROUND AND SUMMARY

In 1981 in the midst of an economic crisis brought on by declines in agricultural production, increased government borrowing, and worsening terms of trade, the Government of Senegal (GOS) adopted an Economic Reform Plan. Developed in consultation with the World Bank and the IMF, the Reform Plan's purpose was to reduce balance of payments and budgetary deficits and stabilize the economy. In the agricultural sector, this meant reducing public sector and parastatal activity in favor of increased private sector responsibility.

The Community and Enterprise Development Project (685-0260) to be implemented under this Cooperative Agreement will assist the GOS to meet its basic objectives of economic stabilization and food self-sufficiency. It will do so by assisting village organizations and small-scale entrepreneurs (SSEs) in the region of Sine Saloum, now divided into the Regions of Kaolack and Fatick, to increase their production of agricultural goods and services. Further, by enabling village organizations and SSEs to carry out their own development, the project contributes to GOS efforts to decentralize government and economic activity.

The project's goal is the progressive decontrol and commercialization of rural production, one of the four main targets of the Mission's agricultural program. The project will provide technical and financial assistance to enable village groups and small-scale entrepreneurs in Sine-Saloum to plan, manage, and continue their own development. Through the management structure of this project, USAID/Senegal will be able to consolidate a number of separately-managed local PVO activities.

The New Trancentury Foundation (NTF) will establish a Management Unit which will make subgrants to PVOs who will assist an estimated 200 village producer groups to carry out production and environmental regeneration projects. The Management Unit will include a Small Business Advisory Staff which will assist an estimated 650 agriculturally-related SSEs to provide goods and services needed for agricultural production. The Management Unit staffed under this cooperative agreement will manage and monitor all project activities and will be based in Kaolack, the former capital of Sine Saloum. In Dakar, a National Project Committee, including representatives of concerned ministries, will:

- (1) review overall project policy;
- (2) establish criteria for selection of PVO beneficiaries, and sub-projects;
- (3) approve PVO proposals and the program of assistance to small enterprises; and
- (4) participate in periodic Project Reviews and evaluations.

In designing sub-projects, PVOs and village groups will consult with Rural Councils, Sous-Prefets and other administrative authorities and technical services in designing projects and will present their proposals to local authorities as well as to the Management Unit. Local and regional authorities, under the established system of development committees, will provide their comments on PVO proposals. The National Project Committee will then take into account these comments of regional officials and technicians before acting on PVO proposals.

Based on the criteria set by the National Project Committee, the Management Unit will establish a continuous monitoring system providing periodic reports to USAID and to the National Project Committee. Government officials from national and regional levels will participate in periodic Project Reviews as well as in more in-depth external evaluations utilizing outside experts.

The basic principle of this project is that it be funded through and implemented by non-governmental organizations. To succeed, the project must establish a flexible, quick-reacting mechanism to assist village groups and small entrepreneurs that meets the expressed needs of rural producers while supporting activities that reflect the Government's development policy.

One of the principal innovations of the project involves assisting both on-and-off-farm producers in a rural area. Such assistance to both sides of the rural economy can build linkages that will enable the increased production and incomes of each to reinforce the other. If the project's experience suggests that a self-reinforcing process of rural growth can occur in a favorable policy climate, the model would be of major importance to Senegal as well as to other AID and other donor programs in Africa.

B. PROJECT DESCRIPTION

The goal of this project is to encourage decontrol and commercialization of rural production in the region of Sine Saloum. This is the first of the four main targets of AID/Senegal's agricultural program. The project will also contribute to the overall USAID/Senegal goal of achieving food self-sufficiency by the year 2000 through production, storage, and trade. In the Economic Reform Plan, the Government of Senegal has recognized the need to give the private sector a much greater role in the development process. This implies the creation and maintenance of an environment which encourages and supports rural, private producers.

The project targets development activities which are undertaken by the rural producers on their own behalf. Resources are transferred through PVOs and the Small Business Advisory Staff to the beneficiaries. The institutionalization of development capacity which is donor independent is a prime objective of the project.

The project will demonstrate the ability of village groups and small-scale enterprise to manage their own development with little or no government assistance. This demonstration will have substantial policy value because it will reinforce the government's movement away from centralized direction of the economy. It will also provide more impetus for reduction of parastatal and monopoly activity. Perhaps most importantly, the strengthened capacities of rural producers and entrepreneurs will recycle local resources back to small producer rural development. The growth of production and income of the mass of rural farmer and entrepreneurs by their own efforts can provide much of the impetus of sustained development for Senegal at a more efficient cost than massive assistance through government and parastatal institutions.

The project purposes are:

- To enable village organizations (VOs) to carry out agricultural production, food processing and preservation, and soil and energy conservation projects on their own.
- To assist rural entrepreneurs and enterprises to support agriculture and manage and sustain their own growth.

C. PROJECT OUTPUTS:

The project will produce the following outputs:

- . Small-scale projects (approx. 250) implemented by village organizations in the priority areas defined by the project.
- . Local and international PVO's active in Senegal with improved skills in project development, management, implementation, and evaluation through assistance by the Project's Management Unit.
- . Credit used in village projects and repaid.
- . Increased production of agriculture-related goods and services by Small-Scale Enterprises (SSE), approximately 250 assisted.
- . SSE's assisted by the Project performing business management functions independently.
- . Credit used by SSE and repaid.

D. MAJOR ELEMENTS OF PROJECT STRUCTURE

The major elements of the project structure are the following:

A National Project Policy Committee will review and approve the overall policy of the project; the criteria of selection of PVOs to receive funding, of village groups, of village projects, and of entrepreneurs to be assisted, and the criteria for monitoring and evaluating project activities. The Policy Committee will be composed of representatives from USAID and concerned GOS Ministries: the Ministry of Plan (who will preside), the Ministries of Economy and Finance, Social Development, Industrial Development and Artisanat, Rural Development, and the Secretariat of State of Decentralization. Each ministry and USAID shall name a primary representative and a second in case the primary representative is unavailable. The Policy Committee will approve PVO proposals for village organization assistance and the program of assistance for small-scale entrepreneurs. All committee members will be invited to all committee meetings. For PVO proposals, an Executive Committee able to act for the full national

Project Policy Committee will consist of the representatives of USAID, the Ministry of Plan, the Ministry of Rural Development, and the Ministry of Social Development. For matters involving assistance to artisans and small entrepreneurs, the Executive Committee able to act will include in addition to the membership named above, the representative of the Ministry of Industrial Development and Artisanat. Decisions will be by majority vote of members present. No votes may be cast by members not present at the time of vote. The Committee shall be convened by the Ministry of Plan to meet on pending business. The Committee shall meet as needed but at least once each quarter to review quarterly project reports and to act on proposed activities. The Policy Committee will receive quarterly financial and monitoring reports prepared by the Management Unit. Members of the Policy Committee will participate in periodic reviews and in in-depth evaluations of the project. The Direction of Community Development in the Ministry of Social Development will act as the Secretariat for the Policy Committee.

A Management Unit based in Kaolack will manage project activities, review PVO proposals to assist village organizations, and monitor assistance to small-scale entrepreneurs (SSE's) provided by a Small Business Advisory Unit.

A Credit Section, part of the Management Unit, will administer a revolving credit fund for loans to village organizations and small-scale enterprises. This credit component will be taken over by the Caisse Nationale du Credit Agricole du Sénégal (CNCAS) after a positive recommendation of the credit and savings study under the Sahel Development Fund PAAD (685-0249) and after certification by USAID of the CNCAS' accounting system and practices. This certification will be based on a study of the operating experience of the CNCAS. The CNCAS will manage this credit component as a separate program with a separate account and will apply all credit reflows from loans under the project to further lending for project activities except for the last year of the project. In the last year of the project, a certain amount of the credit reflows as specified in the budget will be allocated to project costs. The Management Unit and PVO's will assist in credit activities as appropriate. Interest rates for credit will begin at 12% with upward revisions possible to

the maximum commercial rate allowed under West African Monetary Union regulations, depending upon rate of credit repayment. Credit terms and conditions will conform to those of the CNCAS.

The project will provide training to village organizations and SSE's in literacy and numeracy and in technical areas needed to carry our projects.

PVOs will receive grants from the Management Unit to assist village organizations with village projects. The Management Unit will also provide some assistance to PVOs to strengthen capacities where needed.

PVOs will work within the established structures of Groupements de Producteurs or Sections Villageoises.

Pilot Phase: Project activities will begin in limited numbers in a limited area to develop sound packages of assistance and to resolve basic problems before expanding project activities throughout the region.

Design of Village Projects: PVOs and village groups will consult with Rural Councils, Sous-Prefets, and other elected bodies, administrative authorities, and technical services (CER and SODEVA agents) in designing projects and will present their proposals to local authorities. Local elected and administrative authorities and technical services will provide comments on PVO proposals which will be forwarded to the Governor and the Management Unit through the usual channels.

Regular contact between the project and SODEVA will assure the overall technical validity of PVO proposals and their degree of conformity with GOS regional development objectives in the Sine Saloum.

Monitoring and Evaluation: Based on the criteria approved by the National Project Committee, the Management Unit will establish a continuous monitoring system providing periodic reports to USAID and to the National Project Committee. Government officials from national and regional levels will participate in Project Reviews every six months as well as in more in-depth external evaluations utilizing outside experts. The first external evaluation at the end of year two will review the workings of design and approval procedures and recommend necessary adjustments.

The Direction of Community Development of the Ministry of Social Development will complement the monitoring system of the project. Based on their field visits, Ministry representatives will advise the National Project Policy Committee and the Management Unit (1) on the degree to which project activities depart from policies and criteria established by the Policy Committee (2), on cases in which project activities depart from the regional development plan of Sine Saloum, and (3) lessons which project experience suggests for other development activities in Sine Saloum or elsewhere in Senegal.

E. PROJECT INPUTS:

The principal project inputs include:

- . Long-term and short-term technical assistance;
- . Grants to PVOs to assist village organizations;
- . Assistance to SSEs to increase production;
- . Credit to village organizations and SSEs;
- . GOS participation in approving activities in setting project policies and selection criteria, and in participating in Project Monitoring and evaluation.

F. RESPONSIBILITY OF THE PARTIES

1. AID Responsibilities:

Year one: AID will arrange for procurement of technical services, vehicles, and major commodities under the Project in accordance with U.S. government regulations and in consultation with the GOS. A list of commodities is as follows:

- Passenger vehicle and light trucks of European manufacture;
- Office equipment and supplies for Management and Small Business Unit functioning;
- AID will arrange for in-kind assistance to the Direction of Community Development of the Ministry of Social Development to enable it to fulfill its responsibilities for monitoring the project and for acting as Secretariat for the Policy Committee.

Year two: AID will monitor project progress through regular consultation and reporting between AID's project managers and the Management Unit and through Six-month Project

Reviews. AID will contract for and participate in the external project evaluations programmed for the second and fifth year of the project.

2. Government of Senegal Responsibilities:

The Government of Senegal will name members (and seconds) of the National Project Policy Committee who will review project policy, selection criteria and the monitoring and evaluation system as well as approve PVO proposals and the program for enterprise assistance. Members of the Policy Committee will also participate in Six-Month Project Reviews and in external project evaluations. The Ministry of Social Development will provide the Secretariat for the Policy Committee and will carry out monitoring responsibilities for the GOS.

The Government of Senegal, upon the request of USAID to the appropriate Ministry, will allow project personnel to use without charge the facilities of existing training centers in Sine Saloum at mutually convenient times.

The Government agrees to make all reasonable efforts to act on recommendations from the Policy Committee to improve the policy, legal and regulatory climate for the development of village groups and small-scale entrepreneurs.

G. STATEMENT OF WORK

1. TASKS AND RESPONSIBILITIES

New Transcentury Foundation (NTF) will have a number of responsibilities as follow:

a. Establishment of a Project Management Unit

The NTF's central task is to staff, organize, and run the Management Unit located in Kaolack.

Because the project is designed to remove as much of the management burden as possible from USAID/Senegal, primary project implementation responsibility will rest with the Management Unit (MU). It will have the primary reporting, disbursing, and supervisory

function for the project as a whole. Complete project management and financial accountability records will be kept by the MU.

The major tasks to be performed by the Management Unit include: grant-making and supervision of PVOs; staff development training for PVOs in program development monitoring and evaluation; overall project coordination; supervision of procurement for all units; supervision of credit and loan disbursement/repayment; assistance to small-scale entrepreneurs and development of numeracy/literacy training components for VOs and SSEs.

The major outreach function for PVO capacity-building and project identification and development will be the responsibility of the MU. While the MU Chief of Party has overall management responsibility for producing project outputs, the PVO specialist will have responsibility for defining progress goals with PVOs as they work with village organizations. The PVO specialist will work with the training team to develop programs meeting PVO organizational development needs. The counterparts of the PVO specialist will be the program directors from the PVOs with which he/she is working. The USAID PVO coordinator will be responsible for assisting the PVO specialist in identifying PVOs for participation in workshops and training activities.

The training specialists will be employed by the Management Unit to develop and implement training programs for PVOs, VOs, and SSEs. An expatriate training specialist will be hired for two years to work with the Senegalese training specialist who will work for the life of the project. At the end of two years, the Senegalese specialist will have assumed full responsibility for training functions in the Management Unit.

A credit and financial management specialist will work in the MU for four years to supervise training activities in credit management, maintenance of complete credit records and surveillance of credit repayment. A primary task will be monitoring the establishment of the CNCAS, the new rural credit facility, and planning how it can replace the project

credit component as it begins operation in the area. Further this person will work with the Unit Manager to set up a financial management and accounting system which will satisfy AID Sahelian accountability requirements. The credit and financial management specialist will work with and train a Senegalese specialist who will take over the expatriate's functions after year four of the project.

In addition, the MU will be staffed by appropriate support personnel necessary to manage the office and perform project objectives. These include: a logistics/procurement specialist, a senior local accountant, and appropriate support personnel.

The Management Unit will sub-contract for certain services, such as refinement or development of numeracy and literacy training materials and certain other training activities.

Short-term technical assistance will be provided from both the U.S. and locally to assist in PVO training, financial management systems design, technical materials development and special business skills.

The materials supply capability for the MU and SBA functions will be managed by the logistics/procurement specialist using local commercial sources to procure materials needed for VO projects and SSEs.

Small Business Advisory Staff

The project's SSE development component will consist of a Small Business Advisory (SBA) staff which will be part of the Management Unit:

- An SBA Unit Manager, who is a business management advisor and training officer, and will be expatriate; and
- A number of Business Management Extension Advisors, intensively project-trained to deliver training, consultation, and other forms of assistance to SSEs;

Two third-year Peace Corps Volunteers who will act as a trainer of the extension advisors and as a banking and accounting assistant, respectively. Peace Corps/Senegal will recruit replacements for these volunteers.

The expatriate SBA Chief will be required for the life of the project. In addition, the SBA Unit will include appropriate support personnel.

The SBA will be part of the project Management Unit so that its activities can be coordinated with those of other project components in such a way as to achieve the overall project goals of increased agricultural productivity and progress toward food self-sufficiency.

b. Creation of basic systems for project implementation

At the level of the Management Unit, three systems are critical for successful management of the project:

- i) an overall system for coordinating and interrelating all the disparate activities that will be occurring under the project;
- ii) a financial management system that will account for funds provided to PVOs, to village organizations, and small entrepreneurs by grant and by credit; and
- iii) a monitoring and evaluation system that will collect a limited amount of essential information on the progress of sub-activities and sub-projects, the degree to which village groups and entrepreneurs are interrelating with each other, the effect of GOS policies and regulations on village groups and entrepreneurs, and the results of project activities on beneficiaries, on the rural economy, and on the environment.

c. Development of satisfactory working relationships with national and local level officials and institutions

The project and the Management Unit will not function in a vacuum. As noted in the project description, they will relate with a variety of actors at the national and regional levels. If satisfactory

relationships between the Management Unit and the National Project Committee, regional officials, or SODEVA, for example, are not established and maintained, the project will have great difficulty achieving its objectives.

Similarly, the MU staff must verify that PVOs develop constructive working relationships with local officials, Rural Councils, and technical services in the areas where they are working. In designing and implementing projects with VOs, PVOs must follow the procedures agreed upon to involve concerned parties at all levels, especially the local level.

d. Supervision of Village Organization Component

Regarding assistance to village organizations, the Management Unit must see that assistance through PVOs to village groups goes to develop the capacities of those organizations to carry on their own development without outside assistance. That is the purpose of the village organization component of the project. PVO literacy, numeracy, bookkeeping, management technical and other training of village groups must be such that these groups emerge better able to handle their own affairs. Village development projects are the concrete activities through which village groups will learn how to develop themselves.

In its monitoring of VO activities, the MU must insure that the methodology used by PVOs will enable VOs assisted to develop the capacities to function on their own.

e. Supervision of credit to VOs and SSEs

Credit for both village groups and entrepreneurs is a key part of project activities. Given the recent history of rural credit in Senegal, it is also a difficult proposition. PVOs will provide credit, and solicit repayments but the Management Unit will manage the credit accounts and report to USAID/Senegal monthly on the status of all credit provided and levels of repayments and defaults. If the credit component fails to provide a satisfactory repayment rate, the possibility of attaining project objectives is immediately called into question. Therefore, the

Management Unit's monitoring system must provide timely information on the status of credit repayments. Moreover, before any credit is provided, the Management Unit must establish the steps it will take when a recipient fails to reimburse credit on schedule.

f. Design and implementation of numeracy/literacy training for VOs and SSEs

Numeracy and functional literacy training is important in enabling village groups and entrepreneurs to manage their own affairs, especially through simple books and financial records. It is essential that materials are developed or revised, trainers trained, and numeracy and literacy training begun early on in the project.

The MU will be responsible for organizing a numeracy/literacy training program for PVO and SBA staff who will act as trainers and for identifying or developing training materials.

g. Assistance to SSE's

The MU will be directly responsible, through the Small Business Advisory Staff, for establishing management, credit and technical assistance to small entrepreneurs. Further, there may be technology development or adaptation needed.

Finally, the MU must relate the planned assistance to artisans and entrepreneurs to village development activities. At a general level, this is relatively simple, because the project aims at assisting only entrepreneurs involved in agriculturally-related activities. However, the siting of village projects should influence to some extent the choice of entrepreneurs, combined with other spatial factors. The difficulties other programs of assistance to small-scale entrepreneurs have had indicate the complexity of such programs.

h. Reporting

Required reports are described in paragraph G of the schedule, at attachment 1.

H. LEVEL OF EFFORT

The level of effort for the various long-term specialists is as follows:

<u>Position</u>	<u>Person Months</u>
1. Chief of Party, Management Unit	54
2. PVO Specialist	48
3. Credit & financial management Specialist	48
4. Training Specialist	24
5. Small Enterprise Specialist	54

The long-term locally-hired specialists required are as follows:

1. Training Specialist	54
2. Credit Specialist	54

In addition, the MU will be staffed by appropriate support personnel necessary to manage the office and perform project objectives. These would include: A logistics/procurement specialist, a senior local accountant, A secretary, records clerks, and building custodial personnel.

I. DUTIES OF PERSONNEL

1. Chief of Party, Management Unit

a. FUNCTIONS

- Supervises all Management Unit activities and relates PVO assistance to VOs with SSE assistance.
- Reports to USAID on project progress.
- Is responsible for all accountability requirements in sub-projects.
- Develops close liaison and working relationships with regional authorities, technical services, and the National Project Committee to keep them informed of project progress and to identify problems early.

b. Language -- At a minimum, a tested FSI French level of 3+ speaking, 3 reading is required in addition to native level fluency in English. Knowledge of local Senegalese languages found in Sine Saloum, such as Wolof, Serer, or Pular is useful. French language fluency will be tested at FSI before being hired.

2. PVO Specialist

a. FUNCTIONS

- Develops close working relationships with PVOs working in or interested in Project.
- Assesses PVO training needs and coordinates workshop and training activities with training specialist.
- Manages sub-grant procedures for PVOs.
- Monitors progress of VO sub-projects for MU; insures that monitoring and financial management systems are working satisfactorily at level of PVOs and VOs.
- Assures that PVOs receive adequate guidance to administer grants.

- b. Language -- As well as native English fluency, a minimum FSI-tested French level of 3+ speaking, 3 reading is required and will be tested before being hired. Knowledge of local Senegalese languages prevalent in Sine Saloum, such as Wolof, Pular or Serer, etc. is useful.

3. Credit and Financial Management Specialist

a. FUNCTIONS:

- Establishes micro-computer systems for keeping financial and credit records and will be responsible for the maintenance of such systems.
- Maintains systems of financial management for project that satisfies AID accountability requirements regarding sub-grants to PVOs and assistance to small entrepreneurs.
- Works with training specialist to develop numeracy and other training plans necessary to enable village groups and entrepreneurs to manage credit and their resources.
- Is responsible for managing the various credit accounts for the project, including accounts which will receive and reimburse to the U.S. government interest earned on U.S. funds extended.
- Assesses with other appropriate staff of the MU, credit proposals to village groups and small entrepreneurs and responsibility for non-repayment of credit.
- Assists PVOs in soliciting credit repayments and keeping village groups and small entrepreneurs informed on the status of their credit repayments.
- Trains replacement specialist to take over after 48 months.

- b. Language -- In addition to native fluency in English, a minimum FSI-tested French level of 3+ speaking, 3 reading 3 level will be required and will be tested at FSI before being hired. Knowledge of local languages used in Sine Saloum, such as Wolof, Serere, and Pular, will be useful.

4. Small Business Specialist

a. FUNCTIONS

- Formulates program and methods of assistance to artisans and small-scale entrepreneurs.
- Maintains close liaison with regional officials and technical service representatives, with local institutions such as the Chambre de Metiers, and with Ministry officials.
- As part of the overall project monitoring system, establishes a monitoring system that provides information needed to revise strategy and methodology of assistance to entrepreneurs to improve performance.
- Monitors SSE assistance and reports on progress to the Management Unit Director.
- Identifies needs for technology development or adaptation and for technical training of entrepreneurs necessary for such. Identifies possible sources for such technology development and adaptation or technical training and proposes ways of fulfilling such needs.

- b. Language -- In addition to native English fluency, a minimum FSI-tested French level of 3+ speaking, 3 reading will be required and will be tested before being hired. Speaking Knowledge of local languages used in Sine Saloum, such as Wolof, Serere, and Pular, is useful.

5. Training specialist

a. FUNCTIONS

- Coordinates all project training activities for village organizations, PVOs, and small entrepreneurs.
 - Identifies village organization training component needs and devises appropriate training for PVO staff who will be working with village groups.
 - Assists small business specialist in training small business extension agents and in formulating the training planned for small entrepreneurs.
 - Monitors and reports on execution and impact of project training activities on village organizations, SSEs, and others.
 - Trains replacement specialist to take over after 24 months.
- b. Language -- In addition to native English fluency, a minimum FSI-tested French level of 3+ speaking, 3 reading will be required and will be tested before being hired. Speaking knowledge of local languages used in Sine Saloum, such as Wolof, Serere, and Pular, is useful.

J. LOGISTIC SUPPORT

1. NTF shall be responsible for obtaining all logistical support which shall include office space, office equipment, housing and utilities, furniture, household equipment, (stoves, refrigerators, etc), transportation in cooperating country, transportation to and from country, interpreter/secretarial services, and travel arrangements/tickets.

CM/SD/POL:PLBullock:sms:X5-9107:7/12/85

(Wang #0606o)

**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.

118

(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 11, 11.1, 11.2, 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 116 of Chapter 1 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 11 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

43

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

AP1

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 \$25,000

(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.

1194

(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 060 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.

51

(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 900, 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 N, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing (22 CFR 202)". 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

53*

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

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

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

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

12. GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Use of Government Property

Government property shall, unless otherwise provided herein or approved by the Grant Officer, be used only for the performance of this grant.

(c) Control, Maintenance and Repair of Government Property

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

The Grantee shall submit, for review and written approval of the Grant Officer, a records system for property control and a program for orderly maintenance of Government property; however, if the Grantee's property control and maintenance system has been reviewed and approved by another

Federal department or agency pursuant to Attachment N of OMB Circular No. A-110 (see paragraph 1T of Chapter 1 Handbook 13), the Grantee shall furnish the Grant Officer proof of such approval in lieu of another approval submission.

(1) *Property Control*

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

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

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

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

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

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

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

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

(2) *Maintenance Program*

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

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

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

(iii) recording of work accomplished under the program.

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

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

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

(d) *Risk of Loss*

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

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

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

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of Government property as required by (i) above or (B) to take all reasonable steps to comply with any appropriate written directions of the Grant Officer under (c) above;

(iii) For which the Grantee is otherwise responsible under the express terms of the article or articles designated in the Schedule of this grant.

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

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

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

(2) The Grantee shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government

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 provision of such subordinate agreements are subject to prior written consent of the Grant Officer unless such subordinate agreements were identified in the approved Financial Plan, in accordance with paragraph (b)(7) of the Standard Provision of this grant entitled "Revision of Financial Plans."

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

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

23. SALARIES

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

24. INELIGIBLE COUNTRIES

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

25. DISPUTES

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

(b) Decisions of the AID Grant Officer shall be final and conclusive unless, within 30 days of receipt of the decision of the Grant Officer, the Grantee appeals the decision to the Administrator, AID. Any appeal made under this provision shall be in writing and addressed to the Administrator, Agency for International Development, Washington, D.C. 20523; a copy of any such appeal shall be concurrently furnished to the Grant Officer.

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

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

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

26. PARTICIPANT TRAINING

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

(a) Definitions

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

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

(b) Applicable regulations

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

(c) Reporting requirement

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

27. HEALTH AND ACCIDENT COVERAGE FOR AID PARTICIPANT TRAINEES

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) If the Grantee has a mandatory, nonwaivable health and accident insurance program for students, the costs of such insurance will be allowable under this grant. Any claims eligible under such insurance will not be payable under AID's HAC plan or under this grant. Even though the participant is covered by the Grantee's mandatory, nonwaivable health and accident insurance program, the participant MUST be enrolled in AID's more comprehensive HAC program, and HAC payments MUST be made to AID as provided above. In addition, a copy of the mandatory insurance policy must be forwarded to the HAC Administrator.

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

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

(h) The HAC Administrator, for the period February 1, 1980 through January 31, 1983, is:
Trust Fund Administrators, Inc.
1030 15th Street, NW, Suite 500
Washington, D.C. 20005.

28. USE OF POUCH FACILITIES

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

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

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

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

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

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

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

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

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

61

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."

ALTERATIONS IN GRANT

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

1. Standard Provision No. 7A entitled "Payment - Federal Reserve Letter of Credit (FRLC) Advance" is deleted in its entirety and Attachment A entitled "Payment - Letter of Credit (August 1984)" is substituted.
2. Standard Provision No. 7B entitled "Periodic Advance" is changed as follows:
 - a. Applicability Statement: Delete "an FRLC" and substitute "a letter of credit".
 - b. Paragraph (c): Delete "an original and two copies" and substitute "one copy".
3. Standard Provision No. 7C entitled, "Payment - Reimbursement": In the applicability statement, delete "an FRLC" and substitute "a letter of credit".
4. Standard Provision No. 8, entitled "Travel and Transportation", is deleted in its entirety and Attachment B entitled "Air Travel and Transportation" is substituted.
5. Standard Provision No. 9, entitled "Ocean Shipment Of Goods" is deleted in its entirety and Attachment C, entitled the same, is substituted.
6. Standard Provision No. 10A, entitled "Procurement of Goods and Services Under \$250,000": Delete paragraph (c) and substitute the following:

"(c) Geographic Source and Order of Preference

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

- (1) The United States (AID Geographic Code 000),
- (2) The cooperating country,

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

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

7. Standard Provision No. 10B, entitled "Procurement of Goods and Services Over \$250,000": Delete paragraph (d) in its entirety and substitute the language shown in Attachment D.

8. Standard Provision No. 13A, entitled "Title To and Use of Property (Grantee Title)":

a. Delete "(1)" under paragraph (c), and

b. Delete subparagraph (2) in its entirety under paragraph (c).

9. Standard Provision No. 15 entitled "Termination" is amended as follows:

a. Change the title of Standard Provision No. 15, dated 2-82, to read: "TERMINATION AND SUSPENSION".

b. Delete paragraph (d) in its entirety and substitute the following:

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

10. Standard Provision No. 16, entitled "Voluntary Participation": Delete the applicability statement and substitute the following: "(This provision is applicable to all grants involving any aspect of family planning or population assistance activities.)"

11. Standard Provision No. 17, entitled "Prohibition on Abortion-Related Activities":

a. Delete the applicability statement and substitute the following: "(This provision is applicable to all grants involving any aspect of family planning or population activities.)"

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

c. Delete paragraph (b) and substitute the following:

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

d. Add paragraph (c) as follows:

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

12. Standard Provision No. 20, entitled "Patents", is deleted in its entirety and Attachment E, entitled "Patent Rights", is substituted.

13. Standard Provisions No. 26 and 27 entitled, "Participant Training" and "Health and Accident Coverage for AID Participant Trainees", respectively, are deleted in their entirety and Attachment F, entitled "Participant Training", is substituted.

7A. Payment - Letter of Credit (AUGUST 1964)

(This provision is applicable only 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 for 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 standards 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) Payment under this grant shall be by means of a Letter of Credit (LOC) in accordance with the terms and conditions of the LOC and any instructions issued by AID's Office of Financial Management, Program Accounting and Finance Division (M/FM/PAPD).

(b) As long as the LOC is in effect, the terms and conditions of the LOC and any instructions issued by M/FM/PAPD constitute payment conditions of this grant, superseding and taking precedence over any other provision of this grant concerning payment.

(c) **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 to AID/M/FM/PAPD, Washington, D.C. 20523. 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 to M/FM/PAPD. 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 M/FM/PAPD, AID/Washington.

(2) The grantee shall submit an original and one copy of SF-272, "Federal Cash Transactions Report," within 15 working days following the end of each quarter to M/FM/PAPD. Grantees receiving advances totaling more than \$1 million per year shall submit the SF-272 on a monthly basis within 15 working days following the close of the month. Grantees shall report all cash advances in the Remarks section of SF-272. 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) Revocation of the LOC is at the discretion of the authorized LOC certifying officer of M/FM/PAPD after consultation with the grant officer. Notification of revocation must be in writing and must specify the reason for revocation. FM/PAPD shall provide the grant officer a copy of the revocation notice and a recommendation for an alternative method of payment (periodic advance or cost reimbursement) based upon the reasons for the revocation. The grant officer shall immediately amend this agreement to provide for an appropriate alternative method of payment. The recipient may appeal any such revocation to the grant officer.

66

9. AIR TRAVEL AND TRANSPORTATION (OCTOBER 1964)

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

(a) The grantee is required to present to the project officer for written approval an itinerary for each planned international trip financed by this grant, which shows the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advance of the proposed travel as possible, not in no event at least three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant U.S. Mission or Embassy, with a copy to the project officer, of planned travel, identifying the travelers and the dates and times of arrival.

(b) Travel to certain countries shall, at AID's option, be funded from U.S.-owned local currency. When AID intends to exercise this option, AID will, after receipt of advice of intent to travel required above, either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this grant.

(c) All air travel and shipments under this grant are required to be made on United States flag air carriers to the extent service by such carriers is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operations between the United States and/or its territories and one or more foreign countries.

(d) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier otherwise available cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimbursable under this grant.

(e) U.S. flag air carrier service is considered available even though:

1. Comparable or a different kind of service can be provided at less cost by a foreign air carrier;
2. Foreign air carrier service is preferred by or is more convenient for the agency or traveler; or

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

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

1. U.S. flag air carrier service available at point of origin should be used to destination or in the absence of direct or through service to the farthest interchange point on a usually traveled route;
2. Where an origin or interchange point is not served by U.S. flag air carrier, foreign air carrier service should be used only to the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service; or
3. Where a U.S. flag air carrier involuntarily reroutes the traveler via a foreign air carrier the foreign air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

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

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

2. Where the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait six hours or more to make connections at that point, or delayed departure from or accelerated arrival at the gateway airport in the United States would extend the time in a travel status by at least six hours more than travel by foreign air carrier.

(h) For travel between two points outside the United States the rules in paragraphs (d) through (f) of this section will be applicable, but passenger service by U.S. flag air carrier will not be considered to be reasonably available:

1. If travel by foreign air carrier would eliminate two or more aircraft changes enroute;

2. Where one of the two points abroad is the gateway airport (as defined in paragraph (g) of this section) enroute to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or

3. Where the travel is not part of a trip to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including delay at origin, delay enroute and accelerated arrival at destination.

(i) When travel under either paragraph (g) or (h) of this section involves three hours or less between origin and destination by a foreign air carrier, U.S. flag air carrier service will not be considered available when it involves twice such travel time or more.

(j) Nothing in the above-guidelines shall preclude and no penalty shall attend the use of a foreign air carrier which provides transportation under an air transport agreement between the United States and a foreign government, the terms of which are consistent with the international aviation policy goals set forth at 49 U.S.C. 1502(b) and provide reciprocal rights and benefits.

(k) Where U.S. Government funds are used to reimburse the grantee's use of other than U.S. 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 above).

(1) International Travel

(i) As used herein, the term "international travel" means travel to all countries other than those within the home country of the traveler. Travel outside the United States includes travel to the U.S. Trust Territories of the Pacific Islands.

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

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

9. OCEAN SHIPMENT OF GOODS (OCTOBER 1984)

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

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

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

(c) When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may request a determination of non-availability from the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, giving the basis for the request which will relieve the grantee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this grant.

(d) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows:

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

(e) Shipments by voluntary nonprofit relief agencies (i.e., FVOs) shall be governed by this standard provision and by AID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies (22 CFR 202).

6/8

Procurement of Goods and Services Over \$250,000

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

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

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

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

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

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

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

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

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

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

(B) The corporation or partnership:

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

(2) has performed within the United States similar administrative and technical, professional, or construction services under a contract or contracts for services and derived revenue therefrom in each of the 1 year prior to the issuance date of the invitation for bids or request for proposals, and

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

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

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

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

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

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

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

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

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

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

(6) Construction services from local firms. When the host country is an authorized source for services, and the estimated cost of the construction services is \$5 million or less, a corporation or partnership may be determined by AID to be a integral part of the local economy in accordance with AID Handbook 1B, Chapter 5, Paragraph 505, is eligible.

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

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

13. PATENT RIGHTS (OCTOBER 1964)

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

a. Definitions.

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

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

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

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

(5) "Small Business Firm" means a domestic small business concern as defined in Section 2 of Public Law 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in Government procurement and subcontracting at 13 CFR 121.3-6 and 13 CFR 121.3-12, respectively, shall be used.

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

b. Allocation of Principal Rights.

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

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

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

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

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

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

d. Conditions When the Government May Obtain Title.

The recipient shall convey to AID upon written request, title to any subject invention:

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

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

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

e. License Rights to Recipients.

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

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

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

f. Recipient Action to Protect the Government's Interest.

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

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

(3) The recipient shall notify AID of any decision not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than 18 days before the expiration of the response period required by the relevant patent office.

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

g. Subagreements and Contracts.

The recipient shall include this clause suitably modified to identify the parties, in all subagreements and contracts, regardless of tier, for experimental, developmental, or research work to be performed by a small business firm or nonprofit organization. The subrecipient or contractor shall retain all rights provided for the recipient in this clause, and the recipient shall not, as part of the consideration for awarding the contract or subagreement obtain rights in the contractor's or subrecipient's subject inventions.

h. Reporting Utilization of Subject Inventions.

The recipient agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the recipient or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the recipient, and such other data and information as AID may reasonably specify. The recipient also agrees to provide additional reports as may be requested by AID in connection with any march-in proceedings undertaken by AID in accordance with paragraph j. of this provision. To the extent data or information supplied under this section is considered by the recipient, its licensees or assignees to be privileged and confidential and is so marked, AID agrees that, to the extent permitted by law, it shall not disclose such information to persons outside the Government.

i. Preference for United States Industry.

Notwithstanding any other provision of this clause, the recipient agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention shall be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by AID upon a showing by the recipient or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

j. March-in Rights.

The recipient agrees that with respect to any subject invention in which it has acquired title, AID has the right in accordance with the procedures in OMB Circular A-124 to require the recipient, an assignee or exclusive licensee of a subject invention to grant a non-exclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the recipient, assignee, or exclusive licensee refuses such a request, AID has the right to grant such a license itself if AID determines that:

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

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

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

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

k. Special Provisions for Agreements with Nonprofit Organizations.

If the recipient is a nonprofit organization, it agrees that:

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

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

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

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

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

l. Communications.

Communications concerning this provision shall be addressed to the grant officer at the address shown on the face of this agreement.

26. PARTICIPANT TRAINING (OCTOBER 1984)

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

(a) Definitions:

1. Participant training is the training of any non-U.S. individual outside of his or her home country using AID funds or under AID sponsorship.

2. A participant is any non-U.S. individual being trained under this grant outside of his or her home country.

(b) Application of Handbook 10:

Participant training under this grant is to be conducted according to the policies established in AID Handbook 10, Participant Training, except to the extent that specific exceptions to Handbook 10 have been provided in this grant with the concurrence of the Office of International Training. (Handbook 10 may be obtained by submitting a request to the Office of International Training (S&T/IT), Agency for International Development, Washington, D.C. 20523.)

(c) Reporting Requirement

For participants trained in the United States, data shall be submitted by means of the form AID 1381-4, "Participant Data", simultaneously with enrollment in the Health and Accident Coverage Program (see Section (d) below). For participants trained in third countries, grantees shall submit to S&T/IT only the top white sheet of the Participant Data form (and blue copies if subsequent changes in the participant's training program are made). Copies of the Participant Data form may be obtained from the Office of International Training at the address indicated in Section (b) above.

(d) Health and Accident Coverage (HAC) Program For Training Within The United States

The grantee shall enroll all participants training in the United States in AID's HAC Program.

1. The HAC Program enables the participant, or the provider of medical services, to submit bills for medical costs resulting from illness and accident to the HAC Claims Office which pays all reasonable and necessary medical charges for covered services not otherwise covered by other insurance programs (see paragraph 5 below), in accordance with the standard coverage established by AID under the HAC Program.

2. The grantee shall, as early as possible and no later than the initiation of travel to the United States by each participant financed by AID under this grant, fill out form AID 1381-4 entitled "Participant Data" and mail it to the addresses indicated on the back of the form. The grantee can obtain a supply of these forms and instructions for completing them from the Office of International Training at the address indicated in section (b) above.

3. Enrollment fees shall be submitted, thirty days prior to the beginning of each new enrollment period. The current enrollment fee amount shall be obtained from the address indicated in section (b) above. Payments will be made via check made payable to A.I.D. and submitted to:

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

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

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

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

5. The grantee shall provide each participant with a copy of the HAC brochure, copies of which are available from S&T/IT at the address indicated in section (b) above.

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

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

This is an alteration in Grant Form AID 1420-51(2-82) and 1420-52(2-82). It replaces the following standard provisions:

- Standard provision number 16 - Voluntary Participation.
- Standard provision number 17 - Prohibition on Abortion-Related Activities.
- Standard provision number 18 - Voluntary Participation Requirements for Sterilization Programs.

STANDARD PROVISION TO BE USED IN GRANTS AND
COOPERATIVE AGREEMENTS WITH U.S.
NONGOVERNMENTAL ORGANIZATIONS

VOLUNTARY POPULATION PLANNING (JULY 1985)

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

(a) Voluntary Participation

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

(b) Voluntary Participation Requirements For Sterilization Programs

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

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

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

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

(c) Prohibition on Abortion-Related Activities

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

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

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

(1) The recipient agrees that it will not furnish assistance under this grant to any foreign nongovernmental organization which performs or actively promotes abortion as a method of family planning in AID-recipient countries or which

provides financial support to any other foreign nongovernmental organization that conducts such activities. For purposes of this paragraph (d), a foreign nongovernmental organization is a nongovernmental organization which is not organized under the laws of any State of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

(2) Prior to furnishing funds provided under this grant to another nongovernmental organization organized under the laws of any State of the United States, the District of Columbia, or the Commonwealth of Puerto Rico, the recipient shall obtain the written agreement of such organization that the organization shall not furnish assistance under this grant to any foreign nongovernmental organization except under the conditions and requirements that are applicable to the recipient as set forth in this paragraph (d).

(3) The recipient may not furnish assistance under this grant to a foreign nongovernmental organization (the subrecipient) unless;

(i) the subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in AID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities, and

(ii) the recipient obtains the written agreement of the subrecipient containing the undertakings described in subparagraph (4), below.

(4) Prior to furnishing assistance under this grant to a subrecipient, the subrecipient must agree in writing that;

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

(ii) The recipient and authorized representatives of AID may, at any reasonable time, (A) inspect the documents and materials maintained or prepared by the subrecipient in the usual course of its operations that describe the family planning activities of the subrecipient, including reports, brochures and service statistics; (B) observe the family planning activity conducted by the subrecipient; (C) consult with family planning personnel of the

subrecipient; and (D) obtain a copy of the audited financial statement or report of the subrecipient, if there is one.

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

(iv) The subrecipient shall refund to the recipient the entire amount of assistance furnished to the subrecipient under this grant in the event it is determined that the certification provided by the subrecipient under subparagraph (3), above, is false.

(v) Assistance to the subrecipient under this grant shall be terminated if the subrecipient violates any undertaking in the agreement required by subparagraphs (3) and (4), and the subrecipient shall refund to the recipient the value of any assistance furnished under this grant that is used to perform or actively promote abortion as a method of family planning.

(vi) The subrecipient may furnish assistance under this grant to another foreign nongovernmental organization (the sub-subrecipient) only if (A) the sub-subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in AID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities and (B) the subrecipient obtains the written agreement of the sub-subrecipient that contains the same undertakings and obligations to the subrecipient as those provided by the subrecipient to the recipient as described in subparagraphs (4)(i)-(v), above.

(5) Agreements with subrecipients and sub-subrecipients required under subparagraphs (3) and (4) shall contain the definitions set forth in subparagraph (10) of this paragraph (d).

(6) The recipient shall be liable to AID for a refund for a violation of any requirement of this paragraph (d) only if (i) the recipient knowingly furnishes assistance to a subrecipient which performs or actively promotes abortion as a method of family planning, or (ii) the certification provided by a subrecipient is false and the recipient failed to make reasonable efforts to verify the validity of the certification prior to furnishing assistance to the subrecipient, or (iii) the recipient knows or has reason to know, by virtue of the monitoring which the recipient is required to perform under the terms of this grant, that a subrecipient has violated any of the undertakings required under subparagraph (4) and the recipient fails to terminate assistance to the subrecipient, or fails to require the subrecipient to terminate assistance to a sub-subrecipient which violates any undertaking of the agreement required under subparagraph (4)(vi), above. If the recipient finds, in exercising its monitoring responsibility under this grant, that a subrecipient or sub-subrecipient receives frequent requests for the information described in subparagraph (10)(iii)(A)(II), below, the recipient shall verify that this information is being provided properly in accordance with subparagraph (10)(iii)(A)(II) and shall describe to AID the reasons for reaching its conclusion.

(7) In submitting a request to AID for approval of a recipient's decision to furnish assistance to a subrecipient, the recipient shall include a description of the efforts made by the recipient to verify the validity of the certification provided by the subrecipient. AID may request the recipient to make additional efforts to verify the validity of the certification. AID will inform the recipient in writing when AID is satisfied that reasonable efforts have been made. If AID concludes that these efforts are reasonable within the meaning of subparagraph (6) above, the recipient shall not be liable to AID for a refund in the event the subrecipient's certification is false unless the recipient knew the certification to be false or misrepresented to AID the efforts made by the recipient to verify the validity of the certification.

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

(9) A subrecipient must provide the certification required under subparagraph (3) and a sub-subrecipient must provide the certification required under subparagraph (4)(vi) each time a new agreement is executed with the subrecipient or sub-subrecipient furnishing assistance under the grant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

written justification to AID therefor, that the family planning activities of the organizations are sufficiently distinct as to warrant not imputing the activity of one to the other.

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

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

SAMPLE FORMAT SCHEDULE
FOR PVO SUBGRANTS

A. Purpose of Subgrant

The purpose of this Subgrant is to provide support for (state title of program or project), as more specifically described in Attachment 2 to this Subgrant entitled "Program Description."

B. Period of Grant

1. The effective date of this Subgrant is _____.
The expiration date of this Subgrant is _____.

C. Amount of Subgrant and Payment

1. NTF hereby obligates the amount of \$ _____ for purposes of this Subgrant.
2. Payment shall be made to the Subgrantee in accordance with procedures set forth in Attachment 3 - Standard Provision _____, entitled "Payment _____." (Select a method of payment in accordance with the applicability requirements set forth in the Standard Provisions, i.e., advance payment, or reimbursement.)

D. Budget

(The items included in the Budget, including local cost financing items, should relate to the activities or functions described in Attachment 2 - Program Description, and should not be set up on the basis of cost element line items.

The following is the Budget for this Subgrant, including local cost financing items, if authorized. Revisions to this Budget shall be made in accordance with Standard Provision of this Subgrant, entitled "Revision of Budget".

Cost Element (by activity or function except as shown)	Obligated Amount *		Estimated Additional *		Total Estimated	
	From**	to**	From**	to**	From**	to**
	<u>U.S.\$</u>	<u>Local Currency</u>	<u>U.S.\$</u>	<u>Local Currency</u>	<u>U.S.\$</u>	<u>Local Currency</u>
1.						
2.						
3.						
4. Training						
5. Procurement						
6. Indirect Costs (overhead						
Total \$						

E. Reporting and Evaluation (if applicable)

(Describe both fiscal and technical reporting requirements and evaluation criteria and schedules. See paragraph 1M, "Financial Reporting Requirements," and 1N, "Monitoring and Reporting Program Performance," of Handbook 13, Grants. Specify the address to which each report is to be delivered.)

F. Special Provision

1. (Use this paragraph to delete inapplicable Standard Provisions and to add provisions of special applicability as authorized. Included should be waivers, including authorized local cost financing, and any alterations to the Standard Provisions which have been approved as deviations for the specific subgrant or grant program.)
2. Where the Standard Provisions specify AID, delete the reference and substitute therefore NTF.

G. Overhead Rate (if applicable)

(Set forth the applicable overhead rate(s), base(s) on which they apply, and the Subgrantee's accounting period(s) they cover, as provided in the appropriate Standard Provision.)

H. Title to Property (if applicable)

(Specify to whom title will vest for property, by category if appropriate.)

I. Authorized Geographic Code

(For grants having a procurement element greater than \$250,000, add the following:)

The authorized geographic code for procurement of goods and services under this grant is _____.

Attachments: Mandatory Standard Provisions for Non-U.S. Nongovernmental Grantees and Optional Standard Provisions for Non-U.S. Nongovernmental Grantees (Forms AID 1420-53 and -54 dated 1/85).

**MANDATORY STANDARD PROVISIONS FOR
NON-U.S., NONGOVERNMENTAL GRANTEEES¹
INDEX OF
MANDATORY STANDARD PROVISIONS**

- | | |
|----------------------------------|---|
| 1. Allowable Costs | 8. Nondiscrimination in Federally Assisted Programs |
| 2. Accounting, Audit and Records | 9. U.S. Officials Not to Benefit |
| 3. Refunds | 10. Covenant Against Contingent Fees |
| 4. Revision of Grant Budget | 11. Nonliability |
| 5. Termination and Suspension | 12. Amendments |
| 6. Disputes | 13. Notices |
| 7. Ineligible Countries | |

¹ The following standard provisions are mandatory for use in all grants with non-U.S., nongovernmental organizations. When these Standard Provisions are used for cooperative agreements, the following terms apply:

- “Grantee” means “Recipient,”
- “Grant” means “Cooperative Agreement,” and
- “AID Grant Officer” means “AID Agreement Officer.”

1. ALLOWABLE COSTS (NOVEMBER 1984)

The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant and the cost principles (hereinafter referred to as “applicable cost principles”) in effect on the date of this grant, which are attached.²

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

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

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

(d) Unallowable costs, direct or indirect, include but are not limited to the following examples: Advertising, bad debts, contingencies, entertainment, fines and penalties, interest, fund raising, investment management costs, losses on other awards, taxes, first class air fare unless specifically approved, certain relocation costs, and professional service costs incurred in connection with litigation against the U.S. Government, and organization or reorganization costs. Additionally, public information service costs are unallowable as indirect costs. The applicable cost principles do authorize some of the above listed unallowable costs in appropriate circumstances. Prior to incurring a questionable or unique cost, the grantee should obtain the grant officer’s written determination as to whether the cost will be allowable.

*NOTE: OMB Circular A-21 shall apply to universities.

OMB Circular A-122 shall apply to all other non-profits.

2. ACCOUNTING, AUDIT, AND RECORDS (NOVEMBER 1984)

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

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

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

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

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

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

(b) The grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives (1) until the expiration of three years from the date of termination of the grant and (2) for such longer period, if any, as is required to complete an audit to resolve all questions concerning expenditures unless written approval has been obtained from the grant officer to dispose of the records. AID follows generally accepted accounting principles and auditing standards in determining that there has been proper accounting and use of grant funds. The grantee agrees to make available any further information requested by AID with respect to any questions arising as a result of the audit.

(c) The grantee shall require subgrantees to adopt the standards in paragraph (b) above.

3. REFUNDS (NOVEMBER 1984)

(a) If use of the AID funds results in accrual of interest to the grantee or to any other person to whom the grantee makes AID funds available, the grantee shall refund to AID the amount of interest accrued.

(b) Funds obligated by AID but not disbursed to the grantee at the time the grant expires or is terminated shall revert to AID, except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant. Any funds 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. REVISION OF GRANT BUDGET (NOVEMBER 1984)

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

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

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

(2) Additional funding is needed.

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

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

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

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

5. TERMINATION AND SUSPENSION (NOVEMBER 1984)

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

(d) *Suspension: Termination for Changed Circumstances.* If at any time AID determines that continuation

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

6. DISPUTES (NOVEMBER 1984)

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

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

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

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

7. INELIGIBLE COUNTRIES (NOVEMBER 1984)

Unless otherwise approved by the AID grant officer, no 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.

8. NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS (NOVEMBER 1984)

No person in the United States, consistent with the laws of 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 funded

by this grant on the basis of race, color, national origin, age, handicap, or sex.

9. U.S. OFFICIALS NOT TO BENEFIT (NOVEMBER 1984)

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.

10. COVENANT AGAINST CONTINGENT FEES (NOVEMBER 1984)

The grantee certifies 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 certification, AID shall have the right to cancel this grant without liability or, to deduct from the grant amount, or otherwise recover, the full amount of each commission, percentage, brokerage, or contingent fee.

11. NONLIABILITY (NOVEMBER 1984)

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

12. AMENDMENT (NOVEMBER 1984)

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

13. NOTICES (NOVEMBER 1984)

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

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

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

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

**MANDATORY STANDARD PROVISIONS FOR
NON-U.S., NONGOVERNMENTAL GRANTEES¹
INDEX OF
MANDATORY STANDARD PROVISIONS**

- | | |
|----------------------------------|---|
| 1. Allowable Costs | 8. Nondiscrimination in Federally Assisted Programs |
| 2. Accounting, Audit and Records | 9. U.S. Officials Not to Benefit |
| 3. Refunds | 10. Covenant Against Contingent Fees |
| 4. Revision of Grant Budget | 11. Nonliability |
| 5. Termination and Suspension | 12. Amendments |
| 6. Disputes | 13. Notices |
| 7. Ineligible Countries | |

¹ The following standard provisions are mandatory for use in all grants with non-U.S., nongovernmental organizations. When these Standard Provisions are used for cooperative agreements, the following terms apply:

- “Grantee” means “Recipient,”
- “Grant” means “Cooperative Agreement,” and
- “AID Grant Officer” means “AID Agreement Officer.”

1. ALLOWABLE COSTS (NOVEMBER 1984)

The grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by the grant officer to be reasonable, allocable, and allowable in accordance with the terms of this grant and the cost principles (hereinafter referred to as “applicable cost principles”) in effect on the date of this grant, which are attached.¹

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

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

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

(d) Unallowable costs, direct or indirect, include but are not limited to the following examples: Advertising, bad debts, contingencies, entertainment, fines and penalties, interest, fund raising, investment management costs, losses on other awards, taxes, first class air fare unless specifically approved, certain relocation costs, and professional service costs incurred in connection with litigation against the U. S. Government, and organization or reorganization costs. Additionally, public information service costs are unallowable as indirect costs. The applicable cost principles do authorize some of the above listed unallowable costs in appropriate circumstances. Prior to incurring a questionable or unique cost, the grantee should obtain the grant officer’s written determination as to whether the cost will be allowable.

*NOTE: OMB Circular A-21 shall apply to universities.

OMB Circular A-122 shall apply to all other non-profits.

AID 1420-53 (1-85)

2. ACCOUNTING, AUDIT, AND RECORDS (NOVEMBER 1984)

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

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

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

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

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

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

(b) The grantee shall preserve and make available such records for examination and audit by AID and the Comptroller General of the United States, or their authorized representatives (1) until the expiration of three years from the date of termination of the grant and (2) for such longer period, if any, as is required to complete an audit to resolve all questions concerning expenditures unless written approval has been obtained from the grant officer to dispose of the records. AID follows generally accepted accounting principles and auditing standards in determining that there has been proper accounting and use of grant funds. The grantee agrees to make available any further information requested by AID with respect to any questions arising as a result of the audit.

(c) The grantee shall require subgrantees to adopt the standards in paragraph (b) above.

3. REFUNDS (NOVEMBER 1984)

(a) If use of the AID funds results in accrual of interest to the grantee or to any other person to whom the grantee makes AID funds available, the grantee shall refund to AID the amount of interest accrued.

(b) Funds obligated by AID but not disbursed to the grantee at the time the grant expires or is terminated shall revert to AID, except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant. Any funds 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. REVISION OF GRANT BUDGET (NOVEMBER 1984)

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

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

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

(2) Additional funding is needed.

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

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

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

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

5. TERMINATION AND SUSPENSION (NOVEMBER 1984)

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

(d) *Suspension: Termination for Changed Circumstances.* If at any time AID determines that continuation

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

6. DISPUTES (NOVEMBER 1984)

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

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

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

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

7. INELIGIBLE COUNTRIES (NOVEMBER 1984)

Unless otherwise approved by the AID grant officer, no 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.

8. NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS (NOVEMBER 1984)

No person in the United States, consistent with the laws of 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 funded

by this grant on the basis of race, color, national origin, age, handicap, or sex.

9. U.S. OFFICIALS NOT TO BENEFIT (NOVEMBER 1984)

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.

10. COVENANT AGAINST CONTINGENT FEES (NOVEMBER 1984)

The grantee certifies 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 certification, AID shall have the right to cancel this grant without liability or, to deduct from the grant amount, or otherwise recover, the full amount of each commission, percentage, brokerage, or contingent fee.

11. NONLIABILITY (NOVEMBER 1984)

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

12. AMENDMENT (NOVEMBER 1984)

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

13. NOTICES (NOVEMBER 1984)

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

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

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

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

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

The standard provisions contained in this Form are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision as set forth below. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with Paragraph 1E of Chapter 1 of Handbook 13. *Each grant is required to have a payment provision.* Since not all of the standard provisions will be used in each grant, the standard provisions selected should be numbered to follow consecutively with the mandatory standard provisions contained in AID 1420-53.

INDEX OF OPTIONAL STANDARD PROVISIONS

1. Payment—Periodic Advance	AID 1420-54A
2. Payment—Cost Reimbursement	AID 1420-54B
3. Air Travel and Transportation	AID 1420-54C
4. Ocean Shipment of Goods	AID 1420-54D
5. Procurement of Goods and Services	AID 1420-54E
6. Ineligible and Restricted Goods and Services	AID 1420-54E
7. Subagreements	AID 1420-54F
8. Local Cost Financing with U.S. Dollars	AID 1420-54G
9. Publications	AID 1420-54H
10. Patent Rights	AID 1420-54I
11. Regulations Governing Employees	AID 1420-54J
12. Participant Training	AID 1420-54K
13. Voluntary Population Planning	AID 1420-54L
14. Protection of the Individual as a Research Subject	AID 1420-54M
15. Negotiated Overhead Rates—Provisional	AID 1420-54N
16. Government Furnished Excess Personal Property	AID 1420-54O
17. Title To and Use of Property (Grantee Title)	AID 1420-54P
18. Title To and Care of Property (U.S. Government)	AID 1420-54Q
19. Title To and Care of Property (Cooperating Country Title)	AID 1420-54R
20. Cost Sharing	AID 1420-54S

PAYMENT—PERIODIC ADVANCE (NOVEMBER 1984)

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

(a) AID funds shall not be commingled with other grantee owned or controlled funds. The grantee shall deposit all AID cash advances in a separate bank account and shall make all disbursements for goods and services from this account.

(b) Each quarter, after the initial cash advance, the grantee shall submit to the AID Controller, identified in the schedule, voucher SF 1034 (original) and SF 1034-A (three copies), entitled "Public Voucher for Purchases and Services Other Than Personal", copies of which are attached.

(c) Each Voucher shall be identified by the appropriate grant number and shall be accompanied by an original and three copies of a report in the following format:

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

A. Period covered by this report:
FROM (Month, day, year) _____
TO (Month, day, year) _____
Period covered by the next report
FROM (Month, day, year) _____
TO (Month, day, year) _____

B. Cash Advance Use and Needs:

1. Cash advance on hand at the beginning of this reporting period	\$ _____
2. U.S. Treasury check advance(s) received during this reporting period	\$ _____
3. Interest earned on cash advance during this reporting period	\$ _____
4. GROSS cash advance available during this reporting period (Lines 1, 2, & 3)	\$ _____
5. LESS, interest remitted to AID during this reporting period	\$ _____

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

FOOTNOTES:

1. The grantee shall submit a cumulative detailed report of disbursements by BUDGET Line item quarterly.
2. The grantee shall attach a Summary, by BUDGET line item, of its projected disbursements for the next reporting period.

C. Certification:

The undersigned hereby certifies: (1) that the amount in paragraph B.9 above represents the best estimate of funds needed for the disbursements to be incurred over the period described, (2) that appropriate refund or credit to the grant will be made in the event of disallowance in accordance with the terms of the grant, (3) that appropriate refund or credit to the grant will be made in the event funds are not expended, and (4) that any interest accrued on the funds made available herein will be refunded to AID.

DATE _____ BY _____
TITLE _____

92

**PAYMENT - COST REIMBURSEMENT
(NOVEMBER 1984)**

(This provision is applicable to grants for construction or to grants not qualified to receive periodic advances.)

(a) The grantee shall submit to the AID Controller an original and 3 copies of SF 1034, "Public Voucher for

Purchases and Services Other Than Personal" and SF 1034A, Continuation of SF 1034, on a monthly basis and in no event no later than on a quarterly basis. Each voucher shall be identified by the grant number and shall state the total costs for which reimbursement is being requested.

(b) Copies of SF 1034 and SF 1034A are attached.

AIR TRAVEL AND TRANSPORTATION (NOVEMBER 1984)

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

(a) The grantee is required to present to the project officer for written approval an itinerary for each planned international trip financed by this grant, which shows the name of the traveler, purpose of the trip, origin/destination (and intervening stops), and dates of travel, as far in advance of the proposed travel as possible, but in no event less than three weeks before travel is planned to commence. At least one week prior to commencement of approved international travel, the grantee shall notify the cognizant mission, with a copy to the project officer, of planned travel, identifying the travelers and the dates and times of arrival.

(b) Travel to certain countries shall, at AID's option, be funded from U.S. -owned local currency. When AID intends to exercise this option, AID will, after receipt of advice of intent to travel required above, either issue a Government Transportation Request (GTR) which the grantee may exchange for tickets, or AID will issue the tickets directly. Use of such U.S. -owned currencies will constitute a dollar charge to this grant.

(c) All air travel and shipments under this grant are required to be made on United States flag air carriers to the extent service by such carriers is available. A U.S. flag air carrier is defined as an air carrier which has a certificate of public convenience and necessity issued by the U.S. Civil Aeronautics Board authorizing operations between the United States and/or its territories and one or more foreign countries.

(d) Use of foreign air carrier service may be deemed necessary if a U.S. flag air carrier cannot provide the foreign air transportation needed, or if use of such service will not accomplish the agency's mission. Travel and transportation on non-free world air carriers are not reimbursable under this grant.

(e) U.S. flag air carrier service is considered available even though:

(1) Comparable or a different kind of service can be provided at less cost by a foreign air carrier;

(2) Foreign air carrier service is preferred by or is more convenient for the agency or traveler; or

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

(f) Except as provided in paragraph (b) of this section, U.S. flag air carrier service must be used for all Government-financed commercial foreign air travel if

service provided by such carriers is available. In determining availability of a U.S. flag air carrier, the following scheduling principles should be followed unless their application results in the last or first leg of travel to or from the United States being performed by a foreign air carrier:

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

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

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

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

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

(2) Where the gateway airport abroad is an interchange point, and the use of U.S. flag air carrier service would require the traveler to wait six hours or more to make connections at that point, or delayed departure from or accelerated arrival at the gateway airport in the United States would extend the time in a travel status by at least six hours more than travel by foreign air carrier.

(h) For travel between two points outside the United States the rules in paragraphs (d) through (f) of this section will be applicable, but passenger service by U.S. flag air carrier will not be considered to be reasonably available:

(1) If travel by foreign air carrier would eliminate two or more aircraft changes enroute;

(2) Where one of the two points abroad is the gateway airport (as defined in paragraph (g) of this section) enroute to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign

air carrier including accelerated arrival at the overseas destination or delayed departure from the overseas origin as well as delay at the gateway airport or other interchange point abroad; or

(3) Where the travel is not part of a trip to or from the United States, if the use of a U.S. flag air carrier would extend the time in a travel status by at least six hours more than travel by foreign air carrier including delay at origin, delay enroute and accelerated arrival at destination.

(i) When travel under either paragraph (g) or (h) of this section involves three hours or less between origin and destination by a foreign air carrier, U.S. flag air carrier service will not be considered available when it involves twice such travel time or more.

(j) Nothing in the above guidelines shall preclude and no penalty shall attend the use of a foreign air carrier which provides transportation under an air transport agreement between the United States and a foreign government, the terms of which are consistent with the international aviation policy goals set forth at 49 U.S.C. 1502 (b) and provide reciprocal rights and benefits.

(k) Where U.S. Government funds are used to reimburse the grantee's use of other than U.S. 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 certificated air carrier was unavailable for the following reason(s): state appropriate reason(s) as set forth above.

(l) *International Travel*

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

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

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

OCEAN SHIPMENT OF GOODS (NOVEMBER 1984)

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

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

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

(c) When U.S. flag vessels are not available, or their use would result in a significant delay, the grantee may

request a determination of non-availability from the AID Transportation Support Division, Office of Commodity Management, Washington, D.C. 20523, giving the basis for the request which will relieve the grantee of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this grant.

(d) Vouchers submitted for reimbursement which include ocean shipment costs shall contain a certification essentially as follows:

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

PROCUREMENT OF GOODS AND SERVICES (NOVEMBER 1984)

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

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

(a) General Requirements:

(1) The recipient shall maintain a code of standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using AID funds. No employee, officer or agent shall participate in the selection, award or administration of a contract in which AID funds are used, where, to his/her knowledge, he/she or his/her immediate family, partners, or organization in which he/she or his/her immediate family or partners has a financial interest or with whom he/she is negotiating or has any arrangement concerning prospective employment. The recipients' officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the recipients' officers, employees or agents.

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

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

(i) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary or duplicative items. Where appropriate, an analysis shall be made of lease and purchase alternatives

to determine which would be the most economical practical procurement. Such an analysis shall not be required for motor vehicles.

(ii) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition. "Brand-name or equal" descriptions may be used as a means to define the performance or other salient requirements of a procurement and when so used the specific features of the named brand which must be met by bidders/offerors shall be clearly specified.

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

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

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

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

(iv) The type of procuring instruments used, e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the recipient but must be appropriate for the particular procurement and for promoting the best interest of the program involved. The "cost-plus-a-percentage-of-cost" method of contracting shall not be used.

(v) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

(vi) All proposed sole source contracts or where only one bid or proposal is received in which the aggregate

expenditure is expected to exceed \$5,000 shall be subject to prior approval by an appropriate official within the grantee's organization.

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

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

(A) Basis for contractor selection;

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

(C) Basis for award cost or price.

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

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

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

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

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

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

be advised as to the source of additional information regarding these matters.

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

INELIGIBLE AND RESTRICTED GOODS AND SERVICES (NOVEMBER 1984)

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

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

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

(i) Military equipment.

(ii) Surveillance equipment.

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

(iv) Abortion equipment and services.

(v) Luxury goods and gambling equipment, or

(vi) Weather modification equipment.

(2) *Ineligible Suppliers:* Funds provided under this grant shall not be used to procure any 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 under this grant. AID will provide the grantee with this list.

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

(i) Agricultural commodities.

(ii) Motor vehicles.

(iii) Pharmaceuticals.

(iv) Pesticides.

(v) Rubber compounding chemicals and plasticizers.

(vi) Used equipment.

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

(viii) Fertilizer.

(b) *Source, Origin, and Nationality*: The eligibility of the source, origin, and nationality of the goods and services is divided into the following categories of under and over \$250,000 for the total procurement element during the life of the grant. The total procurement element includes procurement of all goods (e.g. equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the grant officer. AID policies on source, origin, and nationality are contained in Chapters 4 and 5 of AID Handbook 1, Supplement B, (Procurement Policies).

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

(i) All goods and services, the costs of which are to be reimbursed under this grant and which will be financed with 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:

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

(B) The Cooperating Country,

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

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

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

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

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

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

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

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

(2) When the total procurement element exceeds \$250,000, the following rule applies: Except as may be

specifically approved or directed in advance by the grant officer, all goods and services, which will be reimbursed under this grant and financed with 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 as specified in the Schedule of this grant.

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

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

e. *Printed or Audio-Visual Teaching Materials*: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by AID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources, in order of preference:

(1) Code 000, United States,

(2) The Cooperating Country,

(3) Code 941, Selected Free World,

(4) Code 899, Free World.

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

SUBAGREEMENTS (NOVEMBER 1984)

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

All subagreements shall as a minimum contain the following provisions as well as any that are specifically required by any other provision in this grant. Whenever a provision within this grant is required to be inserted in a subagreement, the grantee shall insert a statement in the subagreement that in all instances where the U.S. Government is mentioned, the grantee's name will be substituted.

(a) Subagreements in excess of \$10,000 shall contain provisions or conditions that will allow for administrative or legal remedies in instances where subrecipients violate subagreement terms and provide for such remedial action as may be appropriate.

(b) All subagreements in excess of \$10,000 shall contain suitable provisions for termination by the recipient including the manner by which the termination will be effected and the basis for settlement. In addition, such subagreements shall describe conditions under which the subagreement may be terminated for default as well as conditions where the subagreement may be terminated

because of circumstances beyond the control of the subrecipient.

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

(d) All subagreements over \$10,000 issued by recipients shall include a provision to the effect that the recipient, AID, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the subrecipient which are directly pertinent to the specific program for the purpose of making audits, examinations, excerpts and transcriptions.

LOCAL COST FINANCING WITH U.S. DOLLARS (NOVEMBER 1984)

(This Provision is applicable when local financing is authorized under the grant and must be used in conjunction with the provisions entitled "Procurement of Goods and Services" and "Ineligible and Restricted Goods and Services".)

(a) Local cost financing is the use of appropriated U.S. dollars to finance the procurement of goods and services paid for with local currency in the cooperating country for furtherance of grant purposes. 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 restrictions listed in the grant provisions entitled "Procurement of Goods and

Services" and "Ineligible and Restricted Goods and Services."

(c) 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 Chapter 5 of AID Handbook 1, Supplement B.

(d) Unless otherwise specifically authorized, the policies in Chapter 18 of AID Handbook 1, Supplement B are applicable to all local cost financing.

PUBLICATIONS (NOVEMBER 1984)

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

(a) If it is the grantee's intention to identify AID's contribution to any publication resulting from this grant, the grantee shall consult with AID on the nature of the acknowledgement prior to publication.

(b) The grantee shall provide the AID project officer with one copy of all published works developed under this grant and with lists of other written work produced under the grant.

(c) In the event grant funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the grant.

(d) Except as otherwise provided in the terms and conditions of the grant, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this grant, but AID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for Government purposes.

PATENT RIGHTS (NOVEMBER 1984)

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

(a) *Definitions.*

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

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

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

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

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

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

(b) *Allocation of Principal Rights.*

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

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

(1) The recipient shall disclose each subject invention to AID within two months after the inventor discloses it in writing to recipient personnel responsible for patent matters. The disclosure to AID shall be in the form of a written report and shall identify the agreement under which the invention was made and the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any

publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to AID the recipient shall promptly notify AID of the acceptance of any manuscript describing the invention for publication or of any on sale or public use planned by the recipient.

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

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

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

(d) *Conditions When the Government May Obtain Title.*

The recipient shall convey to AID upon written request, title to any subject invention:

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

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

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

(e) *Minimum Rights to Recipient.*

(1) The recipient shall retain a nonexclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title except if the

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

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

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

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

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

(2) The recipient agrees to require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the recipient each subject invention made under agreement in order that the

recipient can comply with the disclosure provisions of paragraph c. above, and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject inventions. This disclosure format should require, as a minimum, the information required by c. (1) above. The recipient shall instruct such employees through employee agreements or other suitable educational programs on the importance of reporting inventions in sufficient time to permit the filing of patent application prior to U.S. or foreign statutory bars.

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

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

(g) Subagreements and Contracts.

The recipient shall include this clause suitably modified to identify the parties, in all subagreements and contracts, regardless of tier, for experimental, developmental or research work to be performed by a small business firm or nonprofit organization. The subrecipient or contractor shall retain all rights provided for the recipient in this clause, and the recipient shall not, as part of the consideration for awarding the contract or subagreement obtain rights in the contractor's or subrecipient's subject inventions.

(h) Reporting Utilization of Subject Inventions.

The recipient agrees to submit on request periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the recipient or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the recipient, and such other data and information as AID may reasonably specify. The recipient also agrees to provide additional reports as may be requested by AID in connection with any march-in proceedings undertaken by AID in accordance with paragraph j. of this provision. To the extent data or information supplied under this section is considered by the recipient, its licensee or assignee to be privileged and confidential and is so marked, AID agrees that, to the extent permitted by law, it shall not disclose such information to persons outside the Government.

(i) *Preference for United States Industry.*

Notwithstanding any other provision of this clause, the recipient agrees that neither it nor any assignee will grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention shall be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by AID upon a showing by the recipient or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances manufacture in the United States is not commercially feasible.

(j) *March-in Rights*

The recipient agrees that with respect to any subject invention in which it has acquired title, AID has the right in accordance with the procedures in OMB Circular A-124 to require the recipient, an assignee or exclusive licensee of a subject invention to grant a non-exclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the recipient, assignee, or exclusive licensee refuses such a request, AID has the right to grant such a license itself if AID determines that:

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

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

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

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

(k) *Special Provisions for Agreements with Nonprofit Organizations.*

If the recipient is a nonprofit organization, it agrees that:

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

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

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

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

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

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

(l) *Communications.*

Communications concerning this provision shall be addressed to the grant officer at the address shown on the face of this agreement.

**REGULATIONS GOVERNING EMPLOYEES
(NOVEMBER 1984)**

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

(a) The grantee's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this grant.

(b) The sale of personal property or automobiles by grantee employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire AID personnel employed by the Mission except as this may conflict with host government regulations.

(c) Other than work to be performed under this grant for which an employee or consultant is assigned by the grantee, no employee or consultant of the grantee shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in

any business, profession or occupation in the foreign countries to which the individual is assigned.

(d) The grantee's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.

(e) In the event the conduct of any grantee employee is not accordance with the preceeding paragraphs, the grantee's chief of party shall consult with the AID Mission Director and the employee involved and shall recommend to the grantee a course of action with regard to such employee.

(f) The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this grant of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.

(g) If it is determined, under either (e) or (f) above, that the services of such employee shall be terminated, the grantee shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

PARTICIPANT TRAINING (NOVEMBER 1984)

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

(a) Definitions:

(1) Participant training is the training of any non-U.S. individual outside of his or her home country using AID funds or under AID sponsorship.

(2) A participant is any non-U.S. individual being trained under this grant outside of his or her home country.

(b) Application of Handbook 10:

Participant training under this grant is to be conducted according to the policies established in AID Handbook 10, *Participant Training*, except to the extent that specific exception to Handbook 10 have been provided in this grant with the concurrence of the Office of International Training. (Handbook 10 may be obtained by submitting a request to the grant officer.) The following provisions summarized from Handbook 10, however, may not be excluded from any grant.

(c) Participant Training Information System:

All grantees shall ensure that participants trained in the United States or in a third country are included in the Agency's Participant Training Information System.

For participants trained in the United States, data is submitted by means of the form AID 1381-4, "Participant Data Form", simultaneously with enrollment in the Health and Accident Coverage Program (see Section (f) below). For participants trained in third countries, grantees shall submit to the grant officer only the top white sheet of the Participant Data Form (and blue copies if subsequent changes in the participant's training program are made). Copies of the Participant Data Form may be obtained from the grant officer. The grant officer will submit the completed forms to the Office of International Training (S&T/IT), Washington, D.C. 20523.

(d) Visa Requirements For Training Within The United States

(1) Under the authority of Section 635(f) of the Foreign Assistance Act, AID-sponsored participants are admitted to the United States under the Department of State/UISA Exchange Visitor Program and are issued J-1 visas. The program identification number is G-2-0263.

(2) J-1 visas are issued by the U.S. Embassy or consulate for AID-sponsored participants upon submission by the participant of form IAP-66A which may be obtained only from the AID Mission.

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

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

(e) Maintenance and Other Allowances:

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

(f) Health and Accident Coverage (HAC) Program For Training Within The United States

The grantee shall enroll all participants training in the United States in AID's HAC Program.

(1) The HAC Program enables the participant, or the provider of medical services, to submit bills for medical costs resulting from illness and accident to the HAC Claims Office which pays all reasonable and necessary medical charges for covered services not otherwise covered by other insurance programs (see paragraph 5 below), in accordance with the standard coverage established by AID under the HAC Program.

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

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

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

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

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

107*

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

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

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

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

(g) Participant Counseling For Training Within The United States.

Problems involving participants such as serious physical or emotional illness, accident or injury, arrest, death, the voluntary or involuntary early termination of a program,

and the refusal of a participant to return to the home country upon completion of the program should be referred to the AID Participant Counselor at the Office of International Training.

The Counselor can be reached by calling the Office of International Training during workdays and the AID Duty Officer (202-632-1512) at other times. In referring cases, give the Counselor the name, country, and current location of the participant as well as a brief description of the problem with names and telephone numbers of hospitals, physicians, attorneys, etc. following verbal referral, the participant's name, home address, and next of kin, and location of training should be sent to the grant officer, who will transmit the information to the S&T/IT Counselor.

(h) Orientation:

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

VOLUNTARY POPULATION PLANNING (NOVEMBER 1984)

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

(a) Voluntary Participation

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

(b) Prohibition on Abortion-Related Activities

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

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

(c) Voluntary Participation Requirements For Sterilization Programs

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

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

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

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

(d) The grantee shall insert this provision in all subsequent subgrants and contracts involving family planning or population activities which will be supported in whole or part from funds under this grant.

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

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

(a) Safeguarding the rights and welfare of human subjects involved in research supported by AID is the responsibility of the organization to which support is awarded. It is the policy of AID that no work shall be initiated under any grant for the support of research involving human subjects unless the research is given initial and continuing review and approval by an appropriate committee of the applicant organization. This review shall assure that (1) the rights and welfare of the individuals involved are adequately protected, (2) the methods used to obtain informed consent are adequate and appropriate, and (3) the risks and potential medical benefits of the investigation are assessed.

(b) The organization must provide written assurance to AID that it will abide by this policy for all research involving human subjects supported by AID. This assurance shall consist of a written statement of compliance with the requirements regarding initial and continuing review of research involving human subjects and a description of the organization's review committee structure, its review procedures, and the facilities and personnel available to protect the health and safety of human

subjects. In addition to providing the assurance, the organization must also certify to AID for each proposal involving human subjects that its committee has reviewed and approved the proposed research before any work may be initiated.

(c) Since the welfare of the subject individual is a matter of concern to AID as well as to the organization; AID advisory groups, consultants, and staff may independently review all research involving human subjects, and prohibit research which presents unacceptable hazards. This provision, however, shall not derogate in any manner from the responsibility of the organization set forth herein.

(d) All of the above provisions apply to any research involving human subjects conducted outside of the United States and, in addition, such overseas research will conform to legal and other requirements governing human research in the country where they are conducted.

(e) In addition to the procedures set forth above, studies with unmarketed drugs will be carried out in accordance with provisions applicable in the country where the study is conducted.

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

**NEGOTIATED OVERHEAD RATES—
PROVISIONAL (NOVEMBER 1984)**

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

(a) An overhead rate shall be established for each of the grantee's accounting periods during the term of this grant. Pending establishment of a final rate, provisional overhead payments shall be at the rate(s), on the base(s), and for the period(s) shown in the Schedule of this grant.

(b) The grantee, not later than 6 months after the close of each of its accounting periods during the term of this grant, shall submit to the grant officer a proposed final rate(s) for the period, together with supporting cost data. Negotiation of final overhead rate(s) by the grantee and the grant officer shall be undertaken as promptly as practicable after receipt of the grantee's proposal.

(c) The results of each negotiation shall be set forth in an amendment to the grant and shall specify (1) the agreed upon final rate(s), (2) the base(s) to which the rate(s) apply, and (3) the period for which the rates apply. The overhead rate amendment shall not change any monetary ceiling, grant obligation, or specific cost allowance or disallowance provided for in this grant.

(d) To prevent substantial over or under payment, the provisional or billing rates may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rates provided in this provision shall be set forth in an amendment to this grant.

(e) Any failure by the parties to agree on any final rate(s) under this provision shall be considered a dispute within the meaning of the standard provision of the grant, entitled "Disputes".

**GOVERNMENT FURNISHED EXCESS PERSONAL
PROPERTY (NOVEMBER 1984)**

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

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

TITLE TO AND USE OF PROPERTY (GRANTEE TITLE) (NOVEMBER 1984)

(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, subagreement, contract, or subcontract.

(b) The grantee agrees to use and maintain the property for the purposes of the grant in accordance with the requirements of paragraph 1T of Chapter 1 of 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 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.

113

**TITLE TO AND CARE OF PROPERTY
(U.S. GOVERNMENT) (NOVEMBER 1984)**

(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 personality by reason of affixation to any realty.

(b) Use of Government Property

Government property shall, unless otherwise provided herein or approved by the grant officer, be used only for the performance of this grant.

(c) Control, Maintenance and Repair of Government Property

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

The grantee shall submit, for review and written approval of the grant officer, a records system for property control and a program for orderly maintenance of Government property; however, if the grantee's property control and maintenance system has been reviewed and approved by another Federal department or agency pursuant to Attachment N of OMB Circular No. A-110 (see paragraph 1T of Chapter 1, Handbook 13), the grantee shall furnish the grant officer proof of such approval in lieu of another approval submission.

(1) Property Control

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

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

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

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

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

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

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

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 consistent with sound business practice, the terms of the grant, and provide for:

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

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

(iii) recording of work accomplished under the program.

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

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

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

114 X

on the part of any of its directors, officers, or other representatives mentioned in (i) above:

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

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

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

(iv) Which results from a risk expressly required to be insured under some other provision of this grant, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; 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 to 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 suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.

(e) *Access*

The Government, and any persons designated by it, shall at all reasonable times have access to the premises wherein any Government property is located, for the purpose of inspecting the Government property.

(f) *Final Accounting and Disposition of Government Property*

Upon completion of this grant, or at such earlier dates, as may be fixed by the grant officer, the grantee shall submit, in a form acceptable to the grant officer, inventory schedules covering all items of Government property not consumed in the performance of this grant or not theretofore delivered to the Government, and shall prepare, deliver, or make such other 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.

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

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

(a) Except as modified by the Schedule of this grant, title to all equipment, materials and supplies, the cost of which is reimbursable to the grantee by AID or by the cooperating country, shall at all times be in the name of the cooperating country or such public or private agency as the cooperating Government may designate, unless title to specified types or classes of equipment is reserved to AID under provisions set forth in the Schedule of this grant; but all such property shall be under the custody and control of grantee until the owner of title directs otherwise or completion of work under this grant or its termination, at which time custody and control shall be

turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.

(b) The grantee shall prepare and establish a program, to be approved by the Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The grantee shall be guided by the requirements of paragraph 1T of Chapter 1, *Handbook 13*.

(c) Within 90 days after completion of this grant, or at such other date as may be fixed by the grant officer, the grantee shall submit an inventory schedule covering all items of equipment, materials and supplies under the grantee's custody, title to which is in the cooperating country of public or private agency designated by the cooperating country, which have not been consumed in the performance of this grant. The grantee shall also indicate what disposition has been made of such property.

COST SHARING (NOVEMBER 1984)

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

(a) For each year (or funding period) under this grant, the grantee agrees to expend from non-Federal funds an amount at least equal to the percentage of the total expenditures under this grant specified in the schedule of the grant. The schedule of this grant may also contain restrictions on the application of cost sharing/matching funds. The schedule takes precedence over the terms of this provision.

(b) Eligibility of non-Federal funds applied to satisfy cost sharing/matching requirements under this grant are set forth below:

(1) Charges incurred by the grantee as project costs. Not all charges require cash outlays by the grantee during the project period; examples are depreciation and use charges for buildings and equipment.

(2) Project costs financed with cash contributed or donated to the grantee by other non-Federal public agencies and institutions, and private organizations and individuals, and

(3) Project costs represented by services and real and personal property, or use thereof, donated by other non-Federal public agencies and institutions, and private organizations and individuals.

(c) All contributions, both cash and in-kind, shall be accepted as part of the grantee's cost sharing and matching when such contributions meet all of the following criteria:

(1) Are verifiable from the grantee's records;

(2) Are not included as contributions for any other Federally assisted program;

(3) Are necessary and reasonable for proper and efficient accomplishment of project objectives;

(4) Are types of charges that would be allowable under the applicable Federal cost principles;

(5) Are not paid by the Federal Government under another grant or agreement (unless the grant or agreement is authorized by Federal law to be used for cost sharing or matching);

(6) Are provided for in the approved budget when required by AID; and

(7) Conform to other provisions of this paragraph.

(d) Values for grantee in-kind contributions will be established in accordance with the applicable Federal cost principles.

(e) Specific procedures for the grantee in establishing the value of in-kind contributions from non-Federal third parties are set forth below:

(1) *Valuation of volunteer services.* Volunteer services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor. Volunteer services may be counted as cost sharing or matching if the service is an integral and necessary part of an approved program.

(i) *Rates for volunteer services.* Rates for volunteers should be consistent with those paid for similar work in the grantee's organization. In those instances in which the required skills are not found in the grantee's organization, rates should be consistent with those paid for similar work in the labor market in which the grantee competes for the kind of services involved.

(ii) *Volunteers employed by other organizations.* When an employer other than the grantee furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (exclusive of fringe benefits and overhead costs) provided these services are of the same skill for which the employee is normally paid.

(2) *Valuation of donated expendable personal property.* Donated expendable personal property includes such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to expendable personal property included in the cost/matching share should be reasonable and should not exceed the market value of the property at the time of the donation.

(3) *Valuation of donated nonexpendable personal property, buildings, and land or use thereof.*

(i) The method used for charging cost sharing or matching for donated nonexpendable personal property, buildings and land may differ according to the purpose of the grant as follows:

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

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

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

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

(B) *Nonexpendable personal property.* The value

117*

of donated nonexpendable personal property shall not exceed the fair market value of equipment and property of the same age and condition at the time of donation.

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

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

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

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

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

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

(h) If at the end of any year (or funding period)

hereunder, the grantee has expended an amount of non-Federal funds less than the agreed upon percentage of total expenditures, the difference may be applied to reduce the amount of AID funding the following year (or funding period), or, if this grant has expired or been terminated, the difference shall be refunded to AID.

(i) Failure to meet the cost sharing/matching requirements set forth in paragraph (a) above shall be considered sufficient reasons for termination of this grant for cause in accordance with paragraph (a) entitled "For Cause" of the standard provision of this grant entitled "Termination."

(j) The restrictions on the use of AID grant funds hereunder set forth in the standard provisions of this grant are applicable to expenditures incurred with AID funds provided under this grant. The grantee will account for the AID funds in accordance with the standard provision of this grant entitled "Accounting, Audit and Records".

(k) Notwithstanding paragraph (b) of the standard provision of this grant entitled "Refunds", the parties agree that in the event of any disallowance of expenditures from AID grant funds provided hereunder, the grantee may substitute expenditures made with funds provided from non-Federal sources provided they are otherwise eligible in accordance with paragraph (b) of this provision.

AID 1380-1
(10-79)

PIO/T

UNITED STATES INTERNATIONAL
DEVELOPMENT COOPERATION AGENCY
AGENCY FOR
INTERNATIONAL DEVELOPMENT

PROJECT IMPLEMENTATION
ORDER/TECHNICAL
SERVICES

1. Cooperating Country

Senegal

Page 1 of 3 Pages

2. PIO/T No.

685-0260-3-40067

3. Original or
Amendment No. _____

4. Project/Activity No. and Title

COMMUNITY AND ENTERPRISE DEVELOPMENT
(685-0260)

DISTRIBUTION

5. Appropriation Symbol
72-11X1012

6. Allotment Symbol and Charge

GSHX-84-21685-KG13

7. Obligation Status

Administrative Reservation

Implementing Document

8. Project Assistance Completion Date

(Mo., Day, Yr.)
September 30, 1989

9. Authorized Agent

REDSO/WCA RCO

10. This PIO/T is in full conformance with PRO/AG

685-0260 Date January 4, 1984

11a. Type of Action and Governing AID Handbook

AID Contract
(HB 14)

PASA/RSSA
(HB 12)

AID Grant
(HB 13)

Other

11b. Contract/Grant/PASA/RSSA
Reference Number (if this is an
Amendment)

12. Estimated Financing (A detailed budget in support of column (2) is attached as attachment no. 2)

Maximum AID Financing	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
					2,000,000
	B. U.S.-Owned Local Currency				

13. Mission
References

14a. Instructions to Authorized Agent

Negotiate a Cooperative Agreement over five years with an organization selected by the selection committee to implement the Community and Enterprise Development Project. The method of payment will be a Treasury Letter of Credit (LOC-TFCS);

Négocier un Accord de Coopération sur cinq ans avec un organisme retenu par le Comité de sélection en vue d'exécuter le Projet de Développement des Collectivités Locales et de l'Entreprise Privée en Milieu Rural.

Le payment se fera sous forme de Lettre de Crédit du Trésor des Etats-Unis (LOC-TFCS).

14b. Address of Voucher Paying Office

USAID/Washington

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

A. The project officer certifies that the specifications in the statement of work are technically adequate

G. William Anderson, PDO *GWA*

Phone No.

X 381

Date *10/15/84*

B. The statement of work lies within the purview of the initiating and approved agency programs

Campbell McOlusk *PM* *24 Oct 84*

Joel E. Schlesinger, PDO

Date

10/15/84

D. Funds for the services requested are available

MBH
Matthew Horween, RCON

Steve Wallace, EXO *SW*

Date

10-23-84

16. For the cooperating country: The terms and conditions set forth herein are hereby agreed to

Signature

Alioune Badara Sy

Date *7/14/84*

President, National Project Committee
Ministry of Plan and Cooperation

17. For the Agency for International Development

Signature

Carole Tyson, Deputy Director, USAID

Date *8 Nov 84*

AID 1350-1 (10-79)	1. Cooperating Country Senegal	2. PIO/T No. 685-0260-3-40067	Page 3 of 3 Pages
	4. Project/Activity No. and Title COMMUNITY AND ENTERPRISE DEVELOPMENT 685-0260		

A. Relationships and Responsibilities

The Recipient will report to the USAID/Senegal Project Officer

Le bénéficiaire sera responsable devant le Chef du Projet de l'USAID/Sénégal.

B. Cooperating Country Liaison Official

Alioune Badara Sy, President National Project Committee

C. AID Liaison Officials

G. William Anderson, Project Officer, USAID/Senegal, Project Development Office

LOGISTIC SUPPORT

23. Provisions for Logistic Support

A. Specific Items (Insert "X" in applicable column as right. If entry needs qualification, insert asterisk and explain below in C. "Comments")

	IN KIND SUPPLIED BY		FROM LOCAL CURRENCY SUPPLIED BY		TO BE PROVIDED OR ARRANGED BY SUPPLIER
	AID	COOPERATING COUNTRY	AID	COOPERATING COUNTRY	
(1) Office Space					X
(2) Office Equipment					X
(3) Housing and Utilities					X
(4) Furniture					X
(5) Household Equipment (Stoves, Re, etc.)					X
(6) Transportation in Cooperating Country					X
(7) Transportation To and From Country					X
(8) Interpreter Services/Secretarial					X
(9) Medical Facilities					X
(10) Vehicles (official)	X				
(11) Travel Arrangements/Tickets	X				
(12)					X
(13)					
(14)					
(15)					

(OTHER SPECIFY)

B. Additional Facilities Available From Other Sources

APO/FPO

PX

COMMISSARY

OTHER (Specify, e.g. duty free entry, tax exemption)

Under present Embassy policy Health Unit and Commissary privileges are extended to long-term AID-financed technicians; however, the continuation of this policy cannot be guaranteed.

Dans le cadre de la politique actuelle de l'Ambassade des Etats-Unis d'Amérique, les privilèges d'utilisation des services de l'Infirmierie et du magasin diplomatique sont accordés aux techniciens à long-terme financés par l'AID. Toutefois, la poursuite d'une telle politique n'est pas garantie.

PIO/T

4. Project/Activity No. and Title

Projet de Développement des Collectivités Locales et de l'Entreprise Privée en Milieu Rural (685-0260).

SCOPE OF WORK

18. THE SCOPE OF TECHNICAL SERVICES REQUIRED FOR THIS PROJECT ARE DESCRIBED IN ATTACHMENT NUMBER 1 HERETO ENTITLED "STATEMENT OF WORK".

19. SPECIAL PROVISIONS

- A. LANGUAGE REQUIREMENTS (SPECIFY: Francais FSI tested S-3+ R3; credit specialist S-3 R-3
(IF MARKED, TESTING MUST BE ACCOMPLISHED BY AID TO ASSURE DESIRED LEVEL OF PROFICIENCY)
- B. ACCESS TO CLASSIFIED INFORMATION WILL WILL NOT BE REQUIRED BY TECHNICIAN(S).
- C. DUTY POST(S) AND DURATION OF TECHNICIANS' SERVICES AT POST(S) (MONTHS)
Kaolack, Sénégal - 60 mois
- D. DEPENDENTS WILL WILL NOT BE PERMITTED TO ACCOMPANY TECHNICIAN.
- E. WAIVER(S) HAVE BEEN APPROVED TO ALLOW THE PURCHASE OF THE FOLLOWING ITEM(S) (COPY OF APPROVED WAIVER IS ATTACHED)
- F. COOPERATING COUNTRY ACCEPTANCE OF THIS PROJECT (APPLICABLE TO AID/W PROJECTS ONLY)
 HAS BEEN OBTAINED HAS NOT BEEN OBTAINED
 IS NOT APPLICABLE TO SERVICES REQUIRED BY PIO/T
- G. OTHER (SPECIFY)

20. BACKGROUND INFORMATION (ADDITIONAL INFORMATION USEFUL TO AUTHORIZED AGENT)

21. SUMMARY OF ATTACHMENTS ACCOMPANY THE PIO/T (INDICATE ATTACHMENT NUMBER IN BLANK)

- 2 DETAILED BUDGET IN SUPPORT OF INCREASED FUNDING (BLOCK 12)
- _____ EVALUATION CRITERIA FOR COMPETITIVE PROCUREMENT (BLOCK 14)
- _____ JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT (BLOCK 14)
- 1 STATEMENT OF WORK (BLOCK 18)
- _____ WAIVER(S) (BLOCK 19) (SPECIFY NUMBER)

STATEMENT OF WORK

A. TASKS AND RESPONSIBILITIES

The successful Applicant will have a number of responsibilities. Applicants may identify and wish to discuss additional responsibilities they identify that are not described below.

1. Establishment of a Project Management Unit

The applicant's central task is to staff, organize, and run the Management Unit located in Kaolack.

Because the project is designed to remove as much of the management burden as possible from USAID/Senegal, primary project implementation responsibility will rest with the Management Unit (MU). It will have the primary reporting, disbursing, and supervisory function for the project as a whole. Complete project management and financial accountability records will be kept by the MU.

The major tasks to be performed by the Management Unit include: grant-making and supervision of PVOs; staff development training for PVOs in program development monitoring and evaluation; overall project coordination; supervision of procurement for all units; supervision of credit and loan disbursement/repayment; assistance to small-scale entrepreneurs and development of numeracy/literacy training components for VOs and SSEs.

The major outreach function for PVO capacity-building and project identification and development will be the responsibility of the MU. While the MU Chief of Party has overall management responsibility for producing project outputs, the PVO specialist will have responsibility for defining progress goals with PVOs as they work with village organizations. The PVO specialist will work with the training team to develop programs meeting PVO organizational development needs. The counterparts of the PVO specialist will be the program directors from the PVOs with which he/she is working. The USAID PVO coordinator will be responsible for assisting the PVO specialist in identifying PVOs for participation in workshops and training activities.

The training specialists will be employed by the Management Unit to develop and implement training programs for PVOs, VOs, and SSEs. An expatriate training specialist will be hired for two years to work with the Senegalese training specialist who will work for the life of the project. At

PIO/T No. 685-0260-3-40067

the end of two years, the Senegalese specialist will have assumed full responsibility for training functions in the Management Unit.

A credit and financial management specialist will work in the MU for four years to supervise training activities in credit management, maintenance of complete credit records and surveillance of credit repayment. A primary task will be monitoring the establishment of the CNCAS, the new rural credit facility, and planning how it can replace the project credit component as it begins operation in the area. Further this person will work with the Unit Manager to set up a financial management and accounting system which will satisfy AID Sahelian accountability requirements. The credit and financial management specialist will work with and train a Senegalese specialist who will take over the expatriate's functions after year four of the project.

In addition, the MU will be staffed by appropriate support personnel necessary to manage the office and perform project objectives. These include: a logistics/procurement specialist, a senior local accountant, a secretary, a records clerk, and building custodial personnel.

The Management Unit will sub-contract for certain services, such as refinement or development of numeracy and literacy training materials and certain other training activities.

Short-term technical assistance will be provided from both the U.S. and locally to assist in PVO training, financial management systems design, technical materials development and special business skills.

The materials supply capability for the MU and SBA functions will be managed by the logistics/procurement specialist using local commercial sources to procure materials needed for VO projects and SSEs.

Small Business Advisory Staff

The project's SSE development component will consist of a Small Business Advisory (SBA) staff which will be part of the Management Unit:

- An SBA Unit Manager, who is a business management advisor and training officer, and will be expatriate; and
- A number of Business Management Extension Advisors, intensively project-trained to deliver training, consultation, and other forms of assistance to SSEs;

Two third-year Peace Corps Volunteers who will act as a trainer of the extension advisors and as a banking and accounting assistant, respectively. Peace Corps/Senegal will recruit replacements for these volunteers.

The expatriate SBA Chief will be required for the life of the project. In addition, the SBA Unit will include a record clerk secretary, and a driver who will work under the supervision of the SBA Unit Manager.

PIO/T No. 685-0260-3-40067

The SBA will be part of the project Management Unit so that its activities can be coordinated with those of other project components in such a way as to achieve the overall project goals of increased agricultural productivity and progress toward food self-sufficiency.

2. Creation of basic systems for project implementation

At the level of the Management Unit, three systems are critical for successful management of the project:

1) an overall system for coordinating and interrelating all the disparate activities that will be occurring under the project;

2) a financial management system that will account for funds provided to PVOs, to village organizations, and small entrepreneurs by grant and by credit; and

3) a monitoring and evaluation system that will collect a limited amount of essential information on the progress of sub-activities and sub-projects, the degree to which village groups and entrepreneurs are interrelating with each other, the effect of GOS policies and regulations on village groups and entrepreneurs, and the results of project activities on beneficiaries, on the rural economy, and on the environment.

3. Development of satisfactory working relationships with national and local level officials and institutions

The project and the Management Unit will not function in a vacuum. As noted in the project description, they will relate with a variety of actors at the national and regional levels. If satisfactory relationships between the Management Unit and the National Project Committee, regional officials, or SODEVA, for example, are not established and maintained, the project will have great difficulty achieving its objectives.

Similarly, the MU staff must verify that PVOs develop constructive working relationships with local officials, Rural Councils, and technical services in the areas where they are working. In designing and implementing projects with VOs, PVOs must follow the procedures agreed upon to involve concerned parties at all levels, especially the local level.

4. Supervision of Village Organization Component

Regarding assistance to village organizations, the Management Unit must see that assistance through PVOs to village groups goes to develop the capacities of those organizations to carry on their own development without outside assistance. That is the purpose of the village organization component of the project. PVO literacy, numeracy, bookkeeping, management technical and other training of village groups must be such that these groups emerge better able to handle their own affairs. Village development projects are the concrete activities through which village groups will learn how to develop themselves.

121

PIO/T No. 685-0260-3-40067

In its monitoring of VO activities, the MU must insure that the methodology used by PVOs will enable VOs assisted to develop the capacities to function on their own.

5. Supervision of credit to VOs and SSEs

Credit for both village groups and entrepreneurs is a key part of project activities. Given the recent history of rural credit in Senegal, it is also a difficult proposition. PVOs will provide credit, and solicit repayments but the Management Unit will manage the credit accounts and report to USAID/Senegal monthly on the status of all credit provided and levels of repayments and defaults. If the credit component fails to provide a satisfactory repayment rate, the possibility of attaining project objectives is immediately called into question. Therefore, the Management Unit's monitoring system must provide timely information on the status of credit repayments. Moreover, before any credit is provided the Management Unit must establish the steps it will take when a recipient fails to reimburse credit on schedule.

6. Design and implementation of numeracy/literacy training for VOs and SSEs

Numeracy and functional literacy training is important in enabling village groups and entrepreneurs to manage their own affairs, especially through simple books and financial records. It is essential that materials are developed or revised, trainers trained, and numeracy and literacy training begun early on in the project.

The MU will be responsible for organizing a numeracy/literacy training program for PVO and SBA staff who will act as trainers and for identifying or developing training materials.

7. Assistance to SSE's

The MU will be directly responsible, through the Small Business Advisory Staff, for establishing management, credit and technical assistance to small entrepreneurs. Further, there may be technology development or adaptation needed.

Finally, the MU must relate the planned assistance to artisans and entrepreneurs to village development activities. At a general level, this is relatively simple, because the project aims at assisting only entrepreneurs involved in agriculturally-related activities. However, the siting of village projects should influence to some extent the choice of entrepreneurs, combined with other spatial factors. The difficulties other programs of assistance to small-scale entrepreneurs have had indicate the complexity of such programs.

8. Reporting

The MU team will work in close collaboration with USAID/Senegal. The following reports will be required. For each report, five copies in French and five copies in English will be submitted.

125

PIO/T No. 685-0260-3-40067

a) Monthly financial reports for the revolving Credit Fund, monthly financial statements will include a balance sheet, a statement of profit and loss, a statement of cash flow, and an age-trial balance. These reports will also include the financial status of all sub-grants and other sub activities.

b. Quarterly program reports indicating the activities undertaken, progress in meeting workplan and project objectives, problems and proposed solutions, overall financial status of the Cooperative Agreement, and findings of the monitoring and evaluation system.

c. Ninety-days after the MU team's arrival, the recipient will submit a workplan for the coming year for USAID approval.

d) An annual workplan of projected activities by project component for each project year submitted eight weeks in advance of the beginning of each project year. The work plan will include an annual budget by task.

e) A twelve-month progress report for each project year to be submitted within six weeks after the completion of that year. This report shall be a substantive report covering the status of the work under the Cooperative Agreement, indicating progress made with respect thereto, setting forth plans for the ensuing period, including recommendations for meeting project objectives.

f) A final report to be submitted within 45 days of the completion of all work hereunder unless the period is extended in writing by the Grant Office. This final report shall summarize the accomplishments of the project, methods of work used, and recommendations regarding unfinished work and/or program continuation.

9. Documents or decisions to be submitted to USAID/Senegal for approval

a) Annual workplans and financial plans which will be reviewed by the USAID/Senegal Project Officer, Project Committee, and other relevant Mission staff and which will be discussed with the recipient organization and modified as needed, prior to Project Officer approval.

b) Key personnel, substitutions for key personnel prior to award, and replacements of key personnel after activities under the Agreement have begun.

c) The financial management system for all project activities, which will be reviewed by the Project Committee and particularly by the USAID/Senegal Controller.

d) Principal funding instruments, such as sub-granting, sub-contracting, and credit agreements.

126

PIO/T No. 685-0260-3-40067

e) The monitoring and evaluation system which the MU will institute for all sub-activities.

B. PERFORMANCE CRITERIA

USAID/Senegal will judge the performance of the ~~recipient~~^{NET} on the basis of the following criteria. If USAID/Senegal judges the recipient's performance to be unsatisfactory on any one or more of these criteria, AID reserves the right to terminate the Agreement with the recipient and negotiate a new Agreement with another of the original short-listed Applicants or with another organization.

~~The Recipient~~^{NET} is expected to:

1. Submit required reports, in the required numbers of copies and languages, on time and with the necessary information and analysis.
2. Provide key personnel who are highly qualified and who perform in a manner satisfactory to USAID/Senegal.
3. Prepare and submit the first annual workplan which is acceptable to AID within 90 days of the MU Manager's arrival or the arrival of any three of the long-term expatriate staff.
4. Field a complete team, carry out necessary logistical arrangements for the team's personal living situation, and establish a functioning MU office including the hiring of necessary local staff as soon as possible but in any case no later than three months after the award is made. Provide satisfactory logistical and administrative backstopping from the home office for the Management Unit Staff as a whole NOTE: This does not allow for lengthy French language training for key personnel who do not receive the required FSI test scores in French.
5. Establish an approved financial management system within four months of the team's arrival in country.
6. Manage the project's financial accounts and reporting in a satisfactory manner, which means that annual financial audits to be performed will not discover glaring deficiencies.

PIO/T No. 685-0260-3-40067

7. Establish an approved monitoring and evaluation system for project activities, including appropriate collection of baseline data, within six months of MU team's arrival.

8. Establish a project management system for coordinating and interrelating all project activities within six months of the MU team's arrival.

9. Establish close consultative working relationships with important national and regional institutions and individuals. These include the following:

- the members of the National Project Committee and their seconds and other appropriate members of their Ministries,
- the Governors of Kaolack and Fatick regions, their adjoints and the regional chiefs of major technical services and parastatal organizations involved in agricultural or entrepreneurial development,
- the Prefets of all six departments in the two regions and those Sous-Prefets in whose areas project activities exist, ir are planned.
- local agents of technical services, Rural Council members, and other important local leaders in whose areas project activities are going on, and
- staff of PVOs involved in project activities.

10. Make arrangements for and prepare background material and presentations as required for Annual Project Reviews. These reviews will involve representatives of the National Project Committee, USAID, regional and local authorities, PVOs, and village organizations and entrepreneurs.

11. Achieve the indicators at the Purpose and Output levels of the logical framework or inform USAID as soon as it is known, but in any case no later than the end of year three of the cooperative agreement, recommendations for how these indicators or other aspects of the project elements should be revised.

12. Meet at least 75% of the major deadlines and targets specified in approved annual workplans.

C. LEVEL OF EFFORT

The level of effort for the various long-term expatriate specialists is as follows:

Chief of Party, Management Unit	60 months
PVO specialist	60 months
Credit and financial management specialist	48 months
Training specialist	24 months
Small Enterprise specialist	60 months

PIO/T No. 685-0260-3-40067

In addition, long-term locally-hired specialists will be required who will replace expatriate specialists.

Training specialist	⁵⁴ 60 months
Credit specialist	⁵⁴ 60 months

A range of short-term technical assistance will be necessary, estimated at 18 person-months of U.S. based TA and 18 person-months of local TA.

In addition, the MU will be staffed by appropriate support personnel necessary to manage the office and perform project objectives. These would include: a logistics/procurement specialist, a senior local accountant, a secretary, records clerks, and building custodial personnel.

D. TERMS OF THE COOPERATIVE AGREEMENT

USAID/Senegal contemplates entering into a Cooperative Agreement for five years but reserves the right

a) to negotiate an extension of the Agreement with the selected firm or institution without solicitation of competitive proposals.

b) to terminate the agreement on its judgement that the selected firm or institution has not met the stated performance criteria (see section III.B) for the Agreement.

c) to terminate negotiations or the Agreement with the selected firm or organization and begin negotiations with other short-listed firms or organizations if the long term technical assistants proposed by the selected firm do not receive the minimum French scores required when tested at FSI or if substitutions for the previously named key personnel are not considered by AID to be of equal quality with the persons originally proposed or provided.

d) to negotiate competitively with firms or organizations judged to be in "the competitive range".

E. DUTIES AND QUALIFICATIONS OF PERSONNEL

1. Chief of Party, Management Unit

a) FUNCTIONS

- Supervises all Management Unit activities and relates PVO assistance to VOs with SSE assistance.
- Reports to USAID on project progress
- Is responsible for all accountability requirements in sub-projects

126

PIO/T No. 685-0260-3-40067

- Develops close liaison and working relationships with regional authorities, technical services, and the National Project Committee to keep them informed of project progress and to identify problems early.

b. QUALIFICATIONS

1. Education -- Graduate degree in economic development or related discipline such as business or public administration; some accounting and financial management training advisable.

- 2) Experience

- At least seven years experience implementing rural development programs in developing countries with hands-on management experience outside of urban centers.
- Prior successful experience as a chief or party managing a rural development project with numerous sub-activities; proven ability to manage and coordinate a complicated, interrelated set of activities.
- Experience working with indigenous, U.S., and international PVOs, village organizations, and small-scale entrepreneurs and artisans (on the scale of those found in regional and local market centers in Africa).
- Experience in designing and managing credit programs to small borrowers.
- Successful experience formulating monitoring and financial management systems and making them function as real management and trouble-shooting tools.
- Experience with a variety of training programs for rural villagers, small-scale entrepreneurs, local PVO staff, and local project staff, including experience with numeracy and functional literacy for project beneficiaries.

3. Language -- At a minimum, a tested FSI French level of 3+ speaking, 3 reading is required in addition to native level fluency in English. Knowledge of local Senegalese languages found in Sine Saloum, such as Wolof, Serer, or Pular is useful. French language fluency will be tested at FSI before any award is made.

PIO/T No. 685-0260-3-40067

2. PVO Specialist

a. FUNCTIONS

- Develops close working relationships with PVOs working in or interested in Project.
- Assesses PVO training needs and coordinates workshop and training activities with training specialist.
- Manages sub-grant procedures for PVOs
- Monitors progress of VO sub-projects for MU; insures that monitoring and financial management systems are working satisfactorily at level of PVOs and VOs.
- Assures that PVOs receive adequate guidance to administer grants.

b. QUALIFICATIONS

- 1) Education -- Graduate degree in development-related field with substantial course-work in development administration, development economics, or management. Some background in agriculture and/or in accounting and financial management desirable.
- 2) Experience
 - At least five years experience outside of major urban centers in implementation of rural development programs in developing countries.
 - Experience in working with indigenous and international PVOs to implement development programs, to diagnose training needs of local PVOs, and to develop associations of village groups or entrepreneurs into PVOs.
 - Experience in working with village groups to design and implement village development projects.
 - Experience with programming and utilizing micro-computers in project management and monitoring.
 - Experience with designing and using project monitoring and financial management systems.

PIO/T No. 685-0260-3-40067

- Experience in training village groups and entrepreneurs in management of their resources, in use of credit, in numeracy and functional literacy.

3. Language -- As well as native English fluency, a minimum FSI-tested French level of 3+ speaking, 3 reading is required and will be tested before any award is made. Knowledge of local Senegalese languages prevalent in Sine Saloum, such as Wolof, Pular or Serer, etc. is useful.

3. Credit and Financial Management Specialist

a. FUNCTIONS:

- Establishes micro-computer systems for keeping financial and credit records and will be responsible for the maintenance of such systems.
- Maintains systems of financial management for project that satisfies AID accountability requirements regarding sub-grants to PVOs and assistance to small entrepreneurs.
- Works with training specialist to develop numeracy and other training plans necessary to enable village groups and entrepreneurs to manage credit and their resources.
- Is responsible for managing the various credit accounts for the project, including accounts which will receive and reimburse to the U.S. government interest earned on U.S. funds extended.
- Assesses with other appropriate staff of the MU credit proposals to village groups and small entrepreneurs and responsibility for non-repayment of credit.
- Assists PVOs in soliciting credit repayments and keeping village groups and small entrepreneurs informed on the status of their credit repayments.
- Trains replacement specialist to take over after 48 months.

b. QUALIFICATIONS

- 1) Education -- Undergraduate degree in accounting, licensed CPA, or MBA with accounting major.
- 2) Experience
 - At least two years of experience in developing countries with hands-on development and management experience outside of capital city.

- At least five years of experience in accounting or controller operations in the public or private sector with at least three years of financial or audit experience with non-profit organizations.
- Experience with credit programs to small borrowers, such as village organizations and small-scale entrepreneurs.
- Experience in micro-computer programming and utilization for financial management and credit systems.

3) Language -- In addition to native fluency in English, a minimum FSI-tested French level of 3 in speaking and 3 in reading is required and will be tested before any award is made. Knowledge of local Senegalese languages prevalent in Sine Saloum is useful.

4. Small Business Specialist

a. FUNCTIONS

- Formulates program and methods of assistance to artisans and small-scale entrepreneurs.
- Maintains close liaison with regional officials and technical service representatives, with local institutions such as the Chambre de Metiers, and with Ministry officials.
- As part of the overall project monitoring system, establishes a monitoring system that provides information needed to revise strategy and methodology of assistance to entrepreneurs to improve performance.
- Monitors SSE assistance and reports on progress to the Management Unit Director.
- Identifies needs for technology development or adaptation and for technical training of entrepreneurs necessary for such. Identifies possible sources for such technology development and adaptation or technical training and proposes ways of fulfilling such needs.

b. QUALIFICATIONS

1) Education -- Graduate degree in economics, international development, agricultural engineering, business, or other international development or business-related subject. Some financial management or accounting coursework desirable

2) Experience

- A minimum of three years of professional experience in business, preferably in small business, and preferably as an entrepreneur.
- At least three years experience in assisting small-scale and micro-enterprises in developing countries, particularly those related to agriculture, in improved management, bookkeeping, and improved methods of production.
- Experience in technology development, adaptation or diffusion for small producers in developing countries.
- Experience in formulating and managing credit programs to small entrepreneurs in developing countries with success in graduating borrowers into formal credit channels and in achieving a high rate of credit repayments.
- Experience in linking the activities of small-scale entrepreneurs and artisans to agricultural activities, in providing goods and services for such activities, and in purchasing and processing such production.

3) Language -- In addition to native fluency in English, a minimum FSI-tested French level of 3+ speaking, 3 reading 3 level will be required and will be tested at FSI before any award is made. Knowledge of local languages used in Sine Saloum, such as Wolof, Serere, and Pular, will be useful.

5. Training specialist

a) FUNCTIONS

- Coordinates all project training activities for village organizations, PVOs, and small entrepreneurs.
- Identifies village organization training component needs and devises appropriate training for PVO staff who will be working with village groups.
- Assists small business specialist in training small business extension agents and in formulating the training planned for small entrepreneurs.
- Monitors and reports on execution and impact of project training activities on village organizations, SSEs, and others.
- Trains replacement specialist to take over after 24 months.

b) QUALIFICATIONS

- 1) Education -- A graduate degree in human resource development, non-formal education, international management, economic development, agricultural or industrial extension, or related field.
- 2) Experience
 - At least five years professional experience in developing countries with primarily hands-on development experience outside the principal metropolitan area in such countries.
 - At least five years professional experience in human and resource development in actual training and in formulating and managing training programs.
 - Experience in designing and implementing training programs for villagers and small entrepreneurs in developing countries in basic accounting or bookkeeping systems.
 - Experience in developing and implementing functional numeracy and literacy materials and programs, especially in developing country local languages.
 - Experience in coordinating and monitoring a series of varied training activities and a program involving numerous trainers working with village groups at separated, isolated sites.
 - Experience in training subordinates, and especially host country nationals, to replace him or her.
- 3) Language -- In addition to native English fluency, a minimum FSI-tested French level of 3+ speaking, 3 reading will be required and will be tested before any award is made. Speaking knowledge of local languages used in Sine Saloum, such as Wolof, Serere, and Pular, is useful.

F. RESPONSIBILITIES OF USAID/SENEGAL

1. AID will designate Project Officers to monitor the Project and to provide guidance and clarifications, as needed, on the technical and administrative responsibilities of the contractor.
2. Under present policies of the post, personnel will be eligible to use the American Embassy pouch facilities for letter mail, but continuation of this privilege cannot be guaranteed.

3. Under present policies of the post, personnel for Mission Institutional contractors are eligible to use the Embassy commissary and the Embassy Health Unit.

4. No help can be given by the Embassy or AID to the contractor and his personnel in obtaining customs clearances, resident permits, etc. (however, the Embassy will aid the contractor in obtaining a visa). The contractor will seek the assistance of the Ministry of Plan in all such matters.

5. Under present post policies, personnel will be eligible to use the American Embassy check-cashing facilities but continuation of this privilege cannot be guaranteed.

F. LOGISTICAL SUPPORT:

USAID will not be responsible for providing logistical support. Cost applications should include provision for housing, utilities, educational travel, shipping or storage of household effects, and other matters as appropriate for long term technicians.

In all cases where applicable, allowable costs will be determined according to USAID standard provisions. Expatriate long term technicians will be allowed initially to import personal effects and one privately owned vehicle (or purchase of some in Senegal) duty free if shipped within three months after arrival at post.

Office space in Kaolack, office equipment, furniture, expendable supplies, and necessary subproject related commodities (including a minicomputer) will be funded under the Agreement. Upon signing the Cooperative Agreement, the Recipient will make arrangements to purchase and ship from the U.S. necessary items not locally available in Senegal. USAID intends to procure five project vehicles for the applicant. Maintenance and operation of these vehicles will be the responsibility of the applicant.

Locating housing in Dakar and Kaolack suitable for the average American taste will require advance notice, time, and patience on the part of the contractor. Rental for houses considered suitable by American standards range from \$1,000 to \$2,000 per month. Utilities will range from \$100 to \$250 per month depending on the size of the house and the number of appliances employed. Some organizations elect to handle rental arrangements through real estate agency which requires the equivalent of one month's rent as a fee.

Furniture and appliances will also be the Contractor's responsibility. Appliances of all kinds can be bought in Dakar but are expensive. Current is 220V, 50Hz throughout Senegal. Locally made furniture is reasonably priced. Special orders can be filled but it requires time. Imported furniture is quite expensive, even tax free. Clothes dryers are not necessary and should one be brought installation costs can be as high as double the value of the machine. Gas operated dryers could be used. Stoves and ovens should be gas operated since gas is moderately priced.

The current salary differential for long-term personnel posted in Kaolack is 20%.

It is anticipated by agreement of USAID and Senegal that the following exemptions from duties, taxes and similar charges will be afforded:

- a) Exemption from customs duty and sales tax, goods and equipment imported or purchased prior to clearance through customs for the purpose of the Project.
- b) Exemption for personnel of the applicant (other than citizens or residents of Senegal), who are in Senegal solely for the purpose of implementing the project, from paying customs duty and sales tax on new or used household and personal effects, including one motor vehicle, imported or purchased prior to clearance through customs within the first six months of their first arrival in Senegal, or for such further period as the Treasury may approve in writing provided that in all other respects the customs and sales tax laws and regulations for the time being in effect shall remain applicable and provided further that in the event of such goods being sold or disposed in Senegal other than a person or organization similarly privileged, customs duty and sales tax shall then be payable thereon in accordance with the appropriate rates.
- c) Exemption from all direct tax and national social security contributions on income or any other emoluments received, the personnel of the applicant (other than citizens or residents of Senegal) who are in Senegal solely for the purpose of implementing the project on behalf of USAID. Terms of employment for Senegal nationals will be consistent with the laws of Senegal and commercial practices in Senegal.

G. DESCRIPTION OF PRIMARY POST, KAOLACK

Kaolack is 130 km. from Dakar. Situated in a pivotal position, halfway between Dakar and Banjul, the capital of the Gambia, Kaolack is Sine Saloum's largest town and Senegal's third largest urban center after Dakar and Thies. Its population is approximately 150,000. The town is built on salt marshes. It is located in the Peanut Basin and is Sine Saloum's regional capital, a commercial seaport exporting mainly peanuts, peanut products, fish and salt. It is an industrial town and a major center of Islam's Tijani Brotherhood which receives every year thousands of pilgrims from Senegal as well as other West African countries, i.e. Mali, Upper Volta, Nigeria, Guinea, Mauritania and the Ivory Coast.

Major industrial activities include a fishing industry, Senegal's major salt processing plant (Salins du Sine Saloum) and Senegal's largest peanut processing plant which meets national needs and exports its surplus production to neighboring West African countries. Another industry consists of a cotton processing factory (SODEFITEX) which supplies textile mills in Rufisque and Dakar with processed cotton.

• PIO/T No. 685-0260-3-40067

Agricultural activities are mainly based on the cultivation of peanuts and millet during the rainy season (June-October) and vegetable gardening in the dry season. Agriculture and business occupy over 50% of Kaolack's population; less than 40% are governments employees.

Kaolack is a cosmopolitan town. Its population includes Wolof and Serere natives, Fulanis who have migrated from the North, Mandingos rom the East and the Casamance, and other minor Senegalese ethnic groups. A sizeable number of Lebanese shopkeepers add to the variety and color on Kaolack's streets.

For between 6-9 months a year the climate in Kaolack is hot and often humid. The water has a very high fluoride content and has what many people find to be an unpleasant taste.

DETAILED BUDGET TABLE BY CATEGORY OF EXPENDITURE
 (\$000⁰⁰⁰)

210/T 685-0260-3-40067

BEST AVAILABLE DOCUMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL
I. PERSONNEL							
A. Long-term (U.S.) at 125,000/yr							
Management Unit							
Unit manager (5.5 py*)	125	125	125	125	125	62.5	687.5
PVO specialist (4 py)	125	125	125	125			500
Training specialist (2 py)	125	125					250
Credit specialist (4 py)	125	125	125	125			500
SBA-SSE specialist (5.5 py)	125	125	125	125	125	62.5	687.5
B. Long-term (Local Hire)							
Management Unit							
Training Specialist (5.5 py)	15	15	15	15	15	7.5	82.5
Credit specialist (5.5 py)	15	15	15	15	15	7.5	82.5
Accountant (5.5 py)	20	20	20	20	20	10	110
Logistics/Procure. (5.5 py)	20	20	20	20	20	10	110
Secretary/Off. Man. (5.5 py)	5	5	5	5	5	2.5	27.5
Building Maintenance (5.5 py)	1.5	1.5	1.5	1.5	1.5	1	8.5
Guardian (5.5 py)	2	2	2	2	2	1	11
Records Clerks (2) (9 py)	4	4	6	8	8	8	38
Drivers (11 py)	8	8	8	8	8	4	44
SBA Unit							
Records Clerk (5.5 py)	4	4	4	4	4	2	22
Business Advisors (21.5 py)	20	20	40	40	40	20	180
C. Short-term TA							
Management Unit							
18 pm** at \$11,000	33	66	33	33	33		198
Local 18 pm at \$2,000	8	8	6	6	4	4	36
Sub-total I	780.5	813.5	675.5	677.5	425.5	202.5	3575.0

* py - Person year
 ** pm - Person month

Attachment 2

P.1

139

BUDGET TABLE BY CATEGORY OF EXPENDITURE
(\$000's)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL
II. TRAINING AND TRAVEL							
<u>In-Country</u>							
PVOs/VOs	10	20	20	20	20	10	100
SSEs	5	10	20	20	12	10	77
Special Workshop (2 per year)	6	6	6	6	6	6	36
Conferences	2	2	2	2	2	2	12
Materials Dev.	25	20	20				65
Printing	10	10	10				30
Language Training (Peace Corps)		5	5				10
PVO Coordinator Travel	5						5
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Sub-total II	63	73	83	48	40	28	335
III. SSE CREDIT FUND							
SSE Credit	27	69	195	331	331		953
Minus SSE Repayment		13	47	130	262	334	452 ^{1/}
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Credit	27	56	148	201	69	(334) ^{2/}	501
IV. EQUIPMENT							
MU/SBA Offices	50						50
Supplies - MU/SBA	5	5	5	5	5	5	30
Supplies - Monitoring	25						25
Micro-computer	10						10
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Sub-total IV	90	5	5	5	5	5	115

^{1/} Year 6 repayment figures are not included in these totals because loan reflows exceed credit extended. repayment figures do not include repayments in years 7 and 8 after project ends.

^{2/} This \$344,000 represents loan reflows in year 6 in excess of credit extended. These reflows will be used for \$344,000 in project costs in year 6 plus \$300,000 in credit reflows from the VO credit fund held by the Mission.

BET AVAILABLE DOCUMENT

BUDGET TABLE BY CATEGORY OF EXPENDITURE
(\$000's)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	TOTAL
V. OPERATING COSTS							
Fuel and Maintenance	30	30	30	30	30	30	180
Rent, etc.	15	15	15	15	15	15	90
Utilities	6	6	6	6	6	6	36
Overhead - MU	100	110	120	70	39	95.5	534.5
Sub-total V	151	161	171	121	90	146.5	840.5
VI. TOTAL I - V	1111.5	1108.5	1082.5	1052.5	629.5	382.0	5366.5

BEST AVAILABLE DOCUMENT