

Agency for International Development
Washington, D.C. 20523

180-0823

PDFCS-785

SEP 30 1991

Ms. Barbara Levine
Associate Dean for Administration
The Business Foundation of North Carolina
101 Carroll Hall
Cameron Street
University of North Carolina
Chapel Hill, NC 27514

Subject: Grant No. EUR-0023-G-00-1071-00

Dear Ms. Levine:

Pursuant to the authority contained the Foreign Assistance Act of 1961, as amended, and the Federal Grant and Cooperative Agreement Act of 1982, as amended, the Agency for International Development (hereinafter referred to as "A.I.D.") hereby provides to The Business Foundation of North Carolina (hereinafter referred to as the "Grantee" or "The Foundation") the sum set forth in Section 1C.2. of Attachment 1, "Schedule", of this Grant to provide financial support for the program described in Attachment 2, "Program Description" and Attachment 4, "Grantee's Proposal".

This Grant is effective as of the date of this letter and funds obligated hereunder shall be used to reimburse the Foundation for allowable program expenditures for the period set forth in Section 1B of Attachment 1.

The total estimated amount of this Grant is the amount set forth in Section 1C.1. of Attachment 1, of which the amount set forth in Section 1C.2. is hereby obligated. A.I.D. shall not be liable for reimbursing The Foundation for any costs in excess of the obligated amount.

This Grant is made to The Foundation on the condition that the funds will be administered in accordance with the terms and conditions as set forth in the attachments listed under my signature below which, with this letter, constitute the entire Grant document.

Administration of this Grant will be assigned to the Eastern Europe Branch of the Overseas Division of the Office of Procurement. Consequently, all administrative issues and post-award correspondence shall be addressed to the Chief, MS/OP/OS/EE, Room 1566, SA-14, Agency for International Development, Washington, D.C. 20523-1426. The telephone number is (703) 875-1122.

Please acknowledge receipt of this Grant by signing all copies of this Cover Letter, retaining one copy for your files, and returning the remaining copies to the undersigned.

Sincerely yours,

Diane M. Miller
Diane M. Miller
Grant Officer
Overseas Division,
Eastern Europe Branch
Office of Procurement

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions
4. Grantee's Proposal

ACKNOWLEDGED:

THE BUSINESS FOUNDATION OF NORTH CAROLINA

BY: *Barbara M. Levine*

TYPED NAME: Barbara M. Levine

TITLE: Associate Dean for Administration

DATE: October 7, 1991

FISCAL DATA

- A.1. Total Estimated A.I.D. Amount: \$634,000
- A.2. Total Obligated A.I.D. Amount: \$634,000
- A.3. Cost-Sharing Amount: \$1,491,376
- A.4. Project No.: 180-0023
- A.5. A.I.D. Project Office: ENE/RME, M. Karns
- A.6. Funding Source: A.I.D./W
- A.7. Tax I.D. No.: 56-0771850
- A.8. DUNS No.: 78-247-7335
- A.9. LOC No.: To be established

B. SPECIFIC

- B.1.(a) PIO/T No.: 180-0023-3-1182596
- B.1.(b) Appropriation: 72-11X1010
- B.1.(c) BPC: QAIX-91-33180-IG-12
- B.1.(d) Amount: \$634,000

SCHEDULE

1A. PURPOSE OF GRANT

To assist in providing opportunities in Eastern and Central Europe for the development of private firms, and the restructuring of privatizing firms, through the placement of graduating American MBAs in assignments with private and privatizing firms. The Program is fully described in the Program Description of Attachment 2, and the Grantee's proposal of Attachment 4.

1B. PERIOD OF GRANT

The effective date of this Grant is the date of the Cover Letter and the estimated completion date is December 31, 1992. Notwithstanding the effective date, and subject to the standard Provision of this Grant entitled "Allowable Costs", costs incurred by the Grantee in pursuit of program objectives on or after July 1, 1991 shall be eligible for reimbursement from funds obligated hereunder. Such costs are included in the Grant Budget of Section 1D.2. Funds obligated hereunder (see Section 1C.2. below) shall be used to reimburse the Grantee for allowable program expenditures incurred by the Grantee in pursuit of program objectives from July 1, 1991 through the estimated completion date. Funds obligated hereunder are anticipated to be sufficient for completion by the Grantee of the program described in Attachments 2 and 4 of this Grant by the estimated completion date.

1C. AMOUNT OF GRANT AND PAYMENT

1C.1. The total estimated amount of this Grant for its full period, as set forth in Section 1B. above, is \$634,000. The total estimated amount of the program described in the Grantees unsolicited proposal of Attachment 4, however, is \$2,125,376 for the term set forth in Section 1B. above, of which the Grantee is hereby committed to provide \$1,491,376 in accordance with the clause of the Attachment 3, Standard Provisions, entitled, "Cost Sharing (Matching) (November 1985)." The Total Budget of Section 1D.2. presents a summary of funds provided by A.I.D. under this grant, and by other contributors.

1C.2. A.I.D. hereby obligates the amount of \$634,000 for the purposes of this Grant during the indicated period set forth in Section 1B. above, thereby fulfilling A.I.D.'s funding requirements. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount, except as specified in paragraph (f) of the Standard Provision of this Grant entitled "Revision of Grant Budget."

1C.3. Payment shall be made to the Grantee in accordance with procedures set forth in the Standard Provision of this Grant entitled "Payment - Letter of Credit," as shown in Attachment 3.

1D. TOTAL BUDGET (INCLUDING GRANT BUDGET)

1D.1. The following is the Total Budget for the program described in Attachments 2 and 4 of this Grant. The column headed "Grant Budget" represents the total amount of this A.I.D. grant, i.e., \$634,000, which amount is obligated hereunder (See Section 1C.2). The other columns, including those portions of the Total column in excess of \$634,000, represent the funding commitments of other donors identified in the other column headings. In no event is A.I.D. obligated to provide funds in excess of the total amount obligated under this grant. Except as specified in the Standard Provision of this Grant entitled "Revision of Grant Budget," as shown in Attachment 3, the Grantee may make adjustments among line items of the Grant Budget within its total as may be reasonably necessary for the attainment of program objectives.

id.2. Total Budget:

<u>Category</u>	<u>MBAEC Members</u>	<u>CEE Host Co.</u>	<u>F'dtn Corp.</u>	<u>Grant Budget</u>	<u>Total</u>
<u>Program. Mgt.:</u>					
Salary- Dir'tr			\$50,000		\$50,000
Salary- Exec. Dir.			2,825	\$59,000	61,825
Admin. Support			10,000	22,825	32,825
MBAEC Board & Kenan NC	\$140,625				140,625
Kenar DC Office	18,250				18,250
Fringe (19%)	30,185			17,500	47,685
<u>In-Country Support:</u>					
Co-Sponsors			5,000		5,000
Housing Supp'mt				6,000	6,000
Dollar Stipend			155,000	219,000	374,000
Medical Ins.			15,000	26,000	41,000
Local Salaries & Fees		\$326,800			362,800
<u>Travel:</u>					
U.S. Program Mgt.	76,000		8,000		84,000
Int'l Program Mgt.	30,000		11,000		41,000
U.S. MBAs			10,000	10,000	20,000
Int'l MBAs			17,000	93,000	110,000
Per diem, Pr. Mgt.			6,000		6,000
<u>Training:</u>					
Room & Board, U.S.			50,000	20,000	70,000
Language, U.S.			5,000	57,000	62,000
Cross Culture, U.S.			2,000	28,000	30,000
In-country Lang. & Cross Culture			2,000	23,000	25,000
In-country Rm & Bd.			3,000	38,000	41,000
Other Direct			11,775		11,775
<u>Operating Costs:</u>					
Printing	5,805		6,225	8,675	20,705
Communications			14,000	6,000	20,000
Audit	2,000		3,000		5,000
Board Expenses	17,000		2,000		19,000
Office Supplies	14,000		2,000		16,000
Total Direct Costs	\$333,865	\$362,800	\$390,825	\$634,000	\$1,721,490
Indirect Costs	403,886				403,886
Totals	\$737,751	\$362,800	\$390,825	\$634,000	\$2,125,376

1D.3 Inclusion of any cost in the "Grant Budget" column of the budget of this Grant does not obviate the requirement for prior approval by the Grant Officer of cost items designated as requiring prior approval by the applicable cost principles (see the Standard Provision of this Grant set forth in Attachment 3 entitled "Allowable Costs") and other terms and conditions of this Grant, unless specifically stated in Section 1I. below.

1E. REPORTING

1E.1. Financial Reporting

1E.1.(a) Financial reporting requirements shall be in accordance with the Standard Provision of this Grant entitled "Payment - Letter of Credit," as shown in Attachment 3.

1E.1.(b) All financial reports shall be submitted to A.I.D., Office of Financial Management, PFM/FM/CMPD/DCB, Room 700 SA-2, Washington, D.C. 20523-0209. In addition, three copies of all financial reports shall be submitted to the A.I.D. Project Office specified in the Cover Letter of this Grant, concurrently with submission of the Quarterly Technical Reports (See Section 1E.2. below).

1E.1.(c) The frequency of financial reporting and the due dates of reports shall be as specified in the Standard Provision of this Grant referred to in Section 1E.1.(a) above.

1E.2. Special Reports

Between the required program performance reporting dates stated in the Program Description of Attachment 2, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform the A.I.D. Project Officer as soon as the following types of conditions become known:

1E.2.(a) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any A.I.D. assistance needed to resolve the situation.

1E.2.(b) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

1E.2.(c) If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Grant entitled "Revision of Grant Budget," the Grantee shall submit a request for budget revision to the Grant Officer and the A.I.D. Project Officer specified in the Cover Letter of this Grant.

1F. TITLE TO PROPERTY

Title to property acquired hereunder shall vest in the Grantee, subject to the requirements of the Standard Provision of this Grant entitled "Title To and Use of Property (Grantee Title)" regarding use, accountability, and disposition of such property, except to the extent that disposition of property may be specified in Section 1I. below.

1G. PROCUREMENT AND (SUB)CONTRACTING

1G.1. Authorized Geographic Code

All services shall have their nationality in the United States (A.I.D. Geographic Code 000) or the Cooperating Country, except as A.I.D. may otherwise agree in writing. The authorized source and origin for all goods/commodities shall be in accordance with the Optional Standard Provision entitled, "A.I.D. Eligibility Rules for Goods and Services (November 1985)"; however, since at this time, the countries of Eastern and Central Europe are excluded from A.I.D. Geographic Code 935, wherever in the Optional Standard Provision either A.I.D. Geographic Code 935 appears, or "Cooperating Country" appears, A.I.D. Geographic Code 180 (Eastern Europe) is hereby included or authorized. Requests for deviations to this requirement must include a full justification to be submitted to the Project Office indicated in the cover letter of this Cooperative Agreement. Approval of the Grant Officer and the Project Office is required before procurement of this nature can be undertaken. Ocean shipping financed by A.I.D. under the program shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

1G.2. Procurement Cost Detail

Whenever feasible, the lead U.S. recipient and/or its subrecipients will be responsible for purchasing the U.S. equipment and commodities required for the technical assistance components of the program. This equipment must be specifically and directly linked to the training programs undertaken under the various subcomponents. The prime recipient will be responsible for providing more exact details and specifications of the commodities they propose to procure, including estimated costs of same, in their application to A.I.D.

1G.3. Government Owned Organizations

A Government Owned Organization, i.e., a firm operated as a commercial company or other organization (including nonprofit organizations other than public educational institutions) which are wholly or partially owned by governments or agencies thereof, are not eligible as suppliers of goods and commodities, commodity-related services, or services (other than commodity-related services), except as the Grant Officer may otherwise agree in writing.

1G.4. Travel

The standard provision entitled "Air Travel and Transportation" which requires advance notification of the Project Officer of the Recipient's travel intentions overseas, is required. The Recipient is also required to provide advance notification of intention to travel to the Embassy or A.I.D. Mission in the Cooperating Country.

All air travel and transportation under this Cooperative Agreement are required to be made on U.S. flag carriers to the extent service by such carriers is available.

1G.5. Local Cost Financing

If, pursuant to Sections 1G.1. above, the cooperating country is authorized for source, origin, and nationality purposes, the Standard Provision of this Grant entitled "Local Cost Financing" will apply. Pursuant to said Standard Provision, indigenous goods and imported shelf items provided by local suppliers are eligible for local cost financing in quantities up to the total estimated cost of this Grant, subject to the restrictions stated in said Standard Provision, and Chapter 18 of Supplement B to A.I.D. Handbook 1, which, as may from time to time be amended, is incorporated herein as a part of this Grant by reference.

1G.6. Title to Property

See Section 1F. above.

1H. INDIRECT COSTS

Indirect costs are not chargeable to this Grant. Such costs are part of the Grantee's cost sharing contribution.

1I. SPECIAL PROVISIONS

1I.1. Limitations on Reimbursement of Costs of Compensation for Personal Services and Professional Service Costs

1I.1.(a) Employee Salaries

Except as the Grant Officer may otherwise agree in writing, A.I.D. shall not be liable for reimbursing the Grantee for any costs allocable to the salary portion of direct compensation paid by the Grantee to its employees for personal services which exceed the highest salary level for a Foreign Service Officer, Class 1 (FS-1), as periodically amended.

1I.1.(b) Consultant Fees

Compensation for consultants retained by the Grantee hereunder shall not exceed, without specific approval of the rate by the Grant Officer: either the highest rate of annual compensation received by the consultant during any full year of the immediately preceding three years; or the maximum rate of a Foreign Service Officer, Class 1 (FS-1) (as periodically amended), whichever is less. A daily rate is derived by dividing the annual compensation by 2,087 and multiplying the result by 8.

1I.2. Publications

1I.2.(a) The Grantee agrees to provide one copy of the manuscript of any proposed publication to the A.I.D. Project Officer not later than submission to the publisher, and to give serious consideration to any comments received from the A.I.D. Project Officer.

11.2.(b) In the case of publication of any of the reports described in Section 1E.2. of this Grant, A.I.D. reserves the right to disclaim endorsement of the opinions expressed. For other publications, A.I.D. reserves the right to dissociate itself from sponsorship or publication. In both cases, the Grantee will consult with the A.I.D. Project Officer as to the nature and extent of any A.I.D. disclaimer of endorsement or dissociation from sponsorship or publication.

11.2.(c) If A.I.D. does not choose to disclaim endorsement or dissociate itself from sponsorship or publication, the Grantee shall, in accordance with the Standard Provision of this Grant entitled "Publications," acknowledge A.I.D. support as follows:

"This publication was made possible through support provided by the Office of Eastern Europe, Bureau for Europe and Near East, U.S. Agency for International Development, under Grant No. EUR-0002-G-00-1016-00."

11.2.(d) In addition to providing one copy of all published works and lists of other written work produced under this Grant to the A.I.D. Project Officer, as required by paragraph (b) of the Standard Provision of this Grant entitled "Publications," the Grantee shall also provide two copies of such publications and lists to A.I.D., PPC/CDIE/DI, Washington, D.C. 20523-1802.

11.3. Equipment Purchases

11.3.(a) Requirement for Prior Approval

Pursuant to Sections 1D.3. and 1G.3. above and the Standard Provisions of this Grant entitled "Allowable Costs" and "Revision of Grant Budget," and by extension, Section 13 of Attachment B of OMB Circular A-122, the Grantee must obtain A.I.D. Grant Officer approval for purchases of the following:

11.3.(a)(1) General Purpose Equipment, which is defined as an article of nonexpendable tangible personal property which is usable for other than research, medical, scientific or technical activities, whether or not special modifications are needed to make them suitable for a particular purpose (e.g., office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, motor vehicles, and automatic data processing equipment), having a useful life of more than two years and an acquisition cost of \$500 or more per unit); and

11.3.(a)(2) Special Purpose Equipment, which is defined as an article of nonexpendable tangible personal property, which is used only for research, medical, scientific, or technical activities (e.g., microscopes, x-ray machines, surgical instruments, and spectrometers), and which has a useful life of more than two years and an acquisition cost of \$1,000 or more per unit).

11.3.(b) Approvals

In furtherance of the foregoing, the Grant Officer does hereby provide approval for the following purchases, which shall not be construed as authorization to exceed the total estimated amount or the obligated amount of this Grant, whichever is less (see Section 1C. above):

N/A

11.3.(c) Exception for Automation Equipment

Any approval for the purchase of automation equipment which may be provided in Section 11.4.(b) above or subsequently provided by the Grant Officer is not valid if the total cost of purchases of automation equipment (e.g., computers, word processors, etc.), software, or related services made hereunder will exceed \$100,000. The Grantee must, under such circumstances, obtain the approval of the Grant Officer for the total planned system of any automation equipment, software, or related services.

11.3.(d) Compliance with A.I.D. Eligibility Rules

Any approvals provided in Section 11.3.(b) above or subsequently provided by the Grant Officer shall not serve to waive the A.I.D. eligibility rules described in Section 1G. of this Grant, unless specifically stated.

11.4. Restricted Goods

Pursuant to Section 1G. above, paragraph (a)(3) of the Standard Provisions of this Grant entitled "AID Eligibility Rules for Goods and Services," and, if applicable (see Section 1K. below for applicability), paragraph (e) of the Standard Provision of this Grant entitled "Local Cost Financing," the Grant Officer's

approval is required for purchase of the restricted goods described therein. In furtherance thereof, the Grant Officer does hereby provide such approval to the extent set forth below. The Grant Officer's approval is required for purchases of such restricted goods if all of the conditions set forth below are not met by the Grantee. Any approval provided below or subsequently provided by the Grant Officer shall not serve to waive any terms and conditions of this Grant unless specifically stated.

-n/a-

11.4.(a) Motor Vehicles

Motor vehicles, if approved for purchase under Section 11.4. above or subsequently approved by the Grant Officer, must be of U.S. manufacture and must be of at least 51% U.S. componentry. The origin of the motor vehicles, and the nationality of the supplier of the vehicles, must be in accordance with Section 1G.2. above. Motor vehicles are defined as self-propelled vehicles with passenger carriage capacity, such as highway trucks, passenger cars and busses, motorcycles, scooters, motorized bicycles, and utility vehicles. Excluded from this definition are industrial vehicles for materials handling and earthmoving, such as lift trucks, tractors, graders, scrapers, and off-the-highway trucks.

11.4.(b) Used Equipment

Used equipment may only be purchased with the prior written approval of the Grant Officer.

11.5. Disposition of Property

With reference to Sections 1F. above, disposition of nonexpendable property acquired hereunder shall be as follows:

N/A

11.6. Defense Base Act (DBA) and/or Medical Evacuation Insurance

Pursuant to Section J.16. of OMB Circular A-21 (for educational institutions) or Section 18 of Attachment B of OMB Circular A-122 (for nonprofit organizations other than educational institutions), the Grantee is authorized to purchase DBA and/or medical evacuation insurance under this Grant.

11.7. Closeout Procedures (OMB Circular A-110)

This paragraph prescribes uniform closeout procedures for A.I.D. grants and cooperative agreements.

The following definitions shall apply for the purpose of this paragraph:

Closeout - The closeout of a grant is the process by which A.I.D. determines that all applicable administrative actions and all required work of the grant have been completed by the Grantee and A.I.D.

Date of Completion - The date of completion is the date on which all work under grants is completed or the date on the award document, or any supplement or amendment thereto, on which A.I.D. sponsorship end.

Disallowed Costs - Disallowed costs are those charges to a grant that A.I.D. or its representative determines to be unallowable, in accordance with the applicable Federal cost principles or other conditions contained in the grant.

A.I.D. closeout procedures include the following requirements:

- Upon request, A.I.D. shall make prompt payments to a recipient for allowable reimbursable costs under the grant being closed out.

- The grantee shall immediately refund any balance of unobligated (unencumbered) case that A.I.D. has advanced or paid and that is not authorized to be retained by the grantee for use in other grants.

- A.I.D. shall obtain from the grantee within ninety (90) calendar days after the date of completion of the grant all financial, performance, and other reports required as the condition of the grant. A.I.D. may make grant extensions when requested by the grantee.

- When authorized by the grant, A.I.D. shall make a settlement for any upward or downward adjustments to A.I.D.'s share of costs after these reports are received.

- The grantee shall account for any property acquired with A.I.D. funds, or received from the Government in accordance with any provisions of this agreement.

- In the event a final audit has not been performed prior to the closeout of the grant, A.I.D. shall retain the right to recover an appropriate amount after fully considering the recommendations on questioned costs resulting from the final audit.

11.8. Approval of Subgrants, subagreements, and subcontracts

The grantee shall not enter into any subgrants, subagreements, or subcontracts involving the expenditure of A.I.D. funds under this grant without prior written approval of the Project Office and the Grant Officer.

1J. RESOLUTION OF CONFLICTS

Conflicts between any of the Attachments of this Grant shall be resolved by applying the following descending order of precedence:

- Attachment 1 - Schedule
- Attachment 3 - Standard Provisions
- Attachment 2 - Program Description
- Attachment 4 - Grantee's Proposal

1K. STANDARD PROVISIONS

The Standard Provisions set forth as Attachment 3 of this Grant consist of the following Standard Provisions denoted by an "X", which are attached hereto and made a part of this Grant:

1K.1. Mandatory Standard Provisions For U.S. Nongovernmental Grantees

- (X) Allowable Costs (November 1985)
- (X) Accounting, Audit, and Records (January 1988)
- (X) Refunds (January 1988)
- (X) Revision of Grant Budget (November 1985)
- (X) Termination and Suspension (May 1986)
- (X) Disputes (November 1989)
- (X) Ineligible Countries (May 1986)
- (X) Debarment, Suspension, and Other Responsibility Matters (March 1989)
- (X) Nondiscrimination (May 1986)
- (X) U.S. Officials Not to Benefit (November 1985)
- (X) Nonliability (November 1985)
- (X) Amendment (November 1985)
- (X) Notices (November 1985)

1K.2. Additional Standard Provisions For U.S. Nongovernmental Grantees

- (X) Payment - Letter of Credit (November 1985)
- () Payment - Periodic Advance (January 1988)
- () Payment - Cost Reimbursement (November 1985)
- (X) Air Travel and Transportation (November 1985)
- (X) Ocean Shipment of Goods (May 1986)
- (X) Procurement of Goods and Services (November 1985)
- (X) AID Eligibility Rules for Goods and Services (November 1985)
- (X) Subagreements (November 1985)
- (X) Local Cost Financing (November 1988)
- (X) Patent Rights (November 1985)
- (X) Publications (November 1985)
- () Negotiated Indirect Cost Rates - Predetermined (May 1986)
- (X) Negotiated Indirect Cost Rates - Provisional (May 1986)
- (X) Regulations Governing Employees (November 1985)
- (X) Participant Training (May 1986)
- (X) Voluntary Population Planning (August 1986)
- () Protection of the Individual as a Research Subject (November 1985)
- () Care of Laboratory Animals (November 1985)
- () Government Furnished Excess Personal Property (November 1985)
- (X) Title To and Use of Property (Grantee Title) (November 1985)
- () Title To and Care of Property (U.S. Government Title) (November 1985)

- () Title To and Care of Property (Cooperating Country Title) (November 1985)
- () Cost Sharing (Matching) (November 1985)
- (X) Use of Pouch Facilities (November 1985)
- (X) Conversion of United States Dollars to Local Currency (November 1985)

ATTACHMENT 2

PROGRAM DESCRIPTION

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Program Description

I. BACKGROUND:

The MBA Enterprise Corps (MBAEC) is a consortium of 16 U.S., business schools formed to encourage the development of free enterprise systems and the internationalization of U.S. businesses. It places graduating American MBAs in one to two year assignments with private and privatizing firms in Eastern/Central Europe and Asia. The funds from this PIO/T will only fund MBAs for Eastern/Central Europe. MBAEC is managed by the Kenan Institute under the direction of a board representing each member school. Members of the MBAEC are:

Columbia University	University of California
Cornell University	at Los Angeles
Dartmouth College	University of Chicago
Duke University	University of Michigan
Indiana University	University of North
	Carolina at Chapel Hill
New York University	University of Pennsylvania
Northwestern University	
Southern Methodist University	
Stanford University	University of Virginia
University of California	
at Berkeley	

II. Objectives:

The specific objectives of the MBAEC in Eastern and Central Europe are:

1. To accelerate the development of private firms and the restructuring of privatizing firms;
2. To strengthen long-term business ties to the United States through technology transfer and access to U.S. markets;
3. To increase understanding of international private enterprise among future Eastern and Central Europe business leaders and U.S. business leaders.

III. Specific Tasks:

1. The Kenan Institute, grantee, shall be responsible for the management and implementation of the MBA Enterprise Corps (MBAEC) project under the direction of a board comprised of representatives from each of the 16 member schools. Their principal implementation responsibilities are:

a. Monitor the selection process of the MBA graduate for the MBAEC project.

b. Develop, in conjunction with a partner institution in each country, a list of firms and positions for the MBAEC project.

c. Monitor the placement of the MBAs in the private firms.

d. Conduct a training program in July/August 1991 for all MBAs in the program (Pre-grant costs from July 1, 1991 are approved in authorization memorandum - Attachment 3).

2. The project shall provide approximately 50 MBA graduates for the 1991-92 FY term to work in the private sector in Eastern/Central Europe or provide assistance to a ministry participating in the privatization process.

IV. Kenan Institute Management of Grant:

A.I.D. funds will support one full time manager (Lynne Gerber) and one full time administrative assistant located in Chapel Hill, North Carolina. Other part-time inputs will be provided by Dr. Behrman, MBAEC Director from Chapel Hill, N.C. and Dr. Bremer, Kenan Washington Office Director, (neither are funded by A.I.D.).

V. Technical Reports:

1. Quarterly Progress Reports describing the status of the implementation, progress of the MBAs' work, and a discussion of any problems.

2. Annual Report or End of the Project Report will include an analysis of the findings and results of the project from the MBA graduate position, the Eastern Europe firms, and the American companies participating in the project.

3. The above reports are to be sent to Mark Karns AID/ENE/RME, Room 6923, Department of State, Washington, D.C. 20523.

In addition, two copies of the Annual Report or End of the Project Report shall be submitted to A.I.D., PPC/CDIE/DI, Washington, D.C. 20523-1802.

VI. Financial and Audit:

1. Financial reporting requirements are stipulated in the Schedule of Attachment 1 to this Grant.

2. An audit will be completed by an independent accounting firm at the end of the project and five copies provided to the A.I.D. Project Officer, Mark Karns.

1182576

APPROVED

878 8/27/91

AID 138.11 (387) *PIO AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	1 Cooperating Country East European Regional	Page 1 of 1 Pages
	2 PIO # No 180-0023-3-1182596	3 <input checked="" type="checkbox"/> Original or Amendment No
	4 Project Activity No and Title Technical Assistance to Enterprises 180-0023	

DISTRIBUTION	5 Appropriation Symbol 72-11X1010 (184-63-180-00-69-11)	6 Budget Plan Code QAIX-91-33180-IG-12
	7. Obligation Status <input checked="" type="checkbox"/> Administrative Reservation <input type="checkbox"/> Implementing Document	8. Project Assistance Completion Date (Mo., Day, Yr.) 12-31-92
	9 Authorized Agent MS/OP/OS/ENE	10 This PIO-T is in full conformance with PRO AG No N/A Date
	11a. Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input type="checkbox"/> AID Grant or Cooperative Agreement (HB 13) <input type="checkbox"/> PASA RSSA (HB 12) <input type="checkbox"/> Other	11b Contract Grant Cooperative Agreement 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. _____)					
Maximum AID Financing Available	A. Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
			634,000		634,000
	B. U.S. Owned Local Currency				

13. Mission References	14A. Instructions to Authorized Agent MS/OP/OS/ENE is authorized to negotiate a grant agreement with the Kenan Institute of Private Enterprise to implement the MBA Enterprise Corps project. A scope of work, an illustrative budget and a non-competitive justification (in authorization memorandum) are attached.
	14B. Address of Voucher Paying Office FM/CPD/DCE, Room 700, SA-2, Washington, DC 20523

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 or program description are technically adequate.	Phone No. 74508	B The statement of work or program description lies within the purview of the initiating office and approved agency programs.	Date 7/31/91
	Date 7-31-91		ENE/RME: TMahoney ENE/EUR, D.Pressley
	ENE/EUR, M.Karns		FM, R.Anderson
ENE/PDP/EUR, G.Hazel	Date 7/24/91	D Funds for the services requested are UNRESERVED BY:	
ENE/PDP/EUR, R.Redman	Date 7/21/91		
ENE/DP/F, Mary Crawford	Date 8/2/91		

16 For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to N/A	17 For the Agency for International Development OFFICE OF FINANCIAL MANAGEMENT Signature Scott Smith Date 8/2/91 Title Scott Smith, Director, PDP
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*See HB 3, Sup. A, App. C, Att B, for preparation instructions. Note: The completed form contains sensitive information whose unauthorized disclosure may subject an employee to disciplinary action.

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