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AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES A.I.D MISSION TO GUATEMALA

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USAID/GUATEMALA or c/o American Embassy
UNIT 3323 Guatemala, City, Guatemala, C.A.
APO AA 34024

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THE CENTER FOR DEMOCRACY
1101 15th Street, N.W., Suite 505
Washington, D.C. 20005

Subject: Grant Agreement No. 515-0241-G-00-2133-00

Gentlemen:

ENTERED

Pursuant to the authority contained in ~~the~~ ^{DEC 14 1992} Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or USAID/Costa Rica) hereby grants to the Center for Democracy (hereinafter referred to as "CFD" or "Grantee"), ^{Section} the sum of One Million Nine Hundred Ninety-Four Thousand Eight Hundred and Ninety-Five Dollars (\$1,994,895), to strengthen support systems of the Costa Rican legislature to facilitate more efficient processes for the development and passage of legislation, as more fully described in Attachment 1 entitled "Schedule" and Attachment 2 entitled "Program Description". Notwithstanding the amount indicated above, the Grantee acknowledges that the U.S. dollar amount that is presently obligated for this Grant is One Million Dollars (\$1,000,000) as shown in Paragraph C.2 of Attachment No. 1 hereof. Until such time as the obligation is increased by amendment to this Grant, the obligation is limited to the amount provided for in the Attachment No. 1 paragraph cited above.

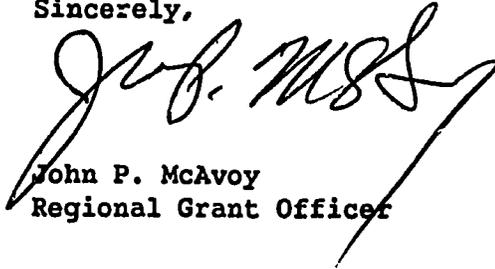
This Grant is effective as of February 13, 1992, and obligation is made as of the date of this letter, and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning February 13, 1992, and ending February 12, 1995. Notwithstanding the foregoing, it is agreed that the funds obligated by this Grant are anticipated to be sufficient for program activities through the period indicated in Paragraph B.2 of Attachment No. 1.

This Grant is made to the Grantee on the condition that the funds will be administered in accordance with the terms and conditions set forth in Attachment 1, entitled "Schedule," Attachment 2, entitled "Program Description," and Attachment 3, entitled "Standard Provisions for US Non-Governmental Grantees," which have been agreed to by your organization and which are hereby made a part of this Grant.

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515-0241-G-00-2133-00
April 13, 1992

Please sign the original and five (5) copies of the letter to acknowledge your receipt of this Grant and return the original and four (4) copies to Regional Contracts Office, USAID/Guatemala.

Sincerely,



John P. McAvoy
Regional Grant Officer

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions, US Non-Governmental Grantees.

ACKNOWLEDGED:

By: _____

Title: Chief Operating Officer

Date: 27 May 1992

Appropriation No.:	72-111102.
Budget Plan Code:	LDSA-91-25515-KG13
PIO/T No.:	515-0241-3-10055
Project No.:	515-0241
Total Estimated Amount:	\$1,994,895
Total Obligated Amount:	\$1,000,000

5949G/P20
/amt

**ASSURANCE OF COMPLIANCE WITH LAWS AND REGULATIONS
GOVERNING NONDISCRIMINATION IN FEDERALLY ASSISTED PROGRAMS**

The Center for Democracy (hereinafter called the "Applicant")
(Name of Applicant)

hereby assures that no person in the United States shall, on the bases set forth below, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under, any program of activity receiving financial assistance from AID, and that with respect to the grant for which application is being made, it will comply with the requirements of:

- (1) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-362, 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
- (5) AID regulations implementing the above nondiscrimination laws, set forth in Chapter II of Title 22 of the Code of Federal Regulations.

If the Applicant is an institution of higher education, the Assurances given herein extend to admission practices and to all other practices relating to the treatment of students or clients of the institution, or relating to the opportunity to participate in the provision of services or other benefits to such individuals, and shall be applicable to the entire institution unless the Applicant establishes to the satisfaction of the AID Administrator that the institution's practices in designated parts or programs of the institution will in no way affect its practices in the program of the institution for which financial assistance is sought, or the beneficiaries of or participants in such program.

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

The Center for Democracy

Applicant

BY (Signature



TITLE

Chief Operating Officer

TYPED NAME

Patricia S. Williams

DATE

27 May 1992

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P20/38

SCHEDULE

A. Purpose of Grant:

The purpose of the project is to strengthen support systems of the Costa Rican legislature to facilitate more efficient processes for the development and passage of legislation.

B. Period of Grant:

1. The effective date of this Grant is February 13, 1992. The expiration date of this Grant is February 12, 1995.
2. Funds obligated hereunder are available for program expenditures for the estimated period February 13, 1992 through August 12, 1993. However, pre-Grant expenses up to \$69,000 are authorized effective October 1, 1990, for the following activities:
 - a. Work related to the development of the Modernization Plan which is the basis for the whole modernization of the Assembly; and
 - b. Services of Mr. Constantino Urcuyo as advisor.

C. Amount of Grant and Payment:

1. The total estimated amount of this Grant for the period shown in B.1. above is \$1,994,895.
2. AID hereby obligates the amount of \$1,000,000 for program expenditures during the period set forth in B.2 above.
3. The Grantee may not exceed the total obligated or estimated amount whichever is less.
4. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3, Optional Standard Provision No. 1, entitled "Payment - Letter of Credit".
5. The Consortium has designated the Center for Democracy as its lead institution. AID grant funds will be disbursed to the CFD under a Federal Reserve Letter of Credit, and the Center will retain primary responsibility for their administration. The Center's cognizant audit agency is AID, and this project will be included under its annual scope of audit accounts.

D. Financial Plan:

The Financial Plan for this Grant is shown as Exhibit A to Attachment No. 1. Revisions to this Plan shall be made in accordance with the Standard Provision of this Agreement entitled "Revision of Grant Budget".

The Financial Plan is illustrative in nature. The Grantee can adjust individual cost lines by a factor not to exceed 15%. Any adjustment exceeding

15% or any increase in the total Grant amount requires the prior written approval of the Regional Grant Officer.

No compensation for personnel will be reimbursed unless their use under this Grant has the advance written approval of the Grant Officer.

E. Special Provisions

1. The Grant Officer's Technical Representative (GOTR) for the performance of this Grant is the General Development Officer, USAID/Costa Rica, or his designee. This individual shall have the following authority:

- a) Certification of work performed on all vouchers submitted.
- b) Necessary clarifications of, or minor, non-cost-related adjustments to the program description in Attachment 2.
- c) Approval of all reports, plans, timetables or other such technical submissions required under the Program Description.

F. Local cost financing is authorized per Optional Standard Provision No. 9.

G. Logistic Support:

All logistic support shall be provided or arranged by the Grantee.

H. Authorized Geographic Code

The authorized Geographic Code for procurement of goods and services shall be in accordance with Provision 6 of the Optional Standard Provisions.

I. Reporting

1. Financial Reporting:

- a. Financial reporting requirements shall be in accordance with the Standard Provision of this agreement entitled "Payment - Letter of Credit", as shown in Attachment 3.
- b. The original and two copies of all financial reports shall be submitted to AID, Office of Financial Management, Cash Management and Payments Division (FM/CMPD), Washington, D.C. 20523. In addition, three copies of all financial reports shall be submitted to the technical office, GDO, USAID/Costa Rica, Unit 2503, APO Miami, FL 34020.

2. Program Performance Reporting:

The recipient shall present the following reports, by component, to USAID/Costa Rica:

- a) A quarterly report on progress towards achieving objectives. This shall include project activities during the ending quarter, a summary of problems and recommended solutions and major activities expected during the next quarter. The report should be based on indicators presented in the annual plans. This report shall be

approved by the USAID and will be part of the presentation to be made to the Legislature. It shall be presented to A.I.D. not less than ten (10) working days after the end of the quarter. A format for this report should be presented for approval with the Master Plan.

- b) On a yearly basis, the recipient will present a 12-month implementation plan and line-item budget. The plan should be presented not less than thirty (30) days before the end of the 12-month period (the first 12-month plan will be presented 60 days after arrival), for written approval by the USAID. The plan shall include all the activities that the recipient envisions will be executed during the period and a detailed budget of anticipated expenditures and a detail of actual expenditures. In addition, the implementation plan shall include an analysis of how these activities are expected to affect the indicator list, and how the activities of the past year contributed to project goals, in general and as measured by a budget execution report and indicator list compiled by the recipient. At this time the recipient may wish to propose deletions, additions or modifications to the indicator list based on past experience.
- c) At the recipient's option, a revision to the 12-month implementation plan and budget may be submitted for written USAID/Costa Rica approval as needed. It should follow the same format as the 12-month plan for all aspects that are being modified.
- d) A final report within thirty (30) days of project termination summarizing accomplishments, lessons learned and recommendations.
- e) Reports should be presented in English and Spanish, five copies each.

J. Establishment of Indirect Cost Rate

Pursuant to the Optional Standard Provisions of this Agreement entitled "Negotiated Indirect Cost Rates - Provisional" and "Negotiated Indirect Cost Rates - Predetermined" a rate or rates shall be established for each of the Recipient's and Sub-Recipient's accounting periods during the term of the Agreement. Pending establishment of final overhead rates for the initial period, provisional payments on account of allowable indirect costs shall be made on the basis of the following delineated provisional and predetermined rates applied to the base(s) which are set forth below:

CFD

<u>Type of Rate</u>	<u>Rate(s)</u>	<u>Base</u>	<u>From</u>	<u>Through</u>
G & A Provisional	43.34%	*	Grant Effective Date	Until Amended

<u>Type of Rate</u>	<u>Rate(s)</u>	<u>Base</u>	<u>From</u>	<u>Through</u>
Fringe Benefits	17.87%	**	Grant Effective Date	Until Amended

(*) Total Direct Costs.

(**) Total Labor.

NOTE: The budget contemplates indirect cost rates at 41.5% and Fringe Benefits at 28.50%. However, the Grantee will charge above rates until the proposed rates are officially approved by AID/Washington.

F2U

<u>Type of Rate</u>	<u>Rate(s)</u>	<u>Base</u>	<u>From</u>	<u>Through</u>
Indirect Costs Provisional	On-Campus 55.0%		Grant Effective Date	Until Amended

(*) Direct salaries and wages including all fringe benefits.

NOTE: Fringe benefits applicable to direct salaries and wages are treated as direct costs.

SUNY

<u>Type of Rate</u>	<u>Rate(s)</u>	<u>Base</u>	<u>From</u>	<u>Through</u>
Indirect Costs Predetermined	On-Campus 50.5%	*	Grant Effective Date	Until Amended
Fringe Benefits	27.0%	**	Grant Effective Date	June 30, 1992
	29.5%	**	July 1, 1992	Until Amended

(*) Modified total direct costs consisting of salaries and wages, fringe benefits, materials and supplies, consultant services, and travel.

(**) Salaries and wages exclusive of all student compensation

NOTE: Fringe benefits applicable to direct salaries and wages are treated as direct costs.

515-0241-G-00-2133-00
Attachment 1
Exhibit A

FINANCIAL PLAN
IN US DOLLARS

CATEGORIES

Salaries & Fringe	498,188
Audit & Evaluation	35,000
Local Office	347,040
Phase I	214,666
Phase II	<u>249,205</u>
Sub-Total Direct Costs	1,344,099
Overhead	495,796
Capital Equipment	<u>155,000</u>
Grand Total	<u>1,994,895</u> =====

PROGRAM DESCRIPTION

I. Background:

The Mission since 1985 has been assisting the Government of Costa Rica through the Policy, Planning and Administrative Improvements and Policy and Training Support (PATS) projects, designed to support economic reform, strengthen trade and investment and enhance government responsiveness.

This assistance is a new component of the amended PATS project and is designed to develop the Legislative Assembly as an institution into a more efficient, active, well informed entity which can understand, design, enact and implement legislation which will serve to promote both economic growth and distribution of economic benefits. The Costa Rican legislative system is closely patterned after that of the U.S. Therefore, given the Legislative Assembly's important role in maintaining this strong democracy and supporting economic reform, improving their functions supports the Mission's priority strategic objectives of strengthening trade and investment, improving democracy and enhancing government responsiveness.

Toward this end and recognizing the need, among its other responsibilities, to become a more positive force in the economy, the legislature has established a bipartisan Commission to Modernize the Legislative Assembly. Moreover, a number of other individual actions have been taken by the legislature to initiate the modernization process, such as completing a study of the information management needs of the Assembly, funded by the Swedish government, completing a study for a comprehensive micro-film system for their archives, and developing a Peat Marwick study recommending a modernized administrative and management structure. USAID has already funded two activities through the administration of justice project, one to mount a computerized database and cross reference index of the existing legislation system, and the other to develop a legislative procedural manual for the Assembly.

In late 1990, the legislature initiated a relationship with the Consortium for Legislative Development, a United States consortium of The Center for Democracy and its subgrantees, the University at Albany, State University of New York and Florida International University, to carry out activities under the Latin American and Caribbean Regional Legislative Development Project. At about the same time, USAID made contact with the Legislature and Consortium for the purpose of discussing a possible bilaterally-funded project to strengthen the legislature. It was agreed that the Consortium, working with the Commission, would write a Needs Assessment and a Master Plan (already approved by the Commission). Following additions and change recommended by the Mission, the Mission accepted the Needs Assessment and the Master Plan as an adequate basis for approving A.I.D.'s funding for this program.

Given the political nature of this project, several points were agreed upon by the Mission and the Legislative Assembly:

1. That the Consortium along with the Commission would take the lead in studying the need for, designing and implementing a project; and USAID would maintain a low profile but play a key role in the project;

2. That it would be desirable for this to be a multidonor project, with the involvement, if possible, of other donors, such as the IDB, the EEC, the Swedish government and others, with technical assistance for the development and implementation of this concept to be provided by the Consortium for Legislative Development;
3. If the multidonor concept does not become a reality, USAID funding would be directed to pre-identified discrete parts of the plan related to strengthening staff and systems to improve the functioning of the legislature which would be implemented by the Consortium.

The Consortium consequently developed a Needs Assessment and found that the Costa Rican Legislative Assembly is currently a vibrant democratic institution with excellent potential to perform its constitutionally-mandated role. However, fundamental and important problems inherent in both its political and administrative organization prevent the Assembly from maximizing its contribution to the country's political system. The following are examples of the obstacles that prevent the Assembly from effectively fulfilling important functions in the balance of powers and analysis of policy proposals:

1. The Assembly is not sufficiently developed as a political organization. Many legislators and staff of the Assembly lack a clear understanding of their roles or the role of the institution in which they serve. The resources needed by both the political parties and the members to enable the performance of effective oversight and policy analysis are not in place.
2. The Assembly is not sufficiently developed as an administrative organization. An effective organization requires that some functions be decentralized but that others, such as bill drafting, be centralized. Additionally, it lacks the basic management tools normally present and needed for efficiency and productivity. The Assembly does not even have the minimal physical facilities needed for development as an effective organization.
3. There is a lack of professional-level staff support. Such support is vital if a legislature is to fulfill its role in government. Complicating this problem, the qualifications of many of the existing staff, in terms of work experience and education, are below the level needed.
4. The Assembly lacks the institutional linkages and ties that would give it access to the information, resources, talents and support mechanisms available in the community and in the region.
5. The Assembly cannot entirely fulfill its function as a representative body. Constituency services and interaction with the communications media need enhancing. This is complicated, in part, due to a lack of understanding of the role and function of the Assembly by the general public.

6. The Assembly is weak as a decision-making body. It is hampered in this role by specific institutional traditions and practices (such as annual rotation of the leadership) and a broader historical and cultural tradition of dependence on the Executive Branch.
7. The Assembly is not considered a strong symbol of democracy. Both the Assembly as an institution and its members suffer from a poor public image.

II. The Master Plan:

The Master Plan supports activities designed to increase the legislators' understanding of their institution's role and functions; improve the balance of power between the Assembly and the executive branch; enhance the Assembly's decision-making ability; improve the Assembly's organizational capacities and effectiveness; establish ties between the Assembly and other institutions; and educate the public and the media about the Assembly's role as a representative body. The plan organizes its activities around: (i) development of the Commission on the Modernization of the Assembly; (ii) strengthening the Assembly's human resources and organization--its ability to perform its law making, oversight and related functions; (iii) improving external linkages; (iv) enhancing the organizational structure and processes; and (v) providing additional informational and physical support.

The Legislative Master Plan incorporates seven components:

1. Institutionalizing the Legislative Development Process;
2. Organizational and Human Resource Development Technical Assistance;
3. Improving Institutional Linkages;
4. Administration and Management;
5. Information Support;
6. Physical Plant Support;
7. Operational Equipment.

AID Participation

Technical assistance, training and commodities will be funded through a grant with The Center for Democracy and its subgrantees for the first four and related parts of the seventh of these components under this grant as part of USAID's bilateral contribution to the strengthening of the Legislative Assembly. In addition, USAID under this grant, will fund the researching, writing and advancement of the Master Plan for the Development of the Legislative Assembly of Costa Rica. The development of the Master Plan constitutes a major part of a first phase of the implementation of this grant. Moreover, if the Assembly is successful in attracting multiple donors to implement the Master Plan, adjustment to the budget items and activities might be made to facilitate the multidonor concept.

The selection of the Consortium for Legislative Development to provide technical assistance is justified for three reasons: 1) because of the political sensitivity of the project, a neutral non-political organization is

necessary to provide technical assistance; 2) the Consortium is already well-known to the Costa Rican legislature and has been working with the legislature prior to this project; and 3) the legislature has requested that the Consortium specifically provide technical assistance for this project.

III. Scope of Work:

This grant is to be implemented in two phases, the first, months 1-9 and the second, months 10-36 as indicated below.

1. Objective:

The objective of this project is to strengthen support systems of the legislature to facilitate more efficient processes for the development and passage of legislation.

2. The Mission through the grant wants to assist in the strengthening of the Legislative Assembly in non-political areas which can facilitate their efficiency while at the same time supporting our macroeconomic, trade liberalization and government efficiency objectives.

3. Tasks:

Phase I: (Months 1-9)

1) MASTERPLAN DEVELOPMENT

- a. Support of the Assembly's Initiative to implement the Master Plan, including on-the-ground technical support and coordination.

Output - Development of Master Plan, including multilateral contacts to build support for its implementation.

2) INSTITUTIONALIZING THE LEGISLATIVE DEVELOPMENT PROCESS:

- a. Development of the Commission for Modernization of the Legislature - This Commission will provide the multi-year continuity for the project given the annual turnover of the staff and officers of the Congressional Directorate.

Output - A functioning Commission running the multilateral project in a mode of permanent legislative modernization, with six permanent Commission members trained in the philosophy and practical skills of legislative development.

- b. Graduate Study Program - Long-term training for a minimum of two and up to five permanent staffers or qualified professional candidates to study legislative development, operational theory, policy analysis, and working techniques;

Output - Identification and initial selection of two and subsequently up to five professionals to participate in a legislative administration, information and public policy program working in support of the modernized Legislative operations.
(Phase I)

Phase II. : (Months 10-36)

3) ORGANIZATIONAL AND HUMAN RESOURCE DEVELOPMENT:

Where appropriate, the media, universities, resource centers and professional organizations will be encouraged to attend/participate in relevant conferences, training activities, to enhance public awareness of and participation in the legislative process.

- a. **Budgetary Role** - Provide technical assistance and training to assist the Legislative Assembly in strengthening its budgetary process, identifying staffing patterns, use of budgetary information systems, budgetary techniques and member orientation.

Output - Twenty legislators and ten staff members trained in budgetary activities.

- b. **Oversight Role** - Technical assistance and training in program oversight functions and techniques;

Output - Fifteen legislators and five staff members trained in the oversight function.

- c. **Public Policy Role** - Technical assistance and training to assist Legislative Assembly and implementation developing research and analytical skills and capability with a special focus on policy/bill analysis and staff skill development; Development of three public policy joint research projects between the Legislative Assembly and the local academic community.

Output - Fifteen legislators and ten staff trained in policy/bill analysis techniques. Three public policy papers researched and written.

- d. **Constituent Services** - Assessment of existing constituent services and needs of constituents and development of human resources to provide them. Training for members and staff on techniques for meeting identified needs;

Output - Assessment and training program on constituency operations (number of people trained to be determined following assessment).

- e. **Other Legislative Techniques and Technologies** - Bill drafting and indexing, legislative/parliamentary procedures, legislative office organization, plenary and committee management and legislative reference.

Output - Thirty members and thirty staff trained in legislative techniques and technologies.

4) **IMPROVING INSTITUTIONAL LINKAGES:**

- a. Legislative Internship Program at the Legislative Assembly - For university students.
- b. Participation in professional conferences and associations, including ATELCA;

Output - Up to forty staff and members participating in professional conferences and associations.

5) **ADMINISTRATION AND MANAGEMENT:**

- a. Comprehensive Personnel System - Technical Assistance to the Assembly to support the design and implementation of a system with standardized recruitment procedures, career tracks, class and position descriptions, job specifications and a personnel evaluation system.

Output - Comprehensive human resource classification system proposal. Up to ten staff trained in implementation and utilization of comprehensive personnel systems by a Costa Rican management consulting firm under subcontract. System functioning.

For each of the activities outlined above the Consortium will provide the appropriate long and short-term technical assistance and administrative support, including the purchase of appropriate commodity inputs, coordination of seminars and conferences, travel, training and setting up an office in Costa Rica.

6) **AREAS OF ASSISTANCE:**

- a. Long-Term Technical Assistance - A significant portion of the technical assistance will be provided by a long-term resident advisor (LTA), therefore we suggest a period of 32.5 months for this position. The LTA will assist the Assembly, the USAID Mission and other participating donors to carry out the project objectives. The LTA's responsibilities are listed below.

The LTA will be responsible for implementation of all aspects of the in-country portion of this project. The LTA will receive administrative back-stopping by a local staff to include: 1 professional assistant, 1 bookkeeper, 1 secretary, and a custodian. Short-term technical assistance will be provided by the individual Consortium affiliates to accomplish the tasks necessary. Specifically the LTA will:

- 1) Coordinate and advise the Modernization Commission, the President of the Legislature, other members and AID on technical and administrative matters related to project implementation.

- 2) Coordinate activities with other multidonor development activity.
- 3) Determine short-term Technical Assistance needs and make request to the home office for timely provision of these advisors.
- 4) Coordinate and implement conferences, seminars, and in-country and out-of-country training.
- 5) Serve as liaison for the Legislature, AID and CLD and AID and the home office.
- 6) Set-up and supervise the in-country office and staff.
- 7) Present annual work plans and budgets including project progress indicators.
- 8) Prepare quarterly reports on project progress.

Qualifications for LTA:

- Masters Degree in political science, management, or related area.
- At least five years experience in working with legislatures, preferably with experience in Latin America.
- A thorough knowledge of legislative issues.
- Cultural and political sensitivity.
- Fluency in the Spanish and English languages.

- B. Short-term Advisors (including members of the Consortium and Consultants) - The Consortium will provide technical assistance to the Legislature on the various aspects of the activities which the Consortium will support. The Advisors will be U.S., Third Country or Local and will prepare special analyses, run seminars, undertake studies and plans and assist the Commission and staff in technical and administrative aspects of project implementation.

An illustrative list of the areas of focus of their efforts follows:

1. Legislative planning
2. Budget
3. Legislative oversight
4. Public policy
5. Legislative techniques and technologies
6. Research
7. Administrative and management
8. Constituent services

C. Short-Term Training.

Training activities in the form of seminars, conferences, workshops and other fora will be organized and attended by appropriate legislative staff and legislators both in-country and abroad in support of the project's objectives and the aforementioned areas of technical assistance.

D. Long-Term Training.

A minimum of two and up to five Masters Degree candidates will be provided long-term study opportunities in areas of study mutually agreed upon by the Assembly, the Consortium and A.I.D.

E. Observational Travel and Others.

Visits will be made to observe the operations of other legislative groups and discuss implementation of the Master Plan with other governments. USAID/CR must concur on the purpose and nature of the visits, which must be advantageous to furtherance and improvement of Costa Rica's Legislative System. In addition, other materials such as books, studies, video-cassettes, etc. to broaden the Legislature's knowledge are contemplated here.

F. Commodities.

Purchase appropriate project-related commodities.

Additional Information:

- 1) The Grant Officer's Technical Representative (GOTR) for the performance of this Grant will be the General Development Officer or his designee. The GOTR shall be named in writing and the Grantee will be notified in writing should the GOTR be changed. The GOTR shall have the following duties:
 - a. Certification of work performed on all vouchers submitted;
 - b. Necessary clarifications of non-cost related technical submissions required under the Program Description;
 - c. Approval of all reports, plans, timetables or other such technical submissions required under the Program Description;
 - d. Approval of all short- and long-term personnel charged to this grant. Their salaries should not exceed current salaries or the salary of an AID employee at the FS-1 grade, whichever is less; and
 - e. Approval of travel and procurement of commodities.
- 2) Salaries or compensation of short- and long-term specialists require prior written approval by the Regional Grants Officer.
- 3) General guidance will rest with the Legislative Modernization Commission and the President of the Legislature. The Commission will provide general guidelines for research and technical assistance

activities. The LTA will be the principal representative of the Consortium who will work with the Commission. However, his role will be strictly in an advisory capacity. Meetings with the above will be held as needed but should assure maximum coordination. During meetings the recipient will be expected to report on progress of components and multidonor strategy implementation.

- 4) The recipient may include expenses incurred prior to the signing of the Grant, if such expenses are allowable and allocable under the terms of the resulting commitment document. It is understood that any expenses incurred by the recipient before the establishment of a valid commitment are at its own risk.

The USAID mission may amend the Scope of Work, budget or to extend the period of services, depending on availability of funds and further project needs.

7. PRELIMINARY STEPS:

The Consortium for Legislative Development shall submit, within approximately thirty (30) days of acceptance of this grant, in writing to the GOTR, acting for USAID/Costa Rica, the name and other pertinent information of the candidate proposed for LTA. USAID/Costa Rica will indicate its acceptance or denial of the proposed candidate in writing. The recipient will appoint the LTA no later than fifteen (15) days after receipt of acceptance and will notify USAID/Costa Rica of this fact, advising the USAID on how to contact the LTA.

Within approximately forty-five (45) days of the LTA's appointment by the recipient, the Consortium for Legislative Development will field the LTA who will be responsible along with the Consortium for Legislative Development for presenting a one year work plan including all task areas no later than sixty (60) days from arrival. The plan and corresponding budgets shall be presented to USAID/Costa Rica for its written approval. Subsequent plans will be prepared and presented to USAID/Costa Rica for written approval every 12 months.

In addition, the Consortium for Legislative Development shall prepare, as part of the first year plan, for USAID/Costa Rica's written approval, a preliminary list of indicators of accomplishment. These indicators should measure factors which the recipient's efforts purport to effect and which measure, to some extent, attainment of stated objectives. They may be general or specific, as necessary, and initially the recipient will define what these indicators are expected to measure, the assumptions upon which they are based and the degree to which they may be affected by circumstances beyond the GOTR's and/or the recipient's control.

Within thirty (30) days of the signing of this grant agreement, the recipient will submit to AID an M.O.U. signed with the head of the National Commission for Modernization of the Legislature which delineates the responsibilities of both parties based on this Grant. This M.O.U. will be submitted to AID in draft for review and approval prior to signing.

8. PERIOD OF PERFORMANCE AND LEVEL OF EFFORT:

The period of performance of these services will be 36 months, subject to the availability of funds, effective as of the execution of the grant by the Grant Officer.

IV. Reports

The recipient shall present the following reports, by component, to USAID/Costa Rica:

- 1) A quarterly report on progress towards achieving objectives. This shall include project activities during the ending quarter, a summary of problems and recommended solutions and major activities expected during the next quarter. The report should be based on indicators presented in the annual plans. This report shall be approved by the USAID and will be part of the presentation to be made to the Legislature. It shall be presented to A.I.D. not less than ten (10) working days after the end of the quarter. A format for this report should be presented for approval with the Master Plan.
- 2) On a yearly basis, the recipient will present a 12-month implementation plan and line-item budget. The plan should be presented not less than thirty (30) days before the end of the 12-month period (the first 12-month plan will be presented 60 days after arrival), for written approval by the USAID. The plan shall include all the activities that the recipient envisions will be executed during the period and a detailed budget of anticipated expenditures and a detail of actual expenditures. In addition, the implementation plan shall include an analysis of how these activities are expected to affect the indicator list, and how the activities of the past year contributed to project goals, in general and as measured by a budget execution report and indicator list compiled by the recipient. At this time the recipient may wish to propose deletions, additions or modifications to the indicator list based on past experience.
- 3) At the recipient's option, a revision to the 12-month implementation plan and budget may be submitted for written USAID/Costa Rica approval as needed. It should follow the same format as the 12-month plan for all aspects that are being modified.
- 4) A final report within thirty (30) days of project termination summarizing accomplishments, lessons learned and recommendations.
- 5) Reports should be presented in English and Spanish, five copies each.

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APPENDIX 4C
OMB Control No. 0412-0510
Expiration Date: 12/31/89

MANDATORY STANDARD PROVISIONS FOR
U.S., NONGOVERNMENTAL GRANTEE¹

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MANDATORY STANDARD PROVISIONS

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| 3. Refunds | 10. U.S. Officials Not to Benefit |
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1. ALLOWABLE COSTS (NOVEMBER 1985)

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

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

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

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

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

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- (1) Accurate, current, and complete disclosure for each AID-sponsored project or program in accordance with the reporting requirements of this grant. While AID requires reporting on an accrual basis, the grantee shall not be required to establish an accrual accounting system but shall develop such accrual data for its reports on the basis of an analysis of the documentation on hand.
- (2) Records that identify adequately the source and application of funds for AID-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, and income.
- (3) Effective control over and accountability for all funds, property, and other assets. Grantee shall adequately safeguard all such assets and shall ensure that they are used solely for authorized purposes.
- (4) Comparison of actual outlays with budget amounts for each grant. Financial information should be related to performance and unit-cost data whenever appropriate.
- (5) Procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement by the recipient, whenever funds are advanced by the Federal Government.
- (6) Procedures for determining the reasonableness, allowability, and allocability of costs in accordance with the provisions of the applicable Federal cost principles and the terms of the grant.
- (7) Accounting records that are supported by documentation that at a minimum will identify, segregate, accumulate, and record all costs incurred under a grant and which fully disclose (i) the amount and disposition by the grantee of the proceeds of such assistance, (ii) the total cost of the project or undertaking in connection with which such assistance is given or used, (iii) the amount of that portion of the cost of the project or undertaking supplied by other sources, and (iv) such other records as will facilitate an effective audit.
- * (8) Audits in accordance with the requirements of OMB Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Institutions." *
- (9) A systematic method to ensure timely and appropriate resolution of audit findings and recommendations.

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

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

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

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

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

* 3. REFUNDS (SEPTEMBER 1990)

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

(b) Funds obligated by AID but not disbursed to the grantee at the time the grant expires or is terminated shall revert to AID, except for such funds encumbered by the grantee by a legally binding transaction applicable to this grant. Any funds advanced to but not expended by the grantee and not encumbered by a legally binding transaction applicable to this grant at the time of expiration or termination of the grant shall be refunded to AID

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

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4. REVISION OF GRANT BUDGET (NOVEMBER 1985)

- (a) The approved grant budget is the financial expression of the grantee's program as approved during the grant award process.
- (b) The grantee shall immediately request approval from the grant officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for the following reasons:
- (1) Changes in the scope or the objectives of the program and/or revisions in the funding allocated among program objectives.
 - (2) The need for additional funding.
 - (3) The grantee expects the amount of AID authorized funds to exceed its needs by more than \$5,000 or five percent of the AID award, whichever is greater.
 - (4) The grantee plans to transfer funds budgeted for indirect costs to absorb increases in direct costs or vice versa.
 - (5) The grantee intends to contract or subgrant any of the substantive programmatic work under this grant, and such contracts or subgrants were not included in the approved grant budget.
 - (6) The grantee plans to incur an expenditure which would require advance approval in accordance with the applicable Federal cost principles and was not included in the approved grant budget.
 - (7) The grantee plans to transfer funds allotted for training allowances to other categories of expense.
- (c) When requesting approval for budget revisions, the grantee shall use the budget formats that were used in the application unless a letter request will suffice.
- (d) Within 30 calendar days from the date of the receipt of the request for budget revisions, the grant officer shall review the request and notify the grantee whether the budget revisions have been approved. If the revisions are still under consideration at the end of 30 calendar days, the grant officer shall inform the grantee in writing of the date when the grantee may expect the decision. The grant officer shall obtain the project officer's clearance on all such requests prior to communication with the grantee.

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

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

5. TERMINATION AND SUSPENSION (MAY 1986)

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

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

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

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

6. DISPUTES (November 1989)

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

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

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

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

7. INELIGIBLE COUNTRIES (MAY 1986)

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

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

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

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

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

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

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

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

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

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

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

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9. NONDISCRIMINATION (MAY 1986)

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

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

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

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

11. NONLIABILITY (NOVEMBER 1985)

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

12. AMENDMENT (NOVEMBER 1985)

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

13. NOTICES (NOVEMBER 1985)

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

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

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

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

(END OF MANDATORY STANDARD PROVISIONS)

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

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

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

(INCLUDE THIS PAGE IN THE GRANT)

(Appendix Continues on Page 4C-9)

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- Payment - Letter of Credit (NOVEMBER 1985)

*M/FM/PAFD is changed to mod
PFM/FM/PAFD (CIB 89-6)*

(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 A.I.D. exceed \$120,000 per annum, (ii) A.I.D. 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 A.I.D.'s Office of Financial Management, Program Accounting and Finance 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 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 A.I.D./M/FM/PAFD, 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/PAFD. In cases where grants are Mission funded, the Grantee will forward an information copy to the A.I.D. Mission accounting station at the same time the original and one copy are mailed to M/FM/PAFD, A.I.D./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/PAFD. Grantees receiving advances totaling more than \$1 million per year shall submit the SF-272 on a monthly basis within 15

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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 actions 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/PAFD after consultation with the grant officer. Notification of revocation must be in writing and must specify the reason for revocation. M/FM/PAFD 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.

(END OF STANDARD PROVISION)

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PAYMENT - PERIODIC ADVANCE (JANUARY 1988)

(This provision is applicable when the conditions for use of letter of credit cannot be met (including those pertaining to mixed dollar and local currency advances) and when the grantee meets the requirements of paragraph 1.0.6 of Handbook 13.)

(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 A.I.D. to the grantee.

(b) Grantees shall maintain advances in interest bearing accounts. Advances of A.I.D. funds to subgrantees shall be maintained in interest bearing accounts.

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

(d) The grantee shall submit one copy of SF-272, "Federal Cash Transactions Report," 15 working days following the end of each quarter to the payment office 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.

(e) 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 to the payment office specified in the schedule. 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 SF-269 must be submitted to the payment office within 90 days after the conclusion of the grant. *

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* (f) If at any time, the A.I.D. 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 A.I.D. Controller shall advise the grant officer who may suspend or revoke the advance payment procedure. *

(END OF STANDARD PROVISION)

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PAYMENT - COST REIMBURSEMENT (NOVEMBER 1985)

(This provision is applicable to grants for construction, or to grants where the grantee does not meet the conditions for either a letter of credit or periodic advance payment.)

(a) At the end of each month of this grant, the grantee shall submit an original and two copies of SF-270, "Request for Advance or Reimbursement," to the payment office address specified in the schedule of this grant.

(b) A final SF-270, shall be submitted within 60 days after the conclusion of the grant to the payment office.

(c) The 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.

(d) Assignment of Claims (otherwise known as assignment of proceeds) is authorized under this grant and will be processed by the payment office.

(END OF STANDARD PROVISION)

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AIR TRAVEL AND TRANSPORTATION (NOVEMBER 1985)

(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 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 A.I.D.'s option, be funded from U.S.-owned local currency. When A.I.D. intends to exercise this option, A.I.D. 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 A.I.D. 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 U.S. 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 reimburseable 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

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(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 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 U.S. 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 U.S. 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:

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(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).

(1) International Travel

(1) 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.

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(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 subgrants and contracts which require air travel and transportation under this grant.

(END OF STANDARD PROVISION)

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OCEAN SHIPMENT OF GOODS (MAY 1986)

(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 A.I.D. Transportation Division, Office of Procurement, 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., PVOs) shall be governed by this standard provision and by A.I.D. Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR Part 202).

(END OF STANDARD PROVISION)

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(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.

(ix) 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, in addition to provisions to define a sound and complete contract, the following contract provisions, if applicable, 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 or A.I.D. 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.

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

(4) All contracts awarded by the grantee or subgrantee to be performed in the United States having a value of more than \$10,000, shall contain a provision requiring compliance with Executive Order 11246, entitled "Equal Employment Opportunity," as amended, and as supplemented in Department of Labor Regulations (41 CFR, Part 60).

(5) All contracts and subgrants in excess of \$2,000 for construction or repair to be performed in the United States awarded by the grantee or subgrantee shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor Regulations (29 CFR, Part 3). This Act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which that individual is otherwise entitled. The grantee shall report all suspected or reported violations to A.I.D.

(6) When required by the Federal program legislation, all construction contracts to be performed in the United States awarded by the grantee or subgrantee of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The grantee shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The grantee shall report all suspected or reported violations to A.I.D.

(7) Where applicable, all contracts awarded by the grantee or subgrantees in excess of \$2,000 for construction contracts to be performed in the United States and its territories and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers, shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work day of 8 hours and a standard workweek of 40 hours. Work in excess of the standard workday or workweek is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 8 hours in

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PROCUREMENT OF GOODS AND SERVICES (NOVEMBER 1985)

(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 A.I.D.'s requirements listed below and the standard provision entitled "A.I.D. Eligibility Rules for Goods and Services."

(a) General Requirements:

(1) The recipient shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using A.I.D. funds. No employee, officer or agent shall participate in the selection, award or administration of a contract in which A.I.D. funds are used, where, to that individual's knowledge, the individual or the individual's immediate family, partners, or organization in which the individual or the individual's immediate family or partners has a financial interest or with whom that individual 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:

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(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.

(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 of 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 A.I.D. funds. To permit A.I.D., 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, A.I.D., 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 solicitations 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.

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any calendar day or 40 hours in the workweek. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to the worker's health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies of materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(8) 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.

(9) All negotiated contracts over \$10,000 awarded by the grantee shall include a provision to the effect that the grantee, A.I.D., 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.

(10) Contracts in excess of \$100,000 to be performed in the United States shall contain a provision that requires the contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 7401) and the Federal Water Pollution Control Act (40 CFR 15) as amended. Violations shall be reported to A.I.D. and the Regional Office of the Environmental Protection Agency.

(11) Contracts which require performance outside the United States shall contain a provision requiring Workmen's Compensation Insurance (42 U.S.C. 1651, et seq.). As a general rule, Department of Labor waivers will be obtained for persons employed outside the United States who are not United States citizens or residents provided adequate protection will be given such persons. The grantee should refer questions on this subject to the A.I.D. grant officer.

(END OF STANDARD PROVISION)

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A.I.D. ELIGIBILITY RULES FOR GOODS AND SERVICES (NOVEMBER 1985)

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

(a) **Ineligible and Restricted Goods and Services:** If A.I.D. 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 A.I.D. the entire amount of the reimbursement. A.I.D.'s policy on ineligible and restricted goods and services is contained in Chapter 4 of A.I.D. Handbook 1, Supplement B, entitled "Procurement Policies".

(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 goods or services furnished by any firms or individuals whose name appears on the A.I.D. Consolidated List of Debarred, Suspended, and Ineligible Awardees under A.I.D. Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). A.I.D. will provide the grantee with a copy of this list upon request.

(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.

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(b) Source, Origin, and Nationality: The eligibility rules for goods and services are based on source, origin, and nationality and are divided into two categories. One applies when the total procurement during the life of the grant is over \$250,000 and the other applies when the total procurement element during the life of the grant is not over \$250,000. 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. A.I.D. policies and definitions on source, origin, and nationality are contained in Chapters 4 and 5 of A.I.D. Handbook 1, Supplement B, entitled "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 U. S. dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., A.I.D. Geographic Code 935) in accordance with the following order of preference:

- (A) The United States (A.I.D. Geographic code 000),
- (B) The Cooperating Country,
- (C) "Selected Free World" countries (A.I.D. Geographic Code 941), and
- (D) "Special Free World" countries (A.I.D. 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)(i) 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

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(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 U. S. dollars, shall be procured in and shipped from the U. S. (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 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 A.I.D.-financed procurement against any marine insurance company authorized to do business in the U. S., then any A.I.D.-financed commodity shipped to that country shall be insured against marine risk and the insurance shall be placed in the U. S. with a company or companies authorized to do marine insurance business in the U. S.

(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 A.I.D. 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) The United States (A.I.D. Geographic Code 000),
- (2) The Cooperating Country,
- (3) "Selected Free World" countries (A.I.D. Geographic Code 941), and
- (4) "Special Free World" countries (A.I.D. Geographic Code 899).

(f) Special Restrictions on the Procurement of Construction or Engineering Services: Section 604(g) of the Foreign Assistance Act provides that A.I.D. funds may not be used for "procurement of construction or engineering services from advanced developing countries, eligible under Geographic Code 941, which

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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.

(END OF STANDARD PROVISION)

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SUBAGREEMENTS (NOVEMBER 1985)

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

(a) Funds provided under this grant shall not be used to support any subrecipient whose name appears on the A.I.D. Consolidated List of Debarred, Suspended, or Ineligible Awardees under A.I.D. Regulation 8, entitled "Debarment, Suspension and Ineligibility" (22 CFR 208). A.I.D. will provide the grantee with a copy of this list upon request.

(b) All subagreements shall as a minimum contain, in addition to provisions to define a sound and complete agreement, 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.

(1) 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.

(2) All subagreements 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 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.

(3) 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.

(4) All subagreements over \$10,000 issued by recipients shall include a provision to the effect that the recipient, A.I.D., 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.

(END OF STANDARD PROVISION)

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*** LOCAL COST FINANCING (NOVEMBER 1988)**

(This provision applies only when local costs are authorized by the grant, and must be used with the standard provision entitled "Procurement of Goods and Services.")

(a) Costs qualifying as local costs are eligible for financing under the grant in accordance with the terms of this standard provision. Local costs are defined as (1) indigenous goods, (2) imported shelf items, and (3) services provided by suppliers meeting the requirements contained in subparagraph (b). Indigenous goods are those that have been mined, grown or produced in the cooperating country through manufacture, processing or assembly. In the case of produced goods containing imported components, to qualify as indigenous a commercially recognized new commodity must result that is substantially different in basic characteristics or in purpose or utility from its components. Imported items are eligible for financing under the following situations: (1) Imported items available in the cooperating country which otherwise meet the source/origin requirements of the grant may be financed in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the grant agreement. (2) Imported items from Geographic Code 941 countries which are available in the cooperating country can be funded in unlimited quantities, regardless of dollar value, up to the total amount available for local procurement under the terms of the grant. (3) Imported items from any Free World country which are available locally, or imported specifically for the grant, may be financed if the cost of the transaction, excluding the cost of the transportation, does not exceed the local currency equivalent of \$5,000. *

(b) To qualify as local costs, goods and services must also meet the following additional requirements:

(1) They must be paid for in local currency.

(2) The supplier must be located in the cooperating country and must be of cooperating country nationality as defined in AID Handbook 1B, Chapter 5.

(3) Any component from a country not included in AID geographic code 935 renders a commodity ineligible for financing.

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(c) 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.

(d) Ineligible Suppliers: Funds provided under this grant shall not be used to procure any goods or services furnished by any firm or individual whose name appears on A.I.D.'s Consolidated List of Debarred, Suspended, or Ineligible Awardees (A.I.D. Regulation 8, (22 CFR 208)). A.I.D. will provide the grantee with this list upon request.

(e) 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.

(f) If A.I.D. determines that the grantee has procured any of the restricted or ineligible goods and services specified in subparagraphs (c) through (e) above, or has received reimbursement for such purpose without the prior written authorization of the grant officer, the grantee agrees to refund to A.I.D. the entire amount of the reimbursement.

(END OF STANDARD PROVISION)

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PATENT RIGHTS (NOVEMBER 1985)

(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 at Section 2 of Public Law 85-536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration. For the purpose of this clause, the size standards for small business concerns involved in Government procurement and subcontracting at 13 CFR 121.3-8 and 13 CFR 121.3-12, respectively, 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:

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(1) The recipient shall disclose each subject invention to A.I.D. within two months after the inventor discloses it in writing to recipient personnel responsible for patent matters. The disclosure to A.I.D. 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 the physical, chemical, biological or electrical characteristics of the invention. The disclosure shall also identify any publication, on sale or public use of the invention and whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication at the time of disclosure. In addition, after disclosure to A.I.D. the recipient shall promptly notify A.I.D. 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 A.I.D. 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 A.I.D. 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 ten months of the corresponding initial patent application or six months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

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

(d) Conditions When the Government May Obtain Title: The recipient shall convey to A.I.D. 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. A.I.D. may only request title within sixty days after learning of the recipient's failure to report or elect within the specified times.

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(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 A.I.D. 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 domestic 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 A.I.D. 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 A.I.D. 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 A.I.D. to the extent the recipient, its licensees, or its domestic subsidiaries or affiliates have failed to achieve practical application in that foreign country.

(3) Before revocation or modification of the license, A.I.D. 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 A.I.D. 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.

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

(1) The recipient agrees to execute or to have executed and promptly deliver to A.I.D. 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 A.I.D. 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 applications prior to U.S. or foreign statutory bars.

(3) The recipient shall notify A.I.D. 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 A.I.D.). The Government has certain rights in this invention."

(g) Subagreements and Contracts: The recipient shall include this standard provision 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 standard provision, 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

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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 A.I.D. may reasonably specify. The recipient also agrees to provide additional reports as may be requested by A.I.D. in connection with any march-in proceedings undertaken by A.I.D. 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, A.I.D. 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 A.I.D. 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, A.I.D. has the right 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, A.I.D. has the right to grant such a license itself if A.I.D. 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.

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(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 A.I.D., 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:

(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, A.I.D. 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 in this agreement.

(END OF STANDARD PROVISION)

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PUBLICATIONS (NOVEMBER 1985)

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

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

(b) The grantee shall provide the A.I.D. 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 unless the schedule of the grant has identified the profits or royalties as program income.

(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 A.I.D. 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.

(END OF STANDARD PROVISION)

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NEGOTIATED INDIRECT COST RATES - PREDETERMINED (MAY 1986)

(This provision is applicable to organizations whose indirect cost rate(s) under this grant are on a predetermined basis.)

(a) The allowable indirect costs under this grant shall be obtained by applying predetermined indirect cost rate(s) to the base(s) agreed upon by the parties, as specified in the schedule of this grant.

(b) Not later than 90 days after the close of the grantee's fiscal year, the grantee shall submit to the cognizant Government Audit Activity in accordance with OMB Circular A-88 a proposed predetermined indirect cost rate(s) and supporting cost data. In the event A.I.D. is the cognizant agency or no cognizant agency has been designated, the grantee shall submit a copy of the proposed predetermined indirect cost rate(s) and supporting cost data to the A.I.D. Inspector General, Washington, D.C. 20523, and to the Overhead and Special Costs - Contract Closeout Branch, Office of Procurement, Washington, D.C. 20523. The proposed rate(s) shall be based on the grantee's actual cost experience during that fiscal year. Negotiations of predetermined indirect cost rate(s) shall begin as soon as practical 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) Rates for subsequent periods shall be negotiated and the results of each negotiation shall be set forth in a written indirect cost rate agreement executed by both parties. Such agreement shall be automatically incorporated into this grant upon execution and shall specify (1) the agreed upon predetermined rate(s), (2) the base(s) to which the rate(s) apply, (3) the fiscal year (unless the parties agree to a different period) for which the rate(s) apply, and (4) the specific items treated as direct costs or any changes in the items previously agreed to be direct costs. The indirect cost 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 indirect cost rate(s) for any fiscal year or different period agreed to by the parties, the grantee shall be reimbursed either at the rate(s) fixed for the previous fiscal year or other period or at billing rate(s) acceptable to the A.I.D. grant officer subject to appropriate adjustment when the final rate(s) for the fiscal year or other period are established.

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(f) Any failure by the parties to agree on any predetermined indirect cost rate(s) 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 on a predetermined indirect cost rate(s), it is agreed that the allowable indirect costs under this grant shall be obtained by applying negotiated final indirect cost rate(s) in accordance with the terms of the standard provision of this grant entitled "Negotiated Indirect Cost Rates - Provisional".

(END OF STANDARD PROVISION)

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NEGOTIATED INDIRECT COST RATES - PROVISIONAL (MAY 1986)

(This provision is applicable to any organization which does not have predetermined indirect cost rate(s); however, it shall also be included when the NEGOTIATED INDIRECT COST RATES - PREDETERMINED standard provision is used.)

(a) A provisional indirect cost rate(s) shall be established for each of the grantee's accounting periods during the term of this grant. Pending establishment of a final rate(s), 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 periods shown in the schedule of this grant.

(b) Not later than 90 days after the close of the grantee's fiscal year, the grantee shall submit to the cognizant Government Audit Activity in accordance with OMB Circular A-88 proposed final indirect cost rate(s) and supporting cost data. In the event A.I.D. is the cognizant agency or no cognizant agency has been designated, the grantee shall submit a copy of the proposed final indirect cost rate(s) and supporting cost data to the A.I.D. Inspector General, Washington, D.C. 20523, and to the Overhead and Special Costs - Contract Closeout Branch, Office of Procurement, Washington, D.C. 20523. The proposed rate(s) shall be based on the grantee's actual cost experience during that fiscal year. Negotiations of final indirect cost rate(s) shall begin as soon as practical after receipt of the grantee's proposal.

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

(d) The results of each negotiation shall be set forth in a written indirect cost rate agreement executed by both parties. Such agreement 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 rate(s) apply. The indirect cost 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 indirect cost rate(s) for any period, the grantee shall be reimbursed either at negotiated provisional rate(s) as provided above or at billing rate(s) acceptable to the grant officer, subject to appropriate adjustment when the final rate(s) for that period are established. To prevent substantial over or under payment, the provisional or billing rate(s) may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rate(s) provided in this standard provision shall be set forth in a modification to this grant.

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(f) Any failure by the parties to agree on final rate(s) under this standard 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.

(END OF STANDARD PROVISION)

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REGULATIONS GOVERNING EMPLOYEES (NOVEMBER 1985)

(The following applies to the grantee's 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 A.I.D. 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 is assigned by the grantee, no employee 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 in accordance with the preceding paragraphs, the grantee's chief of party shall consult with the A.I.D. 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.

(END OF STANDARD PROVISION)

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PARTICIPANT TRAINING (MAY 1986)

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

(a) Definition: A participant is any non-U.S. individual being trained under this grant outside of that individual's home country.

(b) Application of Handbook 10: Participant training under this grant is to be conducted according to the policies established in A.I.D. 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.) Except for paragraph (h) on orientation, the following paragraphs in this standard provision are not subject to waiver except as specifically stated.

(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.

The grantee shall fill out form A.I.D. 1381-4 entitled "Participant Data" and send it to the addresses indicated on the back of the form. The grantee can obtain a supply of these forms and additional instructions for completing them from the Office of International Training. Data should be submitted prior to the initiation of participant travel. If this is not possible, the forms should be prepared and submitted immediately after arrival of the participant(s). The grantee shall also submit to the Office of International Training a blue copy of the form when subsequent changes in the participant's training program are made and at termination of participant's training program, ensuring that the original participant number (pre-printed on the form) is used.

(d) Visa Requirements for Training Within The United States:-

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

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(2) J-1 visas are issued by the U.S. Embassy or Consulate for A.I.D.-sponsored participants upon submission by the participant of Form IAP-66A which may be obtained only from the A.I.D. Mission. The Mission retains one copy of the IAP-66A and forwards one copy to A.I.D./S&T/IT.

(3) Holders of J-1 visas are subject to the Immigration and Nationality Act, as amended, and may not apply for an immigrant or an H or L 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 A.I.D.-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 A.I.D.'s HAC Program. HAC Program coverage for an enrolled participant begins at the moment of departure from the host country to the United States until the moment of return to the host country providing, however, that there is not substantial unapproved delay between completion of training under this grant and the return, and that there is no layover at any point to or from the United States except the minimal amount necessary for plane connections.

(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 6 below), in accordance with the standard coverage established by A.I.D. 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 A.I.D. under this grant, fill out form A.I.D. 1381-4 entitled "Participant Data" and mail 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 Office of International Training at the address indicated in section (b) above.

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(3) Enrollment fees shall be submitted, thirty days prior to the beginning of each new enrollment period. Payments will be made via check made payable to A.I.D. and submitted to:

Agency for International Development
Office of Financial Management
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 participants (identical to that on the Participant Data Form), participant I.D. numbers from the Participant Data Form, period of coverage, fee amount paid, grant number, name of grantee, host country, and the U. S. Government appropriation number as shown on the grant.

(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. Current rates are found in Handbook 10 Participant Training Notices.

(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 A.I.D., and that enrollment continues in full force and effect until the participant returns to his or her country of origin or is released from A.I.D.'s responsibility, whichever occurs first. 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 grant officer.

(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, 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 A.I.D.'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 A.I.D.'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, nonwaivable health and accident insurance program, or A.I.D.'s HAC Program shall not be reimbursable under this grant unless specific written approval from the grant officer has been obtained.

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(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 A.I.D. Participant Counselor at the Office of International Training.

The Counselor can be reached by calling the Office of International Training during workdays and the A.I.D. Duty Officer (202-647-1512) 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, 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.

(END OF STANDARD PROVISION)

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VOLUNTARY POPULATION PLANNING (AUGUST 1986)

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

(a) Voluntary Participation:

(1) 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.

(2) Activities which provide family planning services or information to individuals, financed in whole or in part under this agreement, shall provide a broad range of family planning methods and services available in the country in which the activity is conducted or shall provide information to such individuals regarding where such methods and services may be obtained.

(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

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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.

(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 for family planning under this grant to any foreign nongovernmental organization which performs or actively promotes abortion as a method of family planning in A.I.D.-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 for family planning 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).

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(3) The recipient may not furnish assistance for family planning 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 A.I.D.-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 for family planning 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 in A.I.D.-recipient countries or provide financial support to other foreign nongovernmental organizations that conduct such activities.

(ii) The recipient and authorized representatives of A.I.D. 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 A.I.D. 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. A.I.D. may also review the family planning program of the subrecipient under these circumstances, and A.I.D. 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 for family planning 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 for family planning provided 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

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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 for family planning 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 A.I.D.-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 A.I.D. for a refund for a violation of any requirement of this paragraph (d) only if (i) the recipient knowingly furnishes assistance for family planning to a subrecipient who 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 for family planning to the subrecipient, or fails to require the subrecipient to terminate such 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 A.I.D. the reasons for reaching its conclusion.

(7) In submitting a request to A.I.D. for approval of a recipient's decision to furnish assistance for family planning 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. A.I.D. may request the recipient to make additional efforts to verify the validity of the certification. A.I.D. will inform the recipient in writing when A.I.D. is satisfied that reasonable efforts have been made. If A.I.D. concludes that these efforts are reasonable within the meaning of subparagraph (6) above, the

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recipient shall not be liable to A.I.D. for a refund in the event the subrecipient's certification is false unless the recipient knew the certification to be false or misrepresented to A.I.D. the efforts made by the recipient to verify the validity of the certification. -

(8) It is understood that A.I.D. 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 for family planning 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

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to have a legal abortion, and the family planning counselor reasonably believes that the ethics of the medical profession in the country require 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 A.I.D.-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 for family planning under this grant, the action of separate nongovernmental organizations shall not be imputed to the subrecipient or sub-subrecipient, unless, in the judgment of A.I.D., 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 A.I.D.'s approval to treat as separate the family

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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 A.I.D. 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 for family planning 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.

(13) The requirements of this paragraph are not applicable to family planning assistance furnished to a foreign nongovernmental organization which is engaged primarily in providing health services if the objective of the assistance is to finance integrated health care services to mothers and children and birth spacing or family planning is one of several health care services being provided by the organization as part of an integrated system of health service delivery.

(e) The grantee shall insert paragraphs (a), (b), (c), and (e) of this provision in all subsequent subagreements 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.

(END OF STANDARD PROVISION)

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PROTECTION OF THE INDIVIDUAL AS A RESEARCH SUBJECT (NOVEMBER 1985)

(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 A.I.D. is the responsibility of the organization to which support is awarded. It is the policy of A.I.D. 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 A.I.D. that it will abide by this policy for all research involving human subjects supported by A.I.D. 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 A.I.D. 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 A.I.D. as well as to the organization; A.I.D. 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. In the United States, the regulations of the Food and Drug Administration will be followed and evidence of such compliance provided to A.I.D.

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

(END OF STANDARD PROVISION)

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OMB Control No. 0412-0510
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CARE OF LABORATORY ANIMALS (NOVEMBER 1985)

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

(a) Before undertaking performance of any grant involving the use of laboratory animals, the grantee shall register with the Secretary of Agriculture of the United States in accordance with Section 6, Public Law 89-544, Laboratory Animal Welfare Act, August 24, 1966, as amended by Public Law 91-579, Animal Welfare Act of 1970, December 24, 1970. The grantee shall furnish evidence of such registration to the grant officer.

(b) The grantee shall acquire animals used in research under this grant only from dealers licensed by the Secretary of Agriculture, or from exempted sources in accordance with the Public Laws enumerated in (a) above.

(c) In the care of any live animals used or intended for use in the performance of this grant, the grantee shall adhere to the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animals Resources, National Academy of Sciences - National Research Council, and in the United States Department of Agriculture's (USDA) regulations and standards issued under the Public Laws enumerated in (a) above. In case of conflict between standards, the higher standard shall be used. The grantee's reports on portions of the grant in which animals were used shall contain a certificate stating that the animals were cared for in accordance with the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animal Resources, NAS-NRC, and/or in the regulations and standards as promulgated by the Agricultural Research Service, USDA, pursuant to the Laboratory Animal Welfare Act of 24 August 1966, as amended (P.L. 89-544 and P.L. 91-579). NOTE: The grantee may request registration of the grantee's facility and a current listing of licensed dealers from the Regional Office of the Animal and Plant Health Inspection Service (APHIS), USDA, for the region in which the grantee's research facility is located. The location of the appropriate APHIS Regional Office as well as information concerning this program may be obtained by contracting the Senior Staff Office, Animal Care Staff, USDA/APHIS, Federal Center Building, Hyattsville, Maryland 20782.

(END OF STANDARD PROVISION)

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GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY (NOVEMBER 1985)

(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.

(END OF STANDARD PROVISION)

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TITLE TO AND USE OF PROPERTY (GRANTEE TITLE) (NOVEMBER 1985)

(This provision is applicable when the Government vests title to property 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 agreement, subagreement, 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 paragraphs (c), (d), (e), and (f) below.

(c) Real Property:

(1) Real property means land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.

(2) Use of Real Property:

(i) The grantee shall use the real property for the authorized purpose of the project, as long as it is needed.

(ii) The grantee shall obtain approval from A.I.D. for the use of real property in other projects when the grantee determines that the property is no longer needed for the purpose of the original program. Use in other programs shall be limited to those under other federally sponsored programs (i.e., grants or other agreements) that have purposes consistent with those authorized for support by A.I.D.

(3) Disposition of Real Property: When the real property is no longer needed as provided in (2) above, the grantee shall request disposition instructions from A.I.D. or its successor Federal sponsoring agency. A.I.D. or the successor Federal sponsoring agency shall observe the following rules in the disposition instructions:

(i) The grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original program to the fair market value of the property.

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(ii) The grantee may be directed to sell the property under guidelines provided by the Federal sponsoring agency and pay the Federal Government an amount computed by applying the Federal percentage of participation in the cost of the original program to the proceeds from sale (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

(iii) The grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the grantee shall be entitled to compensation computed by applying the grantee's percentage of participation in the cost of the program to the current fair market value of the property.

(d) Nonexpendable Property:

(1) Nonexpendable personal property means tangible personal property having a useful life of more than two years and an acquisition cost of \$500 or more per unit.

(2) Use of Nonexpendable Personal Property:

(i) The grantee shall use the property in the program for which it was acquired as long as needed, whether or not the program continues to be supported by Federal funds. When no longer needed for the original program, the grantee shall use the property in connection with its other federally sponsored activities in the following order of priority:

(A) Activities sponsored by A.I.D.

(B) Activities sponsored by other Federal agencies.

(ii) Shared use - During the time that nonexempt nonexpendable personal property is held for use on the program for which it was acquired the grantee shall make it available for use on other programs if such other use will not interfere with the work on the program for which the property was originally acquired. First preference for such other use shall be given to other programs sponsored by A.I.D.; second preference shall be given to programs sponsored by other Federal agencies. User charges should be considered if appropriate.

(3) Disposition Of Nonexpendable Personal Property - With A Unit Acquisition Cost Of Less Than \$1,000: The grantee may use the property for other activities without reimbursement to the Federal Government or sell the property and retain the proceeds.

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(4) Disposition Of Nonexpendable Personal Property With A Unit Acquisition Cost Of \$1,000 Or More:

(i) 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.

(ii) The grantee may retain the property for other uses provided that compensation is made to A.I.D. or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original program to the current fair market value of the property. If the grantee has no need for the property and the property has further use value, the grantee shall request disposition instructions from A.I.D.

(iii) A.I.D. shall determine whether the property can be used to meet A.I.D. requirements. If no requirement exists within A.I.D. the availability of the property shall be reported to the General Services Administration by A.I.D. to determine whether a requirement for the property exists in other Federal agencies. A.I.D. shall issue instructions to the recipient no later than 120 days after the grantee's request and the following procedures shall govern:

(A) If so instructed or if disposition instructions are not issued within 120 calendar days after the grantee's request, the grantee shall sell the property and reimburse A.I.D. an amount computed by applying to the sales proceeds that percentage of Federal participation in the cost of the original program. However, the grantee shall be permitted to deduct and retain from the Federal share \$100 or ten percent of the proceeds, whichever is greater, for the grantee's selling and handling expenses.

(B) If the grantee is instructed to ship the property elsewhere, the grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the recipient's participation in the cost of the original grant program to the current fair market value of the property, plus any reasonable shipping or interim storage costs incurred.

(C) If the grantee is instructed to otherwise dispose of the property, the grantee shall be reimbursed by A.I.D. for such costs incurred in its disposition.

(e) Expendable Personal Property:

(1) Expendable personal property means all tangible personal property other than nonexpendable property.

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(2) The grantee shall use the expendable personal property for the authorized purpose of the grant program, as long as it is needed.

(3) If there is a residual inventory of such property exceeding \$1,000 in total aggregate fair market value, upon termination or completion of the grant and the property is not needed for any other federally sponsored program, the grantee shall retain the property for use on nonfederally sponsored activities, or sell it, but must in either case, compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as nonexpendable personal property.

(f) The grantee's property management standards for nonexpendable personal property shall include the following procedural requirements:

(1) Property records shall be maintained accurately and shall include:

(i) A description of the property.

(ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

(iii) Source of the property, including grant or other agreement number.

(iv) Whether title vests in the grantee or the Federal Government.

(v) Acquisition date and cost.

(vi) Percentage (at the end of the budget year) of Federal participation in the cost of the project or program for which the property was acquired.

(vii) Location, use, and condition of the property and the date the information was reported.

(viii) Unit acquisition cost.

(ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where the grantee compensates A.I.D. for its share.

(2) A physical inventory of property shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The grantee shall in connection with the inventory, verify the existence, current utilization, and continued need for the property. The

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inventory listing shall be retained as documentation in accordance with the standard provision of this grant entitled "Accounting, Audit, and Records."

(3) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented.

(4) Adequate maintenance procedures shall be implemented to keep the property in good condition.

(5) Where the grantee is authorized or required to sell the property, proper sales procedures shall be established which would provide for competition to the extent practicable and result in the highest possible return.

(END OF STANDARD PROVISION)

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TITLE TO AND CARE OF PROPERTY (U.S. GOVERNMENT TITLE) (NOVEMBER 1985)

(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 personal property by reason of affixation to any real property.

(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:

(1) 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.

(2) 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, the grantee shall furnish the grant officer proof of such approval in lieu of another approval submission.

(3) 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.

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(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.

(vii) 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.

(4) 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.

(C) 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

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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 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;

(vi) 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

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Government property in the best possible order, and furnish to the grant officer a statement of:

- (i) The lost, destroyed, or 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.

(4) The grantee shall make repairs and renovations of the damaged Government property or take such other action as the grant officer directs.

(5) 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 date 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 disposition 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.

(END OF STANDARD PROVISION)

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TITLE TO AND CARE OF PROPERTY (COOPERATING COUNTRY TITLE) (NOVEMBER 1985)

(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 A.I.D. 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 country may designate, unless title to specified types or classes of equipment is reserved to A.I.D. under provisions set forth in the schedule of this grant. 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 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.

(c) The grantee shall prepare and establish a program, to be approved by the appropriate A.I.D. 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 following requirements:

(1) Property Control: The property control system shall include but not be limited to the following:

(i) Identification of each item of cooperating country 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 (insert name of cooperating country)."

(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.

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(iv) A record of any usable components which are permanently removed from items of cooperating country 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.

(vii) 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.

(C) A report of status of maintenance of cooperating country 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 cooperating country 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):

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(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 cooperating country 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 (b) 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;

(vi) 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 cooperating country property, except to the extent that A.I.D. 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 cooperating country property, the grantee shall notify the grant officer thereof, shall take all reasonable steps to protect the cooperating country property from further damage, separate the damaged and undamaged cooperating country property, put all the cooperating country property in the best possible order, and furnish to the grant officer a statement of:

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- (i) The lost, destroyed, or damaged cooperating country property;
- (ii) The time and origin of the loss, destruction, or damage;
- (iii) All known interests in commingled property of which the cooperating country property is a part; and
- (iv) The insurance, if any, covering any part of or interest in such commingled property.

(4) The grantee shall make repairs and renovations of the damaged cooperating country property or take such other action as the grant officer directs.

(5) In the event the grantee is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the cooperating country property, it shall use the proceeds to repair, renovate or replace the cooperating country property involved, or shall credit such proceeds against the cost of the work covered by the grant, or shall otherwise reimburse A.I.D., as directed by the grant officer. The grantee shall do nothing to prejudice A.I.D.'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 A.I.D. 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: A.I.D., and any persons designated by it, shall at all reasonable times have access to the premises wherein any cooperating country property is located, for the purpose of inspecting the cooperating country property.

(f) Final Accounting and Disposition of Cooperating Country Property: 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 to the grant officer an inventory schedule covering all items of equipment, materials and supplies under the grantee's custody, title to which is in the cooperating country or 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.

(g) Communications: All communications issued pursuant to this provision shall be in writing.

(END OF STANDARD PROVISION)

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COST SHARING (MATCHING) (NOVEMBER 1985)

(This provision is applicable when the recipient is required to cost share or 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 (may include public international organizations or foreign governments) 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 (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);

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- (6) Are provided for in the approved budget when required by A.I.D.; 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 share (match) 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.

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(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 A.I.D. 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 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 A.I.D. funding the following year (or funding period), or, if this grant has expired or been terminated, the difference shall be refunded to A.I.D.

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(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 and Suspension".

(j) The restrictions on the use of A.I.D. grant funds set forth in the standard provisions of this grant are applicable to expenditures incurred with A.I.D. funds provided under this grant. The grantee will account for the A.I.D. 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 A.I.D. 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.

(END OF STANDARD PROVISION)

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USE OF POUCH FACILITIES (NOVEMBER 1985)

(This provision is applicable when activities under the grant will take place outside of the United States.)

(a) Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for A.I.D. grantees and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or A.I.D. Mission. In consideration of the use of pouch facilities, the grantee and its employees agree to indemnify and hold harmless, the Department of State and A.I.D. 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 standard provision and are not authorized to be sent or received by pouch.

(4) Official and personal mail pursuant to (a)(1) and (2) above sent by pouch should be addressed as follows:

Name of individual or organization (followed by letter symbol "G")

Name of post (USAID/)

Agency for International Development

Washington, D.C. 20523 P.O. Box 96950, Washington, D.C.

ASPC CIB# 90-16.

(5) 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.

(6) A.I.D. 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 the grantee's official and personal mail for pouch, provided of course, adequate postage is affixed.

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

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(c) Specific additional guidance on grantee use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or A.I.D. Mission.

(END OF STANDARD PROVISION)

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CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY (NOVEMBER 1985)

(This provision is applicable when activities under the grant will take place outside of the United States.)

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 currency through the cognizant United States Disbursing Officer or Mission Controller, as appropriate.

(END OF STANDARD PROVISION)



AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES A. I. D. MISSION TO COSTA RICA

1724

USAID EXECUTIVE OFFICE
APO Miami, FL 34020
Telephone 20-45-45
Telex 3550 AIDCR KR
Fax. (508) 20-34-34

TELE FAX COVER SHEET
USAID/OR FAX MESSAGE NO. 001712
PAGE 1 OF 14 PAGES

DATE: 04/13/92

PLEASE DELIVER THIS MESSAGE TO:

NAME: Mr. John P. Makvoy/RCD FAX NO.: (5022) 31-15-06
OFFICE: Regional Contracting Office TELEPHONE: (5022) 32-02-02
LOCATION: USAID/Guatemala, 1 Calle 7-66, Zona 9, Guatemala City, Guatemala

FROM: *[Signature]* Hazel Salazar F., Procurement Agent

REMARKS:

SUBJECT: PTO/T 515-0241-3-10055-00

Transmitted herewith please find subject PTO/T which requires your signature. Please fax us a copy of the cover page after execution. We are also forwarding the hard copies of the amendment by DHL today.

1) John
2) Arc



AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES (PIO/T)

172A

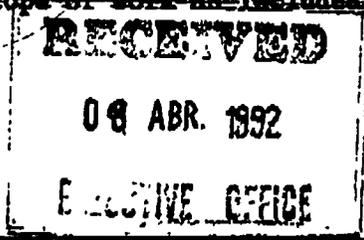
1. Cooperating Country COSTA RICA		2. PIO/T No 515-0241-3-10055		3. PIO/T Amend No. 2	
4. Project/Activity No. and Title Policy and Training Support (PATS) No. 515-0241 X100004 Legislative Assembly Support-Element 4		5. Appropriate Symbol(s) 72-11110:1		6. Budget Plan Code(s) LDSA 91-25515-KG 13	
7. Pre Ag No. or Project Authorization/Date 515-0241 08/31/89		8. Obligation Status <input type="checkbox"/> Administrative Reservation <input checked="" type="checkbox"/> Implementing Document			
9. Project Assistance Completion Date (Month, Day, Year) 09/30/98		10. Authorized Agent RCO Guatemala			
11. Type of Action and Governing A.I.D. Handbook: <input checked="" type="checkbox"/> B A. A.I.D. Contract (HB 14) B. A.I.D. Grant or Cooperative Agreement (HB 13) C. PASA/RSSA (HB 12) D. Other		12. Contract/Grant/Cooperative Agreement/ PASA/RSSA Reference Number (if the PIO/T is for an order or a modification to an award)			

13. A.I.D. Funding (Attach a detailed budget in support of column (2) as Attachment A.)				
	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
A. Dollars	1,000,000			1,000,000
B. U.S.-Owned Local Currency				

14. Mission References

15. Instructions to Authorized Agent

This amendment is to incorporate changes in the scope of work as included in Attachment #1.



16. Address of Voucher Paying Office
Controller's Office, Unit 2503, APO AA 34020

17. Clearances - include typed name, office symbol, and date for all clearances.
A. The Project Officer certifies (1) that the specifications in the statement of work or program description are technically adequate, and (2) that (for contract actions only) all program personnel who are defined as procurement officials under 41 U.S.C. 423 have signed the Procurement Integrity Certification (OF-333).

Signature: **Henry W. Reynolds, GDO** Date: **3-30-92** Phone No:
B. The statement of work or program description lies within the purview of the initiating office and approved agency programs.
Signature: **Richard Burke, PRO** Date: **3/30/92**
C. **Peter Kramstover, PRO**
Signature: **John S. Johns, PRO** Date: **3-30-92**

D. Funds for the purposes stated are available:
Signature: **Thomas Clarkson, CONT** Date: **3/30/92**
E. Signature: **Douglas Tinsler, DDIC** Date: **4/9/92**

18. For the Cooperating Country: The terms and conditions set forth herein are hereby agreed to:
Signature: _____ Title: _____ Date: _____

19. For the Agency for International Development:
Signature: **Ronald F. Venezin** Title: **Mission Director** Date: **4/8/92**

FOR CONTRACT ACTIONS ONLY: SOURCE SELECTION INFORMATION--SEE FAR 3.104. THIS DOCUMENT, OR PORTIONS THEREOF, CONTAINS PROPRIETARY OR SOURCE SELECTION INFORMATION RELATED TO THE CONDUCT OF A FEDERAL AGENCY ACQUISITION. THE DISCLOSURE OF WHICH IS RESTRICTED BY LAW (41 U.S.C. 423). UNAUTHORIZED DISCLOSURE OF THIS INFORMATION MAY SUBJECT BOTH THE DISCLOSER AND RECIPIENT TO CONTRACTUAL, CIVIL, AND/OR CRIMINAL PENALTIES AS PROVIDED BY LAW.
FOR OTHER ACTIONS: UNAUTHORIZED DISCLOSURE OF PROPRIETARY OR SOURCE SELECTION INFORMATION MAY SUBJECT AN EMPLOYEE TO DISCIPLINARY ACTION.

AID 1350-1 (6/81) *SEE HB 3, SUPP. A, APP. C, ATT. 8, FOR PREPARATION INSTRUCTIONS.

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the Commission). Following additions and change recommended by the Mission, the Mission accepted the Needs Assessment and the Master Plan as an adequate basis for approving A.I.D.'s funding for this program.

Given the political nature of this project, several points were agreed upon by the Mission and the Legislative Assembly:

1. That the Consortium along with the Commission would take the lead in studying the need for, designing and implementing a project; and USAID would maintain a low profile but play a key role in the project;
2. That it would be desirable for this to be a multidonor project, with the involvement, if possible, of other donors, such as the IDB, the EEC, the Swedish government and others, with technical assistance for the development and implementation of this concept to be provided by the Consortium for Legislative Development;
3. If the multidonor concept does not become a reality, USAID funding would be directed to pre-identified discrete parts of the plan related to strengthening staff and systems to improve the functioning of the legislature which would be implemented by the Consortium.

The Consortium consequently developed a Needs Assessment and found that the Costa Rican Legislative Assembly is currently a vibrant democratic institution with excellent potential to perform its constitutionally-mandated role. However, fundamental and important problems inherent in both its political and administrative organization prevent the Assembly from maximizing its contribution to the country's political system. The following are examples of the obstacles that prevent the Assembly from effectively fulfilling important functions in the balance of powers and analysis of policy proposals:

1. The Assembly is not sufficiently developed as a political organization. Many legislators and staff of the Assembly lack a clear understanding of their roles or the role of the institution in which they serve. The resources needed by both the political parties and the members to enable the performance of effective oversight and policy analysis are not in place.
2. The Assembly is not sufficiently developed as an administrative organization. An effective organization requires that some functions be decentralized but that others, such as bill drafting, be centralized. Additionally, it lacks the basic management tools

ATTACHMENT I

PROGRAM DESCRIPTION

I. Background:

The Mission since 1985 has been assisting the Government of Costa Rica through the Policy, Planning and Administrative Improvements and Policy and Training Support (PATS) projects, designed to support economic reform, strengthen trade and investment and enhance government responsiveness.

This assistance is a new component of the amended PATS project and is designed to develop the Legislative Assembly as an institution into a more efficient, active, well informed entity which can understand, design, enact and implement legislation which will serve to promote both economic growth and distribution of economic benefits. The Costa Rican legislative system is closely patterned after that of the U.S. Therefore, given the Legislative Assembly's important role in maintaining this strong democracy and supporting economic reform, improving their functions support the Mission's priority strategic objectives of strengthening trade and investment, improving democracy and enhancing government responsiveness.

Toward this end and recognizing the need, among its other responsibilities, to become a more positive force in the economy, the legislature has established a bipartisan Commission to Modernize the Legislative Assembly. Moreover, a number of other individual actions have been taken by the legislature to initiate the modernization process, such as completing a study of the information management needs of the Assembly, funded by the Swedish government, completing a study for a comprehensive micro-film system for its archives, and developing a Peat Marwick study recommending modernized administrative and management structure. USAID has already funded two activities through the administration of justice project, one to mount a computerized database and cross-reference index of the existing legislation system, and the other to develop a legislative procedural manual for the Assembly.

In late 1990 the legislature initiated a relationship with the Consortium for Legislative Development, a United States consortium of The Center for Democracy and its subgrantees, the University at Albany, State University of New York and Florida International University, to carry out activities under the Latin American and Caribbean Regional Legislative Development Project. At about the same time, USAID made contact with the Legislature and Consortium for the purpose of discussing a possible bilaterally-funded project to strengthen the legislature. It was agreed that the Consortium, working with the Commission, would write a Needs Assessment and a Master Plan (already approved by

normally present and needed for efficiency and productivity. The Assembly does not even have the minimal physical facilities needed for development as an effective organization.

3. There is a lack of professional-level staff support. Such support is vital if a legislature is to fulfill its role in government. Complicating this problem, the qualifications of many of the existing staff, in terms of work experience and education, are below the level needed.
4. The Assembly lacks the institutional linkages and ties that would give it access to the information, resources, talents and support mechanisms available in the community and in the region.
5. The Assembly cannot entirely fulfill its function as a representative body. Constituency services and interaction with the communications media need enhancing. This is complicated, in part, due to a lack of understanding of the role and function of the Assembly by the general public.
6. The Assembly is weak as a decision-making body. It is hampered in this role by specific institutional traditions and practices (such as annual rotation of the leadership) and a broader historical and cultural tradition of dependence on the Executive Branch.
7. The Assembly is not considered a strong symbol of democracy. Both the Assembly as an institution and its members suffer from a poor public image.

II. The Master Plan:

The Master Plan supports activities designed to increase the legislators' understanding of their institution's role and functions; improve the balance of power between the Assembly and the executive branch; enhance the Assembly's decision-making ability; improve the Assembly's organizational capacities and effectiveness; establish ties between the Assembly and other institutions; and educate the public and the media about the Assembly's role as a representative body. The plan organizes its activities around: (i) development of the Commission on the Modernization of the Assembly; (ii) strengthening the Assembly's human resources and organization--its ability to perform its law making, oversight and related functions; (iii) improving external linkages; (iv) enhancing the organizational structure and processes; and (v) providing additional informational and physical support.

supporting our macroeconomic, trade liberalization and government efficiency objectives.

3. Tasks:

Phase I: (Months 1-9)

1) MASTERPLAN DEVELOPMENT

- a. Support of the Assembly's Initiative to implement the Master Plan, including on-the-ground technical support and coordination.

Output - Development of Master Plan, including multilateral contacts to build support for its implementation.

2) INSTITUTIONALIZING THE LEGISLATIVE DEVELOPMENT PROCESS:

- a. Development of the Commission for Modernization of the Legislature - This Commission will provide the multi-year continuity for the project given the annual turnover of the staff and officers of the Congressional Directorate.

Output - A functioning Commission running the multilateral project in a mode of permanent legislative modernization, with six permanent Commission members trained in the philosophy and practical skills of legislative development.

- b. Graduate Study Program - Long-term training for a minimum of two and up to five permanent staffers or qualified professional candidates to study legislative development, operational theory, policy analysis, and working techniques;

Output - Identification and initial selection of two and subsequently up to five professionals to participate in a legislative administration, information and public policy program working in support of the modernized Legislative operations.
(Phase I)

Phase II. : (Months 10-36)

3) ORGANIZATIONAL AND HUMAN RESOURCE DEVELOPMENT:

Where appropriate, the media, universities, resource centers and professional organizations will be encouraged to

The Legislative Master Plan incorporates seven components:

1. Institutionalizing the Legislative Development Process;
2. Organizational and Human Resource Development Technical Assistance;
3. Improving Institutional Linkages;
4. Administration and Management;
5. Information Support;
6. Physical Plant Support;
7. Operational Equipment.

AID Participation

Technical assistance, training and commodities will be funded through a grant with The Center for Democracy and its subgrantees for the first four and related parts of the seventh of these components under this grant as part of USAID's bilateral contribution to the strengthening of the Legislative Assembly. In addition, USAID under this grant, will fund the researching, writing and advancement of the Master Plan for the Development of the Legislative Assembly of Costa Rica. The development of the Master Plan constitutes a major part of a first phase of the implementation of this grant. Moreover, if the Assembly is successful in attracting multiple donors to implement the Master Plan, adjustment to the budget items and activities might be made to facilitate the multidonor concept.

The selection of the Consortium for Legislative Development to provide technical assistance is justified for three reasons: 1) because of the political sensitivity of the project, a neutral non-political organization is necessary to provide technical assistance; 2) the Consortium is already well-known to the Costa Rican legislature and has been working with the legislature prior to this project; and 3) the legislature has requested that the Consortium specifically provide technical assistance for this project.

III. Scope of Work:

This grant is to be implemented in two phases, the first, months 1-9 and the second, months 10-36 as indicated below.

1. Objective:

The objective of this project is to strengthen support systems of the legislature to facilitate more efficient processes for the development and passage of legislation.

2. The Mission through the grant wants to assist in the strengthening of the Legislative Assembly in non-political areas which can facilitate their efficiency while at the same time

attend/participate in relevant conferences, training activities, to enhance public awareness of and participation in the legislative process.

- a. Budgetary Role - Provide technical assistance and training to assist the Legislative Assembly in strengthening its budgetary process, identifying staffing patterns, use of budgetary information systems, budgetary techniques and member orientation.

Output - Twenty legislators and ten staff members trained in budgetary activities.

- b. Oversight Role - Technical assistance and training in program oversight functions and techniques;

Output - Fifteen legislators and five staff members trained in the oversight function.

- c. Public Policy Role - Technical assistance and training to assist Legislative Assembly and implementation developing research and analytical skills and capability with a special focus on policy/bill analysis and staff skill development; Development of three public policy joint research projects between the Legislative Assembly and the local academic community.

Output - Fifteen legislators and ten staff trained in policy/bill analysis techniques. Three public policy papers researched and written.

- d. Constituent Services - Assessment of existing constituent services and needs of constituents and development of human resources to provide them. Training for members and staff on techniques for meeting identified needs;

Output - Assessment and training program on constituency operations (number of people trained to be determined following assessment).

- e. Other Legislative Techniques and Technologies - Bill drafting and indexing, legislative/parliamentary procedures, legislative office organization, plenary and committee management and legislative reference.

Output - Thirty members and thirty staff trained in legislative techniques and technologies.

- 4) **IMPROVING INSTITUTIONAL LINKAGES:**

Consortium affiliates to accomplish the tasks necessary. Specifically the LTA will:

- 1) Coordinate and advise the Modernization Commission, the President of the Legislature, other members and AID on technical and administrative matters related to project implementation.
- 2) Coordinate activities with other multidonor development activity.
- 3) Determine short-term Technical Assistance needs and make request to the home office for timely provision of these advisors.
- 4) Coordinate and implement conferences, seminars, and in-country and out-of-country training.
- 5) Serve as liaison for the Legislature, AID and CLD and AID and the home office.
- 6) Set-up and supervise the in-country office and staff.
- 7) Present annual work plans and budgets including project progress indicators.
- 8) Prepare quarterly reports on project progress.

Qualifications for LTA:

- Masters Degree in political science, management, or related area.
- At least five years experience in working with legislatures, preferably with experience in Latin America.
- A thorough knowledge of legislative issues.
- Cultural and political sensitivity.
- Fluency in the Spanish and English languages.

- B. Short-term Advisors (including members of the Consortium and Consultants) - The Consortium will provide technical assistance to the Legislature on the various aspects of the activities which the Consortium will support. The Advisors will be U.S., Third Country or Local and will prepare special analyses, run seminars, undertake studies and plans and assist the

- a. Legislative Internship Program at the Legislative Assembly - For university students.
- b. Participation in professional conferences and associations, including ATELCA;

Output - Up to forty staff and members participating in professional conferences and associations.

5) **ADMINISTRATION AND MANAGEMENT:**

- a. Comprehensive Personnel System - Technical Assistance to the Assembly to support the design and implementation of a system with standardized recruitment procedures, career tracks, class and position descriptions, job specifications and a personnel evaluation system.

Output - Comprehensive human resource classification system proposal. Up to ten staff trained in implementation and utilization of comprehensive personnel systems by a Costa Rican management consulting firm under subcontract. System functioning.

For each of the activities outlined above the Consortium will provide the appropriate long and short-term technical assistance and administrative support, including the purchase of appropriate commodity inputs, coordination of seminars and conferences, travel, training and setting up an office in Costa Rica.

6) **AREAS OF ASSISTANCE:**

- a. Long-Term Technical Assistance - A significant portion of the technical assistance will be provided by a long-term resident advisor (LTA), therefore we suggest a period of 32.5 months for this position. The LTA will assist the Assembly, the USAID Mission and other participating donors to carry out the project objectives. The LTA's responsibilities are listed below.

The LTA will be responsible for implementation of all aspects of the in-country portion of this project. The LTA will receive administrative back-stopping by a local staff to include: 1 professional assistant, 1 bookkeeper, 1 secretary, and a custodian. Short-term technical assistance will be provided by the individual

Commission and staff in technical and administrative aspects of project implementation.

An illustrative list of the areas of focus of their efforts follows:

1. Legislative planning
2. Budget
3. Legislative oversight
4. Public policy
5. Legislative techniques and technologies
6. Research
7. Administrative and management
8. Constituent services

C. Short-Term Training.

Training activities in the form of seminars, conferences, workshops and other fora will be organized and attended by appropriate legislative staff and legislators both in-country and abroad in support of the project's objectives and the aforementioned areas of technical assistance.

D. Long-Term Training.

A minimum of two and up to five Masters Degree candidates will be provided long-term study opportunities in areas of study mutually agreed upon by the Assembly, the Consortium and A.I.D.

E. Observational Travel and Others.

Visits will be made to observe the operations of other legislative groups and discuss implementation of the Master Plan with other governments. USAID/CR must concur on the purpose and nature of the visits, which must be advantageous to furtherance and improvement of Costa Rica's Legislative System. In addition, other materials such as books, studies, video-cassettes, etc. to broaden the Legislature's knowledge are contemplated here.

F. Commodities.

Purchase appropriate project-related commodities.

Additional Information:

- 1) The Grant Officer's Technical Representative (GOTR) for the performance of this Grant will be the General Development Officer or his designee. The GOTR shall be

specialists require prior written approval by the Regional Grants Officer.

- 3) General guidance will rest with the Legislative Modernization Commission and the President of the Legislature. The Commission will provide general guidelines for research and technical assistance activities. The LTA will be the principal representative of the Consortium who will work with the Commission. However, his role will be strictly in an advisory capacity. Meetings with the above will be held as needed but should assure maximum coordination. During meetings the recipient will be expected to report on progress of components and multidonor strategy implementation.
- 4) The recipient may include expenses incurred prior to the signing of the Grant, if such expenses are allowable and allocable under the terms of the resulting commitment document. It is understood that any expenses incurred by the recipient before the establishment of a valid commitment are at its own risk.

The USAID mission may amend the Scope of Work, budget or to extend the period of services, depending on availability of funds and further project needs.

7. PRELIMINARY STEPS:

The Consortium for Legislative Development shall submit, within approximately thirty (30) days of acceptance of this grant, in writing to the GOTR, acting for USAID/Costa Rica, the name and other pertinent information of the candidate proposed for LTA. USAID/Costa Rica will indicate its acceptance or denial of the proposed candidate in writing. The recipient will appoint the LTA no later than fifteen (15) days after receipt of acceptance and will notify USAID/Costa Rica of this fact, advising the USAID on how to contact the LTA.

Within approximately forty-five (45) days of the LTA's appointment by the recipient, the Consortium for Legislative Development will field the LTA who will be responsible along with the Consortium for Legislative Development for presenting a one year work plan including all task areas no later than sixty (60) days from arrival. The plan and corresponding budgets shall be presented to USAID/Costa Rica for its written approval. Subsequent plans will be prepared and presented to USAID/Costa Rica for written approval every 12 months.

In addition, the Consortium for Legislative Development shall prepare, as part of the first year plan, for USAID/Costa Rica's written approval, a preliminary list of indicators of accomplishment. These indicators should measure factors which the recipient's efforts purport to effect and which measure, to some extent, attainment of stated objectives. They may be general or specific, as necessary, and initially the recipient will define what these indicators are expected to measure, the assumptions upon which they are based and the degree to which they may be affected by circumstances beyond the GOTR's and/or the recipient's control.

Within thirty (30) days of the signing of this grant agreement, the recipient will submit to AID an M.O.U. signed with the head of the National Commission for Modernization of the Legislature which delineates the responsibilities of both parties based on this Grant. This M.O.U. will be submitted to AID in draft for review and approval prior to signing.

7. PERIOD OF PERFORMANCE AND LEVEL OF EFFORT:

The period of performance of these services will be 36 months, subject to the availability of funds, effective as of the execution of the grant by the Grant Officer.

IV. Reports

The recipient shall present the following reports, by component, to USAID/Costa Rica:

- 1) A quarterly report on progress towards achieving objectives. This shall include project activities during the ending quarter, a summary of problems and recommended solutions and major activities expected during the next quarter. The report should be based on indicators presented in the annual plans. This report shall be approved by the USAID and will be part of the presentation to be made to the Legislature. It shall be presented to A.I.D. not less than ten (10) working days after the end of the quarter. A format for this report should be presented for approval with the Master Plan.

- 2) On a yearly basis, the recipient will present a 12-month implementation plan and line-item budget. The plan should be presented not less than thirty (30) days before the end of the 12-month period (the first 12-month plan will be presented 60 days after arrival), for written approval by the USAID. The plan shall include all the activities that the recipient envisions will be executed during the period and a detailed budget of anticipated expenditures and a detail of actual expenditures. In addition, the implementation plan shall include an analysis of how these activities are expected to affect the indicator list, and how the activities of the past year contributed to project goals, in general and as measured by a budget execution report and indicator list compiled by the recipient. At this time the recipient may wish to propose deletions, additions or modifications to the indicator list based on past experience.
- 3) At the recipient's option, a revision to the 12-month implementation plan and budget may be submitted for written USAID/Costa Rica approval as needed. It should follow the same format as the 12-month plan for all aspects that are being modified.
- 4) A final report within thirty (30) days of project termination summarizing accomplishments, lessons learned and recommendations.
- 5) Reports should be presented in English and Spanish, five copies each.

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AID Project (3 P) *PID/T	AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IMPLEMENTATION ORDER/TECHNICAL SERVICES	1 Cooperating Country Costa Rica	Page 1 of 1 Pages
		7 PID/T No. 515-0241-3-10055	3 <input checked="" type="checkbox"/> Original or Amendment No. 1
		4 Project/Activity No and Title Policy and Training Support (PATS) No. 515-0241 Legislative Assembly Support Element # 4	

DISTRIBUTION	5 Appropriation Symbol 72-1111021		6 Budget Plan Code LDSA 91-25515-KG13		
	7. Obligation Status <input type="checkbox"/> Administrative Reservation <input checked="" type="checkbox"/> Implementing Document		8 Project Assistance Completion Date (Mo., Day, Yr.) 9/30/98		
	9 Authorized Agent Regional Contracts Officer/Guatemala		10 The PID/T is in full conformance with PRO/AG No. _____ Date _____		
	11a Type of Action and Governing AID Handbook <input type="checkbox"/> AID Contract (HB 14) <input checked="" 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
			1,000,000		
	B U.S.-Owned Local Currency				

13 Mission References

14A Instructions to Authorized Agent
 This amendment is to change the authorized agent from AID/W Contracts to Regional Contracts Officer Guatemala.
 All references to "Buy-In" in this document should be changed to "Grant".
 Strike Parg. 2, section 22.
 Justification for non-competitive procurement is attached as Annex I.



14B Address of Voucher Paying Office
**Controller's Office
 Unit 2503
 APO Miami, FL 34020**

15 References. Include typed name, office symbol, telephone number and date for all references

A The Project Officer certifies that the specifications in the statement of work or program description are technically adequate. <i>Henry W. Reynolds, GDO</i>	Phone No Date	B The statement of work or program description lies within the purview of the issuing office and approved agency programs. <i>Marta Vega, PRO</i>	Date 9/18/91
C <i>Flora Ruiz, GDO</i> <i>Richard Garland, PDD</i> <i>John S. Johns, EXO</i> <i>Peter Kransover, ADM</i>	Date 9/16/91 9/18/91	D Funds for the services requested are available. <i>Miguel Luina, ACONT</i>	Date 9/18/91

16 For the Cooperating Country The terms and conditions set forth herein are hereby agreed to

Signature _____ Date _____
 Title 1

17. For the Agency for International Development
 Signature *Richard Burke* Date 9/18/91
 Title Acting Mission Director

*See HB 3, Sup A, App C, An 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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AGENCY FOR INTERNATIONAL DEVELOPMENT

UNITED STATES A. I. D. MISSION TO COSTA RICA

ANNEX I

September 17, 1991

APO. Miami, FL 34020
Telephone 20-45-45
Telox 3550 AIDCR KR
Fax (506) 20-34 34

MEMORANDUM

TO: John McAvoy, Grant Officer
FROM: 
Henry W. Reynolds, General Development Officer
SUBJECT: Justification for Selection of Assistance Recipient

Handbook 13, Chapter 2, Paragraph 3, Exceptions, states that competition in the award of a grant is not required in cases where the technical office has determined that the recipient has "exclusive or predominant capability based on experience, specialized facilities or technical competence, or based on an existing relationship with the cooperating country or beneficiaries". On the basis that the intended grantee meets these criteria, USAID/Costa Rica proposes a \$2 million non-competitive grant to the Consortium for Legislative Development (CLD) in support of a three-year program of technical assistance and training to help develop the institutional capacity of the Costa Rican legislature.

Specifically for Costa Rica, the historical context justifies the selection of the Consortium for these services. There has been a precedent in a previous AID project with the Costa Rican Legislature in which an AID official was declared "persona non grata" because of too deep an involvement in the Legislatures affairs. As a result the Assembly President, concerned about the sensitivities requested that the Consortium, because of their nonpartisan nature and significant expertise, not only do a needs assessment and a Master Plan for Legislative Modernization, but be selected to implement the aspects of the plan that USAID would fund as well as other aspects funded by other donors.

Further, the individual members of the Consortium team are well-known in the Costa Rican Legislature and a working relationship already exists which will allow the Consortium to move forward quickly in project implementation, an important necessity in the case of this project; the consortium's knowledge of the Assembly in Costa Rica and its activities has been enhanced by their carrying out the needs assessment and the development of the Modernization Plan.

The Consortium was formed in 1989 and is composed of the Center for Democracy (CFD), Florida International University (FIU), and the State University of New York at Albany (SUNY/A). Their combined expertise and experience in the field of legislative development, here and abroad, together with their established relationships with members and staff of Latin American and specifically the Costa Rican legislature, attests to the Consortium's predominant capability to carry out the program to be supported under this grant.

Many state legislatures in the United States receive research, training and staff services from the state university or from one of several private organizations, such as the American Society of Legislative Clerks and Secretaries (ASLCS), a sub-group of the National Conference of State Legislatures; the State Legislative Leaders Foundation; and the American Legislative Exchange Council. With the exception of ASLCS, which was recently tapped by the CFD to work with legislative staff in Guatemala, none of these organizations has experience designing and conducting programs overseas. The National Council has expressed interest in becoming more active internationally, but thus far its involvement has been limited to helping identify individual technical advisors to work abroad, some under SUNY/A programs. Thus, none of these organizations, alone or together, has the depth of experience and LAC contacts possessed by the Consortium. A detailed description follows of each Consortium member institution.

SUNY/A has been engaged in legislative development for more than two decades, at home and abroad, from Illinois to Jordan. From the mid-1960's through the early 1970's, its Comparative Development Studies Program, then headed by Dr. James Heaphy, was the principal implementing institution for A.I.D.'s Title IX legislative activities in Africa, Asia, Latin America and the Middle East. SUNY/A's ability to undertake this work was enhanced by the experience of Dr. Heaphy and others in the development of U.S. state legislatures which, prior to 1960, were in many respects at a stage of institutional development not unlike that found in most Latin American countries today.

The Comparative Development Studies Center (CDSC), founded in 1970, has provided assistance to legislatures in dozens of countries, including Brazil, where SUNY/A has continued to work since the conclusion of A.I.D.'s program. In large part due to CDSC assistance, the national and state legislatures of Brazil have advanced beyond all other parliamentary institutions in the LAC region in systems and procedures, staff support and committee structures, and have attained state-of-the-art information management technology. CDSC-trained Brazilians now serve as advisors to other legislatures seeking to improve their capacity. Last year they participated in workshops in Chile, where SUNY/A is implementing an A.I.D.-funded project to develop a legislative support center at a local university. More recently, the Honduran Congress invited the Secretary General of the Brazilian Congress, a SUNY/A graduate, to work with Georgetown University as a technical advisor on the USAID's bilateral legislative project.

The major tool of staff development is training. SUNY/A offers unique academic and/or applied studies in legislative administration. Through its location in the Graduate School of Public Affairs, the CDSC offers MPA and Ph.D. degree programs as well as legislative institutes and short-term professional programs for those who prefer not to pursue a degree program. A recent study of legislative assistance in the Third World for Canada's Parliamentary Centre concluded that CDSC's program, concentrating as it does on legislative research, training and technical assistance is "the only one of its kind in the U.S. and, perhaps, the world." More than 700 legislative staff and legislators from developing countries have completed CDSC programs.

The present director of the CDSC, Dr. Abdo Baaklini, a member of the Consortium Committee that will guide this project, has frequently served as a consultant to A.I.D. on parliamentary matters in Africa and Asia. His recognized expertise and hands-on experience led the ANE Bureau to engage him as its principal advisor on high-priority legislative development efforts in Hungary and elsewhere in Eastern Europe.

The Center for Democracy (CFD) has a wide range of contacts with Latin American political figures, some of which date from the early 1980's when Allan Weinstein, CFD's president (then a Georgetown University professor) sought their views for an A.I.D.-financed study on possible modes of U.S. assistance in democratic development. The Center has associated with Latin American legislatures since 1985 when it organized the first Western Hemisphere Legislative Leaders Forum, attended by 47 parliamentarians from 20 LAC countries.

From 1986 to 1988 CFD has implemented an A.I.D.-funded regional project, the Central American Legislative Training Seminar (CALTS), which brought 20 legislators, representing government and opposition parties, from the Republics of Belize, Costa Rica, El Salvador, Guatemala and Honduras to the U.S. to observe the legislative process, including its human and technological support services, and to meet state and national legislative leaders. A second phase of CALTS offered the Central Americans the opportunity to participate in the largest and broadest-based gathering of democratically elected representatives in the world when the CFD arranged their invitation to the Council of Europe's Second Conference on Parliamentary Democracy in 1987. Informal contacts between Central American and European legislators have continued with the CFD's encouragement.

The Center currently manages a three-year program to help strengthen the institutional capacity of the Guatemalan Congress through training, technical assistance and exchanges with legislators in other countries and is entering similar relationships with Panama, Nicaragua and Haiti. The CFD's Guatemala program, under the direction of Caleb McCarry, arranged for U.S. state legislative clerks and secretaries to donate their technical expertise on selection and design of an automated information system. AID/IRM recently commended the Center for its very effective "user-oriented" approach to determining requirements for the system.

The introduction of the U.S. clerks to the program also led to the creation of ATELCA, a Central American regional association of legislative clerks and secretaries, patterned after a similar organization in the U.S. Finally, the Center is the Grantee in a 4.5 million dollar regional project for Central America of the LAC/DI office in Washington, D.C.

Dr. Weinstein has been deeply involved in the transformation of the government structures in the Soviet Union and has been advising these countries in the development of their democratic governments. He is a personal advisor to Boris Yeltsin, President of Russia.

A March 1990 external evaluation of the CALTS and Guatemala programs comments upon the CFD's performance and relationships:

"The Center for Democracy deserves great credit for the confidence and trust it has established with a wide range of politicians and technicians in the legislative process. The degree of cooperation, lack of concern about U.S. interference in domestic affairs, and support from those in leadership positions are a direct result of the Center's mode of operation and a tribute to the quality of its staff."

"The major accomplishments of the Center's activities include the designing of innovative programs with state legislatures in the United States, the promotion of international contacts with parliamentarians from around the world, with a special emphasis on Europe, and improving communications among the Central American legislators themselves."

"Through their innovative programs and enthusiasm, the Center has helped to create an awareness among both legislators and staff that there is a need for greater development of the legislative branch. A 'market' has been created which AID can serve if it wishes to advance legislative development in Central America."

The faculty of Florida International University's Latin America and Caribbean Center (LACC), headed by Prof. Mark Rosenberg, and the School of Public Affairs and Services (SPAS) also bring to the Consortium extensive experience in the LAC region, knowledge of its political history and current affairs, and continuing contacts and relationships with Latin American political figures, academics, journalists and other opinion leaders who regularly participate in activities by the LACC.

FIU's Latin American and Caribbean program has achieved international prominence. An independent area studies review team for the State University System of Florida board of Regents stated its expectation that "FIU could become the best center in the United States for the study of contemporary Latin American affairs..."

The School of Public Affairs and Services (SPAS) has in the decade of its existence grown significantly in academic excellence as evidenced by its recent election to the prestigious Comprehensive Schools Section of the National Association of Schools of Public Affairs and Administration (NASPAA). FIU is the first school to be invited into membership of this group since the founding of NASPAA some 25 years ago. The school's dean, Allan Rosenbaum, has 25 years of research and work experience with state legislatures as well as the U.S. Congress. He is familiar first-hand with the institutional development of U.S. state legislatures through participation in its early stages as an intern, and by his service in senior legislative staff positions. Several members of SPAS faculty also have experience in legislative staff positions at the state level in the U.S.

FIU's work with LAC legislators includes organizing exchanges and other activities with members of the U.S. Congress and state legislatures, funded by USIA or foundation grants. A working relationship has developed with staff of the Florida legislature, one of whom worked with clerks in the Guatemalan Congress under the CFD legislative project and was instrumental in the creation of ATELCA. In 1989, in response to a request from the Costa Rican National Assembly, SPAS faculty together with INCAE designed and conducted a seminar in San José aimed at helping the Assembly improve its effectiveness by restructuring legislative procedures and staff support services.

The procurement of services from any other entity would interrupt already existing relationships and set back a process which started long before this Grant was thought of, not to mention the great loss of expertise to the Costa Rican Government.

AID/CR GDO:HWR Reynolds 9/17/91:0708b

AID 1350-1
(3 87)
*PIO/T

AGENCY FOR
INTERNATIONAL DEVELOPMENT

PROJECT IMPLEMENTATION
ORDER/TECHNICAL
SERVICES

1. Cooperating Country
Costa Rica

2. PIO/T No
515-0241-3-10055

3 Original or Amendment No. _____

4. Project/Activity No. and Title
**Policy and Training Support (PATS)
No. 515-0241
El.**

DISTRIBUTION

5 Appropriation Symbol **72-1111021**

6. Budget Plan Code **LD5A-91-2:515-K013**

7. Obligation Status
 Administrative Reservation Implementing Document

8 Project Assistance Completion Date (Mo., Day, Yr.) **09/30/98**

9 Authorized Agent
USAID/W Contracts

10 This PIO/T is in full conformance with PRO/AG No Date

11a Type of Action and Governing AID Handbook
 AID Contract (HB 14) AID Grant or Cooperative Agreement (HB 13) PASA/RSSA (HB 12) Other

11b Contract/Grant/Cooperative Agreement/PASA/RSSA Reference Number (If this is an Amendment)
LAC 0770-A-00-0034-00

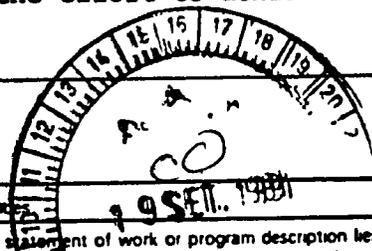
12 Estimated Financing (A detailed budget in support of column (2) is attached as Attachment No **II**)

Maximum AID Financing Available	A Dollars	(1) Previous Total	(2) Increase	(3) Decrease	(4) Total to Date
					1,000,000
	B U.S.-Owned Local Currency				

13. Mission References

14A Instructions to Authorized Agent
Authorized agent is requested to do a buy-in into the Grant of the Consortium for Legislative Development, under the Regional Legislative Development Project No.598-0770. This one million dollars is the first tranche of an intended two million dollar buy-in. When the second million dollars is available, the budget will be amended accordingly, reflecting plans and programs to that date on the effort to achieve a multilateral donor fund for this activity.

14B Address of Voucher Paying Office
**Controller's Office
APO, Miami, Florida 34020**



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 Henry W. Reynolds, GDO	Phone No Date 6/21	B The statement of work or program description lies within the purview of the initiating office and approved agency programs Richard Burke, PRO	Date 6/24/91
C Flora Ruiz, GDO Richard Garland, ARDO	Date 6/21 6/24	D Funds for the services requested are available Miguel - A. - Luiña, ACONT	Date 6/25/91
E John S. Johns, EAO Douglas L. Tinsley, DEIR	Date 6/25/91	17. For the Agency for International Development Signature Ronald F. Venezia Date 6/25/91 Title Mission Director	

16 For the Cooperating Country The terms and conditions set forth herein are hereby agreed to
Signature **Rodolfo Méndez Mata** Date **25/6/91**
Title **Ministro de la Presidencia de la República**

*See HB 3, Sup A, App C, An B, for preparation instructions. Note: The completed form contains sensitive information whose unauthorized disclosure may subject an employee to disciplinary action.

20 Provisions for Logistic Support (Continued)

B Additional Facilities Available From Other Sources

- Diplomatic pouch PX Commissary
for personal and project mail.
- Other (specify, e.g. duty free, entry, tax exemption)
Duty free entry
Tax exemption

C Comments

21 Relationship of Contractor or Participating Agency to Cooperating Country and to AID

A Relationships and Responsibilities

The Consortium will work under the Policy Guidance of the Mission Director

B Cooperating Country Liaison Officials

1. Miguel Angel Rodriguez, President of Legislative.
2. Commission for Modernization of the Legislative.

C. AID Liaison Officials

Flora Ruiz, GDO
Henry W. Reynolds, GDO

22. Background Information (additional information useful to authorized agent)

Project Paper for Policy, Training and Support Project #515-0241.

Since this is to be a buy-in to the LAC/DI Regional Legislative Development Project (598-0770), the Contract Officer is requested to consider all proposed requirements in the PIO/T against those established for the existing project and to ensure that the buy-in component requirements are brought into line with the terms of the existing cooperative agreement.

23. Summary of attachments that accompany the PIO/T (check applicable boxes)

- A. Detailed budget estimates in support of increased funding (Block 12) Attachment II
- B. Evaluation criteria for competitive procurement (Block 14A)
- C. Justification for procurement by other than full and open competition or noncompetitive assistance
- D. Statement of work or program description (Block 18) Attachment I
- E. Waiver(s) justification(s), clearance(s), certification(s) (Block 19) (specify number _____)

18. Statement of work or program description for this project as described in Attachment No. 1
 19. Special Provisions

- A. Language Requirements (specify) Fluent Spanish
 (If number, testing must be accomplished by AID or, where desired level of proficiency)
- B. Access to classified information or not be required by technical specialists (indicate level)
- C. Duty station and duration of technical specialist's service at post(s) (month(s)) San José, Costa Rica 36 months
-
- D. Dependents or not be permitted to accompany technical specialist(s)
- E. Geographic code applicable to procurement under the PID/T is OCE ECA ECT ECF OTH (specify)
- F. Salary approval to exceed FS 1 salary ceiling are attached in process N/A
- G. Cooperating country acceptance of this project (applicable to AID/W projects only)
 has been obtained is in process is not applicable to services required by PID/T.
- H. Justification for use of external resources for consulting services is attached N/A
- I. Clearance for procurement of ADP equipment, software, and services is attached in process N/A
- J. OMB approval of any report to be completed by ten or more members of the general public under the statement of work is
 attached in process N/A.
- K. Participant training is is not being funded as part of this PID/T.
- L. Requirement (contracts only) is recommended for small business set-aside SBA 8(a) Program neither.
- M. Other (specify).

20. Provisions for Logistic Support	IN KIND SUPPLIED BY		FROM LOCAL CURRENCY SUPPLIED BY		TO BE PROVIDED OR ARRANGED BY SUPPLIER	N/A
	AID	COOPERATING COUNTRY	AID	COOPERATING COUNTRY		
A. Specific Items (Insert "X" in applicable column as right. If every needs qualification, insert asterisk and explain below in C "Comments")						
(1) Office Space					X	
(2) Office Equipment					X	
(3) Housing and Utilities					X	
(4) Furniture					X	
(5) Household Appliances (Stoves, Refrig., etc.)					X	
(6) Transportation in Cooperating Country					X	
(7) Transportation To and From Country					X	
(8) Interpreter Services/Secretarial					X	
(9) Medical Facilities (Health Room)					X	
(10) Vehicles (official)					X	
(11) Travel Arrangements/Tickets					X	
(12) Nightwatchmen for Living Quarters					X	
(OTHER SPECIFY)						
(13) Commissary	X					
(14) Pouch	X					
(15)						

STATEMENT OF WORK

I. Background:

The Mission since 1985 has been assisting the Government of Costa Rica through ~~the Policy, Planning and Administrative Improvements and Policy and Training Support~~ (PATS) projects, designed to support economic reform, strengthen trade and investment and enhance government responsiveness.

This assistance is a new component of the amended PATS project and is designed to develop the Legislative Assembly as an institution into a more efficient, active, well informed entity which can understand, design, enact and implement legislation which will serve to promote both economic growth and distribution of economic benefits. The Costa Rican legislative system is closely patterned after that of the U.S., and given the Legislative Assembly's important role in maintaining this strong democracy and supporting economic reform, improving their functions supports the Mission's priority strategic objectives of strengthening trade and investment, improving democracy and enhancing government responsiveness.

Towards this end and recognizing the need, among its other responsibilities to become a more positive force in the economy, the legislature has established a bipartisan Commission to modernize the Legislative Assembly. Moreover, a number of other individual actions have been taken by the legislature to initiate the modernization process, such as completing a study funded by the Swedish government of the information management needs of the Assembly, completing a study for a comprehensive micro-film system for their archives, and a Peat Marwick study recommending a modernized administrative and management structure. USAID has already funded two activities through the administration of justice project, one to mount a computerized database and cross reference index of the existing legislation system and the other to develop a legislative procedural manual for the Assembly. - - - - -

In late 1990, the legislature initiated a relationship with the Consortium for Legislative Development, a U.S. Consortium including: The State University of New York, Albany; Florida International University and the Center for Democracy, to carry out activities under the Latin American and Caribbean Regional Legislative Development Project. At about the same time, USAID made contact with the Legislature and Consortium for the purpose of discussing a possible bilaterally funded project to strengthen the legislature. It was agreed that the Consortium, working with the Commission, would do a Needs Assessment and a Master Plan (already approved by the Commission). Following additions and changes recommended by the Mission, the Mission accepted the Needs Assessment and the Master Plan as an adequate basis for approving A.I.D.'s funding to this program.

Given the political nature of this project, several points were agreed upon by the Mission and the Legislative Assembly:

1. That the Consortium along with the Commission would take the lead in studying the need for, designing and implementing a project; and USAID would maintain a low profile but play a key role in the project;

2. That it would be desirable for this to be a multidonor project by involving if possible, other donors, such as the IDB, the EEC, the Swedish government and others with technical assistance for the development and implementation of this concept to be provided by the Consortium for Legislative Development;
3. If the multidonor concept could not be made a reality, USAID funding would be directed to pre-identified discrete parts of the plan related to strengthening staff and systems to improve the functioning of the legislature which would be implemented by the Consortium.

~~=====~~ ~~The Consortium consequently developed a Needs Assessment and found that the~~ Costa Rican Legislative Assembly is presently a vibrant democratic institution with excellent potential to perform its constitutionally mandated role. However, fundamental and important problems inherent in both its political and administrative organization prevent the Assembly from maximizing its contribution to the country's political system. The following are examples of the obstacles which prevent the Assembly from effectively fulfilling important functions in the balance of powers and analysis of policy proposals:

1. The Assembly is not sufficiently developed as a political organization. Many legislators and staff of the Assembly lack a clear understanding of their role or the role of the institution in which they serve. The resources needed by both the political parties and the members to enable the performance of effective oversight and policy analysis are not in place;
2. The Assembly is not sufficiently developed as an administrative organization. An effective organization requires that some functions be decentralized but that others, such as bill drafting, be centralized. Additionally, it lacks the basic management tools normally present and needed for efficiency and productivity. The Assembly does not even have the minimal physical facilities needed for development as an effective organization;
3. There is a lack of professional level staff support. Such support is vital if a legislature is to fulfill its role in government. Complicating this problem, the qualifications of many of the existing staff, in terms of work experience and education, are below the level needed;
4. The Assembly lacks the institutional linkages and ties which would give it access to the information, resources, talents and support mechanisms available in the community and in the region;
5. The Assembly cannot entirely fulfill its function as a representative body. Constituency services and interaction with the communications media need enhancing. This is complicated, in part, due to a lack of understanding of the role and function of the Assembly by the general public;
6. The Assembly is weak as a decision-making body. It is hampered in this role by specific institutional traditions and practices (such as annual rotation of the leadership) and a broader historical and cultural tradition of dependence on the Executive Branch; and
7. The Assembly is not considered a strong symbol of democracy. Both the Assembly as an institution and its members suffer from a poor public image.

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II. The Master Plan:

The plan supports activities designed to: increase the legislators understanding of their and their institution's proper role and functions; improve the balance of power between the Assembly and the executive branch; enhance the Assembly's decision-making ability; improve the Assembly's organizational capacities and effectiveness; establish ties between the Assembly and other institutions; and educate the public and the media about the Assembly's role as a representative body. The plan organizes its activities around: (i) development of the Commission on the Modernization of the Assembly; (ii) strengthening the Assembly's human resources and organization --its ability to perform its law-making, oversight and related functions; (iii) improving external linkages; (iv) enhancing the organization structure and processes; and (v) providing additional informational and physical support.

The Legislative Master Plan incorporates seven components: 1. Institutionalizing the Legislative Development Process; 2. Organizational and Human Resource Development Technical assistance; 3. Improving Institutional Linkages; 4. Administration and Management; 5. Information Support; 6. Physical Plant Support; and 7. Operational Equipment.

AID Participation:

Technical assistance, training and commodities will be funded through a buy-in with the Consortium for Legislative Development for the first four and related parts of the seventh of these components under this amendment as part of USAID's bilateral contribution to the strengthening of the Legislative Assembly. In addition, USAID through the buy-in will fund all activities surrounding the development of a multidonor strategy, management plan, conference and follow up for additional funding from other donors for the balance of the Master Plan implementation. This latter activity would constitute a major part of a first phase of the implementation of this buy-in and if it is successful, adjustment to the budget items and activities would be made to facilitate the multidonor concept.

The selection of the Consortium for Legislative Development to provide technical assistance is justified for three reasons: 1) because of the political sensitivity of the project, a neutral non-political organization is necessary to provide technical assistance; 2) the Consortium is already well-known to the Costa Rican legislature and has already been working with the legislature prior to this project; and 3) the legislature has requested that the Consortium specifically provide technical assistance for this project.

III. Scope of Work:

This PIO/T is to be implemented in two phases, the first, months 1-9 and the second, months 9-36 as indicated below.

1. Objective:

The objective of this project is to strengthen support systems of the legislature to facilitate more efficient processes for the development and passage of legislation.

~~2. Purpose:~~

The Mission through the buy-in wants to assist in the strengthening of the Legislative Assembly in non-political areas which can facilitate their efficiency while at the same time supporting our macroeconomic, trade liberalization and government efficiency objectives.

3. Tasks:

Phase I.: (Months 1 - 9)

1. MULTIDONOR DEVELOPMENT AND TRAINING

- a. Support of the Initiative to get multidonor financing for the implementation of the Master Plan which includes strategy financial mechanisms, organizational structure and implementation.

Output - Plan for multidonor participation. Conferences for donors. Visits to donors to develop interest in plan.

2. INSTITUTIONALIZING THE LEGISLATIVE DEVELOPMENT PROCESS:

- a. Development of the Commission for Modernization of the Legislature - This Commission will provide the multi-year continuity for the project given the annual turnover of the staff and officers of the Congressional Directorate;

Output - A functioning Commission running the multilateral project in a mode of permanent legislative modernization, with six permanent Commission members trained in the philosophy and practical skills of legislative development.

- b. Planning and Modernization Unit - Creation of a planning/modernization unit to facilitate the legislature's ability to gather and synthesize and print and disseminate information on the future needs of the Assembly;

Output - A functioning planning and modernization unit established, 15 trained staff; and relevant commodities.

- c. Graduate Study Program - Long-term training for five permanent staffers to study legislative development, operational theory, policy analysis, and working techniques;

Output - Five professionals with Master's degrees in legislative administration, information and public policy working in support of the modernized Legislative operations.

Phase II.: (Months 9 - 36)

3. ORGANIZATIONAL AND HUMAN RESOURCE DEVELOPMENT:

- a. Budgetary Role - Design and implementation of measures to strengthen the Assembly's role in the nation's budgetary process; including development of organizational structures and relationships, use of budgetary information systems, budgetary techniques and member orientation, and, if required, draft legislation for the modernization of the budgetary process;

~~Output - Twenty legislators and ten staff members trained in budgetary activities.~~

- b. Oversight Role - The design and organization of the structure for this function which will serve to provide the legislature with information on how the GOCR bureaucracy carries out its legal responsibilities;

Output - Fifteen legislators and five staff members trained in the oversight function.

- c. Public Policy Role - Establish policy analysis support unit for legislators and develop research and analytical staff with a special focus on policy/bill analysis and staff skill development;

Output - 15 legislators and 10 staff trained in policy/bill analysis techniques.

- d. Constituent Services - Determination of what exists and what types of these services are needed and the organization of the unit and development of human resources to provide them;

Output - Functioning constituency operations; and

- e. Other Legislative Techniques and Technologies - Bill drafting and indexing, legislative/parliamentary procedures, legislative office organization, plenary and committee management and legislative reference.

Output - Thirty members and 30 staff trained in legislative techniques and technologies.

4. IMPROVING INSTITUTIONAL LINKAGES:

- a. Improvement of Relationships with university law schools, the press, research centers and professional organizations, to effectively use them as resources;

Output - Increased participation of universities, the press, research centers and professional organizations in the legislative process.

- b. Legislative Internships and university students; joint research, joint participation in professional conferences and associations, project sponsorships of conferences and associations.

Output - Fully functioning internship program.

- c. Joint Research between academic institutions and the legislature.

Output - Functioning joint research program.

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5. ADMINISTRATION AND MANAGEMENT:

- a. Organizational Structure of the Directorate of the Assembly - Establish structural changes approved by the Assembly Directorate;

Output - Functional description of Department. 15 staff trained in reorganizational requirements. Reorganization functioning.

- b. Comprehensive Personnel System - The design of a system with standardized recruitment procedures, career tracks, class and position descriptions, job specifications and a personnel evaluation system.

Output - Comprehensive human resource classification system proposal. 10 staff trained in implementation and utilization of comprehensive personnel systems. System functioning.

For each of the activities the Consortium will provide the appropriate long and short-term technical assistance and administrative support, including the purchase of appropriate commodity inputs, coordination of seminars and conferences, travel, training and setting up an office in Costa Rica.

6. Areas of Assistance:

- A. Long-Term Technical Assistance - A significant portion of the technical assistance will be provided by a long-term resident advisor (LTA) who will be provided for 32.5 months. He will assist the Assembly, the USAID Mission and other participating donors to carry out the project objectives. His responsibilities are listed below.

The LTA will be responsible for implementation of all aspects of the in-country portion of this project. He will receive administrative back-stopping from the individual Consortium affiliates to accomplish his tasks.

Specifically the LTA will:

1. Coordinate and advise the Modernization Commission, the President of the Legislature, other members and AID on technical and administrative matters related to project implementation.
2. Spearhead the multidonor development activity.
3. Determine short-term T.A. needs and make requests to the home office for timely provision of these advisors.
4. Set-up conferences, seminars, in-country and out of country training, and assure their effective implementation.
5. Serve as liaison between the Legislature and the home office, and AID and the home office.

6. Set-up and supervise the In-country office and staff.
7. Present annual work plans and budgets including project progress indicators.
8. Prepare quarterly reports on project progress.

Qualifications for LTA:

- Masters Degree in some area of political science or related area.
-
- At least five years experience in working with legislatures at least two of which should be in a Latin America setting.
 - A thorough knowledge of legislative type issues and how to resolve them.
 - An ability to avoid becoming involved in political intrigue and ability to work in a Latin culture.
 - Fluency in the Spanish language.
- C. Short-term Advisors (including members of the Consortium and Consultants) -**
The Consortium will provide technical assistance to the Legislature on the various aspects of the activities which the Consortium will support. The Advisors will be U.S., Third Country or Local and will do special analyses, run seminars, do studies and plans and guide the Commission and staff in their implementation of technical and administrative aspects of project implementation.
- An illustrative list of the areas of focus of their efforts follows:
1. Legislative planning
 2. Budget
 3. Legislative oversight
 4. Public policy
 5. Legislative techniques and technologies
 6. Research
 7. Administration and management
- D. Short-Term Training.** Training activities in the form of seminars, conferences, workshops and other fora will be organized and attended by appropriate legislative staff and legislators both in-country and abroad in support of the project's objectives and the aforementioned areas of technical assistance.
- E. Long-Term Training.** Five permanent staff members will be provided long-term study opportunities in areas of study mutually agreed upon by the Assembly, the Consortium and A.I.D.

- F. Observational Travel and Others. Visits will be made to observe the operations of other legislative groups and to make contact with other governments to discuss the Master Plan. USAID/CR must concur on the purpose and nature of the visits which must be advantageous to furtherance and improvement of the Costa Rica's Legislative System. In addition, other materials such as books, studies, video-cassettes, etc. to broaden the Legislature's knowledge are contemplated here.
- G. Commodities. Purchase appropriate project related commodities.

Additional Information:

USAID/Costa Rica's General Development Officer will be designated as the Contracting Officer's Technical Representative (COTR). The Mission will have administrative control and will approve plans, receive reports and liaise in all aspects related hereto, with the exception of contract modifications and disbursement, which will be managed by AID/W.

General guidance will rest with the Legislative Modernization Commission and the President of the Legislature. The Commission will provide general guidelines for research and technical assistance activities. The LTA will be the principal representative of the Consortium who will work with the Commission. However, his role will be strictly in an advisory capacity. Meetings with the above will be held as needed but should assure maximum coordination. During meetings the recipient will be expected to report on progress of components and multidonor strategy implementation.

The recipient may include expenses incurred on or after July 1, 1991 and on or before June 30, 1994 under this implementation order (i.e. 07/01/91 would be the effective date), if such expenses are allowable and allocable under the terms of the resulting commitment document. It is understood that any expenses incurred by the recipient before the establishment of a valid commitment are at its own risk.

The USAID mission may amend this Implementation Order to adjust the Scope of Work, budget or to extend the period of services, depending on availability of funds and further project needs.

6. Preliminary Steps:

The recipient shall submit, within ten (10) days of acceptance of this order, in writing to the COTR, acting for USAID/Costa Rica, the name and other pertinent information of the candidate proposed for LTA. USAID/Costa Rica will indicate its acceptance or denial of the proposed candidate in writing. The recipient will appoint the LTA no later than five (5) days after receipt of acceptance and will notify USAID/Costa Rica of this fact, advising the USAID on how to contact the LTA. USAID/Costa Rica may for any reason and at any time during the period covered by this order, require that the LTA be removed. In such a case, the recipient will remove the LTA within 30 days and follow the procedure outlined above to propose a new LTA. The recipient may also initiate the change or substitution of the LTA, subject to the written approval of USAID/Costa Rica.

Within forty-five (45) days of the LTA's appointment by the recipient, the recipient will field the LTA who will be responsible along with the recipient for presenting a one year work plan including all task areas no later than 60 days from arrival. The plan and corresponding budgets shall be presented to USAID/Costa Rica for its written approval. Subsequent plans will be prepared and presented to USAID/Costa Rica for written approval every 12 months.

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In addition, the LTA shall prepare, as part of the first year plan, for USAID/Costa Rica's written approval, a preliminary list of indicators of accomplishment. These indicators should measure factors which the recipient's efforts purport to affect and which measure to some extent, attainment of stated objectives. They may be general or specific, as necessary, and initially the recipient will define what these indicators are expected to measure, the assumptions upon which they are based and the degree to which they may be affected by circumstances beyond the GOCR's and/or the recipient's control.

~~Within 30 days of the signing of this buy-in amendment for the subject grant agreement, the recipient will in form and substance satisfactory to AID, submit to AID an M.O.U. signed with the head of the National Commission for Modernization of the Legislature which delineates the responsibilities of both parties based on this Grant. This M.O.U. will be submitted to AID in draft for review and approval prior to signing.~~

7. Period of Performance and Level of Effort:

The period of performance of these services will be 36 months, subject to the availability of funds. This period of service may be extended depending on project circumstances.

The table below establishes the level of effort which is required to successfully complete the Scope of Work. These limits may increase, depending on circumstances within the project.

	<u>Estimated Level of Effort</u>	<u>Person Months</u>
1) Long-Term Advisor		32.5
2) Home Office		35
3) Short-Term T.A.		20
4) Short-Term Training		30
5) Long-Term Training		120
6) Observational Travel		20
7) Field Office Professionals		20
		277.5

- 1) Long-Term T.A. This advisor will be provided for 32.5 months and is a key individual to the success of the project. He will provide continuity, administrative order and technical advice.
- 2) Home Office. 35 person months of home office support are provided.
- 3) Short-Term T.A. Short-Term T.A. will be provided by 20 person months of Consultants.
- 4) Short-Term Training. There will be approximately 30 Person months of short-term training.
- 5) Long-Term Training. Five staff persons from the permanent legislative staff will be provided one to two years of study to get Masters Degrees for a total of 120 PM. The areas of study will be mutually agreed upon by the Consortium and the Assembly and reviewed by AID.

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- 6) **Observation Travel.** Twenty months of observational travel will be provided to allow staff and legislators to observe and interact with other Central American and U.S. Legislatures.
- 7) **Field Office Professionals.** Professionals in research, computers, legal areas, etc. will provide 20 person months of service.

IV. **Reports**

The recipient shall present the following reports, by component, to USAID/Costa Rica:

- 1) A quarterly report on progress towards achieving objectives. This shall include project activities during the ending quarter, a summary of problems and recommended solutions and major activities expected during the next quarter. The report should be based on indicators presented in the annual plans. The report should be satisfactory to the USAID both in form and substance. This report will be part of the presentation to be made to the Legislature. It shall be presented to A.I.D. not less than 10 days after the end of the quarter. A format for this report should be presented for approval with the Master Plan..
- 2) On a yearly basis, the recipient will present a 12-month implementation plan and line-item budget. The plan should be presented not less than 30 days before the end of the 12-month period (the first 12-month plan will be presented 60 days after arrival), for written approval by the USAID. The plan shall include all the activities which the recipient envisions will be executed during the period and a detailed budget of anticipated expenditures and a detail of actual expenditures. In addition, the implementation plan shall include an analysis of how these activities are expected to affect the indicator list, and how the activities of the past year contributed to project goals, in general and as measured by a budget execution report and indicator list compiled by the recipient. At this time the recipient may wish to propose deletions, additions or modifications to the indicator list based on past experience.
- 3) At the recipient's option, a revision to the 12-month implementation plan and budget may be submitted for written USAID/Costa Rica approval as needed. It should follow the same format as the 12-month plan for all aspects which are being modified.
- 4) A final report within 30 days of project termination summarizing accomplishments, lessons learned and recommendations.
- 5) Reports should be presented in English and Spanish, five copies each.

POLICY AND TRAINING SUPPORT PROJECT

ILUSTRATIVE BUDGET

For the Period 07/01/91 to 01/01/93
(18 months)

ITEMS	PERSON- MONTHS	SALARY	AMOUNT	TOTAL
SALARIES U.S. HOME OFFICE				
1. Chairman Consortium Committee (*)	1.0	12,800.00	12,800.00	
2. Principal	1.0	6,616.00	6,616.00	
3. Consortium Coordinator	4.6	4,335.00	19,941.00	
4. Program Managers	2.0	3,920.00	7,840.00	
5. Program Coordinator	8.0	3,086.00	24,688.00	
6. Consortium Controller	0.5	4,500.00	2,250.00	
7. Program Assistant US Field Office (Costa Rica)	5.0	1,666.00	8,330.00	
8. Long Term Advisor	16.2	3,100.00	50,220.00	
			132,685.00	
Fringe Benefits	27.23 %		36,130.13	
SUBTOTAL				168,815.13
LOCAL SALARIES				
1. Professional Assistants	10.0	2,000.00	20,000.00	
2. Accountant	16.0	1,000.00	16,000.00	
3. Secretary	32.0	1,000.00	32,000.00	
SUBTOTAL				68,000.00
CONSULTANTS (Per diem, Salary & Travel)	10.00	10,000.00		100,000.00
ALLOWANCES				
1. Housing (Long Term Advisor)			22,500.00	
2. Education (Long Term Advisor)			6,000.00	
SUBTOTAL				28,500.00
TRAVEL AND TRANSPORTATION				
1. Travel (Home & Field Off./Observ. visits & Trng)			35,000.00	
2. Per Diem (Home & Field Off./Observ. visits)			35,000.00	
3. Shipping (Long Term Advisor)			15,000.00	
4. Miscellaneous (Long Term Advisor)			2,000.00	
SUBTOTAL				87,000.00

(*) The base salary levels for this person is above AID limit.
A waiver is being requested by the Consortium to be processed
by the appropriate office.

TRAINING		100,000.00
OTHER DIRECT COSTS		
1. Interpreters		20,000.00
2. Audit		20,000.00
3. Office Rental		12,600.00
4. Supplies		46,000.00
5. Furniture		15,000.00
6. Other		7,500.00
SUBTOTAL		121,100.00
TOTAL		673,415.13
INDIRECT COSTS	29.57 %	199,128.85
COMMODITIES		124,000.00
GRAND TOTAL		996,543.98
ROUNDED TOTAL		1,000,000.00