



UNITED STATES OF AMERICA
AGENCY FOR INTERNATIONAL DEVELOPMENT
REGIONAL DEVELOPMENT OFFICE/CARIBBEAN

KAF-746
SEP 13 1982

P. O. BOX 302
BRIDGETOWN
BARBADOS

August 27, 1982

Mr. John Stanley Goddard
President
Caribbean Association of
Industry and Commerce
Barclays Bank Building
Willey Plaza, Willey
ST. MICHAEL

SUBJECT: Private Sector Investment Assistance
Cooperative Agreement (538-0043)
Amendment No. 2

Dear Mr. Goddard:

In response to your letter dated July 7, 1982, the purpose of this Amendment No. 2 is to provide additional financial support for the subject Cooperative Agreement.

The following changes are hereby made to the aforementioned Agreement:

Pursuant to the Foreign Assistance Act of 1961, as amended, AID hereby grants an additional Seven Hundred Thousand Dollars (US\$700,000) to the Grantee to assist the Grantee in meeting the costs of carrying out the Project. This additional financing brings the total AID support to the Project to US\$1.1 million.

This Amending Agreement is effective and obligation is made as of the date of acceptance of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives from June 4, 1981 through December 4, 1983. Funds disbursed by AID but uncommitted by the Grantee at the expiration of this period shall be refunded to AID.

Attached hereto is a revised "Attachment I" which details activities eligible for financing. "Attachment I" contained in the original agreement and modified as in Amending Agreement No. 1 dated June 8, 1982 is deleted in its entirety and the new "Attachment I" attached hereto is substituted in lieu thereof.

Except as herein amended all other terms and conditions of the original Cooperative Agreement remain in full force and effect.

.../2

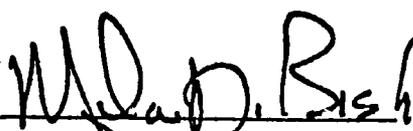
RECORD COPY

Mr. John Stanley Goddard

- 2 -

Please sign and return the original and seven (7) copies of this Amendatory Agreement to acknowledge your acceptance of the conditions under which these additional funds have been granted.

Sincerely yours,


Milan D. Bish
Ambassador


William B. Wheeler
Director

Attachment: a/s

Accepted: Caribbean Association of Industry & Commerce

By : 
John Stanley Goddard

By : 
Patterson A. Thompson

Title : President

Title : Executive Director

Date : August 27, 1982

Date : August 27, 1982

A. PURPOSE OF AGREEMENT

The purpose of this Agreement is to strengthen the capacity of the Caribbean Association of Industry and Commerce ("CAIC") to promote private investment and stimulate productive employment in the countries of the Caribbean (primarily but not limited to the English-speaking Caribbean).

B. PROGRAM DESCRIPTION

The goal of the project financed under this Agreement is to mobilize the indigenous private sector in the Caribbean for increased production and productivity so as to improve the economic base of the Region. CAIC will be the vehicle through which assistance is provided to affiliate national Chambers of Commerce, industrial associations and small to medium-sized businesses. To permit CAIC to effectively promote higher levels of employment and investment, CAIC must become a viable regional association. Therefore, an important objective of this Agreement is to revitalize CAIC itself by providing its new leadership and management team with the financial resources it needs to undertake operations and extend services.

Eight program activities are envisioned under the project. The following may be modified by mutual agreement:

1. Organizational Affairs

This activity will aim to enhance the effectiveness of CAIC by updating the bylaws and charter, defining member functions, identifying and recruiting new members, and implementing a sound subscription structure to meet budget requirements. A further focus will be the strengthening of the institutional capacity of national private sector bodies to enhance their ability to act in a unified way in representing their specific interests.

2. Business-Government Relations

This activity will aim to enhance the public-policy and community-image climate for business effectiveness by developing positive working relationships with public officials at the local, national and international levels; developing policy positions and identifying consensus action priorities for the organization and its members, and maintaining ongoing liaison with decision-makers in key areas such as legislation and regulation.

3. Economic Development

In the area of economic development, CAIC will aim to provide new and expanded business activity to create jobs and raise income levels by identifying and recruiting new industry, and working closely with them on any development problems. CAIC also will promote exports of Caribbean industries and trade barrier reductions, help identify opportunities for entrepreneurship within the Region, and assist

Caribbean countries to become more effective and competitive within the Region.

4. Research, Data Collection and Technical Assistance

This activity will aim to allow CAIC to monitor trends in the Region's economy, undertake analyses related to such areas as trade, and public sector policies and to manage the technical assistance fund.

5. Technical Assistance Fund

This activity will be a pilot program whereby technical assistance needs will be provided for under the general program management of research, data collection and technical assistance. The fund will provide the financial means to meet specific technical assistance needs of small, medium and large manufacturers on a cost-sharing basis.

6. Training

CAIC will identify private sector training needs and serve as an administrative coordinating center and funding conduit for the provision of training programs to businesses and business associations in the Caribbean. A major objective of this activity will be to assist in upgrading the skill-base available to the Region's private sector, both in terms of improving ongoing business performance, as well as providing better human resources for potential industries.

7. National Private Sector Support Fund

This activity will be a pilot program whereby select national institutions such as the Chambers of Commerce and Manufacturing Associations will be assisted in their overall institutional strengthening and in carrying out specific programs supportive of the private sector.

8. Junior Achievement

This activity will provide for the expansion of the Junior Achievement Program in Barbados and select LDCs.

C. FUNDING

AID grant funds will be limited to the support of six of the major activities discussed above: economic development; research, data collection and technical assistance; technical assistance fund; training; national private sector support fund; and junior achievement.

Eligible items will include short-term technical assistance, training, travel, a portion of CAIC's salary and other administrative and support costs which can be attributed to these activities, and specific activity costs such as scholarships, management skills for youth and small business, a U.S./

Caribbean Chambers of Commerce network and industrial research. All other costs will be borne by CAIC whose contribution may include funding provided by other donors.

AID will contribute a maximum of \$1,100,000 and CAIC \$653,000 (including cash and in-kind contributions) during the project.

The financial plan is contained under Section F below.

D. PERIOD OF AGREEMENT

The maximum implementation period of the project from the date of the execution of the project will be thirty months from the date of the original grant, unless the parties otherwise agree,

E. REPORTS AND EVALUATIONS

1. Reports

CAIC will submit quarterly reports on the progress of the project in triplicate to the Regional Development Office/Caribbean (RDO/C) to the attention of the Chief, Private Sector Division. Reports will be submitted within fifteen calendar days of the close of the reporting period. The first report will be submitted for the period ending September 1982 and quarterly thereafter. The report should contain a brief resume of the major events of the reporting period and a work plan and projected budget for the coming period.

2. Financial Statement

An audited financial statement should be submitted on a semi-annual basis beginning with the period ending June 1981 and semi-annually thereafter. The report should be submitted within sixty days of the close of the reporting period.

3. Evaluation

CAIC shall prepare an internal evaluation of progress under the project after six months. The results and conclusions of the initial evaluation will be submitted to RDO/C for review and discussion.

A detailed, in-depth evaluation will be conducted after the initial twelve months of project implementation. The evaluation will be conducted by an external consultant using funds made available under this Agreement.

A final report summarizing the results of the project will be submitted within thirty days of the final date of the project. The content of the report will be determined by mutual agreement of CAIC and AID.

F. FINANCIAL PLAN

	<u>(US\$000)</u>		
	<u>AID</u>	<u>CAIC</u>	<u>TOTAL</u>
1. Non-Program Staff & Administration	240	270	510
2. Capital Expenses	-	63	63
3. Programs			
Organizational Affairs	10	142.5	152.5
Business-Government Relations	-	89	89
Training	335	21.5	356.5
Economic Development	159	-	159
Research, Data Collection & TA	140	-	140
4. Technical Assistance Fund	100	50	150
5. National Private Sector Fund	100	10	110
6. Evaluation	11.7	-	11.7
7. Contingency	4.3	-	4.3
	<u>1,100.0</u>	<u>646.0</u>	<u>1,746.0</u>
	=====	=====	=====

Any modification which results in a change in AID funding or more than fifteen percent in any line item other than No. 1 will require prior AID approval. Item No. 1 cannot be modified without prior approval of AID. CAIC contributions are in cash and in kind.

G. SPECIAL PROVISIONS

1. AID shall reserve the right to limit reimbursement of expenditure claims submitted thereto for the project activity to an amount which shall not exceed a ratio of 2:1 based on CAIC and member contributions to the project.
2. Except as AID may otherwise agree in writing, no more than \$240,000 of AID funds will be expended for non-program staff and administration costs of CAIC beyond that staff employed full-time in the areas of economic development, research and data collection and training.
3. Disbursements to CAIC will be made in U.S. dollars on a cost reimbursement basis upon submission of documented requests from CAIC. In addition, an advance covering projected expenditures for initial project costs will be provided subject to mutual agreement of AID and CAIC.
4. Prior to disbursement of funds for other than administrative costs of the National Private Sector Fund, CAIC shall submit, in form and substance satisfactory to AID, a detailed implementation plan for the use of grant funds being provided for this activity.
5. Prior to disbursements for expenditures after January 15, 1983, CAIC will submit, in form and substance satisfactory to AID, a detailed

self-sufficiency plan for CAIC which shall include, but not be limited to, projected revenues and expenditures of the organization and how CAIC will finance its operations following the termination of this grant assistance.

6. In carrying out training activities, CAIC will recover a minimum of 25% of costs incurred through fees, donated services, and any other attributable in-kind support.

7. Prior to disbursement of funds under the Economic Development Program for the Micro-Business Project, CAIC shall submit, in form and substance satisfactory to AID, a detailed work plan covering the activities envisioned for this project.

8. Prior to disbursement of funds under the Economic Development Program for each export promotion activity, CAIC shall submit, in form and substance satisfactory to AID, a description and justification for the activity being proposed.

5 APR 1983

PROJECT TITLE: Private Sector
Investment Assistance

NO. 538-0043-A-00-1017-00-
PROJECT NO. 538-0043

AWARDED PURSUANT TO SEC. 635 OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED, AND THE FEDERAL GRANT AND COOPERATIVE AGREEMENT ACT OF 1977.

<p>ISSUING OFFICE</p> <p>Regional Development Office/Caribbean Agency for International Development P.O. Box 302 Bridgetown, Barbados</p>	<p>RECIPIENT</p>
<p>COGNIZANT AID SCIENTIFIC/TECHNICAL OFFICE</p> <p>Regional Controller RDO/C, Bridgetown, Barbados</p>	<p>Name Caribbean Association of Industry and Commerce</p>
<p>EFFECTIVE DATE:</p> <p>June 4, 1981</p>	<p>Street Address P.O. Box 259 Bridgetown</p>
<p>EXPIRATION DATE:</p> <p>December 4, 1982</p>	<p>City Bridgetown</p>
	<p>MAIL VOUCHERS (ORIGINAL AND 3 COPIES) TO</p> <p>USAID c/o U.S. Embassy P.O. Box 302 Bridgetown, Barbados</p>

ACCOUNTING AND APPROPRIATION DATA

Amount Obligated:	\$400,000
Appropriation No:	72-1111021.6
Allotment No:	146-52-538-00-69-11
FY No:	N/A

The United States of America, hereinafter called the Government, represented by the AID Grant Officer executing this Agreement, and the Recipient agree as follows that the entire Agreement consists of: The Cover Page; Attachment "1", Program Description and Attachment "2", Standard Provisions.

<p>RECIPIENT CARIBBEAN ASSOCIATION OF INDUSTRY AND COMMERCE</p>	<p>UNITED STATES OF AMERICA AGENCY FOR INTERNATIONAL DEVELOPMENT</p>
<p>BY: <i>[Signature]</i> JOHN STANLEY GODDARD</p>	<p>BY: <i>[Signature]</i> VIRGIL P. RANDOLPH III</p>
<p>TITLE: PRESIDENT</p>	<p>TITLE: CHARGE D'AFFAIRS</p>
<p>BY: <i>[Signature]</i> PATRICK A. THOMPSON</p>	<p>BY: <i>[Signature]</i> WILLIAM B. WHEELER</p>
<p>TITLE: EXECUTIVE DIRECTOR</p> <p>DATE: 4 Jan 1981</p>	<p>TITLE: DIRECTOR</p> <p>DATE: June 4th, 1981</p>

A. PURPOSE OF AGREEMENT

The purpose of this Agreement is to strengthen the capacity of the Caribbean Association of Industry and Commerce ("CAIC") to promote private investment and stimulate productive employment in the countries of the Caribbean (primarily but not limited to the English-speaking Caribbean).

B. PROGRAM DESCRIPTION

The goal of the project financed under this Agreement is to mobilize the indigenous private sector in the Caribbean for increased production and productivity so as to improve the economic base of the Region. CAIC will be the vehicle through which assistance is provided to affiliate national Chambers of Commerce, industrial associations and small to medium-sized businesses. To permit CAIC to effectively promote higher levels of employment and investment, CAIC must first become a viable regional association. Therefore, the major objective of this Agreement is to revitalize CAIC itself by providing its new leadership and management team with the financial resources it needs to start operations and extend services.

Five major program activities are envisioned under the project. The following descriptions are illustrative and may be modified by mutual agreement.

1. Organizational Affairs

This activity will aim to enhance the effectiveness of CAIC by updating the bylaws and charter, defining member functions, identifying and recruiting new members, and implementing a sound subscription structure to meet budget requirements.

2. Business-Government Relations

This activity will aim to enhance the public-policy and community-image climate for business effectiveness by developing positive working relationships with public officials at the local, national and international levels; developing policy positions and identifying consensus action priorities for the organization and its members, and maintaining ongoing liaison with decision-makers in key areas such as legislation and regulation.

3. Economic Development

In the area of economic development, CAIC will aim to provide new and expanded business activity to create jobs and raise income levels by identifying and recruiting new industry, and working closely with them on any development problems. CAIC also will promote exports of Caribbean industries and trade barrier reductions, help identify opportunities for entrepreneurship within the Region, and assist Caribbean countries to become more effective and competitive within the Region.

4. Research and Data Collection

Under this activity, CAIC will monitor the Region's economy,

2. Financial Statement

An audited financial statement should be submitted on a semiannual basis beginning with the period ending June 1981 and semiannually thereafter. The report should be submitted within thirty days of the close of the reporting period.

3. Evaluation

CAIC shall prepare an internal evaluation of progress under the project after six months. The results and conclusions of the initial evaluation will be submitted to RDO/C for review and discussion.

A detailed, in-depth evaluation will be conducted after twelve months of project implementation. The evaluation will be conducted by an external consultant using funds made available under this Agreement.

A final report summarizing the results of the project will be submitted within thirty days of the final date of the project. The content of the report will be determined by mutual agreement of CAIC and AID.

F. FINANCIAL PLAN

(\$000)

	<u>AID</u>	<u>CAIC</u>	<u>TOTAL</u>
Non-Program Staff and Administration	120.0	60.0	180.0
Capital Expenses	-	50.0	50.0
Programs			
Organizational Affairs	-	45.0	45.0
Business-Government Relations	-	45.0	45.0
Economic Development	105.0	-	105.0
Research and Data Collection	65.0	-	65.0
Training	75.0	-	75.0
Evaluation	20.0	-	20.0
Accounting and Auditing	15.0	-	15.0
	<u>400.0</u>	<u>200.0</u>	<u>600.0</u>

Any modification which results in a change in AID funding of more than fifteen percent in any line item will require prior AID approval.

G. SPECIAL PROVISIONS

1. Prior to first disbursement, CAIC shall submit to AID:

(a) Amended Articles of Association or other evidence of the

reorganization of CAIC together with evidence of their adoption by the CAIC membership.

- (b) Specimen signatories of the individuals authorized to represent the CAIC pursuant to the Grant.
 - (c) Submission of a signed contract with a firm to assist in development of adequate accounting system for CAIC and to audit its accounts.
 - (d) Evidence that at least \$50,000 of the total first year contribution of CAIC has been paid in by its members and firm commitments are in hand for the remaining funds.
2. Prior to disbursements for expenditures after six months, CAIC will submit a revised project budget for the balance of the project including a source and application of funds.
 3. AID shall reserve the right to limit reimbursement of expenditure claims submitted thereto for the project activity to an amount which shall not exceed a ratio of 2:1 based on CAIC disbursements for project activities.
 4. Except for disbursements of AID funds for technical assistance, and such other costs as AID may specifically approve, disbursements for program-related expenses in economic development, research and data collection, and training will be conditional upon submission of Program Implementation Plans for each of the three programs to RDO/C for AID approval.
 5. Except as AID may otherwise agree in writing, no more than \$120,000 of AID funds will be expended for non-program staff and administration costs of CAIC beyond that staff employed full-time in the areas of economic development, research and data collection and training.
 6. Prior to the expenditure of Project funds for the contract with a firm to assist in the development of an adequate accounting system for CAIC, CAIC will submit the contract to RDO/C for AID approval.
 7. Disbursements to CAIC will be made in U.S. dollars on a cost reimbursement basis upon submission of documented requests from CAIC. In addition, an advance covering projected expenditures for the first sixty days of implementation will be provided to offset start-up costs if required.

STANDARD PROVISIONS1. ALLOWABLE COSTS AND PAYMENT

The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this Grant which are determined by the Grant Officer to be allowable in accordance with the terms of this Grant and Subpart 15.2 (Contracts with Commercial Organizations) of the Federal Procurement Regulations (41 CFR 115.2) in effect on the date of this Grant. Payment of allowable costs shall be in accordance with the payment provision of this Grant.

2. ACCOUNTING, RECORDS, AND AUDIT

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

3. REFUNDS

(a) If use of the Grant funds results in accrual of interest to the Grantee or to any other person to whom the Grantee makes such funds available in carrying out the purposes of this Grant, the Grantee shall refund to A.I.D. an amount equivalent to the amount of interest accrued.

(b) Funds obligated hereunder but not disbursed to the Grantee at the time the Grant expires or is terminated shall revert to A.I.D., except for funds encumbered by the Grantee by a legally binding transaction applicable to this Grant. Any funds disbursed to but not expended by the Grantee at the time of expiration or termination of the Grant shall be refunded to A.I.D. to the extent that such funds were not encumbered by the Grantee by a legally binding transaction applicable to this Grant".

(c) If, at any time during the life of the Grant, it is determined by A.I.D. that funds provided under the Grant have been expended for purposes not in accordance with the terms of the Grant, the Grantee shall refund such amounts to A.I.D.

4. EQUAL OPPORTUNITY IN EMPLOYMENT

(a) With regard to the employment of persons in the U.S. under this Grant, the Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to race, color or national origin of such persons and that, in accordance with Title VI of the

Civil Rights Act of 1964, when work funded by this Grant is performed in the U.S., no person shall, on the grounds of race, color or national origin, be excluded from participation, be denied benefits, or be subjected to discrimination.

(b) In addition, the Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices in the U.S. without regard to sex, religion, age and handicap, in accordance with P.L. 92-261, P.L. 93-259, P.L. 93-112 and P.L. 93-508. When work funded by A.I.D. under this Grant is performed in the U.S., no person shall, on the grounds of sex, religion, age or handicap, be excluded from participation, be denied benefits, or be subjected to discrimination.

5. LIMITATION OF FUNDS

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

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

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

(d) Except as required by other provisions of this Grant specifically citing and stated to be an exception from this provision, the U.S. Government shall not be obligated to reimburse the Grantee for costs incurred in excess of the total amount obligated under the Grant, and the Grantee shall not be obligated to continue performance under the Grant (including actions under the "Termination" provision) or otherwise to incur costs in excess of the amount obligated under the Grant, unless and until the Grant Officer has notified the Grantee in writing that such obligated amount has been increased and has specified in such notice an increased amount constituting the total amount then obligated under the Grant. To the extent the amount obligated exceeds the estimated cost set forth in the Schedule, such estimated cost shall be correspondingly increased. No notice, communication or representation in any other form or from any person other than the Grant Officer shall affect the amount obligated under this Grant. In the absence of the specified notice, the U.S. Government shall not be obligated to reimburse the Grantee for any costs in excess of the total amount then obligated under the Grant, whether those excess costs were incurred during the course of the Grant or as a result of termination. When and to the extent that the amount obligated under the Grant has been increased, any costs incurred by the Grantee in excess of the amount previously obligated shall be allowable to the same extent as if such costs had been incurred after such increase in the amount obligated, unless the Grant Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

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

6. PAYMENT - PERIODIC ADVANCE

(a) Each month (or quarter, if the Grantee is on a quarterly basis) after the initial advance, the Grantee shall submit to the AID Controller an original and 2 copies of SF 272, "Federal Cash Transactions Report" as follows: (1) The Grantee shall submit the SF 272 within 15 working days after the end of the reporting period, and (2) The Grantee's cash needs for the ensuing period (i.e., quarter or month) shall be explained under the "Remarks section of the SF 272.

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

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

(d) Refund of Excess Funds.

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

(2) If the Grantee is still holding excess advance funds on a grant, contract, or similar instrument under which the work has been completed or terminated but all costs have not been settled, the Grantee agrees to: (A) Provide within 30 days after requested to do so by the Grant Officer, a breakdown of the dollar amounts which have not been settled between the Government and the Grantee. (The Grant Officer will assume no costs are in dispute if the Grantee fails to reply within 30 days); (B) Upon written request of the Grant Officer, return to the Government the sum of dollars, if any, which represents the difference between (i) the Grantee's maximum position on claimed costs which have not been reimbursed and (ii) the total amount of unexpended funds which have been advanced under the Grant; and (C) If the Grantee fails to comply with the Grant Officer's request for repayment of excess advance funds, the Government shall have the right, on other contracts, grants or similar instruments held with the Grantee, to withhold payment of other advances and/or withhold reimbursements due the Grantee in the amount of the excess being held by the Grantee.

7. TRAVEL AND TRANSPORTATION

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

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

(2) Where a flight by a U.S. flag air carrier is interrupted by a stop anticipated to be 6 hours or more for refueling, reloading, repairs, etc. and no other flight by a U.S. flag air carrier is available during the 6 hour period, or

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

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

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

CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG AIR CARRIERS

I hereby certify that the transportation service for personnel (and their

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

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

8. OCEAN SHIPMENT OF GOODS

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

(b) When the A.I.D. Transportation Support Division makes and issues a determination to the Grantee that U.S. flag vessels are not available, the ocean shipment costs on foreign flag vessels, as named in the determination, will be eligible for reimbursement under the Grant. In all instances, Grantee vouchers submitted for reimbursement under the Grant which include ocean shipment costs will include a certification essentially as follows: "I hereby certify that a copy of each ocean bill of lading concerned has been submitted to the Maritime Administration, Cargo Preference Control Center, Commerce Building, Washington, D.C. 20523, and that such bill(s) of lading state all of the carrier's charges including the basis for calculation such as weight or cubic measurement, and indicate the applicable A.I.D. Grant Number".

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

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

(a) Ineligible Goods and Services

Under no circumstances shall the Grantee procure any of the following under this Grant:

- (1) military equipment;
- (2) surveillance equipment;
- (3) commodities and services for support of police or other law enforcement activities;
- (4) abortion equipment and services;
- (5) luxury goods and gambling equipment; or
- (6) weather modification equipment.

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

(b) Restricted Goods

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

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

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

(c) Geographic Source and Order of Preference

(1) Except as may be specifically approved or directed in advance by the Grant Officer under paragraph 10(b) above, all other goods (e.g., equipment, materials, and supplies), the costs of which are to be reimbursed under this Grant and which will be financed with United States dollars, shall have their source and origin in the United States or in countries which are members of CAIC.

(2) All services, the costs of which are to be reimbursed under this Grant and which will be financed with United States dollars, shall be procured from suppliers whose nationality shall be of the United States, or countries which are members of CAIC.

(d) The Grantee's Procurement System

(1) The Grantee may use its own procurement policies and procedures provided they conform to the Geographic source and order of preference requirements of this provision and paragraph 1 U.3 of Chapter 1, A.I.D. Handbook 13.

(2) If the Grantee's procurement policies and procedures have been reviewed against the procurement requirements of paragraph 1 U.3 and have been approved by A.I.D. or another Federal department or agency, the Grantee shall furnish the Grant Officer a copy of such approval; otherwise the Grantee's procurement policies and procedures shall conform to those specified in paragraph 1 U.3 of Chapter 1, A.I.D. Handbook 13.

(e) Small Business

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 Small Business Office, A.I.D., Washington, D.C. 20523 at least 45 days prior (except where a shorter time is requested of, and granted by the Small Business Office) to placing any order or contract in excess of \$25,000:

- (1) Brief general description and quantity of goods or services;
- (2) Closing date for receiving quotations, proposals, or bids; and
- (3) Address where invitations or specifications can be obtained.

(f) Ineligible Suppliers

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

10. GOVERNMENT FURNISHED EXCESS PERSONAL PROPERTY

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

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

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

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

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

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

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

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

12. TERMINATION

(a) For Cause. This Grant may be terminated for cause at any time,

(f)

in whole or in part, by the Grant Officer upon written notice to the Grantee, whenever for any reason he/she shall determine that such termination is in the best interest of the U.S. Government.

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

(c) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the Grantee shall forthwith take immediate action to minimize all expenditures and obligations financed by this Grant, and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination, and the Grantee shall within 30 calendar days after the effective date of such termination repay to the U.S. Government all unexpended portions of funds theretofore paid by the U.S. Government to the Grantee which are not otherwise obligated by a legally binding transaction applicable to this Grant. Should the funds paid by the U.S. Government to the Grantee prior to the effective date of the termination of this Grant be insufficient to cover the Grantee's obligations pursuant to the aforementioned legally binding transaction, the Grantee may submit to the U.S. Government within 90 calendar days after the effective date of such termination a written claim covering such obligations, and, subject to the limitations contained in this Grant, the Grant Officer shall determine the amount or amounts to be paid by the U.S. Government to the Grantee under such claim in accordance with the applicable Federal cost principles.

13. PUBLICATIONS

(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 Project Manager with one copy of all published works developed under the Grant. The Grantee shall provide the Project Manager with lists of other written work produced under the Grant.

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

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

14. PATENTS

(a) The Grantee agrees to notify the Grant Officer, in writing, of any invention or discovery conceived or first actually reduced to practice in the course of or under this Grant. The Grant Officer will determine the patent rights to be afforded the Grantee in accordance with the Presidential Memorandum and Statement of Government Patent Policy (36 FR 16889) and paragraph 178.a. of Chapter 1, Handbook 13.

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

15. SUBORDINATE AGREEMENTS

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

16. U.S. OFFICIALS NOT TO BENEFIT

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

17. NONLIABILITY

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

18. AMENDMENT

The Grant may be amended by formal modification to the basic grant document or by means of an exchange of letters between the Grant Officer and an appropriate official of the Grantee.

19. THE GRANT

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

20. NOTICES

Any notice given by any of the parties hereunder shall be sufficient

only if in writing and delivered in person or sent by telegraph, cable, registered or regular mail as follows:

To the A.I.D. Grant Officer at the address specified in the Grant.

To Grantee - At Grantee's address shown in the Grant, or to such other address as either of such parties shall designate by notice given as herein required.

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