

THE INSTITUTIONAL DEVELOPMENT AGREEMENT

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**A New Operational Framework for A.I.D.
and the Universities**

**Report of a Joint Committee of the National
Association of State Universities and Land
Grant Colleges and the Agency for International
Development**

January 1970



INTRODUCTION AND HIGHLIGHTS

This is the Report of a Joint Committee of the National Association of State Universities and Land Grant Colleges (NASULGC) and the Agency for International Development (A.I.D.). The Committee was asked to consider and recommend measures to improve operating arrangements between A.I.D. and the universities, including possible arrangements for experimental types of A.I.D. grants to universities for overseas technical assistance projects.

The Committee paid special attention to a type of development activity for which American colleges and universities are especially well suited—the multi-year technical assistance project designed to aid in the establishment or improvement of educational and research institutions in less developed countries.

This type of technical assistance project depends upon cooperative relationships between the American university, A.I.D. and institutions in the host country. Of these partners, the host institutions are the ones with far and away the greatest stake in the work and the most influence on the outcome.

Outsiders—whether they are governments or private institutions—can only assist and cooperate in the task of development. It is a precept of this report that the host institutions take a primary role. The mandate of the Joint Committee, however, was not to examine the role of the host institutions (which is therefore explicitly dealt with only occasionally and briefly), but rather to consider possible changes in working arrangements between U.S. universities and A.I.D.

Operating relationships must maximize the net benefits of joint efforts to the programs of both. As these relationships and programs improve, Americans working on development problems will sharpen their responses to local aspirations and initiatives. Most important, the critical technical assistance relationships between host institutions and American colleges and universities also can be expected to improve, and this, of course, is the ultimate goal of the changes we have proposed.

The Committee held a series of meetings extending from March through October 1969. Its members consulted with experienced persons from the university community and with officials of A.I.D. The Committee also met with representatives of the American Council on Education; the Association of American Colleges; the Association of American Universities; the National Catholic Education Association; the American Association of State Colleges and Universities and with other representatives of the NASULGC.

Our conclusions reflect a consensus which encompasses the findings of a number of reports published in recent years,* as well as extensive consultations with colleagues and other individual experiences in the conduct of university-administered technical assistance projects.

The Committee's mandate originated in correspondence between the NASULGC and A.I.D. On November 20, 1968 President Fred H. Harrington, then President of the NASULGC, advised the A.I.D. Administrator of a recommendation of the NASULGC Senate:

"that the Association express its support of the recommendation [#2.2] in the CIC/A.I.D. Summary Report as follows:

'Appropriate officials of A.I.D. and officers of the NASULGC should establish a joint high level committee to work cooperatively in developing the provisions for the above experimental grant type funding for technical assistance projects and to concern itself with the development of improvements in the quality of university technical assistance programs.'

"and, further, that the President when notified that A.I.D. has concurred, be authorized to (a) appoint a committee of knowledgeable persons from the Association and (b) offer the specific assistance of the Office of International Programs in the work of the joint committee."

On November 27, 1968, William Gaud, then the A.I.D. Administrator, replied:

"I agree completely with the proposal that A.I.D. and the universities renew our joint efforts to develop better ways of working together, including a look at the possibilities of experimenting with technical assistance grants."

* * *

The Committee has reached three broad conclusions. First, the universities and the U.S. Government share a strong interest in improving their understanding of the developing world and in cooperation between American and foreign institutions of learning. Second, the universities and A.I.D. can each serve their own interests through collaboration on suitable development activities.

* These include:

John Gardner, *A.I.D. and the Universities* (April 1964).

A.I.D., USDA, NASULGC, *Proceedings, Conference on International Rural Development* (July 1964).

Richard Humphrey (edit.), *Universities and Development Assistance Abroad* (A.C.E. 1967).

Richard Wood, *U.S. Universities: Their Role in A.I.D. Financed Technical Assistance Overseas* (EWA, April 1965).

Chester Alter, *University Resources for International Development* (Acad. for Educational Development, June 1968).

Committee on Institutional Cooperation (CIC), *Building Institutions to Serve Agriculture* (September 1966).

NASULGC Task Force on International Development Assistance and International Education, *Statement on International Development Assistance* (January 1969).

Third, the development field is rich in opportunities for the pursuit of a great variety of academic career specialties. All three of these conclusions are founded upon a reciprocity of interests, and all three will become increasingly important.

The Committee also concluded that working arrangements between the universities and A.I.D. can and should be improved. The standard university contract and the supporting policies and procedures now being used by A.I.D. are based on forms used for purchasing operations. More suitable agreements for mutual undertakings between parties to joint international ventures will improve the quality of performance on long-term institutional development projects.

The Committee recognized that universities participate in international activities other than this type of long-term technical assistance. Contract relationships will remain appropriate for certain of those other activities. Even so, some of the new arrangements that emerge from the proposed experiment will, in some form, suit other activities—a point which is discussed further in the last section of Part III.

We are keenly aware, too, that joint ventures by A.I.D. and the universities must be better geared to the long-term nature of institutional development. Projects should be designed to strengthen the ability of the universities and the U.S. Government to cope with their international responsibilities in the years ahead. Improvements in A.I.D.-university relations, too, should be sought with an eye to decades of international cooperation.

The Committee is proposing a number of new working arrangements for joint A.I.D.-university ventures. These are designed to make more operational the principles—which are not particularly new—enunciated in our report. The most substantial of the new arrangements is a set of measures to improve the programming and management of project activities. One of these replaces the present line item budget controls with a type of program budgeting which will increase the university's flexibility in managing the flow of resources in response to project needs. Goals, lines of activity and total resources will have been previously agreed to by all parties. To gain acceptance, and to succeed, this new budgeting procedure will also require—

- better matching of universities and overseas assignments, to strengthen each university's capacity and incentive for first class performance.
- more comprehensive joint planning both of the goals of long-term agreements, and of the methods they employ, and better analysis and planning over the life of the agreement.
- improved progress reporting and annual joint evaluation of results and of evolving plans—by the university, the host country institutions and government, and A.I.D.—as the basis for determining future funding for the project.
- strengthened substantive and financial management by the university's senior administrators and appropriate department heads, as well as by its supervisory personnel in the field.

Along with the shift to program-type budgeting, and the employment of the individual university's administrative policies and procedures, the Committee proposes to substitute a shorter and simpler operating form, "The Institutional Development Agreement," for the standard university contract (See Annex B). This will reduce non-substantive detail work, delay and friction.

The proposed arrangements are expected to improve the results of development assistance, and to integrate the universities' overseas operations more fully with their own activities. Continuity in both effort and approach should result, too— and both are necessary to the success of individual institutional development projects, and essential if the capabilities generated by good project work are to be put to decades of productive work. These new arrangements will encourage more adequate research within projects, as well as the creation of research capacity and knowledge needed for future development activity.

The Committee proposes that its recommendations be realized through specific measures to—

- change the provisions of the university-A.I.D. operating agreement.
- adjust as needed the roles and responsibilities of those participating in various phases of long term, institutional development projects.
- educate all interested parties in the reasons for the proposed changes, their nature, and how the new procedures are expected to work.

It will take time and effort to make the recommended changes. The proposed experimental approach—trying out the new arrangements with a carefully selected handful of projects— will refine the new procedures and strengthen the prospects for longer term improvement.

All the parties involved—the American universities, their faculties, the U.S. Government, and the people and institutions with which they cooperate overseas—have a basic interest in finding ways to work together that suit their long term interest in development cooperation. The universities and A.I.D. have now amassed enough experience to move forward with this task.

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**I.
THE BASIS OF
A.I.D.-UNIVERSITY
COLLABORATION**

Why should universities and faculty members participate in the work of development? The reasons bear on the kinds of activities that are suitable to such collaboration, and on our central subject—how the universities and A.I.D. may best work together.

We firmly believe that A.I.D. and American universities should cooperate in an expanding and varied area of development assistance, and that they should work closely with the institutions of the less developed countries. Indeed, it is to the initiatives and desires for collaboration of responsible host organizations that American institutions must respond. This collaboration should be designed to bring positive development results, and to strengthen the capacity of U.S. universities to contribute to their own society.

**A.
National
Interests**

For decades, America has pursued its national interests by seeking to increase the compatibility of the nation's environment. The broad goal of our foreign policy is a more compatible world environment for all. The rapid shrinking of the world, in time-and-space distances between people, increasingly merges our national and international concerns; more and more, domestic and global environments interact.

The October 1968 report on "Development Assistance in the New Administration" of the President's General Advisory Committee on Foreign Assistance Programs made this very point, observing that the United States

"has an interest in a peaceful and progressive world environment in which we live. . . . The people of the United States have an interest in helping other people achieve adequate levels of nutrition, education, and health. . . . If we failed to cooperate in the drive to improve the lot of two-thirds of the world's people, we would deserve to lose the respect of both poor and rich nations for having forsaken our responsibilities."

The Committee also said:

"it would be dangerous for the United States to ignore the development concerns of the less developed countries. In American cities we have seen the costs of permitting the frustrations of poverty to drag on. Looking ahead to the long future, the committee does not believe that the United States can live securely in a world in which the poor countries are unable to raise living standards at least as rapidly as the rich countries—whatever the absolute gap in incomes."

There is no certainty about what kind of world will best advance basic American interests. But there is a consensus on some of the characteristics of such a world, and these our foreign policy has reflected over the years. We favor a pluralistic world. We believe that the rights of self-expression and self-determination of individuals and groups should be limited only by the need to protect the same rights of others. We believe that peace and a minimal level of stability are essential to the security of both individual rights and basic national interests. Implicit in these beliefs is the conviction that both individuals and sovereign states must be able to engage in free relationships.

To be mutually satisfactory, such relationships must be based on genuine mutual interests. This axiom applies to our relations with the developing nations as it does to all others. At present, highly challenging economic, social and political goals preoccupy many of the countries with which we seek cooperation and accommodation. For the United States, these preoccupations pose both problems and opportunities: problems because instability and conflict inevitably accompany quick social change; opportunities because of the unique scope of our capacity to assist the work of modernization.

The work of development assistance benefits donors as well as recipients. International cooperation and accommodation have been essential to the security and well-being of all nations. Increasingly, development activity establishes an area of mutual interest among donors and between donors and hosts. To the United States, development work furnishes one of the principal bases upon which to seek a more compatible world environment, consistent with our foreign policy interests.

Not only economic and political benefits, but cultural advantages accrue to donors and recipients joined in the task of development. The assistance process sustains traffic—in many directions—in insights, convictions and methods. All who participate are stimulated. No nation should be more aware of this than the United States. Much of this country's strength derives from its experience as a global "melting pot" and from great domestic mobility. Today, moreover, as the United States becomes more homogeneous, it needs to reach out for new sources of vitality. Exchanges can further the enrichment of our culture.

What should the United States contribute toward the improvement of the global environment? What, most particularly, should we contribute to the process of change in the less developed countries? What are our real choices? In an increasingly compact world, our options are increasingly limited. Rapid change will occur. Inevitably—not as a matter of policy—the influence of other nations upon us, and ours upon them, will grow, not wane. The question is what kind of a change, and how will it occur?

In these circumstances, a constructive role in the development process is in our national self-interest. Moreover, we could not neglect or deny the aspirations of disadvantaged people overseas and still be the kind of people we want to be.

At times, foreign aid is criticized for helping governments which many Americans consider unworthy of official American support. But the fact is that development requires domestic leadership. And development assistance—whether governmental or private—depends upon the active support and participation of the responsible national and local governments. Most governments play a critical role in creating opportunities and incentives for economic, political and social progress. Our interests transcend those of particular governments—governments are the means, not the ends, of assistance. Development assistance is and should be for the benefit of the people of the cooperating countries. Thus, the fact that United States development aid is conducted through and with governments should not be taken as a sign of official U.S. approval or disapproval of any government. It is neither.

**B.
Role of the
Universities**

The traditional and fundamental purpose of the university is to seek and disseminate knowledge—often on an international scale. Through the centuries, talented university people have focused advanced knowledge on public problems enriching their knowledge and their universities in the process. In the United States, this tradition of applying knowledge to public service is especially strong. The universities have also concerned themselves, historically, with helping to found new universities and other research institutions.

Today, this country's government, business and other institutions need refined knowledge and trained personnel in order to relate to the diverse and fast changing world. Helping to meet these needs is not a new role for the universities. What is new is the extent to which the demands of our society on the universities are international in scope. Unfortunately, the capacity of our universities to meet these new demands is still far from sufficient.

University programs must recognize the increasing importance of the international dimensions of knowledge. We need to understand the biological and physical factors in modernization, and the economic, social, political, and psychological forces at work. The best possible ways must be found to apply both talent and material resources to the solution of development problems.

To reinforce the role of the university in international development, we envisage far more interaction among scholars and in research and education round the world. In time, universities in the developing countries should be the peers of their counterparts in this and other advanced nations—fully able to prepare the people of their countries to modernize agriculture, expand industry and improve health and education. At home, our academic institutions should be able to graduate Americans better prepared to cope with international problems of their compact world.

Academicians can sustain a wide range of international relationships: professors at different locations can collaborate; individuals can pursue multinational careers; institutions in the developed world and the LDCs may form consortia; and libraries, students and research collections can participate in exchanges.

Cooperation in the worldwide higher education community can transcend fluctuations in international relations. Collaboration among scholars can flourish when there is goodwill among governments—and survive even when there is animosity—maintaining the channels of communication and cultural exchange.

**C.
The
Universities
and A.I.D.**

During the 1950's while America's international awareness was growing—and our participation in the task of development increasing—American scholars also increased their work on development subjects. With the "land grant" institutions in the forefront (reflecting their strong tradition of community service), some universities and professors tended to plunge into development work—not always exercising sufficient discrimination. Present at the same time was a conflicting but deep-seated tendency to view the university as a remote center of research and learning—and participation in action programs as an undesirable dilution of academic energy.

Mr. John Gardner faced this issue in his notable report, "A.I.D. and the Universities" (1964). It is possible for working relationships between the universities and A.I.D. to benefit both, he pointed out. But the great diversity in the universities' traditions, organization, and goals make it difficult to generalize with any precision about their most appropriate role in the task of development. Ultimately, each university should be true to itself.

Mr. Gardner suggested:

"In order to educate their students for the world of today and tomorrow and to carry out their tasks of advancing human understanding, universities must relate themselves to the rest of the world. Science and scholarship have never confined themselves to national boundaries. Beyond their duty to their own constituents, the commitment of the universities requires that they care about education wherever it is needed, and the advancement of learning wherever it is possible. But most universities do not command the resources to extend their interest so broadly. Accordingly, the partnership with A.I.D. offers to the universities the opportunity to enrich both teaching and research on the international side and to apply themselves to problems that might otherwise be beyond their reach."

A.I.D. and the universities have continued to work together closely, and to seek improved arrangements for cooperation. In the process, both have gained a clear vision not only of the potential for collaboration, but of the shortcomings in their efforts.

For universities and their faculties, A.I.D. development assistance provides the single largest and most varied source of opportunities to gain experience and knowledge of the less developed countries. For its part, A.I.D. needs the knowledge and skills found in the universities to carry out its diverse and complex assignments. Frequently in the past, U.S. overseas efforts have suffered from American ignorance of local geography, history, language, politics, economics, technology and culture. Where but to the universities can A.I.D. turn for assistance in developing institutions of higher education and research? Where should it turn for other help in improving the quality of its technical assistance work? True, on the whole, the universities are not yet ready to perform adequately in these roles. But they can strengthen these capabilities by collaborating with our government in joint efforts to improve understanding and performance in the developmental field, as they already have in other fields. It is in our national interest that they do so.

Universities and other private American organizations—even when their activity is financed by A.I.D.—often can work more effectively with private counterparts in the less developed countries than official government agencies can. They can demonstrate that U.S. development aid is provided, in the words of the Foreign Assistance Act—

"... to help strengthen the forces of freedom by aiding peoples of less developed friendly countries of the world to develop their resources and improve their living standards, to realize their aspirations for justice, education, dignity and respect as individual human beings, and to establish responsible governments ..."

There are many ways in which university personnel can participate with A.I.D.—in university teams working on the development of overseas educational and research institutions, in teams or as individual consultants working overseas on specific problems, in research or evaluation, on advisory committees to various parts of A.I.D., or on committees that consult with A.I.D. In pursuing these tasks, faculty members—

- engage in productive exchanges with peoples around the world who are trying to help themselves.
- expand their own professional competence.
- help to build the knowledge and institutional capabilities which the United States needs to cope with the world.
- gain comparative experience that will be increasingly valuable in coping with U.S. problems.
- pursue our best spiritual heritage and gain the sense of stimulation and fulfillment that comes from intrinsically worthwhile work.

**D.
The
Professional
Challenge**

How can the universities play this stronger international role? For one thing, by overcoming the isolation of their campuses. Faculty members need to learn from direct contact with overseas problems. They need both good research opportunities and operational experience—working with colleagues in other parts of the world. Eventually, too, such collaboration can generate the worldwide network of scholarship and cultural exchanges to which we have referred.

If the universities are to acquire a strong international capability, a substantial number of their staffs need to make careers in the international field, especially in development. Some may merely refine their expertise in international aspects of their professional specialties—adding strings to their bows. Others will need to become full-time international specialists. Still others are needed to conduct a relatively new professional specialty—that of the “developer.”

The “developer” is more than a teacher, researcher or technician, although he may be any or all of these. He is an expert in social change, including institutional development. He employs the skills and insights of all the behavioral sciences for the deliberate encouragement of constructive economic, social and political change. “Developers” are increasingly in demand, not only in the developing countries, but in this country. Working overseas with people who thus seek to channel change, Americans and their hosts can together acquire the skills of “developers.”

The Universities have only begun to train people for development as such. The need for talent will grow. Graduate students and professors will increasingly recognize the need—and make appropriate adjustments—when the planning, organization and legislation of U.S. foreign assistance demonstrate that this country has committed itself to a long term role in the task of development. A firm and clear long term policy for foreign assistance would also help the universities, in John Gardner's words, rid themselves of:

“... the attitude that overseas activities are something quite separate from the mainstream of the university's life and,

being something exotic, exceptional, not of the warp and woof of the university's concern. Wherever this attitude persists, it will continue to generate irresponsibility. If the university treasures its integrity, then it has two choices: get out of overseas activity entirely, or recognize such activity as an integral part of university life and work."

The university which makes the second choice and is serious about it will create opportunities for scholarship on the international aspects of appropriate fields, including opportunities for service overseas.

The mandate of our committee is to examine ways in which A.I.D. and the universities can work together more effectively. But federal support for the universities' efforts to build up their international capabilities is not and must not be confined to A.I.D. For example, the International Education Act should be implemented—and various cultural and educational exchange programs expanded. The specific divisions of labor, and devices for coordinating these programs with development assistance and with the other measures to strengthen the universities' international capabilities, are beyond the scope of our report. But we do recommend that A.I.D. and the NASULGC help stimulate consideration of these and other questions.

II. OPERATING RELATIONSHIPS

We have emphasized that A.I.D. and the universities have common and interrelated interests in: (a) strengthening our knowledge of international matters, especially of the developing nations; (b) increasing the capabilities of our institutions to acquire and teach this knowledge; and (c) participating in the developing nations' efforts to build up their own institutions and step up their development progress.

A. Program Interests Shared by A.I.D. and Universities

Experience with specific programs through the years has shown that university participation in a variety of A.I.D.'s program activities advances their mutual interests.

A.I.D.-UNIVERSITY COLLABORATION IN—

- **technical assistance overseas**, as in the development of
 - research and educational capacity
 - plans for rural and urban development
 - extension-type service institutions
- **U.S. training** of foreign nationals and A.I.D. personnel
- **research** on development problems
- **program consulting and advisory services** to A.I.D.
- **Institutional Grant programs*** to expand universities' ability to do these things

HELPS STRENGTHEN THE UNIVERSITIES'—

- **teaching** of international courses and the international dimensions of other instruction
- **public education services** in the international relations field
- **institutes, area study centers, or other on-campus international operating programs**
- **management of foreign student and visitor programs.** (Apart from those financed by A.I.D.)
- **capacity to supply Americans for international work** in both private and public service
- **conduct of domestic activities**, by drawing on overseas activities for new knowledge, ideas, personnel, comparative experience, contacts**
- **research** to support the above program interests

* Originally authorized by Sec. 211(d) of the Foreign Assistance Act of 1960, as follows:

"(d) Funds made available (for technical assistance) may be used for assistance, on such terms and conditions as the President may specify, to research and educational institutions in the United States for the purpose of strengthening their capacity to develop the resources likely to be needed for programs concerned with the economic and social development of less developed countries."

** Annex D provides examples of such transfers to domestic needs, e.g., solving the problems of U.S. urban areas, community health services, plant breeding, tropical or desert agriculture, nutrition, low-cost training and education techniques for Americans with cultural backgrounds out of the "mainstream," strengthening institutions, and so forth. U.S. universities have a broad interest in strengthening their access to overseas science and technology, as well as new cultural experiences.

In turn, A.I.D. gains valuable, sometimes unique, professional skills and understanding and experience which further its effectiveness in the developing countries. With closer cooperation (including short-term staff exchanges), both A.I.D. and the universities can enhance their abilities to pursue their respective concerns. Moreover, by building long-term relationships between intellectual communities in this country and elsewhere, the universities can advance both their own interests and those of U.S. foreign policy.

In sum, there are plenty of compelling reasons for the universities and A.I.D. to work together. Cooperation involves costs, too—both for A.I.D. and for the universities. For the universities, participation in A.I.D. programs may interrupt domestic programs and divert professors from their prior careers. For its part, A.I.D. may need to absorb some of the learning incurred as university staffs gain the experience they need to become effective overseas. A.I.D. may also have less detailed control over some activities in which universities participate. Both need to make extra—occasionally trying—efforts to work together. But in development programs in which the productivity of university talents compares particularly favorably to the alternatives, the benefits of collaboration far outweigh these costs.

**B.
Designing
A.I.D.-University
Operating Relationships**

The many reviews of A.I.D.-University relations issued in recent years have been concerned with three broad purposes—

- maximizing development results in the host country
- helping to strengthen and mobilize the capabilities of American universities in the international field
- improving the management of public funds devoted to foreign assistance

In this section we shall comment on eight conditions which must be met if these purposes are to be achieved. Joint operations by A.I.D. and the universities should:

1. properly match the university and the overseas activity
2. include fuller joint planning
3. include improved program evaluation and feedback
4. have flexible implementation authority
5. include effective management by the universities
6. attract qualified personnel
7. strengthen the ability of American universities to support overseas project activity
8. enhance the capacity of host institutions to induce and sustain changes in the host country

A ninth condition—the provision of adequate continuity and broader perspectives for university participation with A.I.D. overseas—is separately treated in section C, below.

Throughout, the Report discusses the roles and responsibilities of A.I.D. and the universities on the basis of one premise which hardly requires elaboration: it is the institutions of the host countries which must play the leading and dominant role in overseas projects. Only they can effectively carry out the tasks of development. Foreigners can help with resources and guidance. But it is the leaders and organizations of the developing nations who must "do" the job.

1. Matching the university and the overseas activity

Both A.I.D. and the universities benefit when the U.S. universities participating in development projects are already competent in disciplines relevant to the project and already substantially committed to international programs.

An American university's part in an advanced training program in urban development on the home campus might support—and be supported by—an overseas program in the same field, including research, teaching and local service activities. Furthermore, the university's overseas experience could support comparative research—say, on the problems of the American "inner city." Interaction can occur in many patterns.

This is not to say that participation in A.I.D. projects should be confined to a few large institutions, but rather that university assignments should be discriminatingly made. Each U.S. university must decide what roles, if any, it wants to play in the development field. And before it can participate in A.I.D.-financed programs to its own benefit, it must commit itself to a significant level of international activity. Smaller institutions may develop specialized capabilities for overseas work. Some already have—for example, in marine resources, desert or tropical agriculture and technical training. Or they may combine such specialties in consortium-like arrangements, or by establishing satellite relationships with larger institutions already heavily involved in international work. Such arrangements are not easy to run well, and the participating institutions should be satisfied that the roles they want justify the effort.

Annex C describes the specific criteria that should be used in matching U.S. universities with overseas institutional development. A strong self-interest in, and the capacity for, quality work are especially important. To make the best assignments, A.I.D. and the universities need to develop more complete information on the interests, capabilities, activities and budgets of potential university contractors. If universities and projects are being properly matched, A.I.D. will invest both project and Institutional Grant funds in fields in which the universities themselves are investing substantially. Both parties get better results when their expenditures reinforce one another. Projects should be planned for mutual reinforcement of activities on both sides of the ocean.

Along the same lines, when non-A.I.D. funds (including foundation grants and the like) are available—and used—to finance the major part of a university's overseas and on-campus international activities, strong institutional support for the project tends to be assured. Also, the staff of the university is less likely to be diverted from its regular program concerns, or to feel the loss of particular items of external support.

For a university to realize its potential contribution to development may require expenditures which it is unable to fund itself and which are ineligible for A.I.D. country program funding. These gaps may be filled by the Institutional Grants provisions of the Foreign Assistance Act. An urban development program package—whose start-up costs had been financed by the regular university budget and a foundation grant—might be reinforced by an A.I.D. grant to help finance the development of international capabilities of an urban affairs institute. Well placed Institutional Grants can multiply the impact of the comparatively small resources available for such special situations. Normally, Institutional Grants should be made only after a university has already made sizable commitments to a subject which is of continuing substantial interest to A.I.D., rather than as a means of starting the university down a new road.

A.I.D. can help the universities meet the eligibility requirements for Institutional Grants by defining and making known the specific areas of competence—geographic or functional—which the foreign assistance program especially needs.

In embarking on a joint project, A.I.D. and the university each should look beyond the project and plan for longer-term and wider use of university competence which flows naturally from the project work. For example, an American institution which helps to devise graduate level training and extension work abroad in urban planning may later provide a unique comparative training ground for a professor who is to direct the research of a new urban institute on his home campus, or for the man who, perhaps using U.N. help, will subsequently assist the host country to set up its own institute, or for the head of a new project to guide domestic neighborhood redevelopment. For the last stage of the project and afterwards, the joint A.I.D.-university plan might also envisage a joint research program operating from both campuses and exchanging staff and graduate students.

It is imperative, too, to find ways to capture, in useful form, knowledge which American faculty gain abroad. The Institutional Development Agreement will help on this score—providing a new element with which the university can support personnel returning from a year or more of service abroad while they develop plans and materials for new applications of their overseas experience. The university will select participants on the basis of proposals submitted while the staff is overseas. Standards and procedures will be set by the university and subject to approval by A.I.D. The period of financing will vary, with A.I.D. sharing the costs for as long as six months through the use of Institutional Grant funds. Eligible types of activities might include planning for research on international problems, instructional material on development, other teaching materials, specialized workshops, institute or area studies programs and supplemental material supporting overseas projects.

At the same time, this scheme will strengthen A.I.D.-financed university work abroad—strengthening home campus support for projects and increasing the incentives for participation by capable people.

The new proposals also encourage wider latitude for use of project funds to finance collateral activities like those described above—as well as other activities which clearly support project goals and have been included in project proposals and approved by both the host institution and A.I.D. Along these lines, the Joint Committee is recommending that A.I.D. and the universities provide increased incentive for long term faculty participation in overseas projects through joint financing of home campus residence for as long as one year between overseas tours of 2-3 years duration on the same project. A.I.D.'s share of the financing might approximate the fraction of time devoted to project support or consultancy to A.I.D.

Mutual reinforcement of the universities' overseas project work and their other activities should be further encouraged by greater use of the best university talent on short-term or part-time projects, and by making the length of tours more flexible. The new Institutional Development Agreement is intended to accomplish this.

Increasingly, continuing university participation in overseas institution building will lead to further assignments through a process of natural selection. Suppose an American and a South American university have collaborated for 10 years on the development of a college of agriculture which has arrived at the point where it is graduating well trained people. Now the two institutions might jointly pursue a crop research program and reciprocal area studies programs. If the crop research focuses on important agricultural bottlenecks, sponsorship of the host government could be sought for A.I.D. financing of dollar costs related to such host country needs. A matching foundation grant might be solicited for the area studies program. Once the two institutions have built a mature relationship, A.I.D. might consider helping them make a transition to a continuing long term relationship. One device might be partial foreign exchange financing through a matching grant for institutional collaboration.

So far, however, there are relatively few such mature relationships between institutions. And even when many more have evolved, it will still be necessary to make new institutional matches and to select properly among alternative U.S. universities.

**2.
Fuller
joint planning**

Both our experience and the various reports on relations between the universities and A.I.D. suggest that good project results, good management of public funds, and good results for the U.S. university all depend on good planning by all participating parties. Especially important are joint planning and responsibility by the host institution and the U.S. university, and harmony between the project and the country's overall development program.

Suppose A.I.D. is approached for assistance in developing a new LDC agricultural university. The Joint Committee's proposals on the sequence and division of roles and responsibilities, as described in Annex A, envisage that once A.I.D. has decided in principle that it is ready to consider the request, a suitable U.S. university can be identified and approached to do the initial reconnaissance. The university will thus be in a position to help with the planning from

the start. It will do an initial field reconnaissance and report. If this appraisal and the A.I.D. review are both positive, the university returns to the field for some months of second-stage activity—working with the host institution to refine the project, and consulting with the A.I.D. Mission and host government. During this period, it also participates in some substantive activities with the host institution. Only after the completion of this work do the two institutions put forward a detailed project proposal for which they seek a long term commitment. This project refinement phase is intended to give all parties a common understanding of the assignment and of their respective roles. The total pre-agreement planning period proposed (phases 1 through 5 in Annex A) extends beyond what has been normal practice, and may cover as much as two years from the time of the initial request.

The university is far more likely to perform well under these circumstances than if it is acting merely as a hired agent carrying out a pre-determined task. A.I.D.'s role in this planning period is to make sure that the project is consistent with the foreign assistance program and that adequate planning has been done before it commits funds, and to assist the American university with local knowledge which can help it adjust its plans to the local context and closely relate the project to the needs of the host country.

Typically, many uncertainties confront the initial planning of long-term institutional development projects. The plan must include devices for adjusting the project. But the planning must also clearly identify the ultimate result sought, and it must contain mileposts which identify points along the way. This is essential even if progress is definable more in qualitative than in quantitative terms. The proposals in Annexes A and B seek a clear definition, in the formal project documentation, of the direction and extent of progress sought, as well as management flexibility to achieve it.

Beyond this, it is contemplated that before the first commitment of project funds under the long-term agreement, the university and host institution would have developed a Work Plan covering at least the period for which A.I.D. funds are to be obligated. The Plan should show the coordinated schedule for inputs and results on the project. To be an effective project planning and management tool, the Work Plan should be a working document, capable of continual adjustment by those managing the project. The Work Plan would be used with, but not as a part of, the legal operating agreement between A.I.D. and the university (the "Institutional Development Agreement").

As work on the project proceeds, the university would continually update its plans, working closely with the host institution. Normally, the earliest version of the Work Plan would reflect less detail and certainty about future operations than the plans developed after the project is well underway. Annual joint reviews of plans and other matters by the interested parties would be the basis for further forward commitments of funds. These would add dollars on an annual rolling basis to the forward end of the period for which obligated funds are already available. Also, the goals and scope of the project would be adjusted as necessary.

3. Program evaluation and feedback Good forward planning depends on the continuing availability of current and pertinent information. Not only the usual descriptive reports of achievements, expenditures and problems are needed but also program evaluation—the best possible analysis of actual progress towards program goals.

The Joint Committee applauds the increasing attention which A.I.D. and the universities are now paying to program evaluation. The new working arrangements contemplated in Annexes A and B contain provisions for even more of the same. It is needed. The success of the proposed new system will depend considerably upon continuing emphasis on program evaluation. Under the new arrangements, each project would, from the start, also provide for an adequate institutional memory system on its own experience. Thus, the American university would include in its original proposals a plan for evaluating work in progress. It would coordinate this plan with the setting of project goals. It would identify: (a) suitable base line data from which progress would be measured, (b) the data needed as the project proceeds, and (c) procedures for collecting and evaluating data. Provision would be made for maintaining a record of the strategies used and the results achieved.

All this information would support—and be supported by—similar material now being collected by A.I.D. and other organizations interested in development. A.I.D. has recently begun building up a collection of documents recording actual development experiences. Its scope goes well beyond previous, more casual, or ad hoc collections. This collection and others will facilitate useful scholarship and analysis both in A.I.D. and in the universities.

Guiding the rapid changes which add up to "modernization" is still more an art than a science. A.I.D., the universities and other practitioners—and most of all the developing countries themselves—badly need well organized empirical materials. The Joint Committee believes that A.I.D. and the NASULGC together should explore the feasibility of coordinating the various existing development collections. A continuing consultative committee could help establish more and better—and better coordinated—documentary collections of this type. Such a committee should include people skilled in data management, library science and development assistance activities.

4. Flexible implementation authority The universities have been acutely concerned over the need for more flexibility in implementing projects—particularly to enable their project personnel to adjust plans to changing situations rapidly and efficiently. Frequent, sudden and relatively unpredictable changes in the factors affecting a project are quite normal. Good management is flexible.

The universities have also been concerned about the excessive control of A.I.D. personnel over operational details of which the universities should be the best judges and managers. Red tape, delays and the occasional frustration of actions needed for good results all have been problems.

The Joint Committee believes that the universities can and should have substantially more operational flexibility. Under the provisions of Annexes A and B, the contracting university would not require prior A.I.D. approval to adjust the amount and timing of the various resource inputs financed under its A.I.D. agreement (professional services, commodities, participants, travel, etc.)—so long as it stayed within total funds budgeted and available, and within the pre-approved listing of types of activities and types of inputs. (However, a ceiling on total expenditures for commodities and certain types of travel would be retained.)

The university would evaluate local needs, responding to the institutions and personnel on the scene. In effect, this procedure would substitute program budgeting for the line item budgeting and individual input control normally used in university contracts. Under the arrangements envisaged, such flexibility can be provided, with confidence that management results would improve, because—

- the university would participate from the first with a strong sense of self-interest in high-grade performance (Section (1) above)
- careful pre-planning and joint agreement on assignments would precede the action program (Section (2) above)
- progress reporting and evaluation of results would be provided for (Section (3) above)
- the university, being involved at the most responsible management levels would establish a good management organization (Section (5) below)

Moreover, increased project management flexibility would be accompanied by annual joint progress reviews in the field. These reviews would cover evaluation and financial reports, revised forward budgets and work plans. Past performance would be considered. Both the home and field-based personnel of the university and A.I.D. would participate with the responsible personnel of the host country. On the basis of this review, the long-term working agreement would be adjusted and additional funds provided as needed.

Accountability for the use of funds would also be handled somewhat differently than in the past. In most technical assistance activities it is not feasible to contract for a given product at a fixed price—e.g., to contract to pay a university \$5 million over six years for helping to develop an agricultural university of objectively measurable dimensions and quality. Institutional development does not readily lend itself to full and accurate quantification. Many of the most important goals are highly qualitative. This, and the complexity of such activities, precludes certainty about results and costs. In the past, A.I.D. has tended to seek accountability by closely controlling the quantity, specifications and timing of staff services, commodities, training, travel or other university inputs. Significant changes from pre-agreed schedules required A.I.D. approval, even contract amendments. Some of the difficulties of this procedure have already been described. It is also an arrangement which tends to undercut the management responsibility of the university—which thus cannot be fully responsible for performance.

The Committee proposes to replace these arrangements with a hybrid. Inputs actually delivered will continue to be the basis for reimbursement. But more meaningful and efficient means of inducing good management will replace the detailed controls over individual inputs. Among these are the conditions described above, including the annual field reviews. Both parties' stewardship of funds would stress evaluation of results and adequate forward planning rather than reliance on accounting for inputs. When funds are obligated, A.I.D. would be in a position to report that it is making available a specified sum, to be used only for the pursuit of specified goals and for specified types of activities and inputs, as stated in the Institutional Development Agreement.

Obligations would be based on an estimated budget and Work Plan. The Agreement would provide the basis for an audit to establish that funds had in fact been used for the purposes for which they were provided.

Further flexibility in operating arrangements is to be provided by having each university manage, according to its own regulations, such items as starting salaries, promotions and salary increases, leave, travel, transportation and charges for training services. The university would advise A.I.D. of—and the Agency would decide whether to accept—the policies and procedures to be used. Salaries or increases above normal A.I.D. ceilings would be adequately justified for the record.

The Institutional Development Agreement (Annex B) proposed under these arrangements is much shorter and simpler than the standard university contract. Fewer A.I.D. approvals would be required. But since overseas operations and relationships with third parties (including host governments) are involved, both the universities and A.I.D. must protect themselves with provisions not required in A.I.D. grants for university work in the United States.

**5.
Effective
university
management**

The increased planning, evaluation, implementation and financial management efforts required of the universities, will increase the premium on their substantive and financial management abilities. Both A.I.D. and the universities with which it works need to assure themselves that the latter are able and willing to provide the necessary management, and that the universities' project proposals to A.I.D. include adequate management arrangements.

The university's fundamental commitment to the project is vital. It should engage in the same institutional introspection with which it precedes other major program endeavors—reviews by faculty, trustees, etc. Senior administrators, including the President and/or the appropriate Deans, should participate in decisions on whether and how to proceed with a project. All this is needed to assure both continued strong support and coordination of interdepartmental interests.

The appropriate departments of the university must also participate in planning and decisions, and should have clear responsibility for implementation. Moreover, the project should become an integral part of the rest of the departments' programs. If the development

of a strong livestock capability is to be central to the overseas university being established, then the American university's Animal Sciences Department needs to be able to offer research and international training on animal genetics. The Department of Animal Sciences then would view the project not as a parasitical assignment, but as an opportunity for key staff to gain experience and international contacts through which the Department, in turn, can address its own interests.

Occasionally, the university field team will require strong support from various parts of the home campus. A high-quality, senior man must be in charge at home. Also needed are continuity of leadership, perception and purpose. Six, eight or ten-year assignments of a single team leader in the field—though not unhead of—are often difficult to arrange. An alternative is to assign a senior project leader to a long-term assignment, having him alternate his time in the field and on the home campus with one or more counterparts. Thus, a high-level "in-charge" man on campus would team up with a "take-charge" Program Director in the field. The division of labor between them needs to be clearly defined.

Probably the most important management need of all is for strong day-to-day project management. The man in charge in the field has an extraordinarily difficult assignment. He must see that an interdisciplinary team meets difficult professional demands. He must be able to deal effectively with high academic and governmental circles overseas. He represents his university abroad. His selection is an important executive appointment. His post should probably be at the level of an associate deanship or its equivalent. This overseas "Program Director" (a term we are proposing to substitute for "Chief of Party") needs substantial authority to carry out his responsibilities—i.e., day-to-day decision-making power and administrative authority over the team members.

G.
Attracting
qualified personnel

The quality of the staff on the university project team is critical. Operating relationships between A.I.D. and the universities must be such as to attract high quality university personnel to overseas projects, and to create an environment in which they will be productive. The proposed arrangements significantly increase the already considerable incentives provided for university personnel working overseas.

For example—

- overseas personnel will stay more in their university's mainstreams and adhere more to their own career concerns; to this end, fuller use and recognition of overseas experience on the home campus is encouraged, and greater variability in length of individual tours permits improved dovetailing of domestic and overseas activities;
- overseas research is encouraged, reinforcing the above;
- the new provisions for a "post-tour" period, to develop uses of the overseas experience in new activities, also will increase the value of this experience;

- able personnel also should be attracted by the prospects of better substantive planning and by better definition of assignments;
- better forward planning of logistical and other administrative matters should reduce uncertainties and job distractions which hamper the recruitment of good people;
- better orientation and training for the particular assignment (including language training where necessary) should also improve performance. (This is discussed further below).

The Joint Committee also concluded that there are a number of measures which the universities can and should take on their own to strengthen the incentives to qualified professors to work overseas.

Universities could give full recognition to overseas experience in tenure and promotion. They could establish long-term international development positions—with assignments both in the U.S. and overseas—on terms to attract some of the best professors. Integrating programs at home and abroad will encourage all these measures.

A major attraction for team members whom the university may need to hire from off-campus is the assurance of continuing university employment after the expiration of the A.I.D.-financed project. Offering such assurance also offers advantages to the university—both in carrying out its overseas responsibilities and in maximizing the on-campus benefits of overseas operations.

Debriefings and seminars, publications on overseas work, reflection of overseas experiences in course materials, etc.—all could help build recognition of the overseas staffs by their peers. Good performance would be encouraged, too, if the universities adequately evaluated the overseas performances of their staffs. The overseas Program Director should report regularly on staff performance. His reports should be considered in determining promotions. Well-planned visits of a university's administrators also can make the individual field personnel aware of the importance which the university attaches to their work.

The quality of preparation for a technical assistance assignment overseas can make a marked difference in the quality of the performance and the product. Good orientation and training also permit correction of poor matches between individuals and assignments. Yet, frequently, orientation and training continue to be casually treated. Cost and time are two reasons for this neglect of training. The individual's potential career contribution to the development interests of the university, A.I.D., and the host country is seen in unfortunately short-range terms. Finally, there is general uncertainty about what to transmit to those going overseas. But as we acquire experience, this is less excuseable. Progress in collecting data on development work along the lines already described can also help to improve orientation and training activities.

The universities should provide for careful orientation and training of their staffs in the complexities of their technical assistance

assignments. A.I.D. should allow for appropriate financing (as the proposals in the Annexes envisage). Some predeparture orientation and training is done best on the home campus, while some (particularly for the field Program Director or other key administrators) require Washington briefings on the project itself.

A.I.D. should also encourage the development of centralized facilities for orienting and training personnel about to go overseas—under whatever auspices. Much of the needed orientation and training applies generally to a wide variety of technical assistance. A.I.D. itself has had considerable difficulty in attempting to maintain training facilities. The Agency should seek to stimulate their development by the universities. Of course the Agency could and should provide suitable support where there is a strong university initiative and commitment—with grants for initial capital costs and by providing teaching personnel and material, and trainees.

7. Capability of American universities to support project activity Careful planning—before and during the project—of a "package" of mutually reinforcing home campus and overseas activities is perhaps the single most important measure here. Accordingly, this potential for mutual reinforcement will figure prominently in the criteria for selecting universities.

Better planning, both of project activities and of individual and group research, will strengthen the capabilities of the universities in operating projects. A.I.D. and the university each should insist on thorough pre-project study of the host country situation, and of project goals and activities in the light of that situation, as well as continuing environmental research. The arrangements proposed in Annexes A and B will facilitate such planning.

Institutional Grants also should be used to strengthen the universities' ability to support projects (as is explained in the section on the selection of the appropriate university).

8. Host institution capacity to sustain changes This, of course, is the object of it all. Achieving development results means, primarily, creating maximum institutional ability to perform important functions. The most meaningful criterion for success in institutional development is not the direct output of the members of the American university's project staff, but rather improvement in the local institution's ability to produce graduates and research able to contribute to local development progress.

The Committee did not attempt to study or provide new prescriptions for the achievement of this central development assistance goal. But we take it for granted as a sine qua non of development progress. Accordingly, the new proposed operating arrangements between A.I.D. and the universities include a number of features especially designed to facilitate institution building:

- Deeper involvement of the American university with the host institution in planning, operations, and program review is encouraged. As the U.S. and field-based elements of A.I.D. and the two cooperating institutions work

side-by-side in annual reviews in the field, sharpened attention to institution building should also result. In its monitoring role, A.I.D. should assure adequate attention to this area—those with operating responsibilities may neglect the job of review in their eagerness to move ahead with particular activities.

- Demonstrated past performance in institutional development is emphasized in the criteria for selecting universities and individuals, and in judging program proposals and performance.
- Greater stress on pre-service orientation and training should also make project personnel more aware of institutional development goals, and of means of achieving them.

**C. Improved Continuity
and Broader Perspectives
on the
Role of Universities**

Our extensive discussions of this point drew the Joint Committee beyond the question of improving the operating relationships between A.I.D. and the universities for the conduct of individual projects. This was inevitable. But in our consideration of specific proposals we stuck to our mandate and centered on project relationships. Our findings concerning these relationships precede a report on the broader view at which we arrived.

**1. The
project level**

The universities working with A.I.D. have pressed for greater assurance of continuity in A.I.D. financed activities. The subject concerns both the U.S. institutions and the individual professors involved. Their desire is for A.I.D. policies and practices that will clearly reflect a long enough view of the job to be done and constancy in carrying it out.

The universities need this assurance in order to make essential long-term plans—a task which engages their top talent. They need sufficient assurance early enough to justify the commitments of resources required for optimum preparation of each phase of each project, and to do this work with adequate lead time to enlist top-quality people for the project.

The individual professors need assurance of continuity to make their participation in projects worthwhile from a career standpoint, and for confidence in their future income security. These questions are important—talent of the quality needed for overseas work is scarce.

The Committee's deliberations suggested many ways to strengthen the sense of continuity sought by the universities. The proposed new arrangements include a number—

- clear recognition of the specific duration of each long-term project in the project or broader program proposal, at each stage (including the Congressional presentation).
- three-party planning (U.S. university, host country, and A.I.D.), even at the early stages of a project, prior to the long-term commitment and over as much as a two-year period; this should add continuity by strengthening the

sense of involvement of all concerned and the likelihood of constancy throughout the project.

- annual program reviews in the field by the interested parties.
- provisions encouraging U.S. universities to better integrate their overseas work into their forward plans for other activities, so that the need for a variety of project experiences will be better understood, and university personnel will realize that overseas involvement can enhance—rather than hurt—their careers. The Committee's proposals for the use of Institutional Grants—to encourage post-project relationships between the cooperating institutions, and to finance professors' post-leave preparation of additional applications of their overseas experience—can support such a longer-term context for participation by both universities and professors.
- better phasing of participants (host country trainees in the U.S.) and U.S. staff (as proposed in Annex A). Project phasing should more accurately and more promptly anticipate the specific needs for participants—phasing them more closely in relation to the overseas efforts of U.S. universities. This can improve continuity of effort and outlook on the side of the host country. The host institution may assign a sizable number of its key people to participant training during the extended planning period provided in the new arrangements, before any sizable number of Americans go overseas. These people would then be available to participate in the early project development and provide continuity subsequently.
- more careful project spacing. This can help to avoid rushing—or delaying—the turnover of project responsibilities to host country personnel, and to fix the project on a steadier long-term course. (Delays in completing those project phases that lean heavily on U.S. staff action sometimes have resulted in impatience, skepticism about results or loss of interest by host country and/or A.I.D. personnel—and in premature termination of the project).
- better evaluation and a better institutional memory on the project, together with better orientation and in-service training, also will add to continuity.
- the universities themselves can and should use incentives to strengthen their project staffs' expectations and support of continuity as noted in subsection (6) above. For example, they can give adequate tenure or "return to campus" status to professors working overseas. Returnees can serve on home campus advisory committees and in other advisory or management roles for overseas activity.

In sum, the prospect for continuity depends, in the first instance, upon the ability of the individual university to construct sound and imaginative programs that combine off- and on-campus interests and include the necessary supporting elements, and upon its ability to make persuasive presentations of such a program package to the financing organizations.

Finally, by making longer-term financial commitments for institutional development projects, A.I.D. can strengthen continuity in technical assistance. There is an unjustified tendency to fasten on this point as the be-all and end-all of continuity. But it is important.

A.I.D. can make a three-stage effort to increase continuity. The Operations Plan attached to the proposed Institutional Development Agreement (Annex B) provides for a statement by A.I.D. and the university of the duration of the project and of their intent to stay the course if the work goes well.

The Agreement itself is expected to apply forward five years—the present statutory limit on A.I.D. contractual undertakings. But this five-year term would annually roll forward—so long as the project is expected to continue at least five more years.

Within this five-year period, A.I.D. should use two criteria to determine how far forward to obligate funds. One is the term of forward funding needed to cover any significant financial commitments by the university, or to remove inhibitions to other desirable forward planning steps. Normally, the university's main concern here is to be assured of advance financing to permit financial commitments to the people needed for a project, and to make those commitments early enough to capture the best people. The second criterion is the length of the forward period for which the university can develop specific activity plans (Work Plans and budgets) as an adequate basis for obligating funds.

Two years forward funding usually provides about the right lead time for long-term institutional development projects of the type considered in this report. This was formerly A.I.D.'s standard for forward funding of such projects until appropriations shortages reduced it to about a year. Strengthened preparation and staffing of university projects is vital to the success of the technical assistance program. The Joint Committee believes that A.I.D. should return to two-year forward funding of the U.S. personnel and associated costs of university projects. Ad hoc consideration should also be given when the proposed criteria call for somewhat longer forward financing. Of course shortages of funds in particular years and problems caused by large pipelines of unexpended funds may limit forward funding. To the extent that Congress explicitly recognizes the value of longer-term financial provisions by providing two-year forward funding for technical assistance, A.I.D.'s capabilities for carrying out the recommended funding policy will be increased.

Threats to continuity of effort arise, too, when overall ceilings are unexpectedly imposed on the number of Americans allowed to serve overseas under U.S. Government auspices, and when technical assistance is subjected to other non-program based decisions. It should be recognized that technical assistance consists of people, and that cuts in the number of such people in fact constitute program decisions to cut technical assistance. Such decisions should be made on program grounds. If A.I.D. is committed to long-term support of an institutional development activity, administrative decisions made on non-program grounds should not be allowed to block continuity of support.

An additional threat to continuity of effort is the forced termination of entire A.I.D. programs in a particular country because statutory requirements demand this in response to host country actions. Part I of this report emphasizes the value to U.S. foreign policy interests of the people-to-people aspects of development assistance, and the special value in this regard of university-to-university projects. Some disruptions in joint development ventures by U.S. and foreign universities caused by current difficulties between their governments are probably inevitable. Every effort should be made to minimize such disruptions and to avoid aborting the university-to-university relationships. The latter result may both damage immediate U.S. interests and, over the longer-term, discourage American universities from making their best efforts overseas.

Finally, the universities themselves should reduce their vulnerability to arbitrary breaks in U.S. financial support or in host country support of overseas projects. Suitable hedges should be developed. The more the universities develop their own relations with financing organizations, the greater their opportunities to switch financing sources. And the greater the volume of their own international activities and the more they interrelate these activities, the greater their ability to switch personnel between activities. One possibility to be pursued is collective university action (perhaps under NASULGC or other organizational auspices) to establish an insurance fund to finance the continuation of projects which would otherwise terminate prematurely.

2. Broader perspectives

The ability of a university to participate effectively in technical assistance depends on what happens not only during the course of the project, but also before it starts and after it ends. How can universities prepare for specific technical assistance programs? How may their competence be preserved for other uses? How can we encourage the fullest mutual support among the many individual U.S. private and public activities in the international sphere? In turn, these broad questions raise a number of others that should concern both A.I.D. and the universities—

- How can the universities best be encouraged to develop their international capabilities to the extent needed to support their own and the national interest? Recognizing that the smaller institutions, including the colleges, together reach the majority of future U.S. leaders—and that most of these institutions are not well equipped to handle development programs overseas—how can they adequately reflect the world to their students and build public understanding of America's international concerns?
- How can more professors be encouraged to make careers in the international and development fields?
- How can the United States develop a wider network of relationships between scholars and scholarly institutions in this country and the developing countries?
- How can American and foreign colleges and universities and other institutions form permanent cooperative

relationships without compromising the termination targets of individual assistance activities? In the 1970's and beyond, development assistance agencies and others may devote themselves more to increasing the effectiveness of existing institutions than to building new ones. How will this policy bear on A.I.D.'s "graduation" policy for aid receiving countries? Is that policy well suited to the long-term foreign policy needs of the United States?

A number of proposals in this Report would help to meet these questions. Institutional Grants can provide partial answers. But the complete answers lie elsewhere and require action beyond the scope of A.I.D.'s and the universities joint work on individual projects. Both the universities and A.I.D. (indeed the Executive Branch as a whole) need to examine what can and should be done to implement the International Education Act, what additional measures are called for, which legislation and which part of the Executive Branch should be used to tackle the various problems and who should coordinate the effort.

The Joint Committee has not had the mandate, time or resources to go very far with these broader issues. We do, however, wish to stress to A.I.D. and the NASULGC the need for the Executive Branch and the universities to make progress on them. A.I.D. and the NASULGC should take the lead in encouraging all concerned to look beyond the individual project. It should also be possible to begin limited, experimental financing of transitions from institutional development work to long-term collaboration among mature institutions. Finally, the federal government should make more use of the problem-solving capabilities which American universities develop in the course of their overseas technical assistance work. Both A.I.D. and the universities need to plan more deliberately how they may use and build on the base of overseas experience which they are developing in the universities.

**D.
Role of
Research**

This report has already referred to the need in the proposed new arrangements for a more positive approach to research. The guidance of long-term institutional development projects requires a great deal in the way of new knowledge, much of which is best obtained in the course of actual project work. An American university exploring for example, the shape of a new agricultural university in the developing world needs to study carefully how the new institution can relate to the actual needs of the region's farmers. How can the new university best help to make them and the nation more productive? The farmer's soils, his plants, their ecology, his customs and attitudes, his knowledge and perceptions—all need to be understood.

On such projects, A.I.D. may not only permit—it should require—both of the cooperating institutions to conduct adequate studies of the overall environment of the new institution, to assure that its organization and programs are well related to its environment. Both the host country and A.I.D. should contribute appropriate funding for this and other important types of project related research. Success in institutional development requires continuous exploration and research.

Another reason to liberalize research provisions is that those professors most needed for overseas institutional development projects often have a strong career interest in good research opportunities. The prospect of research work alone helps to attract good people—and A.I.D. projects often provide excellent, even unique, research possibilities.

In addition, service by host country personnel or U.S. graduate students or junior faculty as research assistants can amount to excellent local training and can develop experience and expertise on which A.I.D. and other organizations can later draw. The work of such relatively low-cost research assistants can also raise the productivity of a busy university team member.

More research built into A.I.D. projects can also accentuate local awareness of the importance of research to development, and can help to encourage host country leaders to improve local capabilities for research.

The Committee believes that there should be no pre-set limits on the scope or type of personnel used for project-related research built into the Work Plan and described in the Operational Plan, which is appended to the Institutional Development Agreement (Annex B) and which the U.S. university, the host institution and A.I.D. have therefore agreed is consistent with the purposes of the project. Actually, the U.S. university and A.I.D. should both actively encourage research needed to advance project purposes, specifically to—

- provide sufficient knowledge about the local social, economic, cultural and technical environment.
- build suitable research capabilities within the host institution.
- mobilize to the utmost the host institution's ability to contribute knowledge needed for the host nation's satisfactory economic and social progress.

Operating arrangements have been designed to achieve these ends, as spelled out in detail in Annexes A and B.

**E.
Field
Coordination**

The complex, fast changing and sensitive circumstances in which technical assistance typically goes on tend to preclude detailed management of projects from the United States. This is certainly true of the long term institutional development projects considered in this Report. Both A.I.D. and the universities need to delegate to their field representatives the responsibilities and authority for day-to-day decisions and for most of the substantive shaping of projects. The working arrangements proposed in this Report would strengthen and make even more use of this process of delegation. For U.S. based personnel who wish to exert substantive influence on a project, the proposed procedures encourage field trips and consultation on the spot. The proposed annual joint review in the field, in particular, would encourage this.

Delegation to the field places a special premium on effective coordination between A.I.D. Missions and university field parties.

The roles of the Mission and the university field team are complementary, not competitive. Each is in a better position to perform some essential functions than the other. Each needs important help from the other in order to carry out its responsibilities effectively. Of course, the contribution of each to the project depends upon the capabilities of its staff—and these vary widely. But their efforts must be orchestrated for the greatest total impact. The normal division of labor between the Mission and the field party, based on these principles, is described in detail in the "Implementation" section of Annex A.

F. A New Style The improved operating arrangements described in the preceding sections should result in a better style of working relationships between A.I.D. and the universities: greater mutuality, more sense on both sides of the university's responsibility and its stake in the results of the work, and more awareness and support on both sides of goals which transcend the individual project. Also by aligning the university's role in A.I.D. projects more closely with other university functions and procedures, the proposals should help to raise the return on each side's money and work.

The fact that the university applies its own purposes, policies and methods to A.I.D. activity is what makes its participation in the foreign assistance field so valuable. This too, is the reason why relationships between A.I.D. and the universities should be designed to implement not a pact between buyers and sellers of standard services, but rather a partnership made in a common and highly sophisticated cause.



III. RECOMMENDATIONS

A. Some General Implications of the Report

There are a number of opportunities to improve collaboration between A.I.D. and the universities, both on overseas projects and on supporting domestic activities. These improvements should be made as promptly as possible. In addition, the U.S. Government and the university community both need to look harder at the interests which they share in understanding and assisting the processes of change in the developing countries. A broader, longer-term vision of these common interests, and of the need for close cooperation, is essential.

The basic competence of the universities is at stake as they attempt to build the capacity to develop and disseminate knowledge and understanding of the process of change in societies throughout the world. The proposed improvements in collaboration between A.I.D. and the universities would increase the load on their shoulders. If the new arrangements are to succeed, most of the participating universities must substantially improve their planning and management of overseas activities—shifting these from the periphery of university attention into the heart of their program concerns and management structure.

For its part, A.I.D. must imaginatively seize the opportunities created by its Congressional mandate to collaborate with America's universities in the development and use of their great potential for assisting the modernization of the developing nations. A.I.D. needs to view the universities as natural partners in activities—such as the operation of long-term institutional development projects—in which both sides have important program interests. The Agency (and its personnel) must learn to recognize that it is counterproductive to deal with the universities in the same way that it deals with vendors of commercial goods and services. Instead, particularly where institutional development is concerned, the roles and responsibilities of each of the multiple partners in what are truly mutual undertakings must be carefully defined.

This Report suggests further steps which it is now feasible for A.I.D. and the universities to take to improve their working relationships. We believe the actions recommended below would both improve the results of the projects to which the proposals are applied, and strengthen the participating American universities and their longer-term potential for services.

B. Recommended Action

1. Recognizing that institutional development is a long-term endeavor, A.I.D. and the NASULGC should endorse experimental introduction of the new operating relationships proposed in this Report, proceeding as suggested in Part II (p. 8 ff.).

- a. The form of operating agreements provided in Annex B and explained further in the text should be introduced for the prototype projects. A.I.D. should make the necessary parallel adjustments in its implementation policies and procedures (PIO's, PreAg's, etc.). (See particularly Section (4) pp. 13-15.)
- b. The division of roles and responsibilities and sequence of relationships described in Annex A should also serve as a

model, particularly for new projects included in the experiment. Where on-going projects are converted, use of this model will need to be adapted to the particular stage and situation of each project.

- c. A.I.D. and the NASULGC should arrange for (1) preparation before the trial starts of an evaluation plan to be applied throughout the period of the experiment, and (2) a summary evaluation review, to recommend the extent, manner and form in which the experimental arrangements should be generally applied. This review should occur within two years of the time that the new approach has first been used on selected projects.
- d. A.I.D. should explore and as suitable make limited modifications in its present university contracting system to include useful elements of the proposed new arrangements—e.g., use of universities' own administrative policies and procedures, resumption of two-year forward funding, annual joint program reviews in the field, and perhaps other measures as well. (See pp. 14-15, 20-21.)
- e. A.I.D. and the NASULGC (with other appropriate university groups) should establish a consultative committee to review proposals for carrying out the recommendations in Sections (c) and (d) above, and in 2(c) below.

2. Implementation of the foregoing recommendations should be supported by thorough efforts to reorient both the A.I.D. and the university personnel concerned.

- a. As a companion piece to the "Institutional Development Agreement," A.I.D. should develop a manual to explain fully the rationale, intended coverage and operating implications of the various sections of the Agreement, and to provide other explanatory materials to help university and A.I.D. personnel understand and carry out the intent of the new working arrangements.
- b. An important criterion in selecting projects for the trial—beyond the suitability of the project and the host country environment—should be the availability for the project of A.I.D. and university personnel attuned to the new arrangements and likely to work well under them. A.I.D. and the university administrations concerned should make special efforts to fully orient such personnel on what is intended.
- c. The A.I.D./NASULGC standing committee recommended (under 1. (e), above) should also consider and recommend additional orientation activities which A.I.D. and the universities may need to conduct in order to adequately inform and guide their personnel on the measures contemplated for the trial period or thereafter.
- d. The NASULGC should make a special report to the universities to advise them how to prepare to participate in the proposed new arrangements. This report should explain the specific import for the universities of: (1) the

administrative management practices and procedures requisite to participation in an Institutional Development Agreement and (2) the proposed program management provisions combining greater operational flexibility for the university with improvements in planning, evaluation, university management, and matching of universities and projects. (See pp. 13-15.)

This special NASULGC report should emphasize the importance of the provisions for greater continuity in the new arrangements. It should bring out fully the purpose of each of the new arrangements, their interdependence, and the fact that they involve both new opportunities and new tasks—more authority as well as more responsibility. The report should emphasize the experimental nature of the proposals and the need for gradual conversion, so as to avoid arousing unrealistic expectations. The report should also point out that conversion to improved operating arrangements will be best encouraged if each university strengthens its own performance in planning, evaluation and management, and pursues mutually supporting campus program interests and external relationships rather than isolated ventures.

3. Both the universities and A.I.D. have a strong interest in applying the criteria in Annex C to the process of matching universities with assignments, and both should do so. For this purpose—

- the universities should assist A.I.D. in collecting the relevant information on their abilities and interests.**
- A.I.D. should help the universities identify subject or geographic areas which in the future are likely to figure importantly in the development field.**

4. Institutional Grants should support university activities that are designed to increase the beneficial impact of the university's other domestic and overseas activities on the processes of development. Preference should be given to grants that complement and enhance considerably larger activities than those which are assisted directly.

5. To encourage the fullest use of overseas experience, the universities and A.I.D. should:

- a. adopt the new proposal for a jointly funded period during which professors returning from overseas assignments of more than one year would plan and prepare materials to apply their overseas experience to other activities in the United States or overseas. The A.I.D. manual recommended under 2 (a) above should explain the purpose and ground rules of such a period. University participation in this feature should be regularly sought, and the operating agreements should cover it. (See pp. 10, 44.)**
- b. facilitate long-term participation by highly qualified university staff in institutional development projects (e.g., by providing for on-campus residencies of up to one year between tours of 2-3 years abroad. (See pp. 11, 46.)**

6. A.I.D. and the universities should adopt a more positive approach toward research into the environment of individual projects and the needs they address. A.I.D. should insist that project plans provide adequately for research. The new operating arrangements proposed in Annexes A and B provide for such research. (See Role of Research, pp. 23-24.)

7. The universities should take a number of measures, indicated in Part II, to strengthen incentives for overseas work and for top performance overseas. These would supplement the incentives incorporated in the proposed Institutional Development Agreement. (See pp. 16-18.)

8. Universities should choose sufficiently experienced personnel for overseas assignments—and A.I.D. should seek better training and orientation for university personnel going overseas. The Agency should encourage the university community to establish special training facilities (suitable, too, for training and orienting personnel going overseas under other auspices) to provide those portions of predeparture training which apply to most overseas work. Specifically, A.I.D. agreements should allow adequate sums to cover the cost of university training and orientation, and the Agency should contribute toward the establishment of common training facilities started and supported by the universities. A.I.D. could also help support such central facilities by using them to train government personnel and by furnishing some of the training personnel and materials.

9. A.I.D. and the NASULGC should cooperatively explore, and if feasible, bring into existence a continuing consultative committee to (a) encourage the establishment and improvement of documentary collections that set forth the accumulated experience in the development field, and (b) plan and advise on the coordination of these collections and on their improved use.

10. The universities and A.I.D. should take all feasible measures to establish the continuous and stable support essential to the effective planning and conduct of long-term institutional development. Two measures are recommended to complement the provisions built into the proposed new working arrangements (See pp. 19-22.)

- a. A.I.D. should resume its former practice of two-year forward funding of university projects. A.I.D. should also be prepared to consider somewhat longer-term funding in individual cases where this is expected to improve project implementation, and where work plans adequately cover the proposed funding period.
- b. The universities should take individual and collective action to reduce their vulnerability to unexpected interruptions in U.S. or host country support of overseas projects. Suitable hedges should be established—multiple sources of financing, alternative uses for university resources deployed in overseas projects, insurance schemes, or other measures. The NASULGC should take the initiative to encourage and support the development of such hedges.

11. A.I.D. and the NASULGC should appoint a joint working group to develop an agenda of questions concerning university and U.S. Government cooperation in international activities which transcend their working relationships on individual projects. They should explore and recommend how work should proceed on the individual topics on this Agenda. This assignment differs enough from the one proposed for a committee under recommendation 1 (e) above to warrant a separate group. (See questions raised on pp. 22-23.)

12. A.I.D.'s Advisory Committee on A.I.D.-University Relations should periodically review:

- a. progress in the implementation of the recommendations of this report.
- b. proposals—whether from A.I.D. or university sources—on areas of university competence that need strengthening to support future U.S. interests in the developing countries, and on alternative means of strengthening such competence with overseas projects and related activities in this country.

**C.
Introducing the
New Arrangements**

As soon as possible after issuance of this Report, A.I.D. should select six or seven projects of different types, involving the development of higher education or research institutions, to which the Agency and the U.S. university community may apply the new Institutional Development Agreement. This would be an experiment. The prototype projects should be selected from among: (1) new projects, (2) converted existing projects in which the institution or institutional component being developed is still relatively immature, (3) mature projects a few years short of phase-out of A.I.D. project-type support in which the U.S. and overseas universities and their personnel are able to collaborate in development activities which go beyond the development of new institutional capabilities. For the third category, the Institutional Development Agreement can be evaluated as an alternative to third-party type of loan or grant financing of U.S. university work, which A.I.D. is now testing.

The interests of the universities and A.I.D. both require that the new operating arrangements proposed by the Committee be carefully tested and evaluated. Major changes, including substantial expansion of the management and other responsibilities of the universities, are involved. Both A.I.D. and university personnel will have to reorient themselves. It will also require special efforts to identify and arrange for situations in which the A.I.D. Mission and host institution and authorities can and wish to handle the proposed new arrangements, e.g., the new administrative management provisions, the extended three-party planning and annual reviews, and the operational flexibility proposed for the university.

It will take time to put the new arrangements into effect, and to study and check their feasibility. The Committee believes that the proposed improvements should be sought with an eye to decades of future cooperation between the universities and the U.S. Government in international activities that further the basic interests of both. A major move forward is possible. It must not be

damaged by rushing ahead, before the conditions for success are established. Public and government observers also should be confident that the proposals are soundly conceived and executed.

At the same time, the Committee anticipates that some of the new policies and procedures developed by the Joint Committee can be more generally applied to A.I.D.'s work with universities—without awaiting the results of the proposed test of the new Agreement. The A.I.D. contracts office is already using a few of the administrative revisions in an effort to revise the standard university contract. The full set of administrative provisions in the new Agreement—involving a very substantial improvement in the style of collaboration plus some substantive changes (including management improvements on the university side)—could be introduced into the contract procedures during the next year or so, or as rapidly as individual universities are able to assume their increased management responsibilities. Recommendations to return to A.I.D.'s former practice of two-year forward funding might be implemented for all long-term institutional development projects as quickly as appropriations permit. The annual joint program reviews in the field also could be applied more generally.

The Committee anticipates that a year or two of experimentation, accompanied by suitable evaluation, should make it possible to decide whether to apply the arrangements (or a modified version) to all eligible projects as rapidly as they can be converted.

It is expected that less than half of all university projects financed by A.I.D. would be eligible for the full set of arrangements proposed by the Committee. Many shorter-term or non-institutional development-type activities, or activities with heavy governmental involvement in which A.I.D. seeks university participation, are better suited to normal contracting. Also, the conditions for realizing the increased management flexibility that the new Institutional Development Agreement would provide to universities, are difficult ones to meet. Probably, only a limited number of universities will be able to meet them—which is another reason why it will be probably necessary to continue to use some form of contracts, suitably improved as indicated above, even if the experiment succeeds.

In sum, an adequate period for testing and developing the conditions for wider application of the new arrangements is needed. The universities and A.I.D. both must forestall unrealistic expectations of rapid change in current operations, and work to assure steady progress along the new charted path.

It will undoubtedly take a great deal of time and effort to educate all the parties concerned in the universities and A.I.D. and the host countries in the full policy and procedural intent of the Joint Committee's proposals. Learning to live and work with the proposals will take even longer. It is no easy thing to convert the ingrained operating habits of so many people working in a far flung set of institutions. Both A.I.D. and the universities will need to plan for the continuing education of their staffs. Formal acceptance of this Report, thus, will be only the first step in a long and arduous process of putting it to work.

ANNEX A

Definition of Roles on Institutional Development Projects

This Annex describes the Joint Committee's concept of an ideal pattern for A.I.D.-U.S. university relations at each of the successive phases of a long-term overseas institutional development project. In practice, individual projects may call for deviations.

The pattern of relationships proposed in this Report is intended for new projects concerned with the development of post-secondary or research institutions in the less developed countries, even though some of our suggestions may apply more broadly. We also suggest what A.I.D.'s and the universities' relationships should be vis-a-vis host country roles and responsibilities—but without covering all facets of this critical subject.

The A.I.D.-university relationships which we propose cover nine phases:

1. Program identification
2. Selection of institution to do field reconnaissance
3. Reconnaissance and assessment
4. Review and decision to proceed
5. Project refinement phase
6. Negotiation of a long-term operating agreement
7. Implementation phase
8. Annual joint program reviews
9. Post project phase.

Any one project will not necessarily proceed through all nine phases—the process may be telescoped. For example, if a U.S. university and an overseas institution requiring new development assistance already enjoy mutually satisfactory relations, phase 2 may be omitted, and phases 3-5 merged.

1. Program Identification

1. The host government indicates a desire for U.S. collaboration.

A.I.D. (the Mission in consultation with A.I.D./W) determines whether to consider. (E.g., is financing available from other sources, priority and feasibility of the task, policy inhibitions, etc.?)

The host institution and government, in consultation with the Mission, more fully define the nature of assistance desired. The Mission prepares program approval documentation for reconnaissance phase. This reflects preliminary determination of the type contractor and working agreement (procurement contract, or Institutional Development Agreement) that appears to fit the assignment best. The Mission may decide to use consulting advice in this phase. A U.S. university which has already been extensively involved with the host institution or host country, or in similar activities elsewhere, could serve as the consultant. But if the university is a candidate for phase 2, an independent assessment would be required in phase 1.

2. Selection of Institution A.I.D. selects an institution to do a field reconnaissance of the project, based on thorough discussion with the individual institutions of their interests and of their ability to carry through on the whole project. A careful screening procedure identifies the most qualified institution, depending upon (a) the scope, quality and international dimensions of its work and ongoing programs in pertinent fields, (b) specific activities—current or planned—not financed by A.I.D. that would be strengthened by participation in the project, (c) quality of personnel and reputation (including business management), (d) university management interest, and (e) demonstrated institution-building ability. (See Annex C for fuller listing and explanation of matching criteria.) Interested universities would use similar criteria to measure their own interest in the project. Normally this matching of the university with the job to be done would take place in the light of prior contacts, exchanges and cooperation between A.I.D. and a large part of the university community.

A.I.D./W and the university arrange for reconnaissance and project refinement phases, with the understanding that the university moves on to project refinement (phase 5) if all parties agree that the project should proceed and that the university should participate further. Proceeding to phase 5 would also be subject to provisos for approval of phase 4 of the scope of work and the specifications of inputs for phase 5. A.I.D. approaches universities seriatim in an order of preference determined by the foregoing screening; the second choice is approached if no agreement is reached with the first etc. The arrangements for the reconnaissance should place a premium on the participation of the university's senior program management personnel, including one or two who could participate in phase 5 below (hopefully including the ultimate Chief of Party, or "Program Director" as we propose to designate him).

3. Reconnaissance and Assessment

The U.S. university consults with A.I.D./W, the host government, host institution, and Mission on what is wanted—and develops and then discusses the university's views on the validity, feasibility and best shape of the project. The university's interest in participating further would be determined, and—if it wants to continue—it expresses its views on its role vis-a-vis the other parties with preliminary statements of the scope of the services and resources required, the key personnel, and preliminary cost estimates. Plans for fitting the project into the university's domestic and overseas activities also would be indicated, as would judgments on likely host country policies and budget support. Those ultimately responsible for policy and implementation on behalf of the host country should participate intimately in developing these materials (as should people who can truly speak for the U.S. university and subsequently bring it along). All in all, the preliminary proposals should genuinely be the joint work of the two institutions.

The U.S. university submits a written report to A.I.D. on the foregoing points. This is transmitted to the host government and host institution. The goals and estimated duration, types of activity and resources needed for the project should be specific enough so that the Congressional presentation could include a project sheet if desired at this stage.

4. Review and Decision to Proceed

A.I.D. reviews the U.S. university's report, discusses it with the university, and decides:

- whether to proceed to the next phase,
- whether to seek or accept continued participation by the reporting university (presumably the university makes a parallel decision),
- what type of long-term agreement it is likely to seek in phase 6 (i.e., whether the activity looks like a prospect for an Institutional Development Agreement, or is better suited to a contract).

A.I.D./W and the university amend the agreement reached in phase 2 so as to indicate the scope of work and inputs for phase 5, based on an interim agreement with the host country. (This agreement also provides the means to confirm that those host country authorities who would participate in approval, implementation and support of the project actually support the proposals and are prepared to do their part.) Both sides indicate intent to proceed to the long-term operating agreement provided all parties agree on the proposal developed during the next phase. The participation of one or two key backstopping administrators from the home campus (preferably including a representative of the responsible Department), along with one or two of the key people who would continue in the field party (preferably including the prospective overseas Program Director), is provided for. Some continuity from the reconnaissance party also should be arranged.

[If the decision at this stage is to proceed—but with a new university—stages 2 and 3 need to be repeated. Probably this work can be done more rapidly the second time around. But good project performance requires a reconnaissance phase for whatever university ultimately proceeds.]

5. Project Refinement Phase

The university team (a small group made up of the senior men mentioned above) spends a number of months working intensively in the field with the host institution (and consulting with the Mission) to:

- define goals and operational targets in clear, realistic and measurable terms, as well as strategies for accomplishing these.
- develop a time-phased work plan at least for the early part of the project, specifying the nature, size and timing of expected outputs, and of inputs from all participants. (Tentative targets for termination and for intermediate periods are also desirable, as is a detailed first year work plan and a relatively specific action program for as many years ahead as the proposal would commit funds.)
- develop plans for evaluation (including criteria) as the project proceeds, and for an institutional memory on the project (the latter will call for close collaboration with A.I.D.).
- translate these plans into a budget proposal which relates increments of financing to increments of the work program.

In this period, to get a good sense of the host institution and its working environment, and of the prospect for a strong local commitment to the project, some team members may need to involve themselves quite substantially not only in planning, but in on-going teaching and research activities or in other regular host institution operations. Acquiring this "feel" requires time—which it is important to take. This planning phase is not intended to set a plan in concrete, but rather to confront thoroughly the mass of operational issues, to identify clearly tasks for the near future and the relationship of these tasks to longer-term goals, and to build good collaborative planning machinery for use throughout the life of the project.

The stress in planning goals and methods should be on the institutionalization of results—on creating the fullest possible, lasting increase in local capacity for performing important functions. This, rather than the immediately tangible achievements of the project team, should be the universities' and A.I.D.'s main criterion for judging both proposal and results. Personnel selection, training and supervision will need to focus on institution-building abilities, as will planning and the best phasing of participant training and U.S. advisors in relation to each other.

The time needed for this phase may vary widely between projects, although 5 or 6 months may be typical. It depends on such things as the sense of direction of the host institutions or project sponsors, and on the time needed to identify those on the scene who are personally involved—and those who should be drawn in. To get a full sense of the situation—without, at the same time, giving the appearance of inaction or lack of tangible results that could forestall support for the long-run project—it may be advisable to run a "mini-project," or pilot effort of some kind, concurrently with the planning. All parties must be advised to expect a prolonged project refinement phase and exercise self-discipline, sticking to it as long as necessary.

The university and appropriate elements of the host institution make a joint project proposal through the host government to A.I.D. This includes both the work plan and the budget proposal. The Mission will have informally cleared this proposal in advance in the course of the consultations noted above. (A.I.D./W should indicate its substantive preferences to the maximum extent possible before this stage is completed; this can be accomplished via informal participation in field consultations—e.g., sending substantive personnel on TDY to the field.) The project proposal is accompanied or preceded by the university's statement of the policies and procedures it proposes to follow on such administrative matters as setting and approving salaries and promotions, leave arrangements, charges for training services, and international travel and transport.

A.I.D./W formally accepts the proposal as the substantive basis for a project agreement (ProAg) with the host country and an operating agreement with the university. By this time, A.I.D./W's formal approval hopefully would require little or no substantive change in, or caveats to, the joint proposal. A.I.D. also decides finally on the type of operating agreement it prefers to negotiate with the university.

A.I.D. and the university should have satisfied themselves, by the end of this phase, that—

- the contemplated roles and responsibilities of the two cooperating institutions, A.I.D. and the host government, are defined to the satisfaction of all the parties.
- all parties understand one another's purposes in participating in the project; differences in purposes, while normal, should be recognized along with the implications.

By this time, the university should have fairly clear plans for using its participation in the project to strengthen the international dimensions of its work in the U.S. and for involving collateral American and host-country institutions.

[Note that at this stage or the next, the project can still abort if the parties fail to see eye-to-eye on how to proceed, or otherwise find their purposes incompatible. But this should only happen rarely if the prior phases have been carried out as described.]

6. Negotiation of a Long-Term Operating Agreement

A.I.D./W negotiates a long-term operating agreement with the university. Hopefully the university would by this time have qualified for the Institutional Development Agreement, the form for which appears in Annex B. Substance (scope of goals, what's to be done, etc.) is based on the accepted proposal, including illustrative work plan and budget proposal from phase 5 (which is referred to in the Agreement as an information document). This would provide for—

- forward commitment of funds on a rolling basis (adding a year at the end of each year), with funding related to specific increments of the work program.
- annual joint review and evaluation to consider progress to date, further plans (including amended work plan and budget proposal), and additional funding needs (see phase 6).
- university authority to use funds made available at its own management's discretion, for agreed purposes and types of activities, within a specified set of rules covering:
 - salaries or other costs, ceilings for expenditures on commodities or certain types of travel, standard expenditure exclusions, etc.
 - full reporting, and standard audit provisions.
 - other necessary general provisions.
 - carrying forward of funds not expended within the rules.
- annual amendments to extend budget (expenditure plans) and funding, and (if necessary) to adjust scope of work (general purposes and types of activity); need for other amendments should be minimal, as updated work plans are included in the package as information documents.
- provisions for administrative support, special services or other inputs by A.I.D. (mostly Mission), and reference to expected host country support (provided by ProAgs, etc.) and to any of the university's self-financed on-campus or overseas supportive activities.

Discussion and language would stress the university's responsibility to manage the sums identified for annual expenditure so as to complete the job as effectively and efficiently as possible. Both sides' intention to follow through on the project as long as progress warrants it also would be reiterated; and a review would be provided for, at A.I.D./W senior policy level, of any Mission proposals for deobligation or termination. In toto, the arrangements should seek the best possible prospect of staffing the university field team with highly qualified personnel—the *sine qua non* of good project results. Completion of these negotiations should give both the university and A.I.D. a clear understanding of the regulations and budget constraints under which the university will operate, and within which it will be expected to exercise its management judgment.

[At a later stage of the project, as and if project progress warrants it, A.I.D. or the university can propose shifting to a third party agreement between the two cooperating institutions, but this need not be dealt with in the initial agreement.]

**7.
Implementation
Phase**

The university proceeds with the agreed program, using its own best judgment of how to do the job and delegating substantial authority to the overseas Program Director.

The Mission keeps aware of progress through the Program Director and its own field observation. It also performs a range of services where feasible and where the university and Mission desire it. E.g., the Mission may provide—

- help on field orientation of personnel.
- representation to the host government and others on matters needed to help the university and project attain objectives, and interpreting and keeping the university aware of host government concerns.
- help in achieving exchanges of experience and coordination between the university's activities and those of other U.S. and non-U.S. organizations in the country.
- intelligence on host country affairs and act as a sounding board and helper, close at hand, on which the university field party can call when it feels the need.
- elements of administrative support or special services which the university's field party is unable to furnish adequately or at reasonable cost.
- public relations assistance as needed.

The division of labor in administering the Agreement, between A.I.D./W and the Mission, and between the home campus and field party, will necessarily vary from project to project. But if no general rule is possible, an important general principle is: the operating agreements should clarify who is responsible for each type of action for which the agreements provide—i.e., which of the four elements and which office or officer in each is to participate.

In addition to its various substantive responsibilities, the Mission advises the university's field party on matters of compliance,

reports, business management of the agreement, etc. It reviews field party budget submissions and prepares funding obligation requests to A.I.D./W. The Mission makes sure work plans are maintained and regularly updated, and kept under appropriate review by university project managers, and that they reflect full participation by the host institution authorities in planning and approval. Much of this monitoring can be accomplished in the annual joint reviews provided in phase 8. The Mission also joins university representatives in program evaluation, as pre-agreed, meeting internal A.I.D. evaluation requirements for Technical Assistance. A.I.D./W maintains formal contract management contacts with university home campus representatives. The Mission and A.I.D./W conduct normal audits.

The home campus provides financial and other business management of the operating agreement and substantive backstopping; it also promptly procures project inputs to be provided by the university, and conducts management surveillance of field operations and financial and progress, reporting to A.I.D. (specific reporting channels to be determined in individual agreements). As in substantive matters, flexibility in business management should be accompanied by prompt reporting and assurance that universities will manage effectively (act promptly, with sensible flexibility, but firmly applying agreed standards and saying "no" to staff as appropriate). Part II of the Report expands on the university's management needs, including the roles of the overseas Program Director and the Campus Director for the project.

Either the university or A.I.D. may propose amendments to the operating agreement, which would then be subject to approval by the other party.

The university proposes membership of field team. (A.I.D. and the universities should attempt to develop some suitable general guidance on criteria and procedures.) The Program Director is key. The Mission and A.I.D./W should consult closely with university on his selection, spending whatever time and money are needed to get a well qualified person who enjoys the confidence of responsible host country personnel, senior home campus administrators, and A.I.D. The Program Director should participate fully in selecting the rest of team. Special intensive orientation and periodic debriefing for him should be arranged. The Mission obtains country clearance only for members of the field party, except for Program Director—whom A.I.D. also clears.

The entire selection process works best with adequate, if informal, consultation—prenomination—between A.I.D. and the university, especially in the field; in some cases, it may be desirable, as part of this process, to have an A.I.D. man consult at the home campus. The procedure should be responsive to the university's timing problems in negotiating with candidates, and in getting individuals to the field at the right time. Timing needs to provide for adequate orientation/training of personnel—to date, a relatively weak procedure.

With regard to participants, the university field team proposes names, training program and follow-up (copies to A.I.D./W), and the Mission obtains necessary host country and U.S. Government

clearances. (Nominations are joint by the university and host institutions.) The Mission helps bring to bear A.I.D. experience with the country and with selection orientation and follow-up. A.I.D./W, too, can help to spread orientation and training experience among universities, and advise on foreign student counseling and hospitality practices, etc. The Agreement should provide adequate U.S. or host country financing for these activities.

With regard to commodities, the university arranges procurement and shipping within any general rules specified by the operating agreement, including possible Mission waiver in specified types of cases. Proposals for equipment for the host institution (as distinguished from the field party's own operating needs) should be worked out jointly with the institution and get clearance by its procurement and budget authorities. As necessary, the Mission should help solve any country import clearance problems.

**8.
Annual Joint
Program Reviews**

Senior home officers and field representatives of the university and A.I.D. join the host institution and, where appropriate, the host government in the annual field review of progress under the operating agreement and of any need to revise the scope of staffing of the project, or other inputs, work plans, budget, etc. This review incorporates any special expenditure budget reviews between A.I.D. and the university mentioned in phase 6. Project evaluations and other reports, field visits and discussion provide the basis for joint reviews. Reports available would include the university's annual full report to A.I.D. of how project funds have been spent. Results are reflected, as necessary, in amendments of the Institutional Development Agreement arranged between A.I.D./W and university home office(s). In-depth reviews, with full analyses of project impact, may occur every few years.

On major, long-term projects, the initial evaluation planning might experiment with evaluation units that would follow the project throughout its life, working closely with the U.S. and host university personnel in periodic evaluations. Another possibility would be the formation of a Joint Council between the two universities, to serve as a senior evaluative and consulting body for the life of the project. Such a Council could include a project historian. It could lead to wider and longer-term relationships between the two institutions, beyond the immediate project. Such a Council would not, however, provide an adequate base for the annual reviews contemplated in phase 8, and it would need to avoid interfering with these.

**9.
Post-Project
Phase**

The university continues to develop its contacts and exchanges of people and information with the host institution and country, in whatever ways feasible. This mutual enrichment supports U.S. foreign policy interests in building channels of communications and understanding between the intellectual and other leadership communities of the U.S. and the less developed countries, e.g.—

- faculty exchanges or visiting lecturers.
- two-way student exchanges, especially graduate students.
- collaborative research.

- continuing promotion (started during contract) of collaborative sister relationships between private voluntary organizations associated with both institutions (4-H Clubs on both sides, business groups, etc.).
- short follow-up surveillance/advisory trips, after suitable intervals, to help shore up or extend activities begun under the project.
- joint participation of personnel of the two institutions in international organizations, seminars, workshops, projects, etc.
- new joint projects.

Joint planning at the start of the project and in mid-stream would stimulate and facilitate specific follow-up activities—and sustain both institutions' general interest in mutually supporting joint activities. This might include lateral activity or other uses of the knowledge and international relationships which the project has helped establish. Additionally, where the two institutions have taken substantial program initiative, a variety of U.S. Government or private sources may furnish "topping up" financial support. In some cases, more substantial support may be needed and justified—e.g., matching grants from foundations, A.I.D. or other sources, when the universities cover a major part of the cost of the collaboration.

All these options point to the same theme: from its start, a long-term institution-to-institution project should be viewed as the birth of a continuing relationship. In Part II of this report, the sub-section on "Broader Perspectives" brings out the need for the universities and the U.S. Government to develop better means for following up on projects, and to define suitable role and responsibilities for the interested parties. There is a potentially rich harvest here, both for the universities and for our national interests.

ANNEX B

Standard Form for the "Institutional Development Agreement"

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

AID/ _____
PIO/T NO.: _____
Appropriation No.: _____
Allotment No.: _____
Project No.: _____

Mr. William Smith
President
XYZ University
Anytown, U.S.A. 12345

Dear Mr. Smith:

I am pleased to inform you that pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, Institutional Development Agreement No. AID/[] (number) in the amount specified as obligated in Article I of the Schedule, is hereby made with the XYZ University.

This Agreement is for the purpose of implementing the *(Title of Project)* in *(Cooperating Country)*. The funds provided shall be used in furtherance of the goals and the types of activities specified in the Operational Plan (Attachment I), as from time to time amended.

This Agreement is made on condition that the Institution shall administer the funds provided under this Agreement in accordance with the terms and conditions set forth in the Budget (Attachment II), the Schedule (Attachment III), and the Standard Provisions (Attachment IV) attached hereto and made a part hereof.

[Paragraph(s) here, tailored to fit the specific situation, refer as appropriate to aspirations for productive associations between the interested parties including the host institution.]

Please acknowledge acceptance of this Agreement by signing the original and six copies of this letter and return the original and five copies to me.

Sincerely yours,

ACCEPTED:
XYZ UNIVERSITY

BY _____
TITLE _____
DATE _____

ATTACHMENTS: I Operational Plan
II Budget
III Schedule
IV Standard Provisions

OPERATIONAL PLAN

I. PROJECT DESCRIPTION

[This section of the Operational Plan will contain a statement of the agreed-to objectives of the project, the purposes to be served by such objectives, and the types of activities to be conducted under the project. This statement provides the context to which the Institution's actions, taken without prior approval, must be related.]

II. PROJECT GOALS

[This section will contain a statement of the goals sought at the various stages of the life of the project. These various goals and subgoals should be related to the agreement's funding periods and be sufficiently specific to serve as criteria for considering the effectiveness and progress of the project.]

III. COROLLARY INSTITUTION AND OTHER RELATED ACTIVITIES

[This section of the Operational Plan will contain a statement of those activities undertaken or planned by the Institution, at its own initiative and through non-project funding, that are complementary to, and will strengthen, the project. The Institution should go as far as its vision will allow, possibly to include continuing institution-to-institution relationships and to other related activities in the Cooperating Country in the post-project phase. The description of the other related activities would refer to the total environment in which the Institution is operating, i.e. Foundations or other A.I.D. projects, Cooperating Country and Cooperating Country Institution activities. The nature of the relationship between these corollary activities and the project should be stated so that coordination and mutual support may be maximized.]

IV. PERIODIC REVIEW

A periodic review will be made of the progress of the project. This review will be based on reports, submitted by the Institution, on project activity, plans for the future and any other pertinent evaluative material. The review will involve A.I.D. and the Institution including appropriate consultation with Cooperating Country representatives. The review will normally be undertaken within 60 days of the completion of each project year, which will begin on _____. With regard to projected plans, the following will be reviewed and the Agreement modified as necessary:

1. Planned forward expenditures
2. Forward obligations required
3. Other changes in the Schedule
4. Required amendments in Section I above (such as changes in the agreed-upon types of activities)
5. Other amendments as desired

V. MANAGEMENT RESPONSIBILITY

The Institution will use its best efforts to conduct the work of this project effectively and efficiently, and will manage the funds provided according to its own policies and procedures with regard to the incurring of costs reimbursable under this Agreement, subject to the limitations stated in the Standard Provisions of this Agreement.

VI. LONG-TERM INTENT

[This section will contain a statement of the intentions of both parties to commit themselves to the objectives stated in Section I above, subject to the availability of funds, for the life of this project.]

ATTACHMENT II

U.S. DOLLAR BUDGET

	Column I Accrued Expenditures To Project Year Fm: To:	Column II Estimated Expenditures Current Project Year Fm: To:	Column III Estimated Projected Expenditures Fm: To:
1. Personal Compensation (including benefits)			
2. Indirect Costs (overhead)			
3. Consultant Fees			
4. Allowances			
5. Regular Travel and Transportation			
6. Other Travel			
7. Equipment and Materials			
8. Foreign National Training Costs			
9. Other Direct Costs (including costs for printing, publishing and miscellaneous)			
	Total \$ _____	Total \$ _____	Total \$ _____

NOTES: 1. Total expenditures, i.e., the sum total of Columns I, II and III shall not exceed the total obligated amount specified in Article I of the Schedule. Expenditures for any line item, except numbers 6 and 7, may be adjusted as reasonably necessary for accomplishment of the purposes of this Agreement. Unless advance written approval is obtained from the Mission Director or the Agreement Officer, expenditures for line items numbers 6 and 7 may not be exceeded by more than 15% of the amounts stated within each Column for these items.

[2. Amounts specified in Column I shall reflect expenditures incurred from inception of the Agreement to the current project year.]

[3. The number and description of budget line items may be modified to adapt to each project.]

SCHEDULE

This Schedule incorporates the parts of this Agreement identified as the Covering Letter, the Operational Plan (Attachment I), and the Budget (Attachment II). To the extent of any inconsistency between the Schedule and the Standard Provisions, the Schedule shall control.

ARTICLE I—PERIOD OF AGREEMENT, ESTIMATED COST AND FINANCING

A. The objectives and goals in Parts I and II of the Operational Plan of this Agreement anticipate a project life of approximately (number) years.

B. This Agreement is effective on (date) and shall continue for a period of (number) years. The total estimated cost of this Agreement for the above period is \$ (amount) of which \$ (amount) is obligated and made available hereunder for the period (date) to (date). Additional amounts of U.S. Dollars may be added to this Agreement by the Agreement Officer, in which event the obligated funds hereunder shall be increased by the additional sums so allocated. In no event shall A.I.D.'s liability exceed obligated funds hereunder.

ARTICLE II—INDIRECT COSTS (OVERHEAD)

Establishment of Negotiated Indirect Cost Rates

Pursuant to the clause of the Standard Provisions of this Agreement entitled "Indirect Costs (Overhead)—Negotiated" a rate or rates shall be established for each of the Institution's accounting periods during the term of the Agreement. Pending establishment of final indirect cost rates for the initial period, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rates applied to the base(s) which are set forth below:

On Campus	_____	_____	_____
	(Rate)	(Base)	(Period)
Off Campus	_____	_____	_____
	(Rate)	(Base)	(Period)

Negotiated indirect cost rates for subsequent periods shall be negotiated in accordance with the terms of the "Indirect Costs (Overhead) Negotiated" clause of this Agreement.

ARTICLE III—LOCAL CURRENCY SUPPORT TO INSTITUTION

A. The Institution shall be provided with or reimbursed in _____ for the following: _____ (State Local Currency)
 [To be completed]

B. Method of Payment

The Agreement Costs specified as local currency costs in paragraph "A" above, are in addition to the obligated U.S. Dollar amount stated in Article I hereinafter and in the Budget, (Attachment II) and if not furnished in kind by the Cooperating Government or the Mission, shall be paid to the Institution in a manner adapted to the local situation and as agreed to by the Mission Director, in writing, to the Institution. The documentation for such costs shall be on such forms and in such manner as the Mission Director shall prescribe.

[The Institution shall prepare and submit, as part of its Project Proposal, a Local Currency Budget, the composition of which shall take into consideration the most essential elements of local currency needs. The method of funding and the time by which these local currencies are required to be furnished to the Institution shall have been established through in-depth discussions by the Institution with the Host Institution, the Cooperating Government and the Mission Director. The preferred method is to establish some form of host country-provided local currency fund under Mission management (e.g., "Trust Funds" or budget advances from the Host Country), so that there is advance assurance on the availability of funds for the agreed budget uses.

In the event Trust Funds Currencies or Advance Local Currency Funding is not made available or the Cooperating Government or Host Institution fails to fulfill their commitment to provide these local currencies by the time and in the manner earlier agreed upon, the Institution, after prior consultation with the Mission Director, may utilize an amount not to exceed \$ (specify amount) of budgeted U.S. dollars to cover critical, short-term emergency local currency needs.

The U.S. dollars expended for such normally local currency-funded items shall be replenished by convertible local currencies (i.e. local currencies which can be converted into U.S. dollars) or replaced by local currencies which can be liquidated for other specified U.S. dollar costs.

At the time of negotiation of the underlying Project Agreement (ProAg), the Mission Director should seek to have the assurance that the Cooperating Government will replenish U.S. dollars expended for such normally local currency funded items, and has authorized conversion of the replenishment local currencies into U.S. dollars, in case they cannot be used for normally dollar cost items. The purpose is to avoid a short fall in the dollars provided to meet dollar costs.] *

Where the Cooperating Government or (insert Mission or A.I.D./W office, as appropriate) does not meet its commitment to provide the aforesaid logistic support and/or local currency, the parties agree that further action will be taken pursuant to the provision of this Agreement entitled "Material Change in Conditions".

* The bracketed language has been included in this format for information purposes only and will not appear in the negotiated agreement itself. It is intended to provide instructions to the negotiating parties for the utilization of various methods for alleviating potential or real problems in such areas as local currency funding for local logistic support.

ARTICLE IV—PAYING OFFICE

Voucher Form SF 1034 (original) and SF 1034a (three copies), for U.S. Dollars only, and other supporting documentation, as required, shall be submitted to (insert appropriate office, Controller, A.I.D./W or Mission) in accordance with the procedures set forth in the Standard Provisions clause entitled "Allowable Cost and Payment". All vouchers for payment of local currency shall be submitted to the Mission Controller.

ARTICLE V—SPECIAL PROVISIONS

1. Special Items of Allowable Cost

This provision shall include an advance understanding regarding the kinds of special items of cost which may be incurred by the Institution and which will be reimbursed to the same extent as those items of allowable costs defined in the Bureau of the Budget Circular A-21. These special items shall be specified in the Operational Plan. [An example of the kind of cost spelled out in this provision would be the reimbursement, on a jointly funded basis, of costs incurred for the between-tour residences of those regular employees who have completed a tour of at least two years and who have agreed to return overseas for a second tour of at least two years. Another example would be on-campus research activities which may be jointly funded and are related to the work performed by the Institution under the Agreement.]

2. [Pursuant to the Standard Provisions clause entitled "Orientation and Language Training" provision shall be made for the types and kinds of orientation and language training to be arranged by the Institution. At the time of negotiation of the Institutional Development Agreement, the maximum length of time considered suitable for orientation will be agreed upon and set forth herein.]

3. [Pursuant to the Standard Provision clause entitled "Procurement of Equipment, Vehicles, Materials and Supplies" provision shall be made for the purchase of vehicles, if any, authorized under the Agreement.]

ARTICLE VI—ALTERATIONS TO THE STANDARD PROVISIONS AND ADDITIONAL STANDARD PROVISIONS

1. [If the total amount of the Agreement is funded through the advance of funds method, clauses entitled "Advance of Funds" and "Limitation of Cost" are available for use in lieu of the Standard Provisions entitled "Federal Reserve Letter of Credit" and "Limitation of Funds".]

2. [If a predetermined indirect cost rate is agreed to by the parties, the Provision entitled "Establishment of Predetermined Indirect Cost Rates" is available for use in lieu of the provision now set forth in Article II and the clause entitled "Indirect Costs (Overhead)—Predetermined" is available for use in lieu of the Standard Provision clause entitled "Indirect Costs (Overhead)—Negotiated".]

STANDARD PROVISIONS

1. DEFINITIONS

(a) "Administrator" shall mean the Administrator or the Deputy Administrator of the Agency for International Development.

(b) "A.I.D." shall mean the Agency for International Development.

(c) "Agreement Officer" shall mean the person executing this Agreement on behalf of the United States Government and any other Government employee who is a properly designated Agreement (Contracting) Officer; and the term includes, except as otherwise provided in this Agreement, the authorized representative of the Agreement (Contracting) Officer acting within the limits of his authority.

(d) "Campus Director" shall mean the representative of the Institution who shall be responsible for coordinating the activities in the Cooperating Country with those performed on-campus under this Agreement. He shall not be considered a 'Regular Employee' while serving in the Cooperating Country.

(e) "Campus Personnel" shall mean representatives of the Institution performing services on-campus under the Agreement and the term shall include the Campus Director.

(f) "Consultant" shall mean any especially well-qualified person who is engaged on a temporary or intermittent basis to advise and perform other duties for the Institution and who is not an employee of the Institution except as may be provided in the Schedule or approved by the Agreement Officer.

(g) "Cooperating Country or Countries" shall mean the foreign country or countries in which services are to be rendered hereunder.

(h) "Cooperating Country National" shall mean an individual who is a citizen or resident of the Cooperating Country.

(i) "Cooperating Government" shall mean the Government of the Cooperating Country.

(j) "Dependents" shall mean:

(1) Wife;

(2) Children (including step and adopted children) who are unmarried and under 21 years of age or, regardless of age, are incapable of self-support;

(3) Parents (including step and legally adoptive parents), of the employee or of the spouse, when such parents are at least 51 per cent dependent on the employee for support;

(4) Sisters and Brothers (including step or adoptive sisters or brothers) of the employee, or of the spouse, when such sisters and brothers are at least 51 per cent dependent on the employee for support, unmarried and under 21 years of age, or regardless of age, are incapable of self-support; and

(5) Husband who is at least fifty-one (51) percent dependent on the employee for support.

(k) "Economy Class" air travel (also known as jet-economy, air coach, tourist-class, etc.) shall mean a class of air travel which is less than first-class.

(l) "Employee" shall mean an employee of the Institution assigned to work under this Agreement.

(m) "Government" shall mean the United States Government.

(n) "Institution" shall mean the educational institution providing services hereunder.

(o) "Local Currency" shall mean the currency of the Cooperating Country.

(p) "Mission" shall mean the United States A.I.D. Mission to, or principal A.I.D. office in, the Cooperating Country.

(q) "Mission Director" shall mean the principal officer in the Mission in the Cooperating Country, or his designated representative.

(r) "On-Campus" shall mean the Institution's home campus, i.e., place of performance for activities carried out in the United States under this Agreement.

(s) "Other Travel" shall mean executive, consultation and special travel by the Program Director, the Campus Director and other professional Institution personnel to and from and within the Cooperating Country and Third Countries and in the United States. The term shall also mean orientation travel within the United States by Regular and Short Term Employees and authorized dependents.

(t) "Personnel Compensation" shall mean the periodic remuneration reimbursed to the Institution for employee's services, exclusive of post differential and other allowances associated with overseas service, except as otherwise stated. The term 'compensation' includes payments for personal services (i.e. fees, honoraria and stipends for graduate students) but excludes earnings from sources other than the individual's professional or technical work, overhead, and other charges.

(u) "Professional Personnel" shall mean an individual who is engaged in providing services requiring specialized training in some liberal art or science usually involving mental rather than manual work and who is qualified in his field by the standards of the profession, e.g., administrators, lawyers, doctors, professors, teachers, engineers, economists, scientists, and research associates.

(v) "Program Director" shall mean the representative of the Institution in the Cooperating Country who shall be responsible for supervision of the performance of all duties undertaken by the Institution in the Cooperating Country.

(w) "Resident" shall mean an individual who has been physically present for three consecutive years, substantially uninterrupted, in a country.

(x) "Regular Employee" shall mean an Institution employee appointed to the Project to serve for one year or more in the cooperating country.

(y) "Regular Travel" shall mean necessary, program related travel taken by Regular and Short Term employees and their authorized dependents to and from and within the Cooperating Country and the United States. The term excludes orientation travel.

(z) "Short Term Employee" shall mean an Institution employee appointed to the Project to serve for less than one year in the cooperating country.

(aa) "Supervisory Personnel" shall mean those Contractor employees who are assigned the responsibility for an area of work under the Agreement and the direction of the work of other Institution employees. Generally, they are responsible for the employee's selection, orientation, workload organization and scheduling, training, evaluation of performance, and necessary disciplinary action.

(bb) "Third Country National" shall mean an individual who is not a United States citizen, nor a United States resident, nor a Cooperating Country National.

(cc) "Traveler" shall mean the Institution's Regular Employees, Dependents of Regular Employees, Short-term Employees, Consultants, the Campus Director or other Professional Personnel on his staff, prospective Regular or Short-term Employees and spouses, when attending personal interviews in accordance with the Institution's normal practice in selecting its personnel, or other persons designated as Travelers by the Agreement Officer or the Mission Director, as appropriate.

2. INSTITUTION—MISSION RELATIONSHIP

(a) The Institution acknowledges that this Agreement is an important part of the United States Foreign Assistance Program and agrees that its operations and those of its employees in the Cooperating Country will be carried out in such a manner as to be fully commensurate with the responsibilities which this entails.

(b) The Mission Director is the chief representative of A.I.D. in the Cooperating Country. In this capacity, he is responsible for the total A.I.D. program in the Cooperating Country including certain administrative responsibilities set forth in this Agreement and for advising A.I.D. regarding the performance of the work under the Agreement and its effect on the United States Foreign Assistance Program. Although the Institution will be responsible for all professional, technical and administrative details of the work called for by the Agreement, it shall be under the guidance of the Mission Director in matters relating to foreign policy. The Program Director shall keep the Mission Director currently informed of the progress of the work under the Agreement.

(c) It is understood by the parties that the Institution's responsibilities shall not be restrictive of academic freedom. Notwithstanding these academic freedoms, the Institution's employees, while in the Cooperating 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.

(d) In the event the conduct of any Institution employee is not in accordance with the preceding paragraphs, the Program Director shall consult with the Mission Director and the employee involved and upon agreement of these parties shall resolve a course of action with regard to such employee.

(e) The parties recognize the right of the United States Ambassador to direct the removal from a country of any United States citizen employed under this Agreement or the discharge from this Agreement of any third country national or Cooperating Country national when, in the discretion of the Ambassador, the interests of the United States so require.

(f) If it is determined that the services of such employee shall be terminated, the Institution shall use its best efforts to cause the return of such employee to the U.S., or point of origin, as appropriate.

3. APPROVALS

All approvals made under the Agreement by the Agreement Officer or Mission Director, shall be in writing and obtained by the Institution in advance of the contemplated action. The approving official may, in his discretion, ratify unauthorized actions after the fact when circumstances dictate. Such ratifications shall then constitute the necessary approval.

4. PERSONNEL

(a) Biographical Data

(1) The Institution agrees to furnish to the Agreement Officer the biographical information only requested on AID Form No. 1420-17, "Contractor Employee Biographical Data Sheet" for (i) all Institution employees to be sent outside the United States, and (ii) the Campus Director. Salary information need not be submitted on AID Form No. 1420-17. Biographical data on other personnel employed under this Agreement shall be available for review on-campus by A.I.D.

(2) Where Agency regulations require a security clearance for Institution employees, normally only for the Program Director, the Institution also agrees to submit Standard Form 86, "Security Investigation Data for Sensitive Position", Foreign Residence Data Form 6-85, and Finger Print Chart FD-258 for each such employee.

(b) Cooperating Country Clearance for Program Director and Institution Personnel

(1) PROGRAM DIRECTOR

The Mission Director shall obtain and notify the Institution of Country Clearance for the Program Director prior to his assuming duties hereunder.

(2) OTHER PERSONNEL

Institution shall obtain written notification from the Mission of Cooperating Country clearance for any employee sent outside the United States to perform duties in the Cooperating Country under the Agreement.

(3) INDIVIDUALS ENGAGED OR ASSIGNED WHEN OUTSIDE THE UNITED STATES

Individuals hired outside the United States to perform work outside the United States shall be approved or cleared in the following manner:

(i) U.S. Citizens or Residents

The Institution shall consult with the Mission Director prior to engaging the services of a U.S. citizen, or resident to perform services hereunder.

(ii) Cooperating Country and Third Country Nationals

The Institution shall obtain clearance, from the Mission Director, prior to engaging the services of Cooperating Country Nationals and locally hired Third Country Nationals to perform services hereunder.

(iii) Exceptions

When services by an individual, regardless of nationality or origin, are performed in the Cooperating Country on a casual or irregular basis or in an emergency, exception to paragraphs (i) and (ii) may be made in accordance with instructions or regulations established by the Mission Director.

(4) NOTIFICATION TO THE MISSION DIRECTOR

The Institution shall provide written notification to the Mission Director normally within thirty (30) days prior to the arrival, of all individuals sent to the Cooperating Country from the United States or Third Country to perform services hereunder. When, for reasons of urgency the 30 day arrival notice cannot be complied with, the Institution will provide as much advance notice as is possible under the circumstances.

(c) Duration of Appointments

(1) Regular employees will normally be appointed for a minimum of two years which period includes orientation (less language training) in the United States and authorized international travel under the Agreement except:

(i) An appointment may be made for less than 2 years if the Agreement has less than 2 years but more than 1 year to run; Provided, That if the Agreement is extended the appointment shall also be extended to the full 2 years.

(ii) When a 2 year appointment is not required, appointment may be made for less than 2 years but in no event less than 1 year.

(iii) When the normal tour of duty established for A.I.D. personnel at a particular post is less than 2 years, then a normal appointment under this Agreement may be of the same duration; or

(iv) When the Institution is unable to make appointments of regular employees for a full 2 years, in which case the Institution may make appointments of less than 2 but not less than 1 year; Provided, That such appointment is approved by the Agreement Officer.

(2) Services required for less than one year will be considered short-term appointments and the employee will be considered a short-term employee.

(d) Employment of Dependents

If any person who is employed in the Cooperating Country under this Agreement is either (i) a dependent of a Government employee working in the Cooperating Country, or (ii) a dependent of an Institution employee working under a Contract or Grant with the Government, in the Cooperating Country, such person shall continue to hold the status of a dependent and be entitled and subject to the Agreement provisions which apply to dependents. As an employee, the dependent will be reimbursed at a salary in accordance with the Institution's established policies and procedures for services performed in the Cooperating Country and to workmen's compensation as provided in the clause of this Agreement entitled "Insurance—Workmen's Compensation, Private Automobiles, Marine and Air Cargo". Said dependent shall not be entitled to overseas salary differential or other allowances which are granted to employees mentioned in (i) and (ii) above.

(e) Physical fitness of employees and dependents

(1) PREDEPARTURE

For all employees (other than those hired in the Cooperating Country) and their authorized dependents, it shall be certified by a licensed doctor of medicine that in his opinion the employee is emotionally and physically qualified to engage in the type of activity for which he is to be employed and that he and his dependents are physically able to reside in the country to which he is assigned. If the Institution has no such medical certificate on file prior to the departure for the Cooperating Country of any employee or authorized dependent and such employee is unable to perform the type of activity for which he is employed and complete his tour of duty because of any physical disability (other than physical disability arising from an accident while employed under this Agreement) or such authorized dependent is unable to reside in the Cooperating Country for at least nine months or one-half the period, whichever is greater, of the related employee's initial tour of duty because of any physical disability (other than physical disability arising from an accident while a dependent under this Agreement), the Institution shall not be reimbursed for the return transportation costs of the physically disabled employee and his dependents and their effects or for the return transportation of the physically disabled dependent required to return because of such disability.

(2) END OF TOUR

The Institution is authorized to provide its regular employees and dependents with physical examinations within sixty (60) days after completion of their regular tours of duty.

(3) REIMBURSEMENT FOR MEDICAL EXAMINATIONS

The Institution is encouraged to establish its own policy on pre and post tour medical examinations. As a contribution, A.I.D. shall reimburse the Institution for physical examinations authorized in paragraphs (1) and (2) above, not to exceed without Agreement Officer approval: (a) \$50 per examination for the Institution's employee and dependents twelve years of age and over, and (b) \$15 per examination for dependents under twelve years of age.

(f) Importation and Sale of personal property or automobiles

To the extent permitted by the Cooperating Country laws, and regulations, the importation, purchase and sale of personal property or automobiles by Institution employees and their dependents in the Cooperating Country shall be subject to the same limitations and prohibitions which apply to Mission employees and their dependents.

(g) Economic and Financial Activities

No regular or short-term employee of the Institution shall engage, directly or indirectly, either in his own name or in the name or through the agency of another person, in any business, profession, or occupation in the Cooperating Country or other foreign country to which he is assigned, nor shall he make loans or investments to or in any business, profession, or occupation in the Cooperating Country or other foreign countries to which he is assigned. This is not intended to prohibit an employee from engaging in research and other scholarly work while in the Cooperating Country.

Consultants shall not engage in such economic or financial activities, unless the Mission Director determines that such activity does not involve a conflict of interest.

5. ORIENTATION AND LANGUAGE TRAINING

(a) At the discretion of the Institution regular employees may receive a maximum of two (2) weeks A.I.D. sponsored orientation before travel overseas. The dates of orientation shall be selected by the Institution from the orientation schedule provided by A.I.D.

(b) Participation in A.I.D. sponsored orientation in no way relieves the Institution of its responsibility for assuring that all employees, regular and short term, are properly oriented. As an addition to, or in substitution for A.I.D.'s sponsored orientation for regular employees and for selected short term employees, the following types of orientation may be authorized taking into consideration specific job requirements, an employee's prior overseas experience, or unusual circumstances:

- (1) Modified orientation.
- (2) Language training, particularly when significant for operating capabilities.
- (3) Orientation and language training for regular employee's dependents.
- (4) Institution-sponsored orientation.
- (5) Orientation in all matters related to the administrative, logistical, and technical aspects of the employee's movement to, and tour of duty in, the Cooperating Country.

(c) Authorization for the type of approved orientation and language training, if any, shall be either set forth in the Schedule or provided in writing by the Agreement Officer.

6. POST PRIVILEGES

To the extent desired by the Institution and permitted by Cooperating Country laws and regulations, the Mission Director shall use his best efforts to assist, at the post of assignment, the Institution's regular employees and their dependents with APO, PX, commissary, and Officers Club privileges if these are made available to A.I.D. employees, except that such privileges shall be granted in accordance with applicable A.I.D. regulations.

Medical services will be provided in accordance with applicable A.I.D. regulations governing the availability of State Department foreign post medical facilities to eligible Institution employees and authorized dependents. A.I.D. cannot guarantee authorization of post privileges or, if once granted, does not guarantee their continuance throughout the duration of the agreement.

7. DIFFERENTIAL, ALLOWANCES AND OTHER

The Institution shall be reimbursed for expenses such as differential (i.e. post), allowances (i.e. living quarters, temporary lodging, post, supplemental post, separate maintenance, educational and educational travel) for its regular employees and authorized dependents and for such other expenses as emergency evacuation for its employees and dependents in accordance with the Standardized Regulations (Government Civilians, Foreign Areas), as from time to time amended, in effect in the Cooperating Country at the time the required services are being performed therein.

The applicable chapters of these regulations are as follows:

- (a) Post Differential —Chapter 500 (except the limitation contained in Section 552, "Ceilings on Payments), Tables—Chapter 900
- (b) Living Quarters Allowance —Chapter 130
- (c) Temporary Lodging Allowance—Chapter 120
- (d) Post Allowance—Chapter 220
- (e) Supplemental Post Allowance—Chapter 230
- (f) Educational Allowance—Chapter 270
- (g) Educational Travel—Chapter 280
- (h) Separate Maintenance Allowance—Chapter 260
- (i) Payments During Evacuation—Chapter 600

Short-term employees appointed to serve at least 90 days in the Cooperating Country shall be entitled to post differential, (a) above, from the first day at post. Short-term employees serving less than 90 days shall be entitled to post differential from the forty-third (43rd) day.

Short-term employees and consultants may be paid per diem, (b) above, (in lieu of living quarters allowance) in accordance with standard policies of the Mission.

8. NOTICE OF CHANGES IN REGULATIONS

Changes in differential and allowance regulations shall be effective on either the beginning of the Institution's next pay period following receipt of the notice or the effective date of such notice, whichever is later. Notice of changes shall be sent by the Agreement Officer or Mission Director pursuant to the clause entitled "Notices" of the Standard Provisions of this Agreement.

9. TRAVEL AND TRANSPORTATION EXPENSES

(a) General

Costs of travel and transportation expenses (including travel allowances while in travel status) for the kinds of travel specified below and transportation of things will be reimbursed to the Institution in accordance with its established policies and procedures. Prior to their adoption and use, such policies and procedures shall have been agreed to upon the basis of a separate agreement negotiated by and entered into between the parties hereto. [A.I.D. normally would not accept a policy on reimbursement for travel and related expenses that exceeds comparable U.S. government provisions; however, in special circumstances adequately justified by the Institution, the Agreement Officer may authorize exceptions.] *

(1) REGULAR TRAVEL

The Institution will be reimbursed for all allowable direct travel and transportation expenses (domestic, international and within the Cooperating Country) for travelers and their authorized dependents.

* The bracketed language has been included for instructional purposes only and will not appear in the negotiated agreement itself. It has been inserted here to provide guidance to the Institution in its development of its own policies and procedures.

(2) OTHER TRAVEL

Upon prior written notification to the Mission Director, the Institution will be reimbursed for the direct costs of:

(i) Executive and consultation travel between the Cooperating Country and the United States, as deemed necessary, for senior officials and the Program Director;

(ii) International travel other than between the United States and Cooperating Country and local transportation within those other countries; and

(iii) Travel allowances for travelers while in travel status and while performing services hereunder in such other countries.

(3) ORIENTATION TRAVEL

The Institution will be reimbursed for necessary transportation costs and travel allowances from employee's residence to place of orientation and return, if the place of orientation is more than fifty (50) miles from the employee's residence.

(4) EVACUATION TRAVEL

When, for any reason, the Mission Director determines it is necessary to evacuate the Institution's entire team (i.e. employees and dependents or dependents only), the Institution will be reimbursed for actual travel and transportation expenses and travel allowances while enroute, for the cost of the individuals going from post of duty in the Cooperating Country to the United States or other approved location. The return of such employees and dependents to the Cooperating Country may also be authorized by the Mission Director when, in his discretion, he determines it is prudent to do so.

(b) Transportation and Shipment of Things

The Institution will be reimbursed for the reasonable costs of transportation and shipment of regular employees privately owned vehicles, personal and household effects.

(c) United States Flag Carriers

(1) All international travel and transportation of things (including commodities and equipment purchased for use under the Agreement as well as employees' vehicles, personal and household effects) which is to be reimbursed in United States dollars hereunder, shall be made on U.S. Flag Carriers.

(2) When transportation and shipment of things cannot be made on U.S. Flag Carriers, the Institution shall submit a request for waiver to the Resources Transportation Division, A.I.D., Washington, D. C. 20523.

(3) When international travel of persons cannot be made on U.S. Flag Carriers, the Institution may utilize other means provided the reasons for exceptions adhere to the conditions for exceptions set forth in the Institution's separate policies and procedures agreement negotiated with and acceptable to A.I.D. (see paragraph (a) hereof.)

10. PERSONNEL COMPENSATION

Compensation of direct personnel will be reimbursed in accordance with this provision and the Standard Provisions clause entitled "Allowable Cost and Payment".

(a) Personal Compensation

Direct reimbursement of all personal compensation including computation of current or previous salary rate, annualization, and merit or promotion increases for Institution employees working under this Agreement within the United States and overseas and fees for consultants shall not exceed the Institution's policies and procedures for its on-campus employees and for those on-campus employees assigned to overseas status and for consultants whether they be engaged on-campus or assigned overseas. Prior to their adoption and use, such policies and procedures shall have been agreed to upon the basis of a separate agreement negotiated by and entered into between the Institution and A.I.D.

(b) Use of U.S. Citizens and Residents and Cooperating Country Nationals

Unless otherwise authorized by the Agreement Officer or the Mission Director, all supervisory and all professional personnel employed under this Agreement and any major subordinate agreements hereunder shall be United States citizens, United States residents or Cooperating Country Nationals and, in the interest of the project, other personnel of these origins shall be employed in preference to third country nationals to the greatest extent possible.

(c) Other Nationals

Compensation for Cooperating Country and Third Country Nationals hired within the Cooperating Country will not be reimbursed unless the individual salary has the approval of the Mission Director nor may the compensation exceed the level of compensation paid to these types of personnel by the A.I.D. Mission in the Cooperating Country, or to personnel of equivalent competence employed in the Cooperating Country. [All foreign nationals employed pursuant to this Clause shall be paid in the currency of the Cooperating Country unless otherwise authorized by the Mission Director.]

11. LEAVE AND HOLIDAYS

Leave (i.e. vacation, sick, home and military) and holidays shall be in accordance with the Institution's established policies and procedures for its on-campus employees and for those employees assigned overseas. Prior to their adoption and use, such policies and procedures shall have been agreed to upon the basis of a separate agreement negotiated by and entered into between the Institution and A.I.D. [A.I.D. normally would not accept policies and procedures on leave and holidays that exceed comparable U.S. government provisions; however, in special circumstances adequately justified by the Institution, the Agreement Officer may authorize exceptions.] Reimbursement for vacation, sick and home leave is limited to the amount earned by the employee during his assignment under the Agreement. Lump sum payments for vacation leave shall be limited to that amount earned but not used during a 12-month period. Unused sick and home leave is not reimbursable hereunder.

12. FOREIGN COUNTRY NATIONAL TRAINING

When training of Foreign Country Nationals is set forth in the Operational Plan, the Institution shall be reimbursed for its reasonable and allocable costs at rates stated in the Institution's policies and procedures for such training. These policies and procedures shall have been agreed to upon the basis of a separate agreement negotiated and entered into between the

Institution and A.I.D. [A.I.D. would not normally accept training policies and procedures that exceed the standard A.I.D. procedures set forth in the A.I.D. Manual Orders 1380 Series as the latter apply to Institutions, nor training costs which would exceed those specified as follows: (a) customary tuition and fees as published by the Institution in catalogs and announcements, (b) A.I.D.'s negotiated, standardized rates, as from time to time amended, currently in effect under existing Institution training agreements, and (c) other direct and related costs normally charged by the Institution for such items as computer and laboratory usage and associated materials and supplies, textbooks, typing of theses and papers, etc.] With regard to such items as per diem, subsistence and similar costs, the Institution shall be reimbursed at not to exceed maximum A.I.D. rates established in the applicable A.I.D. Manual Orders, as from time to time amended. Unless provided in the Schedule, no charge for international transportation or for insurance for Foreign Country Nationals will be made against this Agreement.

13. PROCUREMENT OF EQUIPMENT, VEHICLES, MATERIALS AND SUPPLIES

(a) No vehicles shall be purchased without the prior written approval of the Agreement Officer unless purchase of such items is specifically authorized in the Schedule of this Agreement.

(b) Except as may be specifically approved or directed in advance by the Agreement Officer, or as provided in paragraph (c) below, all equipment, vehicles, materials, and supplies purchased under this Agreement and to be financed with United States dollars shall be purchased in and shipped from the United States. In addition, for any purchase transaction in excess of \$2,500 the Institution shall notify the seller that the item(s) must be of U.S. source and production and comply with the componentry limitations and other requirements applicable to suppliers under A.I.D. Regulation 1, and that the supplier must execute and furnish Form AID-282 "Suppliers Certificate and Agreement with the Agency for International Development."

(c) Printed or audio visual teaching materials may, to the extent necessary, be purchased outside the United States when:

(1) effective use of the materials depends on their being in the local language; and

(2) other funds including U.S. owned and controlled local currencies are not readily available for procurement of such material.

The order of preference as to countries in which such purchases outside the United States are made shall be:

(1) The A.I.D. receiving country.

(2) Countries falling within AID Geographic Code 901.

(3) Other countries falling within AID Geographic Code 899.

AID Geographic Codes are defined in AIDPR 7-6.5201-1.

The Institution shall purchase all English language books, magazines and other periodicals from the current A.I.D. contractors providing purchasing services or such other material at discount prices; Provided, however, that the Institution may purchase books, magazines, or other periodicals from other sources if the terms, price, delivery and other factors considered, are as good as, or better than, those offered by the current A.I.D. contractors. The procedures to be followed, the name and address of the contractors, and pertinent provisions of the contracts are set forth in A.I.D. Manual Orders 1425.3 (books) and 1425.1.3 (subscriptions of magazines and periodicals).

14. MARKING

Information regarding the implementation of A.I.D.'s Marking Requirements with respect to shipments of commodities financed under this Agreement shall be obtained from the Office of Small Business, A.I.D. Washington, D. C. 20523 or the Mission.

15. SUBORDINATE AGREEMENTS

The placement of subordinate agreements or contracts in excess of \$10,000 with other organizations, firms or institutions is subject to prior written consent of the Agreement Officer. In no event shall any such subordinate agreement or contract be on a cost-plus-a-percentage-of-cost basis. This clause shall not be construed to require further authorization for the procurement of materials and supplies procured in accordance with the clause entitled "Procurement of Equipment, Vehicles, Materials and Supplies". Subordinate contractors (including suppliers) shall be selected on a competitive basis to the maximum practicable extent consistent with the obligations and requirements of this Agreement.

16. MATERIAL CHANGE IN CONDITIONS

If the Institution advises the Agreement Officer of a material change in the conditions which substantially interferes with or impedes the performance of the Agreement in accordance with its terms or with sound professional standards, the parties will mutually consider appropriate action to be taken, which might include, but is not limited to, modification of the Agreement or its termination in whole or part pursuant to the Standard Provisions clause of the Agreement entitled "Termination for Convenience of the Government". Failure of the parties to agree on the existence of such circumstances and consequent refusal of the Government to terminate after receipt of a specific written request to do so will be a dispute concerning a question of fact within the meaning of the clause of the Agreement entitled "Disputes".

17. REPORTS

(a) Within forty-five (45) days following the end of each current "Project Year", as specified in the Operational Plan, the Institution shall submit reports, as outlined below, in the manner stated in subparagraph (b) herein:

(1) INTERIM REPORTS

(A) A substantive report relating to the statement of Project Goals in Section II of the Operational Plan. It shall cover the status of the work to date, analysis of progress and problem areas, if any, and plans for the remaining period. This report shall have attached a revised Work Plan covering the remaining period of obligation, and plans for the future. The Work Plan shall be accompanied by: (i) a "U.S. Dollar Budget" (following the format as shown in Attachment II of this Agreement) for the remaining period of obligation, (ii) a "U.S. Dollar Budget" for any future period of obligation; and (iii) a "Local Currency Budget" which shall reflect those local currency costs expended in the previous "Project Year" and proposed local currency expenditures for any future period of obligation. It should also indicate general progress and prospects of the related non-A.I.D. activities mentioned in Section III of the Operational Plan and;

(B) A listing of personnel assignments and "Personnel Compensation" paid during the previous "Project Year" plus a similar listing of persons

employed at the time of preparation of the report showing annual rates of compensation therefor.

(C) Such other reports as may be specified in the Schedule and the Standard Provisions.

(2) FINAL REPORT

Within ninety (90) days after completion of all work and services required hereunder, or such longer period as may be agreed to by the Agreement Officer, a final report which summarizes, in detail, the accomplishments of the program, methods employed and recommendations regarding unfinished work and/or program continuation.

(b) Report Submission

Reports required under sub-paragraphs (a)(1)(A), (a)(1)(C) and (a)(2) shall be submitted to the Agreement Officer (three (3) copies each) and the Mission Director (four (4) copies each). The report required under sub-paragraph (a)(1)(B) shall be submitted only to the Agreement Officer in two (2) copies.

18. FEDERAL RESERVE LETTER OF CREDIT FOR ADVANCE PAYMENT

A. A.I.D. shall open a Federal Reserve Letter of Credit in the amount of \$_____ (for amending existing Agreements add the word "remaining" here) available for obligation under this Agreement against which the Institution may present payment vouchers. The amount drawn down during any period (calendar month or quarter as determined by the Agreement Officer) shall not exceed \$_____. Within the foregoing ceiling amount, the amount of the payment voucher shall not be less than \$10,000 nor more than \$1,000,000, nor may the amount drawn down, including unexpended amounts previously drawn down, exceed by more than \$10,000, the anticipated amount of expenditures for the following seven day period.

B. In no event shall the accumulated total of all such payment vouchers exceed the amount of the Federal Reserve Letter of Credit.

C. If at any time, the Agreement Officer determines that the Institution has presented payment vouchers in excess of the amount or amounts allowable in A and B above, the Agreement Officer may: (1) cause the Federal Reserve Letter of Credit to be suspended or revoked; or (2) direct the Institution to withhold submission of payment vouchers until such time as, in the judgment of the Agreement Officer, an appropriate level of actual, necessary and allowable expenditures has occurred or will occur under this Agreement, and/or (3) request the Institution to repay to AID the amount of such excess. Upon receipt of the Agreement Officer's request for repayment of excess advance payments, the Institution shall promptly contact the Agreement Officer to make suitable arrangements for the repayment of such excess funds.

D. PROCEDURE FOR INSTITUTION

1. After arranging with a commercial bank of its choice for operation under this Letter of Credit and obtaining the name and address of the Federal Reserve Bank or branch serving the commercial bank, the Institution shall deliver 3 originals of Standard Form 1194, "Authorized Signature Card for Payment Vouchers on Letters of Credit" signed by those official(s) author-

ized to sign payment vouchers against the Federal Reserve Letter of Credit and by an official of the institution who has authorized them to sign.

2. Upon execution of the Agreement, the Institution shall receive one certified copy of the Federal Reserve Letter of Credit.

3. The Institution shall confirm with his commercial bank that the Federal Reserve Letter of Credit has been opened and is available if funds are needed.

4. To receive payment, the Institution shall:

(a) Periodically, although normally not during the last five days of the month, prepare payment vouchers (Form TUS 5401) in an original and three copies.

(b) Have the original and two copies of the voucher signed by the authorized official(s) whose signature(s) appear on the Standard Form 1194.

(c) Present the original and duplicate copy of the Form TUS 5401 to his commercial bank.

(d) Simultaneously, send the triplicate copy of the voucher to the Office of the Controller (C/FRD), AID, Washington, D. C. 20523.

(e) Retain the quadruplicate copy of the voucher.

5. After the first payment voucher (Form TUS 5401) has been processed, succeeding payment vouchers shall not be presented until existing balance of previous payments has been expended or is insufficient to meet current needs.

6. In preparing each payment voucher, the Institution assigns a voucher number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the Federal Reserve Letter of Credit. The current status of the funds advanced under the Federal Reserve Letter of Credit funds shall be presented on the reverse side of the last two copies of the form TUS 5401 in the following format:

Balance of earlier advances on hand at time of last advance	\$ _____
Plus amount of last advance	_____
Less disbursements subsequent to last advance	_____
Equals balance of all earlier advances on hand prior to receiving requested current advance	_____

7. A report of expenditures shall be prepared and submitted to the Controller at intervals specified in the Agreement. This report, submitted on Standard Form 1034, "Public Voucher for Purchases and Services Other Than Personal" shall be supported by certifications, listing of withdrawals and documentation as required (see paragraph (b) of the Clause hereof entitled "Allowable Cost and Payment"). This report shall have attached, as a minimum, an itemization of expenditures and shall identify funds expended in accordance with the total obligated amount of the approved budgets taking into account the limitations imposed therein.

8. The report of expenditures on Standard Form 1034 is reviewed against the Agreement provisions and any improper disbursement is disallowed. The Institution is notified of the reason for the disallowance and is directed to adjust the next periodic report of expenditures to reflect the disallowance and to reduce its next payment voucher against the Federal Reserve Letter of Credit by the amount of the disallowance.

9. Simultaneously with the submission of the report of expenditures, the Institution submits to the Controller a status report on the Federal Reserve Letter of Credit as of the close of the period covered by the report of expenditures. The report is prepared in the following format:

Federal Reserve Letter of Credit No. _____

1. Total Amount of Federal Reserve Letter of Credit \$ _____
2. Payment Vouchers presented against Federal Reserve Letter of Credit
 - a. Credited prior to reporting period _____
 - b. Credited during reporting period, TUS 5401 Nos. _____ through _____, inclusive. _____
 - *c. Presented but not credited, TUS 5401 Nos. _____ through _____, inclusive. _____

E. REFUND OF EXCESS FUNDS

1. If all costs have been settled under the Agreement and the Institution fails to comply with the Agreement Officer's request for repayment of excess Federal Reserve Letter of Credit funds, the Government shall have the right, on other contracts held with the Institution, to withhold payment of Federal Reserve Letter of Credit or other advances and/or withhold reimbursements due the Institution in the amount of the excess being held by the Institution.

2. If the Institution is still holding excess Federal Reserve Letter of Credit funds on a grant, contract or similar Agreement under which the work has been completed or terminated but all costs have not been settled, the Institution agrees to:

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

(b) Upon written request of the Agreement Officer, return to the Government the sum of dollars, if any, which represents the difference between (1) the Institution's maximum position on claimed costs which have not been reimbursed and (2) the total amount of unexpended funds which have been advanced under the Agreement; and

(c) If the Institution fails to comply with the Agreement Officer's request for repayment of excess Federal Reserve Letter of Credit funds, the Government shall have the right, on other contracts, grants or similar agreements held with the Institution, to withhold payment of Federal Reserve Letter of Credit or other advances and/or withhold reimbursements due the Institution in the amount of the excess being held by the Institution.

19. ALLOWABLE COST AND PAYMENT

(a) For the performance of this Agreement, the Government shall pay to the Institution the dollar cost thereof (hereinafter referred to as "allow-

* It will include any payment vouchers reported in Item 2c as presented but not credited.

able cost") determined by the Agreement Officer to be allowable in accordance with:

(1) Bureau of the Budget Circular A-21 (Principles for Determining Costs Applicable to Research and Development under Grants and Contracts with Educational Institutions) in effect as of the date of this Agreement, and

(2) The terms of this agreement.

(b) At least once each quarter, the Institution shall submit to the paying office specified in the Schedule, a Voucher Form SF 1034 (original) and SF 1934(a) in three (3) copies. In every instance, a complete and separate set of Vouchers representing expenditures of local currency shall be sent to the Mission Controller. No copy of this voucher need be sent to A.I.D./W. Each voucher shall be identified by the appropriate A.I.D. Agreement number, properly executed, in the amount of U.S. dollar expenditures made during the period covered. The voucher forms shall be supported by:

(1) Original and two copies of a certified fiscal report rendered by the Institution in the form and manner satisfactory to A.I.D. (See Paragraph D-7 of the clause hereof entitled "Federal Reserve Letter of Credit for Advance Payments".)

(2) The fiscal report shall include a certification signed by an authorized representative of the Institution as follows:

"The undersigned hereby certifies: (i) that payment of the sum claimed under the cited Agreement is proper and due and that appropriate refund to A.I.D. will be made promptly upon request in the event of disallowance of costs not reimbursable under the terms of the Agreement, and (ii) that information on the fiscal report is correct and such detailed supporting information as the cognizant A.I.D. Controller or the Agreement Officer may reasonably require will be furnished by the Institution to A.I.D. upon request.

BY _____

TITLE _____

DATE _____"

(3) The Institution shall submit a vendor's invoice or photostat covering each transaction for procurement of commodities, supplies or equipment totaling in excess of \$2,500 appropriately detailed as to quantity, description and price for each individual item of equipment purchased.

(4) The Institution shall submit a Supplier's Certificate, AID Form 282, triplicate, executed by the vendor for each transaction in excess of \$2,500.

(c) Promptly after receipt of each voucher and statement of dollar cost, the Government shall, except as otherwise provided in this Agreement, subject to the provisions of (d) below, make payment thereon as approved by the paying office specified in the Schedule.

(d) At any time or times prior to final payment under this agreement, the Agreement Officer may have the vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related voucher which are found by the Agreement Officer on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding vouchers.

(e) The voucher designated by the Institution as the "final voucher" is to be submitted on Form SF 1034 (original) and SF 1034(a), in three (3) copies and supported by:

(1) Original and two (2) copies of a certified fiscal report rendered by the Institution, as in (b)(1) and (2) above;

(2) Vendor's invoices as in (b)(3) above for commodities, supplies or equipment in excess of \$2,500 procured since the last voucher submission;

(3) Supplier's Certificate as in (b)(4) above; and

(4) Refund check for the balance of funds, if any, remaining on hand and not obligated by the Institution, and upon compliance by the Institution with all the provisions of this Agreement (including, without limitation, the provisions relating to patents and provisions of (f), (g) and (h) below).

On receipt and approval of the "final voucher," the Government shall promptly pay to the Institution any balance of allowable dollar cost which has been withheld pursuant to (d) above or otherwise not paid to the Institution. The completion voucher shall be submitted by the Institution promptly following completion of the work under this Agreement but in no event later than one hundred twenty (120) days (or such longer period as the Agreement Officer may in his discretion approve in writing) from the date of such completion.

(f) Documentation for Mission

(1) When submitting the U.S. Dollar Voucher Form SF 1034 to the Controller A.I.D. Washington, D. C. 20523 or such other paying office as may be specified in the Schedule hereof, the Institution shall at the same time airmail to the cognizant Mission Controller one copy of the SF 1034(a) and fiscal report. The Mission Controller's copy shall be accompanied by one copy of vendor's invoice for all items of commodities, equipment and supplies (except magazines, pamphlets and newspapers) procured and shipped overseas and for which the cost is reimbursable under this Agreement. (For items shipped from Institution's stocks where vendor's invoices are not available, a copy of the documents used for posting to the Institution's account shall be furnished.)

(2) A separate and complete set of Voucher Form SF 1034 (original) and SF 1034(A) (three copies) representing expenditures of local currency funds shall be sent directly to the cognizant Mission Controller. Documentation required in support of local currency expenditures shall be established by the cognizant Mission Controller.

(g) The Institution agrees that all approvals of the Mission Director and the Agreement Officer which are required by the provisions of this Agreement shall be preserved and made available as part of the Institution's records which are required to be preserved and made available by the clause of this Agreement entitled "Examination of Records".

(h) The Institution agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Institution or any assignee under this Agreement shall be paid by the Institution to the Government, to the extent that they are properly allocable to costs for which the Institution has been reimbursed by the Government under this Agreement. Reasonable expenses incurred by the Institution for the purpose of securing such refunds, rebates, credits, or other amounts shall be allowable costs hereunder when approved by the Agreement Officer. Prior to final payment under this Agreement, the Institution and each assignee

under this Agreement whose assignment is in effect at the time of final payment under this Agreement shall execute and deliver:

(1) An assignment to the Government, in form and substance satisfactory to the Agreement Officer, of refunds, rebates, credits, or other amounts (including any interest thereon) properly allocable to costs for which the Institution has been reimbursed by the Government under this Agreement; and

(2) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this Agreement, subject only to the following exceptions:

(i) Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Institution;

(ii) Claims, together with reasonable expenses incidental thereto, based upon liabilities of the Institution to third parties arising out of the performance of this Agreement; Provided, That such claims are not known to the Institution on the date of the execution of the release; and provided further, That the Institution gives notice of such claims in writing to the Agreement Officer not more than six years after the date of the release or the date of any notice to the Institution that the Government is prepared to make final payment, whichever is earlier; and

(iii) Claims for reimbursement of costs (other than expenses of the Institution by reason of its indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Institution under the provisions of this Agreement relating to patents.

(i) Any dollar cost incurred by the Institution under the terms of this Agreement which would constitute allowable cost under the provisions of this clause shall be included in determining the amount payable under this Agreement, notwithstanding any provisions contained in the specifications or other documents incorporated in this Agreement by reference, designating services to be performed or materials to be furnished by the institution at his expense or without cost to the Government.

20. LIMITATION OF FUNDS

(a) It is estimated that the cost to the Government for the performance of this Agreement will not exceed the estimated cost set forth in the Schedule, and the Institution agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this Agreement within such estimated cost.

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

(c) If at any time the Institution has reason to believe that the costs which it expects to incur in the performance of this Agreement in the next succeeding sixty (60) days, when added to all costs previously incurred, will exceed seventy-five (75%) percent of the total amount then allotted to the contract, the Institution shall notify the Agreement Officer in writing to that

effect. The notice, which shall be received by the Agreement Officer sixty (60) days prior to the end of the period specified in the Schedule, shall state the estimated amount of additional funds, if any, that will be required to continue timely performance of the work for the period set forth in the Schedule, 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 allotted by the end of the period set forth in the Schedule or an agreed date substituted therefor, the Agreement Officer will, upon written request by the Institution, terminate this Agreement pursuant to the provisions of the "Termination for Convenience of the Government" clause on such date. If the Institution, in the exercise of its reasonable judgment, estimates that the funds available will allow it to continue to discharge its obligations hereunder for a period extending beyond such date, it shall specify the later date in its request and the Agreement Officer, in his discretion, may terminate this Agreement on that later date.

(d) Except as required by any other provisions of this Agreement specifically citing and stated to be an exception from this clause, the Government shall not be obligated to reimburse the Institution for costs incurred in excess of the total amount from time to time allotted to the Agreement and the Institution shall not be obligated to continue performance under the Agreement (including actions under the "Termination for Convenience of the Government" clause) or otherwise to incur costs in excess of the amount allotted to the Agreement, unless and until the Agreement Officer has notified the Institution in writing that such allotted amount has been increased and has specified in such notice an increased amount constituting the total amount then allotted to the Agreement. To the extent the amount allotted 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 Agreement Officer shall affect the amount allotted to this Agreement. In the absence of the specified notice, the Government shall not be obligated to reimburse the Institution for any costs in excess of the total amount then allotted to the Agreement, whether those excess costs were incurred during the course of the Agreement or as a result of termination. When and to the extent that the amount allotted to the Agreement has been increased, any costs incurred by the Institution in excess of the amount previously allotted shall be allowable to the same extent as if such costs had been incurred after such increase in the amount allotted; unless the Agreement 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 clause shall affect the right of the Government to terminate this Agreement. In the event this Agreement is terminated, the Government and the Institution shall negotiate an equitable distribution of all property produced or purchased under the Agreement based upon the share of costs incurred by each.

21. INDIRECT COSTS (OVERHEAD)—NEGOTIATED

(a) Notwithstanding the provisions of the clause of this Agreement entitled "Allowable Cost and Payment", the allowable indirect costs under this Agreement shall be obtained by applying negotiated indirect cost rates to bases agreed upon by the parties as specified below.

(b) The Institution, as soon as possible but not later than one hundred and eighty (180) days after the expiration of each period specified in the

Schedule, shall submit to the Agreement Officer with a copy to the Office of the Controller of A.I.D., Washington, D. C., a proposed final indirect cost rate or rates for that period, together with supporting cost data. Negotiation of final indirect cost rates by the Institution and the Agreement Officer shall be undertaken as promptly as practicable after receipt of the Institution's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with Bureau of the Budget Circular A-21 (Principles for determining Applicable Costs Under Research Contracts with Educational Institutions) in effect as of the date of this Agreement.

(d) The results of each negotiation shall be set forth in a modification to this Agreement, which shall specify (1) the agreed final rates, (2) the bases to which the rates apply, and (3) the periods for which the rates apply.

(e) Pending establishment of final indirect cost rates for any period, the Institution shall be reimbursed either at negotiated provisional rates as provided in the Schedule or at billing rates acceptable to the Agreement Officer, subject to appropriate adjustment when the final rates for that period are established. To prevent substantial over or under payment, the provisional or billing rates may, at the request of either party, be revised by mutual agreement, either retroactively or prospectively. Any such revision of negotiated provisional rates provided in the Schedule shall be set forth in a modification to this Agreement.

(f) Any failure by the parties to agree to any final rate or rates under this clause shall be considered a dispute concerning a question of fact for decision by the Agreement Officer within the meaning of the "Disputes" clause of this Agreement.

22. CONVERSION OF UNITED STATES DOLLARS TO LOCAL CURRENCY

Upon arrival in the Cooperating Country and from time to time as appropriate, the Institution's Program Director shall consult with the Mission Director who shall provide, in writing, the policy the Institution's employees shall follow in the conversion of United States dollars to local currency. This may include, but not be limited to, the conversion of said currency through the cognizant United States Disbursing Officer, or Mission Controller, as appropriate.

23. TITLE TO AND CARE OF PROPERTY

(a) Except as modified by any other provision of this Agreement, title to all equipment, materials and supplies, the cost of which is reimbursable by either A.I.D. under this Agreement or the Cooperating Government shall, at all times, be in the name of the Cooperating Government, or such public or private agency as the Cooperating Government may designate unless title to specific types or classes of equipment is reserved to A.I.D. or the Institution under provisions elsewhere in this Agreement. All such property shall be under the custody and control of the Institution until completion of work under the Agreement 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 Institution shall prepare and establish a program to be approved by the Mission for the receipt, use, maintenance, protection, custody and

care of property for which it has custodial responsibility, including the establishment of controls to enforce such program.

24. EXAMINATION OF RECORDS

(a) The Institution shall maintain books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this Agreement. The foregoing constitute "records" for the purposes of this clause.

(b) The Institution agrees that the Controller A.I.D. and the Comptroller General of the United States or any of their duly authorized representatives shall, until expiration of 3 years after final payment under this Agreement, or of the time periods for the particular records specified in Part 1-20 of the Federal Procurement Regulations (41 CFR Part 1-20), whichever expires earlier, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Institution involving transactions related to this Agreement.

(c) The Institution further agrees to include in all its subordinate agreements hereunder a provision to the effect that the subordinate contractor agrees that the Controller A.I.D. and the Comptroller General of the United States or any of their duly authorized representatives shall, until expiration of 3 years after final payment under the subordinate agreement, or of the time specified in Part 1-20 (41 CFR Part 1-20), whichever expires earlier, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subordinate contractor, involving transactions related to the subordinate agreement. The term "subordinate agreement" as used in this clause excludes (1) purchase orders not exceeding \$2,500 and (2) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

25. TERMINATION FOR CONVENIENCE OF THE GOVERNMENT

(a) The performance of work under this Agreement may be terminated, in whole or from time to time in part, by the Government whenever for any reason the Administrator or his designee shall determine that such termination is in the best interest of the Government. Termination of work hereunder shall be effected by delivery to the Institution of a "Notice of Termination" specifying the extent to which performance of work under the Agreement is terminated and the date upon which such termination becomes effective.

(b) After receipt of the "Notice of Termination", the Institution shall cancel its outstanding commitments hereunder covering the procurement of materials, supplies, equipment and miscellaneous items. In addition, the Institution shall exercise all reasonable diligence to accomplish the cancellation or diversion of its outstanding commitments covering personal services and extending beyond the date of such termination to the extent that they relate to the performance of any work terminated by the notice. With respect to such cancelled commitments, the Institution agrees to (i) settle all outstanding liabilities and all claims arising out of such cancellation of commitments with the approval or ratification of the Agreement Officer to the extent he may require, which approval or ratification shall be final for all purposes of this clause, and (ii) assign to the Government, in the manner,

at the time, and to the extent directed by the Agreement Officer, all of the right, title and interest of the Institution under the order and grants so terminated, in which case the Government shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subagreement.

(c) The Institution shall submit its termination claim to the Agreement Officer promptly after receipt of a Notice of Termination, but in no event later than one year from the effective date thereof, unless one or more extensions in writing are granted by the Agreement Officer upon written request of the Institution within such one (1) year period or authorized extension thereof. Upon failure of the Institution to submit its termination claim within the time allowed, the Agreement Officer may, subject to any review required by A.I.D. Regulations in effect as of the date of execution of this Agreement, determine, on the basis of information available to him, the amount, if any, due to the Institution by reason of the termination and shall thereupon pay to the Institution the amount so determined.

(d) Any determination of costs under paragraph (c) shall be governed by the cost principles set forth in Bureau of the Budget Circular A-21 in effect as of the date of this Agreement.

(e) Subject to the provisions of paragraph (c) above, and subject to any review required by A.I.D. Regulations in effect as of the date of execution of this Agreement, the Institution and the Agreement Officer may agree upon the whole or any part of the amount or amounts to be paid to the Institution by reason of the termination under this clause, which amount or amounts may include any reasonable cancellation charges thereby incurred by the Institution on any reasonable loss upon outstanding commitments for personal services which he is unable to cancel subject to the provisions of paragraph (h) below; Provided, however, That in connection with any outstanding commitments for personal services which the Institution is unable to cancel, the Institution shall have exercised reasonable diligence to divert such commitments to its other activities and operations. Any such agreement shall be embodied in an amendment to this Agreement and the Institution shall be paid the agreed amount.

(f) The Government may from time to time, under such terms and conditions as it may prescribe, make partial payments against costs incurred by the Institution in connection with the terminated portion of this Agreement, whenever, in the opinion of the Agreement Officer, the aggregate of such payments is within the amount to which the Institution will be entitled hereunder. If the total of such payments is in excess of the amount finally agreed to or determined to be due under this clause, such excess shall be payable by the Institution to the Government upon demand.

(g) The Institution agrees to transfer title and deliver to the Government, in the manner, at the time and to the extent, if any, directed by Agreement Officer, such information and items which, if the Agreement had been completed, would have been required to be furnished to the Government, including: (i) completed or partially completed plans, drawings, and information; and (ii) materials or equipment produced or in process or acquired in connection with the performance of the work terminated by the notice. Other than the above, any termination inventory resulting from the termination of the Agreement may, with the written approval of the Agreement Officer, be sold or acquired by the Institution under the conditions prescribed by and at a price or prices approved by the Agreement Officer.

The proceeds of any such disposition shall be applied in reduction of any payments to be made by the Government to the Institution under this Agreement or shall otherwise be credited to the price or cost of work covered by this Agreement or paid in such other manner as the Agreement Officer may direct. Pending final disposition of property arising from the termination, the Institution agrees to take such action as may be necessary, or as the Agreement Officer may direct, for the protection and preservation of the property related to this Agreement which is in the possession of the Institute and in which the Government has or may acquire an interest.

(h) In the event the Institution's services are terminated by A.I.D. pursuant to this clause or in the event that an employee's services are terminated by the Institution pursuant to the provisions of the clause of this Agreement entitled "Institution-Mission Relationships" for reasons other than misconduct, the Institution will be reimbursed for salary payments to employees of salaries (excluding overseas incentive, differential and allowances) to the extent the Institution is liable to make such payments under its agreements with such employees; Provided, That such employees are not otherwise gainfully employed during the compensable period following such termination or, if gainfully employed, but at a lesser compensation, payments will be made to equalize the difference between such lesser compensation and the employee's salary (excluding overseas incentive, differential and allowances) and Provided further, That such payments shall not extend beyond one (1) year from the date of the employee's termination, or the date on which this Agreement would have expired but for termination, whichever is earlier. The Institution agrees to exert its best efforts to minimize costs under this provision.

(i) Any disputes as to questions of fact which may arise hereunder shall be subject to the "Disputes" clause of this Agreement.

26. RIGHTS IN DATA AND PUBLICATION

(a) Rights in Data

(1) The term "Subject Data" as used herein includes writings, software, electronic or punch card stored data, models, sound recordings, pictorial reproductions, drawings, or other graphic representations, and works of any similar nature (whether or not copyrighted) which are specified to be delivered or which are developed or created under this Agreement. The term does not include financial reports, cost analyses, and other information incidental to Agreement administration. The term "software" means any computer programs with supporting documentation and specifications necessary to produce desired outputs. The term excludes programs supplied by the hardware manufacturer. The term "model" in this context means formal, analytic structures which describe certain interrelated aspects of economic, social, or political behavior. The complete model shall include supporting information and equations which describe and explain basic structure and assumptions including all input and output data.

(2) For copyright purposes, all Subject Data first produced in the performance of this Agreement shall be the sole property of the Government. The Institution agrees not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such Data.

(3) The Institution agrees to grant and does hereby grant to the Government and its officers, agents and employees acting within the scope

of their official duties, a royalty-free, non-exclusive, and irrevocable license throughout the world to publish, translate, reproduce, deliver, perform, use, and dispose of, and to authorize others to do so, all Subject Data now or hereafter covered by copyright.

(4) No such copyright matter shall be included in Subject Data furnished hereunder without the written permission of the copyright owner for the Government to use such copyrighted matter in the manner described above.

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

(6) Paragraphs (3) and (4) above are not applicable to data furnished to the Institution by the Government and incorporated into the work being performed under the Agreement; Provided, such incorporated data is identified by the Institution at the time of completion of such work.

(b) Publication

(1) No Subject Data shall be published which would knowingly violate the security regulations or be in conflict with the national security of the United States and/or the Cooperating Country.

(2) All data published hereunder shall be subject to the following conditions:

(A) PUBLICATION OF DATA RELATING TO ADVISORY AND CONSULTING ACTIVITIES IN CONNECTION WITH TECHNICAL COOPERATION ONLY

(i) The Institution shall not publish any Subject Data without the prior written authorization of the Agreement Officer, except as provided in subparagraph (v) below.

(ii) The Institution agrees to allow A.I.D. the opportunity to review any non-agreement data, i.e. data not specified for delivery under the terms of the Agreement, but which were developed as a result of the Institution's activities under the Agreement, and provide comments thereon before said non-agreement data are published by the Institution. A.I.D. reserves the right of dissociation from sponsorship or publication of such non-agreement data. The Institution shall deliver to the Agreement Officer a notice of intent to publish together with a copy of the proposed publication at least forty-five (45) days, or such other time as may be mutually agreed upon, prior to the intended date of publication. If A.I.D. elects to dissociate itself from the publication, the Institution further agrees, in this event, to insert an appropriate statement of dissociation in the publication; such statement to be provided by the Agreement Officer.

(iii) The Institution shall preserve basic data collected under the Agreement until three years after publication of such data or until three years after termination or completion of the Agreement, whichever is earlier.

(iv) All publications shall give due credit to the contributions of the parties hereto, unless such credit is not desired by the contributing parties.

(v) The Institution shall not publish or reproduce such Subject Data in whole or in part or in any manner or form, nor authorize others to do so, except as provided in paragraphs (i), (ii), (iii) and (iv) above or until such time as the Government may have released such Subject Data to the public, at which time it will be in the public domain.

(vi) The conditions specified in this paragraph (b)(2)(A) shall not be interpreted to limit the right of the Institution or of its personnel to retain personal or professional records and notes resulting from performance under the Agreement.

(B) PUBLICATION OF DATA RELATING TO RESEARCH ACTIVITIES ONLY

(i) The Institution hereby agrees that A.I.D. neither grants nor withholds permission to the Institution to publish the results of private scholarly research derived from Agreement activities; it being understood that the Agreement researcher has access to data which are available to any private scholar conducting research. The Institution further agrees to allow A.I.D. the opportunity to review and provide comments on any Subject Data or non-agreement data (data not specified for delivery under the terms of the Agreement but developed as a result of the Institution's activities under the Agreement) intended for publication before said data are published. The Institution shall deliver to A.I.D. a notice of intent to publish together with a copy of the proposed publication at least forty-five days, or such other time as may be mutually agreed upon, prior to the intended date of publication. A.I.D. reserves the right to disclaim endorsement or dissociate itself from publication of such Subject Data whether or not such data are required by the terms of the Agreement. In the event A.I.D. exercised its right to disclaim endorsement or dissociate itself from the publication, the Institution shall be so notified in writing by the Agreement Officer; which notice shall contain an appropriate statement of disclaimer or dissociation which shall be inserted in the publication.

(3) In case of publication by the Institution of any of the Subject Data described hereinabove, a reprint shall be supplied to the Agreement Officer at no cost to the Government.

27. DISPUTES

(a) Except as otherwise provided in this Agreement, any dispute concerning a question of fact arising under this Agreement which is not disposed of by agreement shall be decided by the Agreement Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Institution. The decision of the Agreement Officer shall be final and conclusive unless within thirty (30) days from the date of receipt of such copy, the Institution mails or otherwise furnishes to the Agreement Officer a written appeal addressed to the Administrator, Agency for International Development, Washington, D. C. 20523. The decision of the Administrator or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Institution shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of dispute hereunder, the Institution shall proceed diligently with the performance of the Agreement and in accordance with the Agreement Officer's decision.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above; Provided, That nothing in this Agreement shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

28. INSURANCE—WORKMEN'S COMPENSATION, PRIVATE AUTOMOBILE, MARINE AND A/R CARGO (OVERSEAS)

(a) Workmen's Compensation Insurance

(1) The Institution shall provide and thereafter maintain workmen's compensation insurance as required by United States Public Law 208, 77th Congress, as amended (42 USC 1651 et seq.), with respect to and prior to the departure for overseas employment under this Agreement of all employees who are hired in the United States or who are American citizens or bona fide residents of the United States.

(2) The Institution shall further provide for all employees who are nationals or permanent residents of the country in which services are being rendered, if the Agreement authorized their employment, security for compensation benefits pursuant to the applicable law of such country for injury or death in the course of such employment, or in the absence of such law, employer's liability insurance. For all other authorized employees not hired in the United States or who are not American citizens or bona fide residents of the United States, Institution shall provide the necessary employer's liability insurance.

(3) The Institution agrees to insert the provisions of this clause, including this paragraph (3), in all subordinate agreements or contracts hereunder, except subordinate agreements or contracts exclusively for furnishing materials or supplies.

(4) The Institution agrees, as evidence of compliance with (1), (2), and (3) above, to provide the Agreement Officer within a reasonable period of time after the effective date of this Agreement with a copy of the actual insurance policy indicating the coverage provided for employees assigned by the Institution to overseas employment under this Agreement and the Institution agrees to provide the Agreement Officer with a similar copy of the insurance policy within a reasonable time after each renewal of this coverage, so long as this Agreement remains in effect. All such insurance policies shall be subject to the written approval of the Agreement Officer prior to reimbursement as a direct cost by A.I.D.

(5) The Institution further agrees to provide the Agreement Officer with three copies of Department of Labor Form BEC-239-1 or US-240 "Certificate That Employer Has Secured Payment of Compensation", herein identified as a "Certificate of Compliance". The Institution can obtain this Certificate from the insurance carrier through the Deputy Commissioner, Bureau of Employees' Compensation, Department of Labor, for the appropriate Compensation District.

(b) Insurance on Private Automobiles

If the institution or any of its employees or their dependents transport or cause to be transported (whether or not at Agreement expense) privately owned automobiles to the Cooperating Country, or they or any of them purchase an automobile within the Cooperating Country, the Institution agrees to make certain that all such automobiles during such ownership within the Cooperating Country will be covered by a paid-up insurance policy issued by a reliable company providing the following minimum coverages, or such other minimum coverages as may be set by the Mission Director payable in United States dollars or its equivalent in the currency of the Cooperating Country: injury to persons, \$10,000/\$20,000; property damage, \$5,000. The Institution further agrees to deliver or cause to be

delivered to the Mission Director, the insurance policies required by this clause or satisfactory proof of the existence thereof, before such automobiles are operated within the Cooperating Country. The premium costs for such insurance shall not be a reimbursable cost under this contract.

(c) Marine and Air Cargo Insurance

Marine and air cargo insurance on equipment, materials and supplies procured by the Institution under this Agreement must be approved by the Agreement Officer. Prior to purchase, however, the Institution should obtain advice from the Agreement Officer as to whether such insurance is required.

29. INSURANCE-LIABILITY TO THIRD PERSONS

(a) The Institution shall procure and thereafter maintain workmen's compensation, employer's liability, comprehensive general liability (bodily injury) and comprehensive automobile liability (bodily injury and property damage) insurance, with respect to performance under this Agreement, and such other insurance as the Agreement Officer may from time to time require with respect to performance under this Agreement; Provided, That the Institution may, with the approval of the Agreement Officer, maintain a self-insurance program; and Provided, That with respect to workmen's compensation the Institution is qualified pursuant to statutory authority. All insurance required pursuant to the provisions of this paragraph shall be in such form, in such amounts, and for such periods of time, as the Agreement Officer may from time to time require or approve, and with insurers approved by the Agreement Officer.

(b) The Institution agrees, to the extent and in the manner required by the Agreement Officer, to submit for the approval of Agreement Officer any other insurance maintained by the Institution in connection with the performance of this Agreement and for which the Institution seeks direct reimbursement hereunder.

(c) The Institution shall be reimbursed:

(1) For the portion allocable to this Agreement of the reasonable cost of insurance as required or approved pursuant to the provisions of this clause, and

(2) Without regard to and as an exception to the "Limitation of Costs" or the "Limitation of Funds" clause of the Agreement, for liabilities to third persons for loss of or damage to property (other than property: (i) owned, occupied, rented to or used by the Institution or (ii) in the care, custody, or control of the Institution, or for death or bodily injury, not compensated by insurance or otherwise, arising out of the performance of this Agreement, whether or not caused by the negligence of the Institution, its agents, servants, or employees, provided such liabilities are represented by final judgments or settlements approved in writing by the Government, and expenses incidental to such liabilities, except liabilities (I) for which the Institution is otherwise responsible under the express terms of the clause or clauses, if any, specified in the Schedule, or (II) with respect to which the Institution has failed to insure as required or maintain insurance as approved by the Agreement Officer, or (III) which results from willful misconduct or lack of good faith on the part of any of the Institution directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of (A) all or substantially all of the Institution's business, or (B) all or substantially all of the Institution's operations on-campus or other location in which this contract is being

performed, or (C) a separate and complete institutional operation in connection with the performance of this Agreement. The foregoing shall not restrict the right of the Institution to be reimbursed for the cost of insurance maintained by the Institution in connection with the performance of this Agreement, other than insurance required to be submitted for approval or required to be procured and maintained pursuant to the provisions of this clause, provided such cost would constitute allowable cost under the clause of this Agreement entitled "Allowable Cost and Payment".

(d) The Institution shall give the Government or its representatives immediate notice of any suit or action filed, or prompt notice of any claim made, against the Institution arising out of the performance of this Agreement, and the cost and expense of which may be reimbursable to the Institution under the provisions of this Agreement and the risk of which is then uninsured or in which the amount claimed exceeds the amount of coverage. The Institution shall furnish immediately to the Government copies of all pertinent papers received by the Institution. If the amount of the liability claimed exceeds the amount of coverage, the Institution shall authorize representatives of the Government to collaborate with counsel for the insurance carrier, if any, in settling or defending such claim. If the liability is not insured or covered by bond, the Institution shall, if required by the Government, authorize representatives of the Government to settle or defend any such claim and to represent the Institution in or take charge of any litigation in connection therewith; Provided, however, That the Institution may, at its own expense, be associated with the representatives of the Government in the settlement or defense of any such claim or litigation.

30. ASSIGNMENT

The Institution shall not assign, transfer, pledge or make other disposition of this Agreement or any part thereof, or any rights, claims or obligations of the Institution hereunder except with the prior written consent of the Agreement Officer and then only in accordance with the Assignment of Claims Act of 1940, as amended (31 U.S.C. 203; 41 U.S.C. 15).

31. EQUAL OPPORTUNITY

(The following clause is applicable unless this Agreement is exempt under the rules, regulations and relevant orders of the Secretary of Labor: See 41 Code of Federal Regulation, Chapter 60, as implemented in Federal Procurement Regulation Section 1-12.804).

During the performance of this Agreement, the Institution agrees as follows:

(a) The Institution will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Institution will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Institution agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agreement Officer setting forth the provisions of this Equal Opportunity clause.

(b) The Institution will, in all solicitations or advertisements, for employees placed by or on behalf of the Institution, state that all qualified

applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(c) The Institution will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Agency Agreement Officer, advising the labor union or workers' representative of the Institution's commitments under the Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Institution will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The Institution will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the Institution's noncompliance with the Equal Opportunity clause of this Agreement or with any of the said rules, regulations, or orders, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Institution may be declared ineligible for further Government agreements in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or as otherwise provided by law.

(g) The Institution will include the provisions of paragraphs (a) through (g) in every Subagreement or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Institution will take such action with respect to any subagreement or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance; Provided, however, That in the event the Institution becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Institution may request the United States to enter into such litigation to protect the interests of the United States.

32. UTILIZATION OF SMALL BUSINESS CONCERNS

(a) It is the policy of the Government as declared by the Congress that a fair proportion of the purchase contracts or agreements for supplies and services for the Government be placed with small business concerns.

(b) The Institution agrees to accomplish the maximum amount of subordinate agreements and subcontracting to small business concerns that the Institution finds to be consistent with the efficient performance of this Agreement.

(c) To permit A.I.D. in accordance with the Small Business Provisions of the Foreign Assistance Act, to give United States Small Business firms an

opportunity to participate in supplying equipment covered by this section, the Institution, shall, to the maximum extent possible, provide the following information to the Office of Small Business, A.I.D., Washington, D. C. 20523, at least forty-five (45) days prior to placing any order in excess of \$5,000, except where a shorter time is requested of, and granted by, the Office of Small Business:

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

33. CONVICT LABOR

In connection with the performance of work under this Agreement the Institution agrees not to employ any person undergoing sentence of imprisonment at hard labor.

34. COVENANT AGAINST CONTINGENT FEES

The Institution warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Institution for the purpose of securing business. For breach or violation of this warranty, A.I.D. shall have the right to annul this Agreement without liability or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

35. OFFICIALS NOT TO BENEFIT

No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this Agreement; but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

36. 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 A.I.D.:

Administrator
Agency for International Development
Washington, D. C. 20523
Attention: (the name of the cognizant Agreement
Officer with a copy to the appropriate
Mission Director)

To Institution:

At the Institution's address shown in the Covering
Letter of this Agreement

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 clause or on the effective date of the notice, whichever is later.

ANNEX C

Criteria for Matching Universities With Projects

The text of this Report stresses repeatedly the importance of good matching of the program interests and capabilities of universities with the work to be done overseas (see especially pp. 9-11). This Annex provides matching criteria. Note that the same criteria on which successful performance depends under the "Institutional Development Agreement" also apply to university participation in development assistance projects under contracts.

These criteria should be employed not only by A.I.D. in soliciting a university's interest, but also by the universities in deciding whether to offer their services. They should be applied differently at the initial selection stage when a decision is being made whether a university should reconnoiter the feasibility of a project, and whether and how it wishes to participate (the Reconnaissance and Assessment Phase, Annex A)—than at the later stage, when it is time to negotiate a long-term operating agreement with that university.

In the "initial selection" phase, two criteria should be paramount:

1. University Experience and Plans

The university's experience and plans in the substantive fields which the project involves; its capacity to assemble a package of mutually supporting activities on both sides of the ocean; evidenced by:

- its strength, including the caliber of its faculty, in the pertinent academic fields;
- the extent to which the best people are likely to participate—past history, incentives provided by the university (tenure and other recognition and use of overseas work, promotion policy);
- its performance and apparent ability in development or institution building;
- its interdisciplinary aptitude;
- its relevant research resources—its ability to develop new knowledge based on existing research ability in pertinent geographical and functional subjects;
- the extent to which the new activity stretches capacity already being used.

2. University Administration

Involvement of the right university administrators; will the departmental staff that should be concerned participate and be responsible? Will the university's top administration levels provide adequate backing and coordination?

This first stage of the matching process is the key one— this is when the university which will do the long-term project is most likely to be selected. Both parties should carefully review the university's prior overseas experience, applying the above criteria and, in addition, these—

- international dimension of the university's activities generally (range and caliber of international work, percent and amount of budget and personnel involved, expansion plans, non-A.I.D. overseas contacts, demonstrated ability to

involve other U.S. and overseas private organizations, international student activities, etc.);

- knowledge of and contact or interest in particular countries;
- quality of university's business management, and especially pertinent overseas or other off-campus experience;
- quality of foreign student counseling (if participants working on the home campus are likely to be an important part of the activity);
- capabilities and interest in orientation of personnel for overseas work.

In the course of its reconnaissance and project refinement work in the field, the university must judge for itself whether conditions in the host country and A.I.D.'s role there will enable it to pursue a program successfully and so as to address the university's interests.

Once the university has submitted its long-term project proposals and the host institution has agreed to proceed (and when A.I.D. and the host country are ready in principle to proceed), the matching criteria considered at the outset should be applied from a somewhat different viewpoint. The specific or actual provisions for realizing performance now must be reviewed, as must provisions for meeting capability and interest criteria which cannot be checked earlier at the pre-planning stage. Strengthening measures that may be needed should be discussed and negotiated. Relevant here are--

- quality of plans for integrating overseas and home operations so as to feed back field experience into campus activities, as well as prospects for the execution of plans (examination of fiscal provisions may be illuminating);
- whether the right university administrators will participate adequately;
- quantity and quality of staff available--their adaptability to strange environments, their ability as cross-cultural communicators, their vigor and enthusiasm;
- share of project staff which the U.S. university itself will furnish (even though it may be desirable to go outside for some high-quality specialists), and the extent to which the group is tied in to the responsible departments. Most important here are the university's arrangements to provide the overseas staff assurances of employment on their return from overseas. Also pertinent are affiliations with appropriate consortia or smaller colleges which might supply needed personnel;
- adequacy of policies and procedures for logistical, financial, and other relevant overseas business arrangements;
- likelihood of continuity of management;
- quality of participant training plans and counseling arrangements;
- adequacy of arrangements for orientation/training of participating staff.

ANNEX D

Illustrative Uses of A.I.D. Project Experience to Strengthen U.S. Capabilities at Home and Abroad

*"Give me your tired, your poor, your
huddled masses yearning to breathe free . . .
Send these, the homeless, tempest-tost to me . . ."*

—EMMA LAZARUS, *The New Colossus*

Lazarus' legend, inscribed in 1903 at the base of the Statue of Liberty, expressed the ethic associated with America's more open immigration policies. In the play *The Melting Pot*, Israel Zangwill described how that ethic helped to shape the nation: "America is God's crucible, the great melting pot where all the races of Europe are melting and reforming! . . . God is making the American."

Not only European, but Asians and Africans imported the cultures and ideas that made the United States of America. Recently, although the influx of immigrants from far away has fallen off, imports of useful views and values have not. Institution building through technical assistance—conducted by university personnel and others, and federally assisted through the Agency for International Development and other means—has helped to sustain the flow of new ideas, new cultures and new strength to America.

The principle of the "melting pot" is still good; and the United States as a nation and Americans as a people are still the primary benefactors of the principle. But the university community and individual professors and scholars also are major gainers.

Specifically, this country benefits four ways from our overseas programs. First, the overseas technical assistance experience generates a feedback of ideas, techniques, and insights for dealing with our domestic, economic and social problems. Second, the programs of American universities are directly enriched. African, Asian and Latin American study centers, and scholars concentrating on these areas—once rare—are now common. Third, Americans have improved their ability to perform overseas; in business, government and the professions, growing numbers of Americans are qualified to work at remote points of the globe. Fourth, and perhaps most important for the future, Americans and their institutions are building new channels of understanding with less developed countries throughout the world—new opportunities for expanding positive relationships of all types—for business, political accommodation, intellectual exchange, tourism and other activities through which the U.S. may achieve a beneficial presence in the world.

There are many examples—academic, governmental, commercial, and others—of the values which accrue to our nation through our overseas technical assistance and institution building work. A selected few are worthy of note.

Feedback for Dealing with Domestic Problems

The medical faculty at a midwestern university has gained through its experience in Thailand. In efforts to teach public health and preventive medicine in the City of Chicago, its work with Chiangmai University in Thailand has offered directly useful new insights.

The Thai assignment was to help develop the academic program in medicine. New approaches and lessons learned in the deployment of a very small, professional staff to treat large numbers of people, and the use of larger numbers of para-medical personnel, offered valuable guidance to what can be done in Illinois.

* * *

Nor is the impact of A.I.D.-sponsored activities in the United States restricted to the American university campus. Malnutrition—historically a major barrier to economic development in many of the less developed countries—has now become a major concern in the United States. New attention is being paid to the consequences of unbalanced diets. In Tunisia, a university school of public health, under an A.I.D. grant, is using fortified cereals—vitamins, minerals, and lysine—to improve the nutritional standard among the people in an isolated area. The isolated location permits measurement of results that would be impossible in the developed world. Many Americans for whom cereals (e.g., wheat, corn, or rice) are a major part of the diet, may well benefit from this experience.

* * *

In 1967, A.I.D. provided a series of grants up to \$60,000 each for private industry research into high protein foods. In addition, millions of dollars have been granted to universities in the United States for studies on how to increase the quantity and quality of food protein. Pork and chicken may be improved through better fortified animal and poultry feed. These A.I.D.-sponsored programs were primarily intended to improve nutrition in the less developed world; but American food producers will also have access to the results. This research will exert a considerable impact on food consumption in the United States.

* * *

There are many additional illustrations. When American universities send their personnel abroad to cooperate with A.I.D. in technical assistance and institution building projects, they tend to get as good as they give. The comparative experience can be invaluable. Domestic events appear in a new context. Liberated from culture-bound American examples and evidence, scholars sort out the principles in their fields. Americans who have worked abroad at institution-building find that they can bring their new knowledge to bear on the continuing institution building which goes on in this country.

The director of an International Education Institute at a U.S. university reports:

"As you know, the entire international sector here at our university is primarily the result of our A.I.D. contract arrangements in Nigeria and Vietnam. It was through these contracts that we also became involved with the Peace Corps training and various programs sponsored by the United States Office of Education for foreign visitors to the United States.

"Additionally, as the direct result of our A.I.D. efforts, area studies programs were established in African studies and South Asian studies. Understandably, the number of courses in these

areas has increased markedly during the past several years. Several colleges of the University have established a series of courses and in some instances, degree programs, dealing with international affairs and foreign affairs. . . .

"Several faculty members have carried on their interests after returning to the campus from an A.I.D. contract program. For example, one staff member was the education librarian prior to going to Nigeria for two years to work as a librarian in our Ibadan teacher training program. Following her return, she became the librarian for the African Studies Center. A professor was business manager and taught in the commercial program at Ibadan. And following his return, he has organized programs in comparative economics which have become a part of our African studies program. Additionally, he has returned overseas under private sponsorship to continue his comparative studies in other African countries.

"Another faculty member has organized a seminar for foreign education administrators studying at our university, and a course dealing with technical assistance programs around the world. There are many other examples of individual effort in this regard, including 34 faculty members in the College of Education who are constantly involved with foreign visitors, seminars for foreign students, and various program and curriculum reviews involving the international sector."

* * *

The director of an international center at a west-coast state university writes:

"The various activities of our University under the A.I.D. world-wide weed control research contract have attracted major attention of the world chemical and equipment industries and have caused them to send representatives regularly to discuss their research and development activities with the staff at our University. This has resulted in the University research project getting early access to the latest information. It has also permitted greater efficiency in the solution of problems important to the State and in many cases, to many areas of the U.S."

* * *

An economist from a major midwestern university reports that basic reformulations in economic theory are taking place as a result of experiences economists are having in developing countries. The most direct and relevant feedback is in the areas of poverty and employment. As a result of research and teaching overseas, three economists from this university have each written major articles for professional journals dealing with comparative aspects of poverty and employment in the U.S. and abroad, and using insights gained overseas to redefine these issues at home.

As a further specific example of how socio-cultural aspects of development are fed back to the U.S., one of these economists,

having done research on the economic problems of the American Indians previous to his overseas experience, has been able to draw directly on some of his overseas insights and experiences for continuing consulting on American Indian policy on his return to the United States.

* * *

The coordinator of international programs at an eastern state university writes:

"Research has been underway, at our university, on the effects of certain types of spraying techniques on crops. When an agricultural technical assistance program got underway in a Latin American country, the research, up to that time halted by the winter months in the U.S., could continue on in Latin America during our winter and their summer. Results of the research will benefit both countries; but the project will be completed much sooner by the opportunity to move the project back and forth between continents in search of the sun."

* * *

In addition to the benefits gained on specific domestic problems, there is strong and ever-present evidence of a more general payoff that cuts across all disciplines and problem areas; this refers to the irreversible impact of overseas experience on a person's overall perspective. As one professor expressed it:

"Every staff member returns with the attitude that his opportunities to expand and develop in the U.S. are fantastic compared to the opportunities in the less-developed countries. He truly intends to take advantage of such opportunity as he has never done before. Maybe a few do not feel this way, but many do."

* * *

U.S. national policy can reap the benefits of overseas experience. One faculty member, following extensive work with A.I.D. programs, was asked to prepare a paper explaining the changes in agriculture in India, etc., as they might affect U.S. export prospects, for presentation at a conference on U.S. Agricultural Policy.

* * *

One's perspective may change in many ways following overseas work. The vice president of a middle-Atlantic university reported:

"The first of what is expected to be an annual conference on 'Racial Understanding Through International Relationships' was held in April 1969. 120 students from member schools of the Regional Council for International Education met at Jackson's Mill, West Virginia, for a weekend study seminar. Those attending were about equally divided between American Black and White students and foreign students. The conference was sponsored by our university with the adult leadership consisting in the main of staff members who had had foreign experience under A.I.D.-University contracts."

**Enrichment
of University
Programs**

One major Midwest university has completely reoriented the social science course it requires of all its students. Changes in under-developed countries form a major portion of the courses; examples are drawn from various countries where the teaching staff has performed technical assistance.

* * *

The Director of International Agricultural Development at an eastern university has summarized some of the feedback which resulted from an institution building project in the Philippines in the mid-1950s:

- Development of an international agricultural faculty.
- A large number of new courses that provide training in some aspect of international agricultural development.
- Establishment of undergraduate specialization in international agriculture, and a minor field in the graduate school in international agricultural development.
- Successful orientation program.
- Graduate education program cooperation between the U.S. university and the University of the Philippines.

* * *

The Director of an Institute of International Studies in Education at a mid-west university writes: "The number of examples here of project-inspired research is almost too great to mention, but the following topics are illustrative: The social consequences of changing educational aspirations, the international aspects of social studies, vocational education in Taiwan, the teaching of international understanding, and the ten research publications which grew out of the project in Thailand."

* * *

Individual scholars—like their institutions—have modified their roles as a result of this overseas experience. A professor of speech at one university returned from overseas to become Director of the International Communication Institute and later Dean of the College.

A professor of horticulture returned from an overseas experience in the tropics and now leads his department's program in tropical crops.

A professor of animal husbandry returned from West Africa and was designated as Tropical Animal Science Specialist for his college.

A professor of agricultural economics, after serving abroad on an A.I.D. institution building project, returned to a series of consultancies and became a member of the Overseas Liaison Committee of the American Council on Education.

A professor of psychology returned from his second overseas technical assistance assignment to an appointment on his university's committee for review of its international programs.

A professor of humanities, after working in an institution building exercise in West Africa, was designated to help design the Black Studies Program in his own American university.

A professor of soil science returned from overseas assignments in Colombia and Nigeria to the Directorship of his college's Institute of International Agriculture.

An Associate Professor of Marketing came back from an overseas assignment to work on his college's committee on international curriculum.

A professor of Economics at a southern state university participated in an institution-building assignment at the National Agricultural University in Peru. The U.S. university had already received six or eight students in agricultural economics from Peru by the time this professor went there. Thus a number of people were available with whom he could cooperatively develop a department of agricultural economics and faculty of social sciences. He initiated a variety of research projects with former students who had returned to the faculty and with prospective students who would soon be coming to the United States. Several of these students based their theses at the U.S. university on these research activities.

Returning to the staff at North Carolina, he became active in guiding graduate students in the study of economic problems relating to their own society and to national development. He has drastically modified one undergraduate course, added a new graduate course, and drawn extensively on the materials developed in his Peru contacts for the improvement of other courses in the department. This professor has also helped civic and church groups in the State review their participation in international activities. His overseas experience has had a great impact on the department of agricultural economics, and on the entire community.

* * *

Fully as important as the enrichment of specific university programs in particular substantive areas is the feedback to the skills of managing and administering universities right here in the U.S., skills which are usually the concern only of those in the administration disciplines. Following technical assistance projects in establishing schools of engineering in Latin America, and gradually getting more involved in the larger problem of university reform in Latin America, a southwestern university developed a program with nearly 30 Brazilian institutions focusing on managerial skills and administrative processes. Part of the program has been bringing Brazilians to the U.S. for training. As their director of international affairs writes:

"As a result, our administrators have had to reexamine and study their own administrative fields. This reexamination is contributing greatly to the more effective management of our university. Familiarization with the system of Latin American higher education, particularly the role played by students, has given our own administrators greater insight into the problems of student participation in American higher education."

**Ability
of Americans
to Perform Abroad**

An agricultural economist who had been concentrating on meat marketing in the American Middle West served his university in Colombia for two years on an A.I.D. technical assistance contract. Since his return, he has maintained his interest in Latin America, affiliated with his university's Latin American studies program, and led major food marketing research projects in Puerto Rico, Brazil, Bolivia, and back in Colombia.

A professor in a university accounting department served two two-year tours in Ibadan. He has since developed instructional materials in accounting for Nigerian secondary schools and teacher training colleges. Currently he is spending the summer in Malaysia under a grant from the Asia Foundation, working with the School of Accountancy of the MARA Institute of Technology, in curriculum revision and similar activities.

Another professor returned from a university project in Kano and established a cooperative program in social science education with a group of public schools in the United States. One of the main goals was to update instructional materials about developing nations.

A soil scientist first visited Okinawa on a technical assistance contract mission for his university. He has since become involved in cooperative research with soil scientists on several Pacific Islands, and is teaching a course on the soils of the world.

An American university and a university on Taiwan entered into a formal exchange agreement at the time their A.I.D. technical assistance contract "phased out." Now, each year, under non-A.I.D. financial arrangements, they exchange both faculty and students in both directions. When a visiting professor from Taiwan taught the regular course in Oriental philosophy on the U.S. campus, enrollment quintupled.

An American economist from the university community became involved in overseas technical assistance in the economic and development area and spent several years in overseas activities. Following his return to the United States, he established a research and consulting organization which was oriented primarily to agri-business and functioned both in the domestic and international fields. This organization has thrived to date and has been instrumental in involving a large number of agri-business firms in overseas activities. A recent count indicates this organization has products in more than 100 developing countries.

**New Links with
Developing Countries**

Another report from a mid-Western university states:

"In a university of tens of thousands of students and thousands of faculty members, the impact of any one program is impossible to judge. The Thai Project was one and only one of many such efforts by the University to serve its broad constituency. The number of Thai students that came to our university under contract was very small. The number altogether attracted to all branches of the University under all kinds of personal and government arrangements is still measured in small hundreds. Yet they do have some influence.

"Between internationally experienced faculty and international students the whole university is bound to be different. Southeast Asia, for one thing, is no longer a vague area in

which French Indo China, the British Empire, the Dutch Indies, and Siam are merged blurs. Neither the student body nor the faculty might do well with an old-fashioned geography test of bounding each country in that region. Yet through the formal seminars and studies and perhaps more through the informal sharing of experiences, the area has come to be better known. And the astonishing accessibility of that far-off land makes vivid the shrinking of the world."

* * *

The interchange of information and of personnel between a southern university and its Peru programs has had a stimulating effect at both ends of the axis, and it is providing insights and ideas that rarely come from the restricted ecological conditions that could be found in any one center. There are a number of Peruvian and U.S. graduate students involved in this program both in the U.S. and in Peru, and the cultural and technical exchange among them is very heartening.

* * *

Another U.S. university entered into a partnership with a British university in connection with its A.I.D. technical assistance contract for work with a West African university. Their joint work helped the personnel of the institutions get acquainted. Since, several of the English faculty—Americans and British—have taught at the U.S. university, and students from the U.S. university travel annually to the United Kingdom for special courses at the British university.

* * *

An administrative officer of still another American university, serving Vietnam on an A.I.D. technical assistance contract, became interested in student exchange. After returning, he worked with foreign students, did a Ph.D. dissertation on the area, and this year is president of the National Association of Foreign Student Advisors.

* * *

The development of professional societies abroad, and of international professional societies and professional journals, is only one aspect of the development of a worldwide community of higher education, which, ultimately, may prove to be the most significant consequence of the whole task of development.