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Small Grants Program: Description and Administration

Guatemala-CAP Income Generation Activities Project(AGIL)

Implemented by:
Abt Associates Inc.
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This document describes the grants program of AGIL, including its administrative procedures, the selection process, the evaluation criteria, the monitoring and evaluation of grants, and close out activities. With USAID approval, this document will govern the grants program of AGIL.

1. Grants Program Description

1.1 Background

The USAID/G-CAP Mission develops various activities under strategic objective number four, “achieve sustainable increases in income and food security of the heads of household for a significant number of poor in rural areas of selected geographic areas of the country.” The achievement of this objective depends on intermediate result two, “more micro-entrepreneurs expand their businesses.” Under this intermediate result, USAID is supporting the program Activities for Income Generation (AGIL).

The target population of AGIL is composed of rural micro-entrepreneurs using basic resources of land, human capital, and other facilities to obtain benefits from agricultural and non-agricultural activities, thereby permitting the generation of income and employment. Among these are agricultural micro-entrepreneurs engaged in plantation and marketing of non-traditional products, agricultural small producers with irrigation facilities, and transforming production, exports, etc. Rural micro-entrepreneurs engaged in artisanal activities, industry, and services are also included. It is expected that micro-entrepreneurs engaged in agricultural and non-agricultural activities will help generate employment for those who do not have the sufficient resources to earn more than is expended in the agricultural sector and who can benefit from the employment generated

The small grants program of AGIL is designed to support the efforts of financial and technical service organizations to increase their capacity to provide services in target rural areas. Support of these organizations through small grants will allow them to reach low-income households that may lack access to financial services and technical assistance due to their isolated location. With increased access to such services, the ability of poor households to increase their income and food security will be improved.

For the purpose of this document, “technical services” include a range of technical services such as commercialization, production, organization, business development, agro-industry and any area aiming to improve technical, administrative, or management capacity of rural producers.

Through the small grants program, AGIL hopes to achieve the following results:

- A well-developed and established program of private agricultural extension.
- Increased capacity of rural service providers.
- Increased capacity of BANRURAL, private banks and other institutions to expand financial services within the target geographic areas.

1.2 Objectives

The specific objectives of the small grants program are to:

- Reduce transaction costs for service provision organizations to open new offices or expand existing ones within the target communities.
- Introduce innovative credit and agricultural technologies, such as village banks, loans to solidarity groups, and production of high-value crops.
- Increase the management capacity of institutions in order to achieve economies of scale,

sustainability, and high-quality services.

1.3 Geographic focus

Grants will be awarded to organizations currently located in or aiming to extend services to the following municipalities:

- Santa Cruz del Quiché, Nebaj, San Miguel Uspantán and Ixcán of El Quiché
- San Mateo Ixtatán and Barillas of Huehuetenango
- San Pedro Carchá and Chisec of Alta Verapaz
- San Martín Jilotepeque of Guatemala
- Rabinal of Baja Verapaz
- La Libertad of El Petén

1.4 Award amount

AGIL will disburse up to \$450,000 in support of private sector and non-governmental organizations and associations over three years. Of the grants fund, \$400,000 will be awarded competitively to eight to nine organizations. The average grant amount is expected to be \$50,000.

A small fund of \$50,000 will be available for grants of up to \$5,000 to fund short-term technical assistance, equipment, or other assistance that will allow organizations to achieve the objectives of the AGIL program. These funds will be awarded on a non-competitive basis. Only organizations receiving technical assistance from AGIL would be eligible for this fund. The chief of party will recommend awards to USAID, based on one or more of the following criteria:

1. Assistance fits within the objectives of AGIL.
2. Assistance will help overcome an obstacle to their development.
3. There are no resources available within the organization to fund the needed item or service.
4. Assistance was determined according to a technical needs assessment conducted in a participatory manner with AGIL.

These small grants will not be monitored according to the management process for the larger grants. Organizations will solicit grants through a formal letter explaining how funds will enhance their development and fit into the objectives of the project. USAID will give final approval of these small grants.

Medium-size grants will be available for up to \$15,000. The general selection criteria will be the same as for the \$5,000 grants described above, in addition to the Specific Medium-Size Grants Criteria. These grants will be awarded on an “informal competition” basis. Final proposals will be reviewed by an Evaluation Committee made up of AGIL and USAID representatives. The grant will be awarded upon the Committee’s recommendation. (Annex B)

1.5 Use of funds

Grant funds will be used to support activities that allow recipient organizations to expand or improve services provided. Activities for which funds can be used include:

- Opening new offices in targeted rural areas.
- Introduction of new activities in order to expand coverage to target rural areas.
- Improvement enhancement of the ability to provide services to clients in current or new areas, through the expansion of equipment, systems, methodologies, procedures and/or capacity building.
- Increased operational efficiency with the goal of long term sustainability.
- Introduction or development of productive activities for producer associations to generate greater value or rural employment.
- Any activity that improves technical, administrative, or financial capacity of organizations engaged in income generation activities.
- Development of new or existing services targeted at women or indigenous groups.

1.6 Restrictions

Grant funds will **not** be used for:

- Long term basic research.
- Development of new working methodologies or new products in which the organization does not have experience.
- Creation of new organizations. Except in cases of any organization in an area of interest.
- Central office expenses or expenses not directly related to the implementation of the proposed activities.

1.7 Technical assistance

In addition to the financial support provided by the small grants, AGIL will provide technical assistance to grant recipients. The grants manager will make one to two site visits to each recipient organization as part of the process of monitoring and evaluation. During these site visits, the grants manager will identify jointly with recipient organizations what technical assistance may be needed and determine the most appropriate method of providing that assistance. The appropriate method could include, but is not limited to:

- Grants manager providing technical assistance in institutional development and technical needs assessment.
- Other AGIL personnel traveling to site to provide technical assistance in monitoring and evaluation, rural finance, business development for micro-entrepreneurs and other technical services. AGIL personnel will also help identify specialized technical assistance needs.
- Linking grant organizations with the appropriate persons from other institutions to offer support in other areas.

To complement specific technical assistance provided by the AGIL team, the small grants program will offer opportunities for grant recipients to increase their technical capacity through other means. Additional methods of capacity building could include:

- Study tours to other successful technical and financial organizations within or outside of Guatemala.
- Meetings among recipient organizations to share and learn from each other's experiences.

- Recommendation of materials and/or relevant literature about successful resource generation activities.
- The creation of networks among various organizations with the same objectives.

2 Eligibility

Organizations that are eligible to receive assistance from the AGIL Small Grant Program include civic organizations such as cooperatives, NGOs, producers associations, professional associations, research centers, and other organizations that work in the area of income or resource generation. Grants will **not** be awarded to state or governmental institutions or to found new organizations, except in the case mentioned in section 1.6 (restrictions).

2.1 Required qualifications

In order to apply for a grant, organizations must fit into one of the following categories:

- Organizations providing financial services with the objective of expanding the volume of operations, diversifying financial services and/or improving service quality to or within target rural areas.
- Organizations providing non-financial services with the aim of income generation, hoping to expand coverage to or within the target rural areas or improve the quality of services provided. Such organizations could include: technical assistance organizations, agricultural cooperatives, entrepreneurial organizations, management services organizations, etc. Also included are producer associations that have the potential to develop productive activities and require assistance in order to gain access to technology, markets, agro-industries and/or other facilities that can foster growth.

In addition, organizations must meet the following qualifications:

Type of Organization	Qualifications
Financial services organizations	Must have at least three years of experience in micro-financial service provision
Technical service organizations	The organization or the personnel must have prior experience providing technical services. The organization must demonstrate its potential to provide and expand the technical services, in order to reach an increasing number of clients.
Producers associations	Must have experience in income generation or productive activities Must have funds invested in the activity Must be located in targeted rural areas

Organizations may be located within or outside of the target rural areas. If they are located outside of these areas, grant funds must be used to expand operations to the target area and thereby increase financial and

technical services offered.

2.2 Financial capacity

Organizations applying for grants must have financial accountability, maintaining strict and detailed records of all expenses. In the case that an organization does not have the necessary accounting capacity, it may want to consider working with a partner organization that does meet the requirements for financial soundness. In such circumstances, the partner organization can guarantee that the funds are used for the activities specified in the program description, while the applicant is responsible for implementing activities. If this is the case, no grant funds shall be used to cover the costs of the partner. The applicant shall use funding from other sources. The applicant organization will reach financial accountability as an expected result of the grant.

3 Application Process

3.1 Cycles

Grant applications will be solicited and reviewed, and grants will be awarded, in two different cycles. The first funding cycle will take place in July 2000. The second cycle will commence as soon as the first cycle gets underway, estimated to be in January 2001. Financial and non-financial services organizations will be considered concurrently.

3.2 Announcement of request for applications

Two separate RFAs will be released to solicit applications: one RFA for financial service organizations, and another for non-financial services organizations, as described in section 2.1

AGIL will actively solicit applications through a number of means. First, an application announcement for the AGIL Small Grant Program will be published in the two major newspapers in circulation in Guatemala, in order to reach a large number of its readers. Second, announcements will be posted in the municipal buildings of the eleven municipalities targeted by the grant program, as well as within the buildings in which the governors and Ministry of Agriculture, Livestock and Food (MAGA) representative of the targeted area are housed. Third, AGIL will send letters of invitation to financial and service organizations known to be working in the selected geographic areas.

The general announcement will include the following information:

- Brief description of the small grants program.
- Objectives of the program.
- Number of grants to be awarded.
- Range of grant award amounts.
- Period of performance.
- Application deadline.
- Who to contact to receive the RFA.

- Announcement of date and location of proposal writing workshop.

3.3 Request for applications

Both requests for applications (RFAs) will be available at the office of AGIL and some offices of MAGA and BANRURAL. The RFA will be available in Spanish and will contain the following information:

1. Description of the small grants program.
2. Objectives of the program.
3. Number of grants to be awarded.
4. Range of grant award amounts.
5. Period of performance.
6. Eligibility requirements.
7. Minimum qualifications.
8. Explanation of matching funds.
9. Required application format.
10. Evaluation criteria.
11. Description of the administration of the grant.
12. Application deadline.

3.4 Proposal Preparation workshops

Workshops will take place at least two weeks prior to the application deadline to assist organizations in the preparation of the proposal. The purpose of the workshops is to assist interested parties in planning activities, understanding the grant application process, and recognizing the level of commitment required by a USAID grant. The workshops will explain the grants program in more detail, including its objectives, activities which can be funded through grants, the necessary grant application format, and reporting requirements that must be followed throughout the grant process. The workshop will build the capacity of participants in the conceptualization of a program and the subsequent process of articulating a business plan in the proposal. Participation in the workshops is recommended and open to all interested parties, but is not required for the submission of a proposal.

The grants manager will also be available for consultation from the time of announcement of the grant opportunity until the application deadline to clarify any questions interested applicants may have.

3.5 Grant application format

A standard format will be used for all applications and will be included in the RFA that is distributed to all interested organizations.

The standard grant application will contain the following sections:

1. Cover Sheet.

2. Executive Summary.
3. Description of Applicant Institution.
4. Description of Partner Institution (if applicable).
5. Current and Proposed Clientele.
6. Current Services of Implementing Organization.
7. Program Description and Expected Accomplishments.
8. Detailed Budget Plan.

Applications not adhering to the standard format and late applications *will not be considered*.

3.6 Submission of applications

All grant applications must be submitted to the AGIL project office. To be considered for a grant award, an application must be received by the deadline, follow the standard format and clearly address the objectives of the grants program. Applicants will have six weeks after the grants announcement, and two weeks after the workshops, to complete and submit an application. Proposals will be written in Spanish.

The application plus two copies should be submitted in a closed envelope by the deadline to:

Eberto De Leon
Gerente de Donaciones
Programa de Actividades de Generación de Ingresos, AGIL
13 Calle 2-60, Zona 10
Oficina 1002, Edificio Topacio Azul
Guatemala, Guatemala
Tel: 339-0375/79

Once all proposals are received, the grants manager will review them to ensure that they meet the eligibility requirements and follow the standard application format. The evaluation committee will not consider those proposals, which do not meet the requirements.

4 Selection of Grant Recipients

4.1 Competitive process

AGIL will take the following actions to ensure that a competitive selection procedure is followed for all grant awards and to ensure there is no conflict of interest between the project and potential grantees:

- Announcement of AGIL grants will be widely advertised as is mentioned in section 3.1 of this document, in order to ensure broad participation.
- All grant applications must adhere to the standard format.
- A review committee using standard evaluation criteria that is included in the RFA will evaluate all applications.

- A grant will only be awarded if two or more applications are received and evaluated competitively.
- Individuals serving on the grants review committee may not be employees or consultants of any organization that submits a grant application.
- Project staff and their relatives will not be permitted to accept directly or indirectly any gratuity, gift, favor, entertainment, loan, or anything of monetary value from any individual or organization that has or is seeking to obtain a grant award. Project staff and their relatives will not be permitted to accept directly or indirectly anything of monetary value that was acquired using grant funds.

4.2 Review of grant applications

The grants manager will convene a review committee to evaluate the proposals on both financial and non-financial services organizations.

The review committee will be composed of one representative each from MAGA, the micro enterprise division of BANRURAL, USAID and AGIL. AGIL Grant Manager will be the Chairman of the Committee.

The committee will use a standard set of criteria to evaluate and rank all grant proposals during a two-week period following the application deadline. As part of the evaluation, a cost analysis will be conducted to ensure that planned expenditures are allowable and justified according to USAID regulations. The committee will choose a list of finalists to whom they recommend awarding grants, as well as a short-list of the next highest ranked applications they determine should be eligible to receive grants should one of the finalists be rejected either by AGIL or by USAID.

AGIL management or USAID may reject the proposal recommended by the committee at any moment, and such proposals will receive no further consideration in that funding cycle. In this case, the grants manager may determine to award additional grants to one or more organization on the short-list.

4.3 Evaluation criteria

There will be two separate sets of evaluation criteria; one for each type of small grant.

4.3.1 Financial services organizations

For financial services organizations, the evaluation criteria will be:

a. Ability to reach target population

- Proposed activities will significantly increase the number of micro-entrepreneurs receiving financial services in the target population, especially in areas with fewer available services.
- Services provided by the organization are designed to reach the program's target population.
- Proposed services to the target population demonstrate an understanding of local needs and provide appropriate assistance to marginalized groups, especially women and local indigenous groups.

b. Methodology

- Utilization of a methodology appropriate to the objectives of the program.
 - Terms of payment are appropriate to promote low levels of arrears.
 - Willingness and plans to implement “the best practices in micro finance”.
 - Inclusion of innovative products, services and financing mechanisms.
- c. Efficiency and sustainability**
- Organization demonstrates a credible plan to reach self-sufficiency in the short to medium term.
 - The proposal includes elements that demonstrate improvements in the efficiency of financial service provision.
 - Proposed activities allow for access to non-donor resources, including commercial funds.
 - Increase in the volume of activities in current areas and/or coverage in new target geographic areas.
 - Proposed activities improve quality of and access to services for target population in target areas.
- d. Institutional capability**
- Experience in the provision of micro financial services or have the potential and willingness to provide those services.
 - Experience of the organization in similar projects or activities with financial or technical cooperating agencies.
 - Organization has appropriate accounting systems, internal control and audits, or is in the process of implementing an adequate management and information system.
 - Organization maintains relationships with associate organizations that provide technical and financial support that could complement the grant. It is highly desirable that the organization plan to use grant funds to leverage resources from other donors.
- e. Appropriateness of the proposal**
- Proposal supports the objectives of the program.
 - Proposed activities are appropriate in order to meet the proposed objectives.
 - Proposal is in line with the capacity and normal activities of the organization.
 - Required resources are appropriate and sufficient to meet the proposed objectives.
 - Indicators and objectives are realistic within the context of the target population.

4.3.2 Non-financial services organizations

For non-financial services organizations, the evaluation criteria will be:

- a. Ability to reach target population**
- Proposed activities will significantly increase the number of micro-entrepreneurs in the target group who receive technical services or who gain access to markets, agro-industries, or other facilities to increase income.
 - Services provided are designed to reach the target population or to provide solutions to concrete and relevant problems that will facilitate the development of business oriented services for the target group in the future.

- Services provided to the target population consider specific conditions for appropriate support to marginalized groups, especially women and indigenous groups.
- b. Business focus of technical services**
- Proposed technical services are based in production, commercialization, or transformation of products with high value-added and with access to defined markets.
 - Proposed services and business focus are realistic for the conditions of the target group and socioeconomic and cultural conditions.
 - Organization demonstrates client's willingness to gradually assume responsibility for payment of services.
- c. Efficiency and sustainability**
- Cost of services is reasonable with respect to the volume of activities.
 - Proposed plan is realistic and demonstrates that the organization moves toward self-sufficiency.
 - Organization has a strategy to consolidate and continue activities when grant is completed.
 - Proposed activities increase the volume of services in current areas and / or provide in new geographic areas.
 - Proposed activities increase the quality of and access to services for the target population in selected geographic areas.
- d. Institutional capacity**
- Experience and/or potential of the organization or its personnel in the provision of technical services or level of advancement in activities for which the grant is solicited.
 - Experience of the organization in similar activities or projects with financial or technical donor organisms.
 - Experience of key personnel in the implementation of proposed activities.
 - Organization has accounting system and internal control and audits, or is in the process of implementing an adequate system.
 - Relationships of the organization with associate organizations that provide technical and financial support that could complement the grant. It is desirable that grant funds be used to leverage resources from other donors.
- f. Appropriateness of the proposal**
- Proposal supports the objectives of the program.
 - Proposed activities are appropriate in order to meet the proposed objectives.
 - Proposal is in line with the capacity and normal activities of the organization.
 - Required resources are appropriate and sufficient to meet the proposed objectives or to complement other resources.
 - Indicators and objectives are realistic within the context of the target population.

4.4 Notification

All applicants will be notified of the results by a formal letter, once the Committee has selected the final grantees. A formal letter containing the results of the evaluation process will be sent to those organizations that were not selected. The letter will briefly explain why the Committee did not select the grantee or rejected by USAID or AGIL management. If organizations would like more information about why they were not selected or rejected, they have the right to request this information within ten working days of the announcement. The grants manager will respond to the request within 30 days.

Organizations that were selected will be notified by formal letter as well as by telephone, if possible. Notification will make clear that the grant is pending on adequate results of the pre-award evaluation and final approval by USAID.

4.5 Pre-award review

Grants will be awarded primarily on the basis of the technical merit of their proposal. Once it has been determined to award a grant, but before the agreement has been signed, the grants manager will conduct a review of the recipient organization's accounting and financial procedures and reporting capabilities to ensure compliance with USAID requirements. For organizations partnering with others, the review will look at the capabilities of both the partner and the applicant. The results of the pre-award review will be submitted to USAID in the form of the Negotiation Memorandum.

4.5.1 Accounting, record keeping and overall financial management system and personnel and travel policies

The grants manager will review a written description of the grantee's systems, and a statement from an auditor if available, to ensure the following requirements are met:

- Grantee maintains books, records, program documentation and other materials related to the grant in accordance with generally accepted accounting principles.
- Grantee accounting records are, at a minimum, adequate to show: all costs incurred under the grant, the receipt and use of goods and services acquired under the grant, the costs of the program supplied from other sources and the overall progress of the program.
- Grantee accounting and banking systems can maintain grant funds separately from all other grantee funds.
- Grantee systems are adequate to maintain all documentation for a three-year period.
- Grantee has adequate financial resources required to complete the grant activity and to provide the required level of counterpart funds.
- For grants involving the purchase of commodities, the Grantee has an adequate record system for property control and an adequate program for the orderly maintenance of government property.
- Grantee has standards, written personnel and travel policies that are uniformly enforced and that result in personnel and travel costs, which are reasonable in accordance with applicable cost principles.

4.5.2 Managerial capability and eligibility

The grantee's record of performance, integrity and management competence with respect to planning and

implementing programs will be evaluated during the grant program's competitive selection process. Only grantees with adequate managerial capability and an adequate record of performance and integrity of the applicant will be selected for a grant award. For applicants in partnership with another organization, the review will assess the managerial capability and performance of the partner, but the integrity of the applicant will be a must.

The grantee's ability to complete the grant activity, given all existing and prospective commitments, will also be assessed during the competitive selection process. Only grantees that demonstrate an ability to complete the proposed activity will be selected for a grant award.

5 Grant Agreements and Final USAID Approval

Once the pre-award review of the grantee's financial and accounting systems is completed, the final grant program activity and budget will be negotiated.

5.1 Standard agreement format

The Project will use a standard grant agreement format that has been approved by the USAID/Washington Contracts Officer in previous grants programs (Annex A). The standard grant agreement format will facilitate preparation by the grants manager of the individual grant agreements and final approval by USAID. Although individual agreements will differ in the specific details of certain sections, all grant agreements will contain the following standard sections and language:

- A description of the background, purpose, objectives, goals and anticipated products of the grant activity. The program description will also list the overall amount of the grant award and the conditions of the grant.
- A grant schedule, which includes a business plan, a time line for implementation, clear benchmarks and indicators for monitoring and evaluation, a clear listing of intermediate and final deliverables and the financial and technical reporting requirements.
- A line item budget by category, including salaries, travel, commodities, and other direct costs, that distinguishes between the costs that will be covered by the grant and those costs that will be covered (matched) by the grantee.
- Standard clauses to ensure compliance with Abt Associates policies and AID regulations (ADS 303).

5.2 Grant program activity description and business plan

Based on the grantee's application and comments provided by the review committee, the grants manager will develop in collaboration with the grantee a final program description for the grant. The program description will include an abstract; grant objectives, expected products and/or outputs, expected outcomes of the grant program implementation, a workplan and schedule, and clear indicators for monitoring and evaluation.

5.3 Grant program budget

5.3.1 Grant funds

The estimated budget proposed in the application will be reviewed for completeness and to assure costs are

reasonable and allowable under USAID regulations. The grants manager and the grantee will clearly determine the allowable costs for which the grantee may use grant funds. Based on the review of the grant proposed budget, a final grant budget will be agreed upon with the grantee.

5.3.2 Matching funds

Grantees will be required to match approximately 25 percent of the total costs of the grant program activity. The grants manager will review the grantee's proposed budget to ensure that the proposed cash and in-kind contributions provided by the grantee organization achieves the required level of cost sharing adhere to the criteria and procedures for allowable cash and in-kind contributions.

5.4 Preparation and signing of the grant agreement

Upon completion of the grant agreements, the grants manager will present an unsigned copy of the grant agreement to the grantee for review. The grantee will then sign and return the agreement to the AGIL office. At that time, the grant agreement will be sent to Abt's Managing Vice President, Manager of the International Development Area of Abt Associates. The grant agreement will not be binding until both parties sign it.

5.5 Notification memorandum and task authorization

Once the selection, evaluation, and negotiation processes have been completed, the AGIL grants manager will submit a notification memorandum to USAID. The notification memorandum will summarize the competitive selection process, the results of the pre-award evaluation, and the grant agreement negotiation process.

Final USAID concurrence will be granted in the form of a task authorization for each award, which will include the total amount of the grant, a brief summary of the grant program, its relevance to USAID goals, the workplan, deliverables, and the budget.

6 Grant Management and Monitoring

6.1 General responsibilities of the grants manager

The role of the grants manager will be to measure and evaluate the grantee's progress in achieving the grant program objectives rather than to manage the implementation of the grant's activities. The grants manager will be responsible for ensuring that all financial reports, progress reports, and intermediate deliverables or products scheduled to be completed during the reporting quarter are received on time. The grants manager will review or request technical assistance in reviewing all intermediate products to ensure that they are accurate and technically sound. In order to track and monitor grant progress, the grants manager will maintain an updated matrix of the activities of each grantee and the current status of activities, report and product submission, and financial transfers.

As outlined in Section 1.6, the grants manager will also coordinate all technical assistance needed for the implementation of grant program activities.

6.1.1 Site visits

The grants manager may conduct one to two visits to each grant site, in order to monitor the progress of grant activities. Grantees will be notified in advance of the visit and what information the grants manager wishes to

gather. At this time the grants manager will also determine technical assistance needs in collaboration with the grantee institution.

6.2 Grantee reporting requirements

6.2.1 Financial reports

Grantees will submit the following financial reports on a quarterly basis and on completion of the grant: “Voucher for Purchases and Services (USAID Standard Form 1034),” “Cash Advance Status Report (USAID Standard Form W245),” and “Financial Status Report (USAID Standard Form 269A).” Reports will be due 30 days after the close of each quarter. Quarterly financial reports will contain information on expenditures per budget line item linked to individual grant activities and products, and will show that the total expenditures incurred during the quarter are being matched. Annex A contains the quarterly financial reports.

6.2.2 Progress reports and products

Grantees will submit a progress report on a quarterly basis and a final report upon completion of the grant. Quarterly progress reports will be in narrative form and will summarize progress to date towards achieving the overall grant objectives, intermediate benchmarks and intermediate products that are due during quarterly reporting periods. Interim products or outputs will be due at the time specified in the program description.

6.3 Commodities management

Title to property purchased with funds from the AGIL grants program will vest in the grantee. The grants manager will ensure that proper authorization from AID is obtained for the purchase of any other restricted or ineligible goods or for the use of unauthorized sources.

As grant funds will be used to expand offices and services, it is possible that funds may be requested for equipment and/or similar high-priced items. As such, AGIL will permit the purchase of these items, which might possibly include the purchase of an item above \$5,000, as long as it is included within the initially approved budget and fits within the objectives of the small grants program. Grantees will be required to seek at least three competitive bids for the purchase of equipment. However, any purchase of this sort not included in the original approved budget will not be reimbursed with grant funds.

6.4 Payment of grant funds

6.4.1 Process

The method of payment for all grant funds will be periodic advance payment. Periodic advances shall be given quarterly. Each quarterly periodic advance shall not exceed the minimum amount needed to meet anticipated disbursements for the following quarter.

No later than 30 days after the close of each quarter, the grantees shall submit to the grants manager the quarterly financial reports, which serve to demonstrate how both grant and matching funds have been spent to date. In addition, the grantee must submit a line item budget of projected disbursement for the next reporting period. Receipt of the next quarterly advance will depend on the adequate completion and submission of these forms.

6.4.2 Costs

Grant funds can be used to cover costs incurred during implementation of the grant activity, provided that they are incurred as a result of directly carrying out grant activities and are reasonable, allocable and allowable in accordance with terms of the applicable cost principles. These limitations will be specified in a standard provision of the grant agreement and the grants manager will review all financial reports to ensure compliance with this requirement. Any costs found questionable by the AGIL will be referred to the USAID Contracting Officer to determine whether or not they are allowable. This procedure will be specified in a standard provision of the grant document (Annex A).

6.5 Amending grants

6.5.1 Non-funded amendments

Non-funded amendments to grant agreements may be permitted with written consent of both the grantee and the grants manager. This procedure will be specified in a standard provision of the grant agreement (Annex A). The grantee will be required to advise the program 30 days in advance if a change in the scope or the objectives of the activity is required or if a change in the funding allocated among activity components or budget line items is required. In addition, an extension of the period of performance will be permitted through the written consent of both the grantee and the grants manager.

6.6 Terminating grants

6.6.1 Termination for cause

The grants manager, in conjunction with AGIL management, may determine during routine grant management that a grant should be terminated for cause because the grantee is unable to implement the activity in accordance with the terms specified in the grant document. Grants will only be terminated for cause after the grants manager and the grantee make at least one attempt to resolve implementation difficulties. The AGIL project's authority to terminate a grant for cause, and the criteria that will be used to make such a decision, will be specified in a standard provision of the grant agreement (Annex A).

6.6.2 Termination for convenience

The grants manager or the grantee may determine at any point during grant implementation that the grant should be terminated for convenience, in whole or in part. Grants will only be terminated for convenience after the grants manager and the grantee agree that continuing the grant would not be productive. The AGIL project and the grantee's authority to terminate a grant for convenience, and the conditions under which such a decision would be made, will be specified in a standard provision of the grant agreement (Annex A).

6.7 Notices

All notices given by the Project or the grantee must be made in writing and delivered in person, mailed or cabled to the grants manager or the grantee. This procedure will be specified in a standard provision of the grant agreement (Annex A).

7 Grant Closeout Procedures

7.1 Financial and technical reports and accounting records

All final financial and technical reports will be due within 30 days of the completion of the grant. The grants manager will be responsible for ensuring the receipt of these reports.

All grantees will be advised of the requirement to keep all financial documentation and records associated with the grant for a period of three years.

7.1.1 Budget Reconciliation

AGIL will reconcile the grant budget with the grantee and ensure that the grantee refunds any balance of unobligated cash that the Project paid and that is not authorized to be retained by the grantee. This procedure will be documented in a standard grant provision of the grant agreement.

AGIL will not reimburse the grantee for costs incurred in excess of the total amount obligated under the grant and this principle will be documented in a standard grant provision of the grant agreement (Annex A).

7.1.2 Commodities

AGIL will ensure that the grantee accounts for any property acquired with grant funds in accordance with the title provisions of the grant. AGIL will review and approve an inventory schedule and final disposition plan for all government property.

7.1.3 Technical products

The grants manager will review all products required by the grant activity to verify that they are complete and of acceptable quality. The grants manager will coordinate technical assistance, if necessary, to improve either the level of completeness or quality of grant activity products.

8 Grant Evaluation

Grants will be evaluated to determine whether grant activities were implemented according to the workplan and whether they achieved the stated objectives. In addition to summarizing the results of individual grant evaluations, the overall evaluation of small grants program will focus on whether or not the program was successful in funding activities, which achieved AGIL project objectives. The results of the evaluation process will be documented in the form of a final report, and will serve to advise future USAID projects on lessons learned, what activities and objectives were successful, and what activities and objectives were more challenging to achieve.

Annex A

**GRANT AGREEMENT
BETWEEN
Abt ASSOCIATES INC.
AND
[ORGANIZATION]**

GRANT NO. 00- -MAYA-7363

WHEREAS, Abt Associates Inc. (hereinafter referred to as "Abt Associates") has entered into a Prime Contract with the United States Agency for International Development (hereinafter referred to as "Government" or "USAID") under Prime Contract No.520-C-00-00-00035-00, and

WHEREAS, said Prime Contract is intended to provide USAID/Guatemala host country institutions with technical assistance, improved capability of financial and technical service providers in agricultural policy and management, and expansion of micro enterprises and businesses, and

WHEREAS, Abt Associates desires to grant funds to [ORGANIZATION] (hereinafter referred to as "the Grantee"),

In consideration of the foregoing, and the mutual promises contained in the following sections, the parties have caused this Grant Agreement to be duly signed and executed with the intention of becoming legally bound thereby.

FOR (signature with authority):	
Name: Title:	Date

This Grant [] is [] is not subject to consent by the Government and is not valid until Abt Associates has received such consent. If required, consent was received from: _____.
On: _____.

FOR Abt ASSOCIATES INC.: (signature with authority):	
Name: John S. Tilney, Jr. Title: Managing Vice President	Date

THIS GRANT CONSTITUTES THE ENTIRE AGREEMENT BY THE PARTIES WITH RESPECT TO THE MATTERS HEREIN. No other agreement, oral or written, shall be deemed to bind the parties with respect to the subject matter of this Grant.

SECTION 1: OVERVIEW

1.1 ISSUED BY:

Abt Associates Inc.
55 Wheeler Street
Cambridge, MA 02138
Telephone: (617)492-7100
Facsimile: (617) 492-5427

Abt Associates Grant Officer: John S. Tilney, Jr.
Abt Associates Chief of Party: Richard L. Clark
Abt Associates Project Coordinator: Gordon Straub
Abt Associates Grant Administrator: Eberto de Leon

1.2 GRANTEE:

[Org name]
[Org add]
[Org tel]
[Org fax]
[Org email]

Grantee's Responsible Officer: [NAME]
Grantee's Contact Person: [NAME]

1.3 PERIOD OF PERFORMANCE: [DATE] to [DATE]

1.4 GRANT AMOUNT: [AMOUNT]

1.5 OBLIGATED AMOUNT: [AMOUNT]

1.6 PRIME CONTRACT:

United States Agency for International Development/Guatemala
Contract No.520-C-00-00035-00
Issued to: Abt Associates Inc.

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SECTION 2: SCHEDULE

2.1 PURPOSE OF GRANT

The purpose of this Grant is [INSERT PURPOSE OF GRANT], as more specifically described in Attachment A entitled "Program Description."

2.2 TECHNICAL REPORTING AND EVALUATION

A. Technical Status Reports and Other Products

The Grantee shall deliver to the Abt Associates Grant Administrator the items specified in Attachment A entitled "Program Description" (if any).

One original and two copies of Technical Status Reports shall be submitted on the same dates as the Quarterly Financial Reports (see Section 1.3.C). The report shall be in narrative form and will summarize progress to date towards achieving the overall grant objectives, progress towards achieving intermediate benchmarks and progress in completing intermediate products that are due during quarterly reporting periods.

B. Site Visits

The Abt Associates Grant Administrator or other AGIL staff may make site visits to:

- ▶ Review program accomplishments;
- ▶ Review management and accounting/financial control systems; and
- ▶ Provide such technical assistance as may be required.

The Grantee shall be notified in advance of planned site visits, including proposed dates and names of individuals making the site visit.

2.3 PUBLICATIONS AND MEDIA RELEASES

- (a) USAID shall be prominently acknowledged in all publications, videos or other information/media product funded or partially funded through this grant, and the product shall state that the views expressed by the author(s) do not necessarily reflect those of Abt Associates or USAID. Acknowledgments should be substantially as follows:

"This Publication was made possible through support provided by the United States Agency for International Development under Prime Contract No.520-C-00-00-00035-00 awarded to Abt Associates Inc. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of Abt Associates Inc. or the U.S. Agency for International Development."

- (b) In the event grant funds are used to underwrite the cost of publishing, any profits or royalties up to the amount of such cost shall be credited to the grant.
- (c) Except as otherwise provided in the terms and conditions of the grant, the author or the Grantee is free to copyright any books, publications, or other copyrightable materials developed in the course of or under

this grant, but USAID reserves a royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for U.S. Government purposes.

2.4 PERIOD OF PERFORMANCE

The effective date of this Grant is [DATE]. The estimated completion date of this grant is [DATE]. The Grantee must obtain *prior written approval* from the Abt Associates Grant Officer for an extension of the estimated completion date.

2.5 AMOUNT OF GRANT AND PAYMENT

A. In response to a request for assistance dated [DATE], Abt Associates awards to the Grantee an amount not to exceed [GRANT AMOUNT] as a contribution to the Grantee's program described in Attachment A [Program Description].

B. Funds provided under this Grant Agreement may be utilized for actual incurred costs up to [GRANT AMOUNT].

C. The method of payment to be used for this Grant is *periodic advance payment*, as follows:

- (a) Periodic advances shall be given quarterly. Each quarterly periodic advance shall not exceed the minimum amount needed to meet anticipated disbursements for the following quarter.
- (b) No later than 30 days after the close of each quarter, the Grantee shall submit to the Abt Associates Grant Administrator one original and two copies of the forms entitled "Voucher for Purchases and Services Other Than Personal", "Cash Advance Status Report", and "Financial Status Report." Copies of these forms can be found in Attachment D [Financial Reporting Forms].
- (c) Funds advanced under this Grant Agreement shall not be commingled with other Grantee owned or controlled funds. The Grantee shall deposit all cash advances in a separate bank account and shall make all disbursements for goods and services from this account.
- (d) If the Grantee does not have a foreign currency account, payment will be made in local currency calculated at the exchange rate of the Central Bank on the date of payment, up to the maximum U.S. \$ amount of the grant.
- (e) This Grant Agreement is made on condition that the funds will be administered in accordance with the terms and conditions as set forth in this Grant Agreement and Attachments, which have been agreed to by the Grantee.

Abt Associates will pay vouchers 30 days after receipt of a properly prepared invoice until such time as the total disbursement effected equals the Grant ceiling amount.

Payments will be made via wire transfer to the Grantee's foreign currency bank account. Wire transfer instructions are as follows:

Bank Name:

Bank Address:
Account Name:
Account Number:
Correspondent Bank:
ABA or Swift Number:

For Grantees that do not have a foreign currency bank account, payments will be made to the grantees by check in local currency.

2.6 GRANT AGREEMENT BUDGET AND ALLOWABLE COSTS

A. The Grant Agreement Budget

The Grant Agreement Budget is presented in Attachment B, "The Grant Agreement Budget." Budget categories are denoted by capital letters and line items of a given budget category are denoted by numbers. The Grantee may expend grant funds only for activities and items listed in the budget and must obtain *prior written approval* from the Abt Associates Grant Administrator for expenditures from grant funds for any cost not included in the grant budget. It is the Grantee's responsibility to ensure that the Abt Associates Grant Administrator approval for any cost not included in the grant budget does not result in costs, which exceed the ceiling price of this Grant Agreement.

B. Revision of Grant Budget

- (a) The Grantee shall request approval from the Abt Associates Grant Officer when there is reason to believe that within the next 30 calendar days a revision of the approved grant budget will be necessary for any of the following reasons:
 - (1) To change the scope or the objectives of the project;
 - (2) To add additional funding;
 - (3) The Grantee intends to contract or subgrant any of the work under this grant, and such contracts or subgrants were not included in the approved grant budget.
- (b) Abt Associates shall not be required to reimburse the Grantee for costs incurred in excess of the total amount obligated under the grant.
- (c) The Grantee shall not be required to continue performance under the grant or otherwise to incur costs in excess of the amount obligated under the grant.

C. Cost Sharing (Matching)

- (a) The Grantee agrees to expend from non-grant funds an amount at least equal to the amount or percentage of the total expenditures under this grant specified in Attachment B [Grant Agreement Budget]. Individual expenditures do not have to be matched, provided that the total expenditures incurred during the funding period are shared or matched in accordance with the agreed amount specified in the grant schedule.

- (b) The Grantee agrees to: 1) the criteria for accepting Grantee cash and in-kind contributions and 2) the specific procedures for establishing the value of in-kind contributions outlined in Attachment E [Cost Sharing/Matching].
- (c) If the Grantee fails to expend non-grant funds in the amount or percentage specified in the grant schedule during a funding period, the total amount of grant funding provided during subsequent funding cycles may be reduced by a corresponding amount. If the grant has ended, the Grantee agrees to reimburse Abt Associates an amount equal to the difference between the agreed to amount of non-grant funds and the actual amount of non-grant funds expended by the Grantee on grant activities.
- (d) Failure to meet the cost sharing requirements set forth in this section shall be considered a sufficient reason for termination for cause of this grant in accordance with Article 3.6.

D. Refunds

- (a) Interest earned on advances will be remitted to Abt Associates. However, the Grantee may retain up to \$250 of interest earnings per year for administrative expenses.
- (b) At the time this Agreement expires or is terminated, funds shall revert to Abt Associates if: 1) Abt Associates has obligated funds to the grant, but has not disbursed them to the Grantee, or 2) Abt Associates has advanced funds to the Grantee, but the Grantee has not expended them. Funds which the Grantee has obligated in legally binding transactions applicable to this grant will **not** revert to Abt Associates.
- (c) Abt Associates reserves the right to demand a refund from the Grantee of any amount which the Grantee did not spend in accordance with the terms and conditions of this Grant Agreement. In the event that a final audit has not been performed prior to the closeout of this grant, Abt Associates retains the right to a refund until all claims which may result from the final audit have been resolved between Abt Associates and the Grantee. The grantee shall make the refund in full no later than 30 calendar days after receipt of a demand for a refund from Abt Associates.

E. Allowable Costs

- (a) The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this grant which are determined by Abt Associates to be reasonable, allocable, and allowable in accordance with the terms of this grant and the applicable cost principles in effect on the date of this grant (for educational institutions use OMB Circular A-21; for all other non-profit organizations use OMB Circular A-122; and for profit making firms use Federal Acquisition Regulation 31.2 and USAID Acquisition Regulation 731.2). Copies of the applicable cost principles will be supplied by Abt Associates when requested by the Grantee.
- (1) "Reasonable" shall mean those costs which are generally recognized as ordinary and necessary and would be incurred by a prudent person in the conduct of normal business.
- (2) "Allocable Costs" shall mean those costs which are incurred specifically for the grant.
- (3) "Allowable Costs" shall mean those costs which conform to any limitations in the grant.

- (4) “Unallowable costs” include but are not limited to the following examples: advertising, bad debts, contingencies, entertainment, fines and penalties, interest, fund raising, investment management costs, losses on other awards, and first class air fare unless specifically approved.

The following costs are unallowable under this specific grant:

Air Travel and Transportation. No international travel will be reimbursed under this grant.

Overhead Costs. Overhead costs are not reimbursable under this grant.

- (b) Prior to incurring a questionable or unique cost, the Grantee should obtain the Abt Associates Grant Officer’s written determination on whether the cost will be allowable.

F. Accounting, Audit and Records

The Grantee shall maintain books, records, documents, and other evidence relating to the Grant Agreement in accordance with generally accepted accounting principles formally prescribed by the United States, the cooperating country, or the International Accounting Standards Committee (an affiliate of the International Federation of Accountants) to sufficiently substantiate charges to this grant. Accounting records that are supported by documentation will as a minimum be adequate to show all costs incurred under the grant, receipt and use of goods and services acquired under the grant, the costs of the program supplied from other sources, and the overall progress of the program. The Grantee records and subgrantee records which pertain to this grant shall be retained for a period of three years from the date of expiration of this grant and may be audited by Abt Associates, USAID and/or its representatives.

SECTION 3: REPRESENTATIONS AND WARRANTIES

3.1 AUTHORIZED REPRESENTATIVE

The Grantee represents and warrants that the signatory on its behalf is duly authorized and fully empowered to enter into this Grant Agreement.

3.2 WARRANTY AGAINST INFRINGEMENT OF CERTAIN RIGHTS

The Grantee represents and warrants that its performance of this Grant Agreement will not infringe the copyright, patent, or other property right of any other person, and agrees to defend, indemnify, and hold harmless Abt Associates and USAID from any and all liability which may arise from breach of this warranty.

3.3 COMPLIANCE WITH LAW

The Grantee represents and warrants its compliance with all applicable U.S. and/or local laws, ordinances and regulations governing performance of this Grant Agreement.

3.4 DEBARMENT OR SUSPENSION

By signing this grant the Grantee warrants that, as of the time of award of this Grant, neither the Grantee nor any of its principals is debarred, suspended, or proposed for debarment or suspension by the United States Government.

SECTION 4: GENERAL PROVISIONS

4.1 PROCUREMENT OF GOODS AND SERVICES

The Grantee may use its own procurement policies and practices for the procurement of goods and services using USAID funds, provided they conform to all of USAID's requirements listed in Attachment F.

4.2 TITLE TO PROPERTY

- (a) Title to all property financed under this grant shall vest in the Grantee.
- (b) The Grantee agrees to use and maintain the property for the purpose of the grant.
- (c) With respect to property having an acquired value of \$1,000 or more, the Grantee agrees to report such items to the Grant Administrator as they are acquired and to maintain a control system which will permit their ready identification and location.
- (d) Within thirty calendar days after the end of the grant, the Grantee will provide a list to the Grant Administrator of each item that has an appraised value of \$1,000 or more with a detailed proposal of what the Grantee intends to do with that property. If the Grant Administrator does not respond within 120 calendar days, the Grantee may proceed with the disposition of the property. However, if the Grantee uses the property for purposes other than those of the grant or sells or leases the property, Abt Associates shall be reimbursed of its share of the property unless the Abt Associates Grant Officer authorizes Abt Associates' share of the income from selling or leasing the property to be used as program income. This share is based upon the percentage of Abt Associates' contribution to the Grantee's program. If Abt Associates paid 100% of the Grantee's costs, then Abt Associates would receive 100% of the selling cost less a nominal selling fee of \$100.

4.3 NON-ASSIGNMENT AND LOWER-TIER GRANTING/SUBCONTRACTING

The Grantee shall not assign this Grant Agreement or sublet or subcontract the grant or assign the right to receive any payments coming due hereunder without prior written consent from the Abt Associates Grant Officer. If consent is given, the Grantee shall be required to include the substance of the clauses in this Grant Agreement in its subgrant or subcontract.

4.4 AMENDMENT

The grant may be amended by formal modifications to the basic grant document or by means of a written exchange between the Abt Associates Grant Officer and an appropriate official of the Grantee.

4.5 TERMINATION AND SUSPENSION

- (a) For Cause. The Abt Associates Grant Officer may terminate this grant for cause at any time, in whole or in part, upon written notice to the Grantee, whenever it is determined that the Grantee has failed to comply with the terms and conditions of the grant.
- (b) For Convenience. This grant may be terminated for convenience at any time by either party, in whole or in part, if both parties agree that the continuation of the grant would not produce beneficial results commensurate with the further expenditure of funds. Both parties shall agree upon termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The agreement to terminate shall be set forth in a letter from the Abt Associates Grant Officer to the Grantee.
- (c) Suspension or Termination for Changed Circumstances. If at any time Abt Associates determines that continuation of all or part of the funding for a program should be suspended or terminated because USAID has suspended or terminated funding or because it would be in violation of an applicable law, then Abt Associates may, following notice to the Grantee, suspend or terminate this grant in whole or part and prohibit the Grantee from incurring additional obligations chargeable to this grant other than those costs specified in the notice of suspension during the period of suspension. If the situation causing the suspension continues for 60 days or more, then Abt Associates may terminate this grant on written notice to the Grantee and cancel that portion of this grant which has not been disbursed or irrevocably committed to third parties.
- (d) Termination Procedures. Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the Grantee shall take immediate action to minimize all expenditures and obligations financed by this grant and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination. The Grantee shall within 30 calendar days after the effective date of such termination repay to Abt Associates all unexpended funds which are not otherwise obligated by a legally binding transaction applicable to this grant. Should the funds paid by Abt Associates to the Grantee prior to the effective date of the termination of this grant be insufficient to cover the Grantee's obligations in the legally binding transaction, the Grantee may submit to Abt Associates within 90 calendar days after the effective date of such termination a written claim covering such obligations. The Abt Associates Grant Officer shall determine the amount(s) to be paid by Abt Associates to the Grantee under such claim in accordance with the applicable cost principles.

4.6 RIGHT OF USAID TO TERMINATE GRANT ACTIVITIES

Recognizing the paramount interest of the United States and USAID in grant-making, the parties agree that USAID may, in its sole discretion, terminate the grant activities unilaterally in extraordinary circumstances.

4.7 DISPUTES

- A. Any dispute, controversy or claim arising out of or relating to this Grant, or the breach, termination or invalidity thereof, shall be settled by binding arbitration in accordance with the UNCITRAL (United Nations Commission on International Trade Law) Arbitration Rules in effect on the date of this grant. Abt Associates and the Grantee agree that: (a) the number of arbitrators shall be one; (b) the place of arbitration shall be London; and (c) the language to be used in arbitral proceedings shall be English.
- B. This Disputes clause does not preclude consideration of questions of law in connection with decisions provided for in the above paragraph; provided that nothing in this Agreement shall be construed as making final the decisions of any administrative official, representative, or board on a question of law.

4.8 INDEMNIFICATION AND INSURANCE

The Grantee shall defend, indemnify and hold Abt Associates and its officers, agents and employees harmless against any liability, claim, damage, suit, or expense (including reasonable attorney fees) caused by the Grantee's acts or omissions, including without limitation, claims based on: (a) Grantee's infringement of a patent, copyright, trademark, or other intellectual property right; (b) bodily injury, death, or damage to property caused by Grantee; (c) Grantee's conflict of interest, fraud, or criminal conduct; (d) Grantee's noncompliance with applicable laws or regulations; (e) Grantee's noncompliance with financial record keeping and reporting requirements of the Grant; (f) Grantee's failure to compensate, or comply with any applicable labor standards, laws, or regulations with respect to Grantee's employees, agents, or lower tier Grantees; and (g) Grantee's breach of this Agreement, or any representation or warranty contained in this Agreement. The provisions of this section shall survive the expiration or termination of this Grant Agreement.

The Grantee shall, at all times during the period of performance of this grant, carry the following insurance:

- Workers Compensation and/or Employer's liability in accordance with Guatemalan Law
- Any other insurance coverage required by Guatemalan Law

Upon request, the Grantee shall provide Abt Associates with evidence of the above coverages, either in the form of a Certificate of Insurance or copies of the policies. Subsequent to the renewal of such insurances, the Grantee shall provide evidence upon request of the renewal of coverage.

In no event shall Abt Associates, its affiliates and/or employees or agents be liable, whether in contract, warranty or tort (including negligence or strict liability) for any special, indirect, consequential, multiple or punitive damages of any nature arising out of or in connection with this Grant.

4.9 GOVERNING LAW

This agreement shall be deemed to be an Agreement made under, governed by, and construed in accordance with the laws of the Commonwealth of Massachusetts, United States of America.

4.10 GRANT DOCUMENTS

All attachments, which are referenced in this Agreement, are hereby made a part of this Agreement and are herein called the Grant Documents. Grantee represents that it has examined the Grant Documents and certifies that it is fully qualified to fulfill the grant requirements.

4.11 INDEPENDENT CONTRACTORS

Nothing contained in this Agreement shall be construed to create a joint venture, partnership or agency relationship between the parties; the Grantee has no authority to represent or bind either Abt Associates or USAID in dealings with third parties.

4.12 SEVERABILITY

If any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement other than the portions determined to be invalid or unenforceable shall not be affected thereby, and each valid provision hereof shall be enforced to the fullest extent permitted by law.

4.13 CAPTIONS

The descriptive section headings of this Agreement have been inserted for convenience only and shall not be deemed to limit or otherwise affect the construction of any provisions thereof.

4.14 NO WAIVER

Failure to insist upon strict compliance with any of the terms, covenants, and conditions hereof shall not be deemed a waiver of such terms, covenants, or conditions, nor shall any waiver or relinquishment of any right or power hereunder at any one time or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

4.15 NOTICES

All notices required or permitted to be given hereunder shall be sufficient if in writing and personally delivered or sent by mail or courier or facsimile addressed, as applicable, to the Abt Associates Grant Administrator or to the Grantee's Responsible Officer at the addresses (fax numbers) specified on the Cover Page of this Agreement.

- END -

ATTACHMENT A: PROGRAM DESCRIPTION

Abstract:

[ENTER ABSTRACT]

Background:

[INSERT BACKGROUND]

Grant Objectives:

[INSERT GRANT OBJECTIVES]

Expected Outputs or Products:

[INSERT OUTPUTS/PRODUCTS]

Expected Outcomes of Grant Program Implementation:

[INSERT OUTCOMES]

Workplan and Schedule:

[INSERT WORKPLAN AND SCHEDULE]

Monitoring and Evaluation Plan:

[INSERT MONITORING AND EVALUATION PLAN]

ATTACHMENT B: GRANT AGREEMENT BUDGET

ATTACHMENT C: ADDITIONAL PROVISIONS

1. U.S. Officials Not to Benefit
2. Investment Promotion
3. Metric System of Measurement
4. Protection of the Individual as a Research Subject

Note: The term "USAID" should be replaced by "Abt Associates" in the following provisions, except when the term "USAID" refers to a specific USAID policy or USAID procedure

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

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

2. INVESTMENT PROMOTION (JANUARY 1994)

No funds or other support provided hereunder may be used in a project or activity reasonably likely to involve the relocation or expansion outside of the United States of an enterprise located in the United States if non-U.S. production in such relocation or expansion replaces some or all of the production of, and reduces the number of employees at, said enterprise in the United States.

No funds or other support provided hereunder may be used in a project or activity the purpose of which is the establishment or development in a foreign country of any export processing zone or designated area where the labor, environmental, tax, tariff, and safety laws of the country would not apply, without the prior written approval of USAID.

No funds or other support provided hereunder may be used in a project or activity which contributes to the violation of internationally recognized rights of workers in the recipient country, including those in any designated zone or area in that country.

This provision must be included in all subagreements.

3. METRIC SYSTEM OF MEASUREMENT (AUGUST 1992)

Wherever measurements are required or authorized, they shall be made, computed, and recorded in metric system units of measurement, unless otherwise authorized by the Abt Associates Grant Officer in writing when it has found that such usage is impractical or is likely to cause U.S. firms to experience significant inefficiencies or the loss of markets. Where the metric system is not the predominant standard for a particular application, measurements may be expressed in both the metric and the traditional equivalent units, provided the metric units are listed first.

4. PROTECTION OF THE INDIVIDUAL AS A RESEARCH SUBJECT (AUGUST 1995)

- (a) Safeguarding the rights and welfare of human subjects in research supported by USAID is the responsibility of the organization to which support is awarded. USAID has adopted the Common Federal Policy for the Protection of Human Subjects, Part 225 of Title 22 of the Code of Federal Regulations (the "Policy"). Additional interpretation, procedures, and implementation guidance of the Policy are found in USAID General Notice entitled "Procedures for the Protection of Human Subjects in Research Supported by USAID", issued April 19, 1995, as from time to time

amended (a copy of which is attached to this grant). USAID's Cognizant Human Subjects Officer (CHSO) in USAID/W has oversight, guidance, and interpretation responsibility for the Policy.

- (b) Recipient organizations must comply with USAID policy when humans are the subjects of research, as defined in 22 CFR section 225.102(d), funded by the grant and recipients must provide "assurance", as required by 22 CFR section 225.103, that they follow and abide by the procedures in the Policy. See also Section 5 of the April 19, 1995, USAID General Notice which sets forth activities to which the Policy is applicable. The existence of a bona fide, applicable assurance approved by the Department of Health and Human Services (HHS) such as the "multiple project assurance" (MPA) will satisfy this requirement. Alternatively, organizations can provide an acceptable written assurance to USAID as described in 22 CFR section 225.103. Such assurances must be determined by the CHSO to be acceptable prior to any applicable research being initiated or conducted under the grant. In some limited instances outside the U.S., alternative systems for the protection of human subjects may be used provided they are deemed "at least equivalent" to those outlined in Part 225 (see 22 CFR 225.101[h]). Criteria and procedures for making this determination are described in the General Notice cited in the preceding paragraph.
- (c) Since the welfare of the research subject is a matter of concern to USAID as well as to the organization, USAID staff, consultants and advisory groups may independently review and inspect research and research processes and procedures involving human subjects, and based on such findings, the CHSO may prohibit research which presents unacceptable hazards or otherwise fails to comply with USAID procedures. Informed consent documents must include the stipulation that the subject's records may be subject to such review.

USAID/General Notice
POLICY
PPC and G
04/19/1995

SUBJECT: Procedures for the Protection of Human Subjects in Research Supported by USAID

In June 1991 USAID, along with most Federal Agencies, adopted the Common Federal Policy for Protection of Human Subjects (22 CFR Part 225, referred to as the Policy). The Policy sets specific standards which must be adhered to when human subjects are used in research funded by USAID. The Policy guidelines do, however, provide some latitude in interpretation and adaptation to the specific situations of each Agency. Attached are the procedures that have been developed and adopted by USAID to comply with the Policy. Although, in general for USAID projects protecting human subjects rights is primarily the responsibility of the institution/organization to which the support is awarded, the Agency still has obligations in the areas of guidance and oversight. These procedures will be incorporated into Agency Handbook 4.

ATTACHMENT D: FINANCIAL REPORTING FORMS

Voucher for Purchases and Services (USAID Standard Form 1034)

Date of Voucher:				
This voucher covers: (please check one): <input type="checkbox"/> Grant Funds <input type="checkbox"/> Matching Funds				
Name and Address of Grantee:				
Date of Purchase	Description of Purchase of Service	Quantity	Price/Item (\$)	Total Price (\$)
Exchange Rate: _____		Total: _____		
Completed By:				
Title:				
Signature:				

Cash Advance Status Report (USAID Standard Form W245)

A. Period covered by this report: FROM: _____/_____/_____ (Month, day, year) TO: _____/_____/_____ (Month, day, year)	Period covered by the next report: FROM: _____/_____/_____ (Month, day, year) TO: _____/_____/_____ (Month, day, year)
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B. Cash Advance Use and Needs:

- | | |
|---|----------|
| 1. Cash advance on hand at the beginning of this reporting period | \$ _____ |
| 2. Advance(s) received during this reporting period | \$ _____ |
| 3. Interest earned on cash advance during this reporting period | \$ _____ |
| 4. GROSS cash advance available during this reporting period (Lines 1, 2, & 3) | \$ _____ |
| 5. LESS, interest remitted to Abt Associates during this reporting period | \$ _____ |
| 6. NET cash advance available during this reporting period (Line 4 minus Line 5) | \$ _____ |
| 7. Total disbursements during this reporting period, including subadvances (see footnote 1) | \$ _____ |
| 8. Amount of cash advances available at the end of this reporting period (Line 6 minus Line 7) | \$ _____ |
| 9. Projected disbursements, including subadvances, for the next reporting period (see footnote 2) | \$ _____ |
| 10. Additional cash advance requested for the next reporting period (Line 9 minus Line 8) | \$ _____ |

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FOOTNOTES:

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

C. Certification:

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

BY _____ TITLE _____ DATE _____

Financial Status Report (USAID Standard Form 269A)

1. Name and Address of Recipient Organization:			
2. Registration Number of Organization:			
3. Recipient Bank Account Number or Other Identifying Information:			
4. Final Report: ___ Yes ___ No			
5. Period of Grant: From _____ 19__ To _____ 19__			
6. Period Covered by This Report: From _____ 19__ To _____ 19__			
7. Transactions	I Previously Reported	II This Period	III Cumulative
a) Grant share of outlays			
b) Recipient share of outlays			
c) Total outlays (a +b)			
d) Grant funds obligated but not yet paid			
e) Recipient funds obligated but not yet paid			
f) Total funds obligated but not yet paid (d+e)			
g) Total grant funds paid or obligated (a+d)			
h) Total amount of grant			
I) Remaining funds from grant (h-g)			
8. Remarks: Attach any explanations deemed necessary.			
9. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.			
Name and Title:		Telephone:	
Signature of authorized certifying official:		Date report submitted:	

ATTACHMENT E: COST SHARING [MATCHING]

Source: Standard Provision on Cost Sharing/Matching.

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

- (1) Charges incurred by the Grantee as project costs. Not all charges require cash outlays by the Grantee during the project period; examples are depreciation and use charges for buildings and equipment.
- (2) Projects costs financed with cash contributed or donated to the Grantee by other non-Federal public agencies (may include public international organizations or foreign governments) and institutions, and private organizations and individuals, and
- (3) Project costs represented by services and real and personal property, or use thereof, donated by other non-Federal public agencies and institutions, and private organizations and individuals.
- (c) All contributions, both cash and in-kind, shall be accepted as part of the Grantee's cost sharing (matching) when such contributions meet all of the following criteria:
 - (1) Are verifiable from the Grantee's records;
 - (2) Are not included as contributions for any other Federally assisted program;
 - (3) Are necessary and reasonable for proper and efficient accomplishment of project objectives;
 - (4) Are types of charges that would be allowable under the applicable Federal cost principles;
 - (5) Are not paid by the Federal Government under another grant or agreement (unless the grant or agreement is authorized by Federal law to be used for cost sharing or matching);
 - (6) Are provided for in the approved budget when required by USAID; and
 - (7) Conform to other provisions of this paragraph.
- (d) Values for Grantee in-kind contributions will be established in accordance with the applicable Federal cost principles.
- (e) Specific procedures for the Grantee in establishing the value of in-kind contributions from non-Federal third parties are set forth below:
 - (1) Valuation of volunteer services: Volunteer services may be furnished by professional and technical personnel, consultants, and other skilled and unskilled labor. Volunteer services may be counted as cost sharing or matching if the service is an integral and necessary part of an approved program.
 - (i) Rates for volunteer services: Rates for volunteers should be consistent with those paid for similar work in the Grantee's organization. In those instances in which the required skills are not found in the Grantee's organization, rates should be consistent with those paid for similar work in the labor market in which the Grantee competes of the kind of services involved.
 - (ii) Volunteers employed by other organizations: When an employer other than the Grantee furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (exclusive

of fringe benefits and overhead costs) provided these services are of the same skill for which the employee is normally paid.

- (2) Valuation of donated expendable personal property: Donated expendable personal property includes such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to expendable personal property included in the cost (matching) share should be reasonable and should not exceed the market value of the property at the time of the donation.
- (3) Valuation of donated nonexpendable personal property, buildings, and land or use thereof:
 - (i) The method used for charging cost sharing or matching for donated nonexpendable personal property, buildings and land may differ according to the purpose of the grant as follows:
 - (A) If the purpose of the grant is to assist the Grantee in the acquisition of equipment, buildings or land, the total value of the donated property may be claimed as cost sharing or matching.
 - (B) If the purpose of the grant is to support activities that require the use of equipment, buildings, or land; depreciation or use charges for equipment and buildings may be made. The full value of equipment or other capital assets and fair rental charges for land may be allowed provided that USAID has approved the charges.
 - (ii) The value of donated property will be determined in accordance with the usual accounting policies of the Grantee with the following qualifications:
 - (A) Land and buildings: The value of donated land and buildings may not exceed its fair market value, at the time of donation to the Grantee as established by an independent appraiser; and certified by a responsible official of the Grantee.
 - (B) Nonexpendable personal property: The value of donated nonexpendable personal property shall not exceed the fair market value of equipment and property of the same age and condition at the time of donation.
 - (C) Use of space: The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately owned building in the same locality.
 - (D) Borrowed equipment: The value of borrowed equipment shall not exceed its fair rental value.
- (f) The following requirements pertain to the Grantee's supporting records for in-kind contributions from non-Federal third parties.
 - (1) Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the Grantee for its employees.
 - (2) The basis for determining the valuation for personal services, material, equipment, buildings and land must be documented.

**ATTACHMENT F:
PROCUREMENT OF GOODS AND SERVICES**

- (1) The Grantee shall maintain a code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the awarding and administration of contracts using USAID funds. Conflicts of interests situations involving employees, officers or agents or their immediate families shall be avoided. The Grantee's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors. Such standards shall provide for disciplinary actions to be applied for violations of such standards by the Grantees' officers, employees or agents.
- (2) All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The Grantee should be alert to organizational conflicts of interest or noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or requests for proposals should be excluded from competing for such procurements. Awards shall be made to the offeror whose offer is responsive/responsible to the solicitation and is most advantageous to the Grantee, price and other factors considered. Solicitations shall clearly set forth all requirements that the offeror must fulfill in order to be evaluated by the Grantee. Any and all offers may be rejected when it is in the Grantee's interest to do so.
- (3) All Grantees shall establish procurement procedures that provide for, at a minimum, the following procedural requirements:
 - (i) Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary items.
 - (ii) Solicitations for goods and services shall be based upon a clear and accurate description of the technical requirements for the material, product or service to be procured. Such a description shall not, in competitive procurements, contain features which unduly restrict competition.
 - (iii) The type of procurement instruments used, e.g. fixed price contracts, cost reimbursable contracts, purchase orders, incentive contracts, shall be determined by the Grantee but must be appropriate for the particular procurement and for promoting the best interest of the program involved. In those instances where a cost type contract authorizes a fee, a fixed amount will be used in lieu of a percentage of cost.
 - (iv) Contracts shall be made only to responsible contractors who possess the potential ability to perform successfully under the terms and conditions of a proposed contract. Consideration shall be given to such matters as integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Contracts shall not be made to firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." Abt Associates will provide the Grantee with a copy of this list upon request.
 - (v) All proposed sole source contracts or where only one proposal is received in which the aggregate expenditure is expected to exceed \$10,000 shall be subject to prior approval by an appropriate official within the Grantee's organization.

- (vi) Some form of price or cost analysis should be made in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, and market prices, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.
- (vii) Procurement records and files for purchases in excess of \$10,000 shall include the following:
 - (A) Basis for contractor selection;
 - (B) Justification for lack of competition when competitive offers are not obtained;
 - (C) Basis for award: cost or price.
- (viii) A system for contract administration shall be maintained to ensure contractor conformance with terms, conditions and specifications of the contract, and to ensure adequate and timely follow up of all purchases.

USAID ELIGIBILITY RULES FOR GOODS AND SERVICES

- (a) Ineligible and Restricted Goods and Services: If Abt Associates determines that the Grantee has procured any of the restricted or ineligible goods and services specified below, or has procured goods and services from unauthorized sources, and has received reimbursement for such purpose without the prior written authorization of the Abt Associates Grant Officer, the Grantee agrees to refund to Abt Associates the entire amount of the reimbursement. USAID's policy on ineligible and restricted goods and services is contained in ADS Chapter 312, which will be provided upon request.
- (1) Ineligible Goods and Services. Under no circumstances shall the recipient procure any of the following under this award:
 - (i) Military equipment,
 - (ii) Surveillance equipment,
 - (iii) Commodities and services for support of police or other law enforcement activities,
 - (iv) Abortion equipment and services,
 - (v) Luxury goods and gambling equipment, or
 - (vi) Weather modification equipment.
- (2) Ineligible Suppliers. Funds provided under this award shall not be used to procure any goods or services furnished by any firms or individuals whose name appears on the "Lists of Parties Excluded from Federal Procurement and Nonprocurement Programs." Abt Associates will provide the Grantee with a copy of these lists upon request.
- (3) Restricted Goods. The recipient shall not procure any of the following goods and services without the prior approval of the Abt Associates Grant Officer:
 - (i) Agricultural commodities,
 - (ii) Motor vehicles,
 - (iii) Pharmaceuticals,
 - (iv) Pesticides,

- (v) Rubber compounding chemicals & plasticizers,
 - (vi) Used equipment,
 - (vii) U.S. Government-owned excess property, or
 - (viii) Fertilizer.
- (b) Source and Nationality: The authorized source for procurement of all goods and services to be reimbursed under the award is USAID Geographic Code 935, "Special Free World," and such goods and services must meet the source, origin and nationality requirements set forth in 22 CFR Part 228 (a copy of which will be provided upon request) in accordance with the following order of preference:
- (A) The United States (USAID Geographic Code 000),
 - (B) The Cooperating Country,
 - (C) "Selected Free World" countries (USAID Geographic Code 941), and
 - (D) "Special Free World" countries (USAID Geographic Code 935).
- (ii) Application of order of preference: When the recipient procures goods and services from other than U.S. sources, under the order of preference in paragraph (b)(1)(i) above, the recipient shall document its files to justify each such instance. The documentation shall set forth the circumstances surrounding the procurement and shall be based on one or more of the following reasons, which will be set forth in the Grantee's documentation:
- (A) The procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
 - (B) The price differential for procurement from U.S. sources exceeded by 50% or more the delivered price from the non-U.S. source,
 - (C) Compelling local political considerations precluded consideration of U.S. sources,
 - (D) The goods or services were not available from U.S. sources, or
 - (E) Procurement of locally available goods and services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance program under the award.
- (d) Ocean and air transportation shall be in accordance with the applicable provisions contained within this award and the provisions of 22 CFR Part 228, Subpart C.
- (e) Printed or Audio-Visual Teaching Materials: If the effective use of printed or audio-visual teaching materials depends upon their being in the local language and if such materials are intended for technical assistance projects or activities financed by USAID in whole or in part and if other funds including U.S.-owned or U.S.-controlled local currencies are not readily available to finance the procurement of such materials, local language versions may be procured from the following sources, in order of preference:
- (1) The United States (USAID Geographic Code 000),
 - (2) The Cooperating Country,
 - (3) "Selected Free World" countries (USAID Geographic Code 941), and
 - (4) "Special Free World" countries (USAID Geographic Code 899).