



**USAID**  
FROM THE AMERICAN PEOPLE

SEP 29 2006

Dr. Frank Hawkins, Vice President  
Africa and Madagascar Division  
Conservation International Foundation  
1919 M Street, NW  
Suite 600  
Washington, DC 20036

Reference: Increasing Competitiveness of Micro and Small Enterprise in the Tourism Industry  
of Madagascar

Subject: Cooperative Agreement No. EEM-A-00-06-00020-00

Dear Mr. Hawkins:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (USAID) hereby awards to Conservation International Foundation, hereinafter referred to as the "Recipient", the sum of Seven Hundred Forty Eight Thousand Four Hundred Fifty Seven Dollars (\$748,457.00) to provide support for a program in Increasing Competitiveness of Micro and Small Enterprise in the Tourism Industry of Madagascar as described in the Schedule of this award and in Attachment B, entitled "Program Description."

This Cooperative Agreement is effective and obligation is made as of the date of this letter and shall apply to expenditures made by the Recipient in furtherance of program objectives during the period beginning with the effective date September 29, 2006 and ending September 28, 2009. USAID will not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

This Cooperative Agreement is made to the Recipient, on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A (the Schedule), Attachment B (the Program Description), and Attachment C (the Standard Provisions), all of which have been agreed to by your organization.

Please sign the original and all enclosed copies of this letter to acknowledge your receipt of the Cooperative Agreement, and return the original and all but one copy to the Agreement Officer.

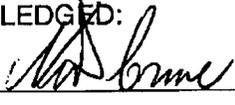
Regards,

E. Darlene Bullock  
Agreement Officer  
Office of Acquisition and Assistance

Attachments:

- A. Schedule
- B. Program Description
- C. Standard Provisions

ACKNOWLEDGED:

BY: 

TITLE: Chief Operations Officer

DATE: Sept. 28, 2006

**A. GENERAL**

- |                                  |  |
|----------------------------------|--|
| 1. Total Estimated USAID Amount: | \$748,457  |
| 2. Cost Share Amount:            | \$273,205  |
| 2. Total Obligated USAID Amount: | \$748,457  |
| 3. Activity Title:               | Increasing Competitiveness of Micro and Small Enterprise in Tourism Industry of Madagascar |
| 4. USAID Technical Office:       | EGAT/PR/MD   |
| 5. Tax I.D. Number:              | 52-1497470   |
| 6. DUNS No.:                     | 175191923  |
| 7. LOC Number:                   | HHS-23A5P  |

**B. SPECIFIC**

- |                               |            |
|-------------------------------|------------|
| 1. Budget Fiscal Year:        | 2006       |
| 2. Ending Budget Fiscal Year: | 2007       |
| 3. Fund:                      | DV         |
| 4. Operating Unit:            | EGAT/PR    |
| 5. Strategic Objective:       | 905-201    |
| 6. Distribution:              | 940-0406   |
| 7. Benefiting Geo Area:       | 997        |
| 8. Object Class:              | 2510500    |
| 9. NMS No.:                   | 12080/0502 |

**C. PAYMENT OFFICE**

Office of Financial Management  
7<sup>th</sup> Floor, RRB  
1300 Pennsylvania Avenue, NW  
Washington, DC 20523

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18. INTERNATIONAL AIR TRAVEL AND TRANSPORTATION (June 1999)
19. OCEAN SHIPMENT OF GOODS (June 1999)
20. LOCAL PROCUREMENT (April 1998)
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**ATTACHMENT A**

**SCHEDULE**

**A.1 PURPOSE OF COOPERATIVE AGREEMENT**

The purpose of this Cooperative Agreement is to provide support for the program described in Attachment B to this Cooperative Agreement entitled "Program Description."

**A.2 PERIOD OF COOPERATIVE AGREEMENT**

1. The effective date of this Cooperative Agreement is September 29, 2006. The estimated completion date of this Cooperative Agreement is September 28, 2009.
2. Funds obligated hereunder are available for program expenditures for the estimated period September 29, 2006 to September 28, 2009.

**A.3 AMOUNT OF COOPERATIVE AGREEMENT AND PAYMENT**

1. The total estimated amount of this Cooperative Agreement for the period shown in A.2.1 above is \$748,457.
2. USAID hereby obligates the amount of \$748,457 for program expenditures during the period set forth in A.2.2 above and as shown in the Budget below. USAID is not obligated to reimburse the Recipient for the expenditure of amounts in excess of the total obligated amount.
3. Payment will be made to the Recipient by Letter of Credit in accordance with procedures set forth in 22 CFR 226.

**A.4 COOPERATIVE AGREEMENT BUDGET**

The following is the Agreement Budget, including local cost financing items, if authorized. Revisions to this budget shall be made in accordance with 22 CFR 226.

	<b>09/29/06- 09/28/07</b>	<b>09/29/07- 09/28/08</b>	<b>09/29/08- 09/28/09</b>	<b>Total Program</b>	<b>\$US/LOCAL</b>
<b>Cost Element</b>					
1. Personnel	\$ 90,000	\$ 88,624	\$ 81,672	\$ 359,765	\$260,296/ 99,469
2. Fringe Benefits	\$ 33,498	\$ 35,327	\$ 31,436	\$ 136,448	\$100,261/ 36,187
3. Travel	\$ 27,548	\$ 21,786	\$ 25,161	\$ 79,295	\$ 74,495/ 4,800
4. Contractual	\$ 7,700	\$ 16,700	\$ 700	\$ 27,100	\$ 25,100/ 2,000
5. Other Direct Costs	\$ 44,255	\$ 30,300	\$ 20,500	\$ 172,925	\$ 95,055/ 77,870

5. Other Direct Costs	\$ 44,255	\$ 30,300	\$ 20,500	\$ 172,925	\$ 95,055/ 77,870
6. Indirect Costs (1 – 5)	\$ 48,720	\$ 46,257	\$ 38,273	\$ 186,128	\$133,250/ 52,878
7. Subagreements	\$ 25,000	\$ 20,000	\$ 15,000	\$ 60,000	\$ 60,000/0
8. Total \$	\$276,721	\$258,994	\$212,742	\$1,021,662	\$ 748,457/273,205

Total USAID Amount: \$748,457  
Cost Share: \$273,205  
Total Program Cost: \$1,021,662

## A.5 REPORTING AND EVALUATION

### 1. Financial Reporting

The Recipient shall submit an original and one copy). Financial Reports shall be in keeping with 22 CFR 226.

In accordance with 22 CFR 226.52, the SF 269 and SF 272 will be required on a quarterly basis. The recipient shall submit these forms in the following manner:

(1) The SF 272 and 272a (if necessary) must be submitted via electronic format to the U.S. Department of Health and Human Services (<http://www.dpm.psc.gov>). A copy of this form shall also be submitted to the Cognizant Technical Officer.

(2) The SF 269 or 269a (as appropriate) shall be submitted to the Cognizant Technical officer.

(3) In accordance with 22 CFR 226.70-72, the original and two copies of all final financial reports shall be submitted to M/FM, the Agreement Officer (if requested) and the CTO. The electronic version of the final SF 272 or 272a shall be submitted to HHS in accordance with paragraph (1) above.

### 2. Program Reporting

The Recipient shall submit an original and one copy of a performance report to, the Cognizant Technical Officer. The performance reports are required to be submitted semi-annually and to include quantitative data in Table 1, narrative on project performance towards goals, objectives, and learning (related to Recipient's learning agenda), and budget.

### 3. Final Report

The Recipient shall submit the original and one copy to M/FM, the Agreement Officer (if requested), and the CTO and one copy, in electronic (preferred) or paper form of final documents to one of the following: (a) Via E-mail: [docsubmit@dec.cdie.org](mailto:docsubmit@dec.cdie.org) ; (b) Via U.S. Postal Service: Development Experience Clearinghouse, 8403 Colesville Road, Suite 210 Silver Spring, MD 20910, USA; (c) Via Fax: (301) 588-7787; or (d) Online:

<http://www.dec.org/index.cfm?fuseaction=docSubmit.home>.

The final performance report shall contain the following information the information contained in 22 CFR 226.1(d).

**A.6 INDIRECT COST RATE**

Pending establishment of revised provisional or final indirect cost rates, allowable indirect costs shall be reimbursed on the basis of the following negotiated provisional or predetermined rates and the appropriate bases:

Description	Rate	Base	Type	Period
Fringe				
(a)	25.20%	1/	1/	1/
(b)	8.00%	1/	1/	1/
Indirect Costs	24.00%	2/	2/	2/

1/Base of Application: (a) Full-time Headquarter Salaries  
(b) Part-time Headquarter Salaries  
Type of Rate: Provisional  
Period: Until Amended

2/Base of Application: Total direct costs excluding ocean freight, subgrants, subcontracts, capital equipment acquisitions over \$5,000, in-kind contributions and exchange fluctuations  
Type of Rate: Provisional  
Period: Until Amended

**A.7 TITLE TO PROPERTY**

Property Title will be vested with the Recipient.

**A.8 AUTHORIZED GEOGRAPHIC CODE**

The authorized geographic code for procurement of goods and services under this award is 935.

**A.9 COST SHARING**

The Recipient agrees to expend an amount not less than 26% of the total activity costs.

**A.10 SUBSTANTIAL INVOLVEMENT**

Substantial involvement during the implementation of this Agreement shall be limited to approval of the elements listed below:

- a. Approval of Annual Work Plans.

- b. Approval of specified key personnel assigned to the positions listed below. The personnel currently listed have been approved. All changes thereto must be submitted for the approval by the Cognizant Technical Officer.

Title: Senior Technical Advisor  
Name: Edward Millard

Title: Field Project Manager

- c. Agency and recipient collaboration or joint participation. The following are examples of appropriate levels of substantial involvement:
- Collaborative involvement in selection of advisory committee members. USAID may also choose to become a member of this type of committee. Advisory committees shall concern themselves only with technical or programmatic issues and not routine administrative matters;
  - Concur on the selection of sub award recipients and/or the substantive provisions of the subawards;
  - Approval of the recipient's monitoring and evaluation plans;
  - Agency monitoring to permit specified kinds of direction or redirection because of interrelationships with other projects. All such activities must be included in the Program Description and negotiated in the budget of the award.

#### **A.11 PROGRAM INCOME**

The Recipient shall account for Program Income in accordance with 22 CFR 226.24 (or the Standard Provision entitled Program Income for non-U.S. organizations). Program Income earned under this award shall be added to the project.

#### **A.12 SPECIAL PROVISIONS**

##### **A.12.1 USAID DISABILITY POLICY (DEC 2004)**

(a) The objectives of the USAID Disability Policy are (1) to enhance the attainment of United States foreign assistance program goals by promoting the participation and equalization of opportunities of individuals with disabilities in USAID policy, country and sector strategies, activity designs and implementation; (2) to increase awareness of issues of people with disabilities both within USAID programs and in host countries; (3) to engage other U.S. government agencies, host country counterparts, governments, implementing organizations and other donors in fostering a climate of nondiscrimination against people with disabilities; and (4) to support international advocacy for people with disabilities. The full text of the policy paper can be found at the following website: <http://www.usaid.gov/about/disability/DISABPOL.FIN.html>.

(b) USAID therefore requires that the recipient not discriminate against people with disabilities in the implementation of USAID funded programs and that it make every effort to comply with the objectives of the USAID Disability Policy in performing the

program under this grant or cooperative agreement. To that end and to the extent it can accomplish this goal within the scope of the program objectives, the recipient should demonstrate a comprehensive and consistent approach for including men, women and children with disabilities.

#### **A.12.2 EXECUTIVE ORDER ON TERRORISM FINANCING (FEB 2002)**

The Contractor/Recipient is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the responsibility of the contractor/recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all subcontracts/subawards issued under this contract/agreement.

#### **A.12.3 FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES (JAN 2002)**

Funds in this agreement may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference sponsored by a public international organization, except as provided in ADS Mandatory Reference "Guidance on Funding Foreign Government Delegations to International Conferences" or as approved by the AO.

#### **A.12.4 COUNTRY-BY-COUNTRY BREAKDOWN OF EXPENDITURES**

Recipient shall list each country included in the program and the total amount expended for each country under the award for the reporting period in the "Remarks" block on the "Financial Status Report" SF 269 or SF 269A, or on a separate sheet of paper with the "Request for Advance or Reimbursement" SF 270.

### **A.13 POST AWARD ADMINISTRATION**

- (a) USAID Cognizant Technical Office  
U.S. Agency for International Development  
EGAT/PR/Microenterprise Development  
1300 Pennsylvania Avenue, N.W.  
Washington, DC 20523
  
- (b) U.S. Agency for International Development  
Office of Acquisition and Assistance  
M/OAA/EGAT  
1300 Pennsylvania Avenue, N.W.  
Washington, DC 20523

**A.14 RESOLUTION OF CONFLICT**

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

- Attachment A – Schedule
- Attachment B – Program Description
- Attachment C – Standard Provisions

## ATTACHMENT B

### PROGRAM DESCRIPTION

#### INCREASING COMPETITIVENESS OF MICRO AND SMALL ENTERPRISES IN THE TOURISM INDUSTRY OF MADAGASCAR

##### I. Technical Approach for Reaching Large Numbers of Poor Households

###### Objectives

The project's goal is to conserve threatened biodiversity in Madagascar through tourism growth in protected areas that create a business incentive for conservation. The project's objectives are to:

1. Foster and sustain the competitiveness of tourism products and services based on harnessing the economic value of Madagascar's unique natural resources, principally its highly threatened biodiversity.
2. Increase economic opportunities for poor rural households by facilitating value chain linkages, strengthening supporting markets that can serve rural areas, and upgrading small firms.
3. Design and implement concession agreements that generate revenues for communities to manage the conservation areas for biodiversity identified through analysis of the range of threats to the species, habitats, and corridors.
4. Promote policies and processes that improve the enabling environment for business and recognize poor people, women and marginalized groups as legitimate stakeholders.
5. Establish a learning system to transfer knowledge from the project sites to other tourism destinations in Madagascar with the potential to protect threatened biodiversity, to enable local organizations to increase their effectiveness and to share learning with the enterprise development community.

This approach has several justifications:

- It builds on the competitive advantage of Madagascar's unique natural attractions.
- Investment in community managed forests and natural areas will benefit these communities and their associated MSEs directly, rather than the revenues going to government agencies and larger tour operators.
- Communities will become much more aware of the importance of biodiversity when they perceive economic gain from it.
- It contributes to the USAID mission's strategy of economic development, improved governance and biodiversity conservation.
- It supports the government's aim to manage natural resources and protect habitat through a market mechanism rather than relying on public funding, which is insufficient to conserve all the most threatened biodiversity.
- It supports the government's Tourism Master Plan (2003) and Poverty Reduction Strategy Paper (2005), now incorporated into the National Action Plan (2006).

- It complements existing biodiversity projects in the proposed sites by adding an economic component that makes conservation more comprehensible to local people and creates direct incentives for them to conserve threatened biodiversity.

### **Strategy**

Through our site visit together with USAID/MD and project preparation analysis, CI has increased its understanding of the perceptions and interests of the key stakeholders. We acknowledge that there is not yet a clear overarching tourism strategy to which all parties are committed but rather a series of initiatives that require greater coordination to provide the optimal enabling environment for developing the country's tourism industry. Therefore, CI intends to facilitate a tourism strategy that strengthens entrepreneurship as a driving force of the Protected Areas system, through incentives and mobilization of key stakeholders. The project will promote the awareness of all stakeholders of their role in the project and build their capacity to increase the efficiency of the value chain, to create a community trust in each destination that manages tourism concessions and has a business plan, and to ensure that tourism development is consistent with the local and regional management plans. Achievement of these objectives will directly enhance conservation of threatened biodiversity.

The strategy addresses the core threat to Madagascar's biodiversity. Local communities currently pose major threats as they destroy internationally important biodiversity in Madagascar as poverty and lack of opportunity force them to convert critical habitat through slash-and-burn agriculture and decrease key fauna by hunting, all to meet immediate survival needs. There are currently no other viable short-or-medium term economic options that give the biodiversity more value to local communities and so enable them to choose to conserve it. The project aims to overcome the barriers to enabling communities to conserve, by greatly increasing the value of standing biodiversity. This value will be acquired by building partnerships between the communities and small and medium-sized ecotourism enterprises in a range of pilot sites. The project will act as a catalyst to enable the communities and MSEs to develop agreements for ecotourism services based on the important threatened biodiversity, which has considerable value for ecotourism.

The project will work at local, national and international levels. Locally, it will develop a set of guidelines for tourism development that respond to international demand for high quality nature focused experiences that benefit people and conserve threatened biodiversity in host destinations. These guidelines will create product differentiation for the destinations and will form an integrated part of biodiversity conservation plans.

The project will mobilize local communities, including associations that benefit from gaining management rights of Protected Areas or who live near national parks, to develop and improve tourism services to supply the industry, providing the tools, partnerships and horizontal linkages necessary for MSEs to upgrade their products and increase their knowledge of the tourism market and of managing biodiversity sustainably. Nationally, the project will foster ecotourism packages, promotional programs, and linkages between MSEs and tour operators that will support them to reach markets. It will also work with regional and national authorities to adopt the guidelines. Internationally, it will promote Madagascar to outbound tour operators and internet-based travel companies, and disseminate a learning program to the enterprise development community. At all these scales, it will build on other CI activities to promote tourism in Madagascar and elsewhere as a force for economic growth, poverty reduction and biodiversity conservation.

The project will implement activities in two Community Conservation Areas. The remarkable local biodiversity of both areas is a tremendous marketing asset and a conservation priority. The communities have the right to manage forests in these areas, under management transfer agreements with the government. Improving the economic return from managing forests will create an incentive for communities to conserve the natural resources on which the local economy relies. Tourism growth in these communities will particularly benefit women, who will be providing many of the services that tourists buy, such as handicrafts, souvenirs, food, and accommodation, but who are currently excluded from many income-generating activities.

(1) **Menabe Conservation Area:** The Menabe Forests contain the highest density of baobab trees in the world, and are home to an array of remarkable animals known nowhere else, such as Madame Berthe’s Mouse Lemur, the smallest primate in the world. Menabe is an Alliance for Zero Extinction site, which means it contains the entire world population of one or more Endangered or Critically Endangered species- the Giant Jumping Rat, the Flat-tailed Tortoise and the Ten-striped Mongoose. It is also the most important site for the Endangered Fossa, Madagascar’s largest carnivore. USAID’s Global Conservation Program is supporting protection of this biodiversity. Ecotourism will complement it by offering an alternative to the most important threat to biodiversity in western Madagascar - slash-and-burn agriculture. Introducing new tourism enterprises and strengthening supporting markets will increase opportunities for vulnerable groups suffering from food insecurity, such as the Tandroy communities of Marofandilia, Tsarahotana and Beroboka. It will allow them to make a rational economic choice to decrease and eliminate their threats to the high priority biodiversity in their region.



Tourism in the Menabe region has increased by 25%, to reach 8,000 visitors since 2003. As a result, the regional government defined tourism in its regional development plan as a priority area for economic growth and created a regional tourism office. An increasing number of national and international investors are looking at the region’s tourism potential. The national government has approved a budget to re-build the road from Antananarivo to the region, as well as other tourism related infrastructure, including the regional airport of Morondava. It is a highly opportune moment to establish guidelines for tourism development that avoid depleting this critical habitat.

(2) **Mantadia-Zahamena Conservation Area:** The richest biodiversity and most threatened forests in Madagascar are its rainforests. They are home to around 70% of the country’s unique species. The Mantadia-Zahamena Corridor is the largest remaining block of rainforest, and contains around 50% of the world populations of three of the most charismatic and highly threatened lemurs, all of which are Critically Endangered or Endangered: the Indri, the Diademed Sifaka and the Black and White Ruffed Lemur. All these species are crucial to the success of the project as they are the principal attraction for the ecotourism marketing strategies that we are proposing to develop, and are also the mechanism by which we are developing regional pride in biodiversity. Reducing threats to their survival is a critical component of the efforts.

USAID's Cooperative Agreement with CI, World Wildlife Fund (WWF), Wildlife Conservation Society (WCS) and the National Protected Areas Authority (ANGAP), *Maintaining Biological Integrity of Critical Biodiversity Habitats* (MIARO), supports conservation of these forests and will be strengthened by developing tourism that benefits local people. The Mantadia- Zahamena corridor is an area of great poverty, where poorly conceived agricultural projects and unsupervised logging have left most of its 31,500 people dependent on subsistence farming. 25,000 tourists converge annually on the tiny reserve of Perinet to see the Indri, providing a very large proportion of the area's revenues. Conversely, Didy Commune, in the north of the area, has excellent road access and an equivalent richness in lemurs but almost no tourists.

The project will learn from the successes and failures of MSEs in Perinet and promote growth in areas of good tourism potential where poverty is most extreme and willingness to collaborate is high. This approach will address the threat of large numbers of tourists converging on a small area and depleting its biodiversity. A number of initiatives with local and regional hotel operators have been proposed recently, at both ends of the Conservation Area, and local communities have expressed considerable enthusiasm at having CI build enterprise capacity. For example, in Ambatondrazaka, hotel owners seek linkages with communities around Lake Alaotra to take tourists out onto the lake, Madagascar's largest, where the scenery is spectacular and the reed beds are home to the only marsh-dwelling primate in the world, the Lake Alaotra Gentle Lemur.

CI undertook three regional socio-economic and cultural assessments of ecotourism potential in 2005 in order to pinpoint the areas most suited to immediate and medium-term investment. These recommendations have been integrated into the Regional Development Plan, and Regional Ecotourism Development Committees have been created in the areas most likely to benefit from growth in the sector. These Committees are as yet relatively weak, but CI and our partners will strengthen them. As infrastructure in the area is improved, the project will gradually extend to areas that are more remote, where communities have fewer options for economic development and therefore their actions pose threats to biodiversity, but where there is still a significant tourism market opportunity as well as important biodiversity.

CI will play a catalyzing role and implement the project through partners. The project will define and test ecotourism development as a means to reduce poverty and conserve biodiversity. By working from the outset through partners it will facilitate the capacity and interest among national organizations to extend the model beyond the project sites, irrespective of CI's biodiversity priorities.

Included in the partners will be selected private sector companies. The private sector will have a full and increasing role in providing business and financial services to MSEs as tourism develops. CI's extensive experience in similar processes in other countries provides the learning that facilitating private sector service provision has three stages: (1) Initial hands-on provision of urgent services by the facilitator (CI) while educating the private sector and building its trust in the feasibility of working with small inexperienced businesses; (2) Emergence of lead firms willing to invest in building MSE capacity because they perceive the competitive advantage of reaching new ecotourism markets and beginning negotiations with MSEs, with facilitator still quite involved; (3) Gradual assumption of responsibility for providing services by those lead firms and more direct relationships between MSEs and operators through normal value chain transactions. The role of the project is to facilitate and encourage this process and provide a safety valve to both sides as trust and investment potential is built.

The business services that the private sector will provide are the standard tourism requirements of skills training in tourism services, establishing communications and reservations systems, and market promotion and information. Financial services will be value chain finance and include beneficial payment arrangements that enable MSEs to manage cash flow for upfront costs in receiving visitors, such as buying food.

### **From Strategy to Activities**

CI and our partners will develop the project strategy collaboratively, involving businesses, communities, government, civil society organizations and USAID. CI has formed a partnership with one such company, responsibletravel.com, to promote on the internet destinations that fulfill social and environmental guidelines, and also to enable CI to join as a partner in the established Responsible Travel awards. This marketing initiative will serve new tourism products in Madagascar. USAID's Sustainable Tourism program, in the Natural Resource Management Office in Washington, D.C., has incorporated much of the assessment material in its training program for missions, which it launched in Tanzania in February 2006.

Based on the detailed findings of the assessments, the project's activities will be structured according to the value chain framework:

**End Markets:** Because Madagascar cannot be a low-cost destination, it must grow tourism through product differentiation. The guidelines will enable Madagascar to develop attributes of exceptionally high quality of experience for the tourist, coupled with value for poor rural households and nature conservation. Initially assessing visitor profiles, travel motivation and tourist behavior will enable the partners to identify target markets by country of origin and/or segment and to base market development strategies by the private sector and government on this profile. Conserving Madagascar's unique biodiversity by diminishing threats and enhancing tourism will be a strong part of promotional messages.

Outbound tour operators will want to visit a new destination to verify that quality standards meet their criteria, to familiarize themselves with the product, and to make links with local firms. The project will work with the regional tourist offices to facilitate such familiarization visits. The project will also develop materials about Madagascar for promotion to tour operators at selected major trade fairs. It will investigate the potential for airlines to donate space in their magazines to publicize environmental initiatives or encourage their passengers to support protecting Madagascar's wildlife.<sup>1</sup>

CI and our partners will promote Madagascar's attractions and the growth of the small business sector through the existing web sites and media. We will facilitate a public relations clearinghouse of newsworthy stories for the press and provide training on media requirements for tourism firms to support this outreach. We will promote the target destinations to internationally renowned travel guides. We will work in partnership with the National Tourism Office (ONTM) and the Association of Tour Operators (TOP) to organize a forum each year in April for the major tour operators from target source countries to visit and evaluate tourism products and services in Madagascar. The National Tourism Office is currently developing an

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<sup>1</sup> For example, United Airlines includes CI in its beneficiary organizations for spare change donated by passengers. Growing concern about global environmental impacts from emissions of carbon dioxide (CO<sub>2</sub>) and local effects from other emissions have also led to some tourism companies offering their customers the option of making payments to specialist organizations that undertake reforestation schemes or invest in renewable energy, to offset the CO<sub>2</sub> emissions generated by their travel.

international marketing campaign for their biggest markets in France and Italy. The project will also support the Presidential Task Force's initiative of a specialized Madagascar tourism portal. Promotional activities will integrate messages about biodiversity that CI has already developed on the web site it created last year, [www.visitmadagascar.org](http://www.visitmadagascar.org)

**Enabling Environment:** The focus of the Presidential Taskforce on Ecotourism has been to build understanding of the need for a consistent marketing message, both at home and abroad, and a much more detailed knowledge of the characteristics that make Madagascar distinctive. The President's advisor will work with this project on international marketing campaigns that create brand identity for Madagascar as a destination of unique natural attractions.

The advisor will build awareness at cabinet level of the enabling environment constraints to growing the industry and support the government to take actions to resolve them. A particular focus will be leasing arrangements in the new Community Conservation Areas. Under the present system, communities and the government enter into a legal contract, in which community associations (COBAs) are given management rights and agree to exercise them with full regard for conserving their natural resources. COBAs can profit through leasing rights to the resources or through developing businesses that add value to them. However, most do not have the necessary technical skills or knowledge to develop such businesses.

The government is striving, with support from CI and USAID, to define mechanisms permitting equitable and effective management of the new protected areas. Developing tourism in these areas will reduce the threats to biodiversity and the risk of failure of tourism investments by generating revenues for communities to manage them sustainably. We will build on the experience of other USAID initiatives in developing ecotourism concession guidelines and engaging communities in resource management agreements, as well as on research on concessions that CI is presently undertaking, to establish lease arrangements that are sensitive to the limitations of poor people in relation to access to communication, language abilities, education, and understanding of market and policy processes. CI's experience in tourism development is that the success of MSEs is related to the active participation of local communities in planning from the conception stage, through the development phase, and eventual operation. Concession policy is presently coordinated by BAMEX, a USAID project, in partnership with the Department of Forestry, National Tourism Office and ANGAP. This policy will be developed collaboratively to generate revenue streams from entry fees, taxes, leasing and licenses. Together with the communities in the pilot sites, the project will define conservation and community development activities that these revenues can finance: for example, salaries for community guards, radio communication, biological monitoring, or agroforestry development outside the park boundaries. An initial assessment of infrastructure, services, and the threats that tourism can reduce will provide information necessary for promoting a positive enabling environment. This will include available public services such as water, energy, health, and whether there are any security issues.

**Inter-firm Cooperation - Vertical Linkages:** As most outbound operators make their local arrangements through a ground operator, the project will facilitate linkages between existing or potential MSEs and inbound tour operators. Initiatives already exist to motivate operators, for example in Analamazaotra National Park, where local firms, ANGAP and inbound tour operators are promoting ecotourism products. In Menabe, the project will support linkages to tour operators such as Cortez Travel, and Baobab Café Tours. CI and our partners will work with the National Tourism Office to build and improve markets for the remote areas of Marofandilia, Tsarahotana and Beroboka. In Mantadia-Zahamena, we will work with private sector members of the regional private sector association GOTHAM, starting with Vakon and Feon'ny Ala Lodge

to facilitate linkages with MSEs in Andasibe, Beforona and Ampasipotsy. This will then be extended to Brickaville, Ambatondrazaka and Vavatenina, in collaboration with other regional tourism associations. Educating the ground operators about biodiversity and its value as a business asset, as well as promoting Madagascar as a destination, will be an important part of making these links because operators will be initially skeptical. CI learnt this from developing ecotourism in Guatemala and other countries.

The National Tourism Office houses a central government tourism website portal that can be used to promote linkages to national and international tour operators and potential investors. The project will support developing this portal.

Internet retailers can provide market access for MSEs in remote destinations. Two sites demonstrating the ability of companies to do this are: [www.worldhotel-link.com](http://www.worldhotel-link.com) and [www.responsibletravel.com](http://www.responsibletravel.com). We will evaluate whether this is a feasible market strategy. The project will then make full use of the internet as a valuable storehouse for case studies of good environmental management and sustainability that will educate consumers about the issues concerning their footprint, as well as about the destination itself.

**Inter-firm Cooperation - Horizontal Linkages:** Building collaboration between MSEs in the Community Conservation Areas will reduce transactions costs for the inbound operators that will be their customers. Those operators are unlikely to enter the market if they have to deal with a number of different providers of accommodation, transport, food and guiding services, especially if their business has to comply with guidelines that emphasize use of local services. The project will work with the regional tourism offices, communities and businesses to foster associations, community level reservations systems and other collaborations that will increase the competitiveness of the product. Horizontal linkages will reduce the cost of training that the project will need to undertake to build skills in tourism.

**Supporting Markets:** Once the guidelines are established, CI and our partners will train and support MSEs that adopt them, and maintain close contact with other firms interested in upgrading to meet the guidelines. Many services will be provided through the value chain, because few independent providers are likely to be available and because operators will have an incentive to help MSEs upgrade their products, communications, and reservations systems in order to gain leadership in the growing ecotourism market. This approach worked well in CI's project in Madidi National Park, Bolivia, another rural area lacking service providers.

For tourism MSEs in Madagascar to grow and upgrade, they will need access to affordable finance. The project will provide an opportunity for eligible businesses to access CI's own investment fund, Verde Ventures ([www.conservation.org/xp/verdeventures](http://www.conservation.org/xp/verdeventures)), to help. Its Senior Fund Manager visited Madagascar in November 2005 and met with tourism businesses. Verde Ventures is now processing its first investment to upgrade an ecotourism site. Since this trip, Verde Ventures has received 10 proposals for funding to be evaluated in the coming months. MSEs will need capital to acquire or improve equipment and infrastructure, such as building restaurants or buying an outboard motor. We will help firms identify other sources of capital necessary to start an operation as well. There are many rural credit funds in Madagascar. The initial assessment will evaluate their interest in ecotourism. In the case that rural credit schemes are inappropriate, we will examine the possibility of a national ecotourism investment fund that will draw on the experience of the CI-Madagascar Nodes strategy - where we use local and regional NGOs and organizations to manage small-scale funding.

***Firm-level upgrading:*** Product development will be a major component of upgrading. The partners will initially assess tourism products according to the following criteria: potential draw, aesthetic or scenic value, biodiversity value, cultural value, historical value, uses and activities, community participation, control, access, and product development potential. The assessment will also consider what competition exists, competitive advantage and the current structure and state of tourism facilities and services in the destinations. This information will be presented to a product development workshop with participants across the value chain. Product development will take full account of biodiversity considerations; for example, sitting trails, incorporating signage that informs tourists about vulnerable species, and ensuring that infrastructure design uses appropriate technology to avoid pollution of the local terrestrial, fresh water or marine environment. The degree and kinds of threats to biodiversity that the products will alleviate will also be identified.

Training will build on people's inherent knowledge and their interest in receiving visitors. CI has repeatedly found that local entrepreneurs have an incredibly deep knowledge of the plants, birds and animals that exist in their surroundings. They have fascinating facts to convey to the tourist, for example about traditional curative uses of plants. What they lack are skills in communicating this information: not just language skills, but also understanding of what is interesting to the tourist. Many nature tours deprive tourists of the full experience available because tour operators bring guides in from outside, who may have language and communications skills but lack the deep knowledge of the local situation that comes from growing up in the place. When local people are trained to communicate, they can offer a much richer experience to tourists, as well as educating tourists about the value of biodiversity.

While local communities have great knowledge of biodiversity, their inexperience in tourism means they lack sensitivity to and understanding of how tourism behavior, and also their own, can impact it. Guide training is a key aspect of developing tourism. The project will train guides to manage tourist behavior such as keeping to trails, not disturbing animals and assisting tourists to take photographs appropriately. It will thus ensure biodiversity threat reduction.

The combination of value chain actions proposed will enable MSEs to increase their understanding of and contact with the industry, their access to information about it, and their ability to acquire services to respond to that information and upgrade their businesses. CI and its partners will work directly with households and MSEs to build their entrepreneurial skills.

### **Impact**

The partners will hire a socio-economic consultant at the start of the project to assess the attitudes and expectations of the host communities, their development priorities, socio-economic situation and potential to reduce poverty and threats to the conservation of natural resources, particularly biodiversity. The data will refine the project's baseline information.

The project's socio-economic impact targets are detailed in Table 1 below. The Table contains some estimated baselines and will be refined and submitted to USAID in final form as part of the Monitoring and Evaluation Plan during the first few months of the project. The depth of benefits likely to be provided by the project and scale of the supporting markets requires more detailed evaluations of each project partner that will result from the assessments. The local specialists of CI and our partners will engage the communities in developing simple monitoring tools to generate data.

<b>Table 1. Indicators for Results</b>				
	<b>Prior Year</b>	<b>Target Year 1</b>	<b>Target Year 2</b>	<b>Target Year 3</b>
<b>Scale of Benefits</b>				
Number of MSEs assisted by the project	0	187	613	910
Number of supporting market MSEs at destination level assisted by the project.	0	5	10	15
Number of national / international tour operators assisted by the project	0	5	20-8	70
Number of woman owned/managed MSEs assisted by the project	0	30-	105	150
Number of woman owned/managed MSEs assisted by the project as % of total MSEs assisted by the project	0	16	17	16
Increase in visitor numbers to project sites	33,000	43,000	50,000	100,000
<b>Depth of Benefits</b>				
Sales/ income of MSEs assisted by the project (US\$)	330,000	430,000	500,000	1,000,000
Sales/income of tour operators assisted by the project (US\$)	1,650,000	2,225,000	3,250,000	5,000,000
Community lease payments made by MSEs (US\$)	0	5,000	10,000	20,000
<b>Product Level</b>				
Number of new tourism products on offer to market	0	20	40	100
<b>Supporting Markets</b>				
Number of new sector specific services available	0	8	10	15
Number of new financial services available	0	1	3	4
Number of new non-sector specific services available	0	3	5	7
<b>Lead Tour Operators</b>				
Number of firms adopting new guidelines	0	200	650	900
Number of new Madagascar products on market	0	10	20	30
Number of national arrivals	228,000	275,000	320,000	360,000
<b>Relationships</b>				
Number of MSEs linked to lead firms	0	187	613	910
Number of MSEs cooperating with one another to sell to a lead firm	0	50	300	500
Number of MSEs purchasing or acquiring new supporting services	0	50	150	250

**Biodiversity Indicators**

Table 2 below details proxy biodiversity indicators, which measure the effectiveness of the project in securing commitments to and investment in conservation through developing tourism. While these indicators will not reveal information about the state of biodiversity they will show the extent to which communities are willing to make commitments to conservation as a result of receiving benefits from tourism. These indicators and targets will be reviewed during the development of the first annual work plan.

Table 2. Biodiversity Indicators	Prior Year	Target Yr 1	Target Yr 2	Target Yr 3
Number of destination sites under an Ecotourism Management Plan including biodiversity monitoring, zoning for tourism, IUCN red list status of species and habitat quality	0	5	10	15
Number of agreements signed committing communities to conserve biodiversity in exchange for access to project benefits	0	10	20	50
Revenues from concession agreements invested in improving management of protected areas (\$US)	0	\$15,000	\$50,000	\$100,000
Regional tourism office initiatives to support adoption of guidelines (promotions, workshops, events, etc)	0	10	25	40

**Local Partnerships**

CI will bring to this project a range of established partnerships. During the project preparation and site assessment, CI contacted the major government offices, international agencies, tour operators, civil society organizations and community representatives. All expressed strong support for collaborating with the project and strengthening the MSE sector. According to key organizations working in Madagascar, it is the missing element of tourism development at this time. These partners will work together to develop tourism guidelines that reflect the project's objectives and play their respective roles in building tourism growth based on them. These roles are foreseen as follows:

**Local communities**, including community associations and rural communes, will develop protected area management plans that include zoning for tourism, including infrastructure development in the regions of Alaotra Mangoro, Atsinanana and Menabe. These plans will set the parameters for partnership with the private sector and tourism investment. The associations will both establish MSEs and also make agreements with individual entrepreneurs to operate in the protected areas under leasing arrangements. A number of communities in the target areas have experience with tourists and their requirements. Building on evaluations already made by CI and our partners and using the results of consultations that will take place over the next two years as part of implementing the new conservation areas, we will identify communities with ecotourism assets and an interest to develop businesses. In so doing, specific means for reducing threats to the biodiversity in the area under management will be identified and actions to alleviate them will be implemented.

**Private sector**, including accommodation enterprises, guides, transport services and ground operators will lead tourism product improvement, in consultation with local communities and community trusts. They will develop tourism according to the agreed guidelines that the project will develop. Tour operators will contribute to building the capacity of MSEs in order to upgrade services to the standard that the tourism industry needs, with the support of external organizations and private service providers.

During the site visit project evaluation, it was clear that a number of companies have interest to develop new products to appeal to the fast-growing ecotourism market. Some came together in 2002 to form Go To Madagascar ([www.go2mada.com](http://www.go2mada.com)), with the purpose of promoting Madagascar as a destination, introduce a quality certification (*Welcome to Madagascar*) and now also a *Fair Trade in Tourism* seal. Go To Madagascar will be the main private sector partner as it groups those operators already alert to the constraints and interested to alleviate them. Additionally, the Groupement des Tour Opérateurs de Madagascar (TOP), which brings together 53 operators, confirmed its interest in the project but as an industry association has less authority and capacity to act on new initiatives.

**CI and institutional partners** will provide and facilitate technical assistance and service provision to MSEs. We will evaluate gender divisions between tourism services and build capacity in appropriate ways for each participating community. There are already local initiatives to support income-generating activities complementary to tourism services (for instance through Peace Corps Volunteers), and such activities may be integrated into the project. CI will educate the industry about the value of biodiversity. CI and our partners will promote an enabling environment for tourism development through other conservation activities, advocacy and planning with regional and national authorities. By identifying explicit linkages with biodiversity, such as priority places to conserve, actions needed to reduce threats, and species likely to be attractive to tourists, CI will raise awareness and understanding of why biodiversity is important and how it can be used as a business asset. CI will also ensure quality control on biodiversity impact monitoring.

CI and our partners will facilitate agreements between MSEs and tour operators, ensuring that the benefits to MSEs and communities are consistent with the guidelines and that there are clear definitions and understanding of mutual responsibility. Each agreement will establish clear parameters in order to permit monitoring and evaluation. We will encourage successful existing enterprises, such as Andasibe Guides Association, to share their experiences with new enterprises starting up and their knowledge of biodiversity from a guide's perspective.

Several institutions, including Fanamby, Mateza, ASOS, Asity, Voronosy, and Tandroy Conservation Trust, have already established relationships in the project's target regions, and will mobilize community groups to provide the initial project contact base. For example, Fanamby is the leading institution in Menabe and will implement the project's activities in that site. Upgrading the management and administrative capacity of the associations requires small amounts of investment over long periods and only the local NGOs present in these areas have the presence and knowledge of the community associations to provide this help. Hence, these organizations will be an important source of services in the early stage of the project, while supporting markets are developing. In addition, with ecotourism at an incipient stage in Madagascar, some institutional leaders have begun developing pilot enterprises that can be transferred to local ownership as capacity grows. For example, Fanamby is beginning to operate some tours in Anjozorobe, while simultaneously negotiating with ANGAP to allow the community the right to manage entry to the national park. Another NGO, Mate, has initiated a range of enterprise activities at Vohimana, involving the local people but not giving them management

responsibility because they do not yet have the capacity. While this approach blurs roles, it is often in CI's experience a realistic way to stimulate rural enterprise in poor countries by giving people experience without exposing them to risk. It can work if arrangements are carefully negotiated before activities start so that people understand what they can expect and what is expected of them. CI will use its experience to ensure such initiatives are structured to encourage and not dampen entrepreneurship.

The Durell Wildlife Conservation Trust is presently undertaking monitoring work supported by USAID and CI and will continue in this role.

### **Government**

The National Tourism Office is under the Ministry of Culture and Tourism. A network of Regional Tourism Boards have their own budget but not full autonomy and have responsibility to regulate activities in accordance with national policy. They are also responsible for basic infrastructure improvement concerning access (mainly road rehabilitation), water and energy supply, health and first aid and security. ONTM has this year launched ECOTOD (TOD stands for "tourisme durable", which is French for sustainable tourism), an initiative to group all stakeholders – companies, agencies, donors- interested in sustainable tourism. The Ministry of Culture and Tourism, ONTM and ANGAP form ECOTOD's coordinating committee. The project will collaborate with ONTM at national level and also through the two regional offices of the project sites. ONTM's major role is coordinating the policy processes that must occur to make this project truly a Malagasy rather than external initiative.

The National Institute of Tourism and Hotel Management (INTH), which is also a part of the Ministry of Culture and Tourism, will play a capacity building role in the project. It has a partnership with ANGAP to train guides in park management and is running a guide certification program. Through another partnership with the University of Grenoble (France), INTH has developed a course in sustainable tourism.

CI will continue to coordinate closely with the President's Tourism Task Force's work to promote Madagascar, build national institutional capacity and propose incentives to enable tourism investments by the private sector. CI will continue its role as a member of the joint committee of the Madagascar National Environmental Action Plan. The Madagascar Declaration made at the Global Symposium held in Antananarivo in June 2006 confirmed the government's commitment to enhance Madagascar's global profile, and CI's commitment to USAID's regional alliances, which can provide frameworks for implementing this proposal.

### **International Agencies**

USAID is a critical and long-standing partner of CI, as well as of ANGAP. It has complementary conservation projects, and also development initiatives, for example the Ecoregional Initiative (ERI) implemented by DAI. CI will invite USAID fully into the project planning process.

The International Finance Corporation (IFC) runs the SME Solutions Center, a model it is adopting in several countries to promote small business development. The program has three components: technical assistance, both sector-specific, with tourism as one of its priority sectors, and also cross-sectoral activities; direct financing, through partnering with the South African Business Partners International (BPI), which is starting up in Madagascar with a \$10 million fund; and market and business information: IFC uses a global SME toolkit designed to help entrepreneurs access relevant information and supplements it with an incubation service in its office. IFC acknowledges that it does not have good reach into rural areas and for this reason is very interested to cooperate with the project as a means of disseminating its approach.

## II. Learning and Innovation

The project's learning agenda will have three target audiences and adapt its approach to the objectives of each:

- (1) The value chain participants, both national and international, for whom the learning objective is to understand and meet market preferences and increase the competitiveness of their business operations in Madagascar.
- (2) The government, for whom the learning objective is to understand how to use new and effective policy instruments for managing tourism throughout the country and developing legal and investment frameworks that encourage visitation and promotes rural development.
- (3) Practitioners and donors, notably the enterprise development community, CI's staff and partners, and USAID, for whom the learning objective is to analyze successful experiences and effectively promote tourism for achieving sustained enterprise growth and benefits for poor people. If CI is successful in its application, it will join a learning network of awardees, supporting its participation with counterpart funds.

CI is strongly placed to develop a learning program for each of these audiences, because of its organizational structure, which includes tourism specialists in its regional programs, a Washington DC-based technical support team and a Travel and Leisure program with tourism industry specialists in CI's Center for Environmental Leadership in Business. These teams give CI continuous interaction with the industry in the countries where it works, governments, the international market and the enterprise development community of practice. By systematizing and disseminating its experience with partners at a global, national and destination level, CI will contribute learning about how tourism can reduce poverty and reduce threats to conserve biodiversity

### **Value Chain Participants**

If MSEs are to remain competitive and upgrade in response to market opportunities, they need rapid and efficient learning about the market's preference and access to the skills and technologies needed to respond to this preference. The participatory process of undertaking the assessments and developing tourism guidelines will create a learning environment in which parties get used to working with one another, and recognize their inter-dependencies. As business develops, learning will reach the host destination MSEs from the tour operators buying their products. These operators will have an incentive to transmit market information to ensure their clients receive a high quality experience. CI's regular contact with the global tourism industry will enable it to build learning with the outbound operators, so that they improve their perception of Madagascar as a destination.

The project will also use community meetings, and possibly radio and materials that do not require literacy, to align understanding with value chain realities. This is particularly important to avoid generating unrealistic assumptions about business growth and the flow of benefits, which would lead to disaffection. The more that communities and MSEs understand the challenge of developing tourism businesses, the more effectively they will negotiate and build relations with other firms and policy makers.

### **Government of Madagascar**

The government's strong interest in tourism development and in particular the presence of an advisor in the President's office creates access and structure for the project's learning to integrate into national tourism and also protected areas planning. There will be regular meetings throughout the project with the Advisor, the National Tourism Office and the Ministry of Culture

and Tourism to discuss the project's progress and learning. The government has a special interest in the project's contribution to making new policy instruments effective, such as leasing arrangements in Community Conservation Areas, as well as in developing tools and approaches that can be more widely applied. In this regard, the choice of two distinct project sites assists learning by testing the project's approach in two areas that are markedly different in socio-economic terms. Migrants from the south of the country comprise the majority population of the Menabe region, as in most of western Madagascar. Therefore, learning from this site will be important for guiding future tourism development on the west coast.

### **Practitioners and Donors**

As a learning organization itself, CI is committed to a process of understanding and disseminating successful enterprise development practices. Conclusions from a consultative workshop that CI held in Washington, DC in October 2004 among its tourism specialists emphasized that knowledge management requires rigorous documentation of projects, analysis of lessons learned, and dissemination of information on best practices, market trends, resource organizations, and lessons learned. Following this workshop, CI began developing a new tourism web site, [www.ecotour.org](http://www.ecotour.org), which went live in November 2005. CI will continue developing it during the project's life as a resource for all audiences interested in the subject.

CI is actively networked into two practitioner fields. As a member (at Board and Market Development Working Group levels) of the Small Enterprise Education and Promotion (SEEP) Network, it will bring learning from the project to a group that has limited experience in the tourism industry but which is increasingly interested in it, because of its size and potential to impact poor households. CI participates in the BDS Knowledge & Practice component of the Accelerated Micro-enterprise Advancement Project (AMAP) and is presently preparing a case study on increased competitiveness in tourism in Bolivia. CI is also a member of The International Ecotourism Society, a membership based organization representing ecotourism practitioners worldwide. This network provides an opportunity to disseminate project learning to a broad audience of institutions with specialist knowledge of the industry and in return to learn from the wider ecotourism world.

CI has produced a series of publications targeted at improving industry understanding of relationships between tourism and development as well as the natural environment and applying practical responses - for example *Tourism and Biodiversity*, published in 2003 jointly with the United Nations Environment Program, and *Sustainable Hotel Siting, Design and Construction Guidelines*, published with the Prince of Wales International Business Leaders Forum in 2005. Project learning will contribute to future publications.

CI has disseminated a number of learning tools in enterprise through publications, including *Business Planning for Environmental Enterprises* (E. Millard, 2003); three articles for SEEP's Business Development Services guide, available on its web site, [www.seepnetwork.org](http://www.seepnetwork.org); project evaluations and case studies; and a portal for posting documents and holding discussions. CI forms internal cross-disciplinary practitioner groups to ensure learning from enterprise contributes to overall strategy development.

USAID's involvement in protected areas in Madagascar will stimulate its close interest in the project and CI's relationship with the office is well established. In Washington, DC, CI will maintain its collaboration with the Sustainable Tourism program. CI is collaborating presently with the office and the Global Development Alliance to build a Global Sustainable Tourism Alliance consortium of partners.

### III. Exit Strategy/Sustainability Plan

Three characteristics of the project provide the basis of its sustainability plan.

(1) The first is developing guidelines that are agreed by all stakeholders and based on adding value to the attraction at the destination. In conventional mass tourism, large operators acquire brand value that affords them significant power in negotiating with their suppliers. Similar to global production of goods, operators can move from destination to destination according to where profits are highest because the tourist is buying a standardized experience (such as sun and sea) that is pretty much the same in different countries.

In this project, by contrast, the tourist will buy the unique culture, history and biodiversity of Madagascar. Hence, the power relationship between the community steward of that heritage and the tour operator changes and the destination brand owners acquire a much stronger negotiating position. Tourism is an industry whose most powerful promotional medium is word of mouth. The satisfaction of the tourist is paramount, and a tourist giving emphasis to the social and environmental benefits for the host community will require the tour operators to provide information about how that occurs. If the tourist subsequently encounters dissatisfaction in the host community or behavior damaging the natural environment, then business growth is threatened. The project's business model is a force for sustainability, once success in the market is achieved, because all parties have an incentive to keep improving and promoting the destination and consequently decreasing and eliminating threats to its biodiversity.

While initially CI and our partners will introduce the guidelines and broker relationships, as the project progresses, the firms will strengthen their understanding of the requirements of the other parties and develop operational responses. In the early stages, inbound and outbound tour operators have a limited understanding of the rural context in which MSEs operate, especially the economic pressures on very poor people who seek to improve their livelihoods through tourism but who are risk averse because of their social and economic vulnerability. Operators are not used to working with suppliers whose capacity to communicate and to manage reservations systems may be constrained by infrastructure and technology, as well as by inexperience in business. For their part, MSEs often underestimate the importance of key elements of running a tour, such as precise scheduling. Tourism is organized around tight schedules that have little margin for error and this factor is often quite new to rural entrepreneurs. Service quality will form a component of the guidelines and as MSEs build understanding of them, so the value chain will operate more independently.

(2) The second characteristic favoring sustainability is the focus on efficient and transparent functioning of inter-firm linkages and supporting markets. Sustainable enterprise development requires creating market systems in which firms can generate profits by transacting with one another. The project will develop a tool box of mechanisms to promote agreements between communities and MSEs and remove barriers to trust so that value chain participants have confidence in one other and provide mutual benefits such as consistent quality of service and information.

CI's experience in developing ecotourism in numerous countries is that independent private sector service providers are slow to enter the market and, depending on the remoteness of the location, may not enter it in the life of a three-year project. Therefore the project strategy, as described in Section A.3, will use three mechanisms for MSEs to acquire services:

- Motivating independent providers to enter the market where this is feasible;

- Creating an incentive for other firms in the value chain to provide services as part of their relationship with MSEs. Investment by tour operators in their supply chain will be an important component of sustainable supporting markets.
- Using programs managed and financed by government and non-government partner organizations where these are available. Because Madagascar's government views ecotourism as an important growth strategy, and because it is committed to a policy of community ownership of natural resources, it is interested in increasing its investments in skills development. Such investments can offer valuable training for tourism entrepreneurs.

(3) The third factor that will support sustainability is the project's strong emphasis on the enabling environment. The regional tourism boards in the two project sites will have a major role in leading guidelines development and monitoring compliance. They and the National Tourism Office will organize capacity building programs and also invest in marketing. Programs to do this are already in place, but effort is dissipated through inadequate coordination procedures. The government's commitment to tourism growth will stimulate private sector investment and bring Madagascar to a higher standing in the international tourism market. This in turn will stimulate the development of small firms and supporting markets, linking a value chain that transmits learning, balances power and generates benefits for MSEs and thereby for Madagascar's rural poor and its biodiversity. These factors will enable CI to plan an exit strategy from the project's activities, but CI will not exit Madagascar.

As it is one of the three most important places on the planet for biodiversity, CI will continue a multidisciplinary program that aims to conserve as much of that as possible for future generations. CI's ongoing presence will create a capacity to monitor progress, to plan future tourism activities based on the learning from the project, and to generate funding from supporters to strengthen the management of the protected areas on which much of Madagascar's future tourism revenue depends. Hence, CI will continue to invest in the enabling environment after the three-year funding period. In the project's last year, CI and our partners will organize a workshop to evaluate the sustainability of activities and the commitments of the value chain to maintain their investments. Building a larger and more socially and environmentally valuable tourism industry in Madagascar must inevitably take more than three years, but the project will create the framework in which the private sector and government will take the major responsibility going forward while CI focuses its attention on other types of conservation work. CI does not have a strategic interest to become operationally involved in Madagascar's tourism industry but rather to play a catalytic role in facilitating the processes and relationships that can bring about tourism growth.

**ATTACHMENT C**

**STANDARD PROVISIONS FOR U.S., NONGOVERNMENTAL ORGANIZATIONS**

**I. MANDATORY STANDARD PROVISIONS FOR U.S. NONGOVERNMENTAL RECIPIENTS**

**1. *APPLICABILITY OF 22 CFR PART 226 (May 2005)***

a. All provisions of 22 CFR Part 226 and all Standard Provisions attached to this agreement are applicable to the recipient and to subrecipients which meet the definition of "Recipient" in Part 226, unless a section specifically excludes a subrecipient from coverage. The recipient shall assure that subrecipients have copies of all the attached standard provisions.

b. For any subawards made with Non-US subrecipients the Recipient shall include the applicable "Standard Provisions for Non-US Nongovernmental Recipients." Recipients are required to ensure compliance with monitoring procedures in accordance with OMB Circular A-133.

[END OF PROVISION]

**2. *INELIGIBLE COUNTRIES (MAY 1986)***

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

[END OF PROVISION]

**3. *NONDISCRIMINATION (MAY 1986)***

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

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

[END OF PROVISION]

**4. *NONLIABILITY (NOVEMBER 1985)***

USAID does not assume liability for any third party claims for damages arising out of this award.

[END OF PROVISION]

**5. AMENDMENT (NOVEMBER 1985)**

The award may be amended by formal modifications to the basic award document or by means of an exchange of letters between the Agreement Officer and an appropriate official of the recipient.

[END OF PROVISION]

**6. NOTICES (NOVEMBER 1985)**

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

To the USAID Agreement Officer, at the address specified in the award.

To recipient, at recipient's address shown in the award or to such other address designated within the award

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

[END OF PROVISION]

**7. SUBAGREEMENTS (June 1999)**

Subrecipients, subawardees, and contractors have no relationship with USAID under the terms of this agreement. All required USAID approvals must be directed through the recipient to USAID.

[END OF PROVISION]

**8. OMB APPROVAL UNDER THE PAPERWORK REDUCTION ACT (December 2003)**

\*Information collection requirements imposed by this cooperative agreement are covered by OMB approval number 0412-0510; the current expiration date is 04/30/2005. The Standard Provisions containing the requirement and an estimate of the public reporting burden (including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information) are

<u>Standard Provision</u>	<u>Burden Estimate</u>
Air Travel and Transportation	1 (hour)
Ocean Shipment of Goods	.5
Patent Rights	.5
Publications	.5
Negotiated Indirect Cost Rates - (Predetermined and Provisional)	1
Voluntary Population Planning	.5
Protection of the Individual as a Research Subject	1

<u>22 CFR 226</u>	<u>Burden Estimate</u>
22 CFR 226.40-.49 Procurement of Goods and Services	1
22 CFR 226.30 - .36 Property Standards	1.5

Comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, may be sent to the Office of Procurement, Policy Division (M/OP/P) U.S. Agency for International Development, Washington, DC 20523-7801 and to the Office of Management and Budget, Paperwork Reduction Project (0412-0510), Washington, D.C 20503.

[END OF PROVISION]

**9. USAID ELIGIBILITY RULES FOR GOODS AND SERVICES (April 1998)**

(This provision is not applicable to goods or services which the recipient provides with private funds as part of a cost-sharing requirement, or with Program Income generated under the award.)

- a. Ineligible and Restricted Goods and Services: USAID's policy on ineligible and restricted goods and services is contained in ADS Chapter 312.
- (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." USAID will provide the recipient 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 Agreement Officer:
    - (i) Agricultural commodities,
    - (ii) Motor vehicles,
    - (iii) Pharmaceuticals,
    - (iv) Pesticides,
    - (v) Used equipment,
    - (vi) U.S. Government-owned excess property, or
    - (vii) Fertilizer.

Prior approval will be deemed to have been met when:

- (i) the item is of U.S. source/origin;
- (ii) the item has been identified and incorporated in the program description or schedule of the award (initial or revisions), or amendments to the award; and
- (iii) the costs related to the item are incorporated in the approved budget of the award.

Where the item has not been incorporated into the award as described above, a separate written authorization from the Agreement Officer must be provided before the item is procured.

- b. Source and Nationality: The eligibility rules for goods and services based on source and nationality are divided into two categories. One applies when the total procurement element during the life of the award is over \$250,000, and the other applies when the total procurement element during the life of the award is not over \$250,000, or the award is funded under the Development Fund for Africa (DFA) regardless of the amount. The total procurement element includes procurement of all goods (e.g., equipment, materials, supplies) and services. Guidance on the eligibility of specific goods or services may be obtained from the Agreement Officer. USAID policies and definitions on source, origin and nationality are contained in 22 CFR Part 228, Rules on Source, Origin and Nationality for Commodities and Services Financed by the Agency for International Development, which is incorporated into this Award in its entirety.

- (1) For DFA funded awards or when the total procurement element during the life of this award is valued at \$250,000 or less, the following rules apply:

(i) 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 in accordance with the following order of preference:

- (A) The United States (USAID Geographic Code 000),
- (B) The Cooperating Country,
- (C) USAID Geographic Code 941, and
- (D) 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 Recipient'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.
- (2) When the total procurement element exceeds \$250,000 (unless funded by DFA), the following applies: Except as may be specifically approved or directed in advance by the Agreement Officer, all goods and services financed with U.S. dollars, which will be reimbursed under this award must meet the source, origin and nationality requirements set forth in 22 CFR Part 228 for the authorized geographic code specified in the schedule of this award. If none is specified, the authorized source is Code 000, the United States.
- c. 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).
- d. If USAID determines that the recipient has procured any of these goods or services under this award contrary to the requirements of this provision, and has received payment for such purposes, the Agreement Officer may require the recipient to refund the entire amount of the purchase.

This provision must be included in all subagreements which include procurement of goods or services which total over \$5,000.

[END OF PROVISION]

**10. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (January 2004)**

- a. The recipient agrees to notify the Agreement Officer immediately upon learning that it or any of its principals:

- (1) Are presently excluded or disqualified from covered transactions by any Federal department or agency;
  - (2) Have been convicted within the preceding three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice; commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects your present responsibility;
  - (3) Are presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b); and
  - (4) Have had one or more public transactions (Federal, State, or local) terminated for cause or default within the preceding three years.
- b. The recipient agrees that, unless authorized by the Agreement Officer, it will not knowingly enter into any subagreements or contracts under this cooperative agreement with a person or entity that is included on the Excluded Parties List System (<http://epls.arnet.gov>). The recipient further agrees to include the following provision in any subagreements or contracts entered into under this award:

**DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION (DECEMBER 2003)**

The recipient/contractor certifies that neither it nor its principals is presently excluded or disqualified from participation in this transaction by any Federal department or agency.

- c. The policies and procedures applicable to debarment, suspension, and ineligibility under USAID-financed transactions are set forth in 22 CFR Part 208.

[END OF PROVISION]

**11. DRUG-FREE WORKPLACE (January 2004)**

- a. The recipient agrees that it will publish a drug-free workplace statement and provide a copy to each employee who will be engaged in the performance of any Federal award. The statement must
- (1) Tell the employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in its workplace;
  - (2) Specify the actions the recipient will take against employees for violating that prohibition; and

- (3) Let each employee know that, as a condition of employment under any award, he or she
  - (i) Must abide by the terms of the statement, and
  - (ii) Must notify you in writing if he or she is convicted for a violation of a criminal drug statute occurring in the workplace, and must do so no more than five calendar days after the conviction.
- b. The recipient agrees that it will establish an ongoing drug-free awareness program to inform employees about
  - (i) The dangers of drug abuse in the workplace;
  - (ii) Your policy of maintaining a drug-free workplace;
  - (iii) Any available drug counseling, rehabilitation and employee assistance programs; and
  - (iv) The penalties that you may impose upon them for drug abuse violations occurring in the workplace.
- c. Without the Agreement Officer's expressed written approval, the policy statement and program must be in place as soon as possible, no later than the 30 days after the effective date of this award or the completion date of this award, whichever occurs first.
- d. The recipient agrees to immediately notify the Agreement Officer if an employee is convicted of a drug violation in the workplace. The notification must be in writing, identify the employee's position title, the number of each award on which the employee worked. The notification must be sent to the Agreement Officer within ten calendar days after the recipient learns of the conviction.
- e. Within 30 calendar days of learning about an employee's conviction, the recipient must either
  - (1) Take appropriate personnel action against the employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973 (29 USC 794), as amended, or
  - (2) Require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for these purposes by a Federal, State or local health, law enforcement, or other appropriate agency.
- f. The policies and procedures applicable to violations of these requirements are set forth in 22 CFR Part 210.

[END OF PROVISION]

**12. EQUAL PROTECTION OF THE LAWS FOR FAITH-BASED AND COMMUNITY ORGANIZATIONS (February 2004)**

- a. The recipient may not discriminate against any beneficiary or potential beneficiary under this award on the basis of religion or religious belief. Accordingly, in providing services supported in whole or in part by this agreement or in its outreach activities related to such services, the recipient may not discriminate against current or prospective program beneficiaries on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to actively participate in a religious practice;
- b. The Federal Government must implement Federal programs in accordance with the Establishment Clause and the Free Exercise Clause of the First Amendment to the Constitution. Therefore, if the recipient engages in inherently religious activities, such as worship, religious instruction, and proselytization, it must offer those services at a different time or location from any programs or services directly funded by this award, and participation by beneficiaries in any such inherently religious activities must be voluntary.
- c. If the recipient makes subawards under this agreement, faith-based organizations should be eligible to participate on the same basis as other organizations, and should not be discriminated against on the basis of their religious character or affiliation.

[END OF PROVISION]

**13. IMPLEMENTATION OF E.O. 13224 -- EXECUTIVE ORDER ON TERRORIST FINANCING (March 2002)**

The Recipient is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of the recipient to ensure compliance with these Executive Orders and laws. This provision must be included in all contracts/subawards issued under this agreement.

[END OF PROVISION]

**14. MARKING UNDER USAID-FUNDED ASSISTANCE INSTRUMENTS (December 2005)**

**(a) Definitions**

**Commodities** mean any material, article, supply, goods or equipment, excluding recipient offices, vehicles, and non-deliverable items for recipient's internal use, in administration of the USAID funded grant, cooperative agreement, or other agreement or subagreement.

**Principal Officer** means the most senior officer in a USAID Operating Unit in the field, e.g., USAID Mission Director or USAID Representative. For global programs managed from Washington but executed across many countries, such as disaster relief and assistance to internally displaced persons, humanitarian emergencies or immediate post conflict and political crisis response, the cognizant Principal Officer may be an Office Director, for example, the Directors of USAID/W/Office of Foreign Disaster Assistance and Office of Transition Initiatives. For non-presence countries, the cognizant Principal Officer is the Senior USAID officer in a regional USAID Operating Unit responsible for the non-presence country, or in the absence of such a responsible operating unit, the Principal U.S Diplomatic Officer in the non-presence country exercising delegated authority from USAID.

**Programs** mean an organized set of activities and allocation of resources directed toward a common purpose, objective, or goal undertaken or proposed by an organization to carry out the responsibilities assigned to it.

**Projects** include all the marginal costs of inputs (including the proposed investment) technically required to produce a discrete marketable output or a desired result (for example, services from a fully functional water/sewage treatment facility).

**Public communications** are documents and messages intended for distribution to audiences external to the recipient's organization. They include, but are not limited to, correspondence, publications, studies, reports, audio visual productions, and other informational products; applications, forms, press and promotional materials used in connection with USAID funded programs, projects or activities, including signage and plaques; Web sites/Internet activities; and events such as training courses, conferences, seminars, press conferences and so forth.

**Subrecipient** means any person or government (including cooperating country government) department, agency, establishment, or for profit or nonprofit organization that receives a USAID subaward, as defined in 22 C.F.R. 226.2.

**Technical Assistance** means the provision of funds, goods, services, or other foreign assistance, such as loan guarantees or food for work, to developing countries and other USAID recipients, and through such recipients to subrecipients, in direct support of a development objective – as opposed to the internal management of the foreign assistance program.

**USAID Identity (Identity)** means the official marking for the United States Agency for International Development (USAID), comprised of the USAID logo or seal and new brandmark, with the tagline that clearly communicates that our assistance is “from the American people.” The USAID Identity is available on the USAID website at [www.usaid.gov/branding](http://www.usaid.gov/branding) and USAID provides it without royalty, license, or other fee to recipients of USAID-funded grants, or cooperative agreements, or other assistance awards

**(b) Marking of Program Deliverables**

(1) All recipients must mark appropriately all overseas programs, projects, activities, public communications, and commodities partially or fully funded by a USAID grant or cooperative agreement or other assistance award or subaward with the USAID Identity, of a size and prominence equivalent to or greater than the recipient's, other donor's, or any other third party's identity or logo.

(2) The Recipient will mark all program, project, or activity sites funded by USAID, including visible infrastructure projects (for example, roads, bridges, buildings) or other programs, projects, or activities that are physical in nature (for example, agriculture, forestry, water management) with the USAID Identity. The Recipient should erect temporary signs or plaques early in the construction or implementation phase. When construction or implementation is complete, the Recipient must install a permanent, durable sign, plaque or other marking.

(3) The Recipient will mark technical assistance, studies, reports, papers, publications, audio-visual productions, public service announcements, Web sites/Internet activities and other promotional, informational, media, or communications products funded by USAID with the USAID Identity.

(4) The Recipient will appropriately mark events financed by USAID, such as training courses, conferences, seminars, exhibitions, fairs, workshops, press conferences and other public activities, with the USAID Identity. Unless directly prohibited and as appropriate to the surroundings, recipients should display additional materials, such as signs and banners, with the USAID Identity. In circumstances in which the USAID Identity cannot be displayed visually, the recipient is encouraged otherwise to acknowledge USAID and the American people's support.

(5) The Recipient will mark all commodities financed by USAID, including commodities or equipment provided under humanitarian assistance or disaster relief programs, and all other equipment, supplies, and other materials funded by USAID, and their export packaging with the USAID Identity.

(6) The Agreement Officer may require the USAID Identity to be larger and more prominent if it is the majority donor, or to require that a cooperating country government's identity be larger and more prominent if circumstances warrant, and as appropriate depending on the audience, program goals, and materials produced.

(7) The Agreement Officer may require marking with the USAID Identity in the event that the recipient does not choose to mark with its own identity or logo.

(8) The Agreement Officer may require a pre-production review of USAID-funded public communications and program materials for compliance with the approved Marking Plan.

(9) Subrecipients. To ensure that the marking requirements "flow down" to subrecipients of subawards, recipients of USAID funded grants and cooperative agreements or other assistance awards will include the USAID-approved marking provision in any USAID funded subaward, as follows:

*"As a condition of receipt of this subaward, marking with the USAID Identity of a size and prominence equivalent to or greater than the recipient's, subrecipient's, other donor's or third party's is required. In the event the recipient chooses not to require marking with its own identity or logo by the subrecipient, USAID may, at its discretion, require marking by the subrecipient with the USAID Identity."*

(10) Any 'public communications', as defined in 22 C.F.R. 226.2, funded by USAID, in which the content has not been approved by USAID, must contain the following disclaimer:

*"This study/report/audio/visual/other information/media product (specify) is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of [insert recipient name] and do not necessarily reflect the views of USAID or the United States Government."*

(11) The recipient will provide the Cognizant Technical Officer (CTO) or other USAID personnel designated in the grant or cooperative agreement with two copies of all program and communications materials produced under the award. In addition, the

recipient will submit one electronic or one hard copy of all final documents to USAID's Development Experience Clearinghouse.

**(c) Implementation of marking requirements.**

(1) When the grant or cooperative agreement contains an approved Marking Plan, the recipient will implement the requirements of this provision following the approved Marking Plan.

(2) When the grant or cooperative agreement does not contain an approved Marking Plan, the recipient will propose and submit a plan for implementing the requirements of this provision within [Agreement Officer fill-in] days after the effective date of this provision. The plan will include:

(i) A description of the program deliverables specified in paragraph (b) of this provision that the recipient will produce as a part of the grant or cooperative agreement and which will visibly bear the USAID Identity.

(ii) the type of marking and what materials the applicant uses to mark the program deliverables with the USAID Identity,

(iii) when in the performance period the applicant will mark the program deliverables, and where the applicant will place the marking,

(3) The recipient may request program deliverables not be marked with the USAID Identity by identifying the program deliverables and providing a rationale for not marking these program deliverables. Program deliverables may be exempted from USAID marking requirements when:

(i) USAID marking requirements would compromise the intrinsic independence or neutrality of a program or materials where independence or neutrality is an inherent aspect of the program and materials;

(ii) USAID marking requirements would diminish the credibility of audits, reports, analyses, studies, or policy recommendations whose data or findings must be seen as independent;

(iii) USAID marking requirements would undercut host-country government "ownership" of constitutions, laws, regulations, policies, studies, assessments, reports, publications, surveys or audits, public service announcements, or other communications better positioned as "by" or "from" a cooperating country ministry or government official;

(iv) USAID marking requirements would impair the functionality of an item;

(v) USAID marking requirements would incur substantial costs or be impractical;

(vi) USAID marking requirements would offend local cultural or social norms, or be considered inappropriate;

(vii) USAID marking requirements would conflict with international law.

(4) The proposed plan for implementing the requirements of this provision, including any proposed exemptions, will be negotiated within the time specified by the Agreement Officer after receipt of the proposed plan. Failure to negotiate an approved plan with the time specified by the Agreement Officer may be considered as noncompliance with the requirements is provision.

**(d) Waivers.**

(1) The recipient may request a waiver of the Marking Plan or of the marking requirements of this provision, in whole or in part, for each program, project, activity, public communication or commodity, or, in exceptional circumstances, for a region or country, when USAID required marking would pose compelling political, safety, or security concerns, or when marking would have an adverse impact in the cooperating country. The recipient will submit the request through the Cognizant Technical Officer. The Principal Officer is responsible for approvals or disapprovals of waiver requests.

(2) The request will describe the compelling political, safety, security concerns, or adverse impact that require a waiver, detail the circumstances and rationale for the waiver, detail the specific requirements to be waived, the specific portion of the Marking Plan to be waived, or specific marking to be waived, and include a description of how program materials will be marked (if at all) if the USAID Identity is removed. The request should also provide a rationale for any use of recipient's own identity/logo or that of a third party on materials that will be subject to the waiver.

(3) Approved waivers are not limited in duration but are subject to Principal Officer review at any time, due to changed circumstances.

(4) Approved waivers "flow down" to recipients of subawards unless specified otherwise. The waiver may also include the removal of USAID markings already affixed, if circumstances warrant.

(5) Determinations regarding waiver requests are subject to appeal to the Principal Officer's cognizant Assistant Administrator. The recipient may appeal by submitting a written request to reconsider the Principal Officer's waiver determination to the cognizant Assistant Administrator.

**(e) Non-retroactivity.** The requirements of this provision do not apply to any materials, events, or commodities produced prior to January 2, 2006. The requirements of this provision do not apply to program, project, or activity sites funded by USAID, including visible infrastructure projects (for example, roads, bridges, buildings) or other programs, projects, or activities that are physical in nature (for example, agriculture, forestry, water management) where the construction and implementation of these are complete prior to January 2, 2006 and the period of the cooperative agreement does not extend past January 2, 2006.

[END OF PROVISION]

**15. REGULATIONS GOVERNING EMPLOYEES (AUGUST 1992)**

(The following applies to the recipient's employees working in the cooperating country under the agreement who are not citizens of the cooperating country.)

- a. The recipient's employees shall maintain private status and may not rely on local U.S. Government offices or facilities for support while under this cooperative agreement.
- b. The sale of personal property or automobiles by recipient employees and their dependents in the foreign country to which they are assigned shall be subject to the same limitations and prohibitions which apply to direct-hire USAID personnel employed by the Mission, including the rules contained in 22 CFR Part 136, except as this may conflict with host government regulations.
- c. Other than work to be performed under this award for which an employee is assigned by the recipient, no employee of the recipient shall engage directly or indirectly, either in the individual's own name or in the name or through an agency of another person, in any business, profession, or occupation in the foreign countries to which the individual is assigned, nor shall the individual make loans or investments to or in any business, profession or occupation in the foreign countries to which the individual is assigned.
- d. The recipient's employees, while in a foreign country, are expected to show respect for its conventions, customs, and institutions, to abide by its applicable laws and regulations, and not to interfere in its internal political affairs.
- e. In the event the conduct of any recipient employee is not in accordance with the preceding paragraphs, the recipient's chief of party shall consult with the USAID Mission Director and the employee involved and shall recommend to the recipient a course of action with regard to such employee.
- f. The parties recognize the rights of the U.S. Ambassador to direct the removal from a country of any U.S. citizen or the discharge from this cooperative agreement award of any third country national when, in the discretion of the Ambassador, the interests of the United States so require.
- g. If it is determined, either under (e) or (f) above, that the services of such employee should be terminated, the recipient shall use its best efforts to cause the return of such employee to the United States, or point of origin, as appropriate.

[END OF PROVISION]

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

(This provision applies when activities are undertaken outside the United States.)

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

[END OF PROVISION]

**17. USE OF POUCH FACILITIES (AUGUST 1992)**

(This provision applies when activities are undertaken outside the United States.)

- a. Use of diplomatic pouch is controlled by the Department of State. The Department of State has authorized the use of pouch facilities for USAID recipients and their employees as a general policy, as detailed in items (1) through (6) below. However, the final decision regarding use of pouch facilities rest with the Embassy or USAID Mission. In consideration of the use of pouch facilities, the recipient and its employees agree to indemnify and hold harmless, the Department of State and USAID for loss or damage occurring in pouch transmission:
- (1) Recipients and their employees are authorized use of the pouch for transmission and receipt of up to a maximum of .9 kgs per shipment of correspondence and documents needed in the administration of assistance programs.
- (2) U.S. citizen employees are authorized use of the pouch for personal mail up to a maximum of .45 kgs per shipment (but see (a)(3) below).
- (3) Merchandise, parcels, magazines, or newspapers are not considered to be personal mail for purposes of this standard provision and are not authorized to be sent or received by pouch.
- (4) Official and personal mail pursuant to a.1. and 2. above sent by pouch should be addressed as follows:
- Name of individual or organization (followed by  
letter symbol "G")  
City Name of post (USAID/\_\_\_\_\_)  
Agency for International Development  
Washington, D.C. 20523-0001
- (5) Mail sent via the diplomatic pouch may not be in violation of U.S. Postal laws and may not contain material ineligible for pouch transmission.
- (6) Recipient personnel are NOT authorized use of military postal facilities (APO/FPO). This is an Adjutant General's decision based on existing laws and regulations governing military postal facilities and is being enforced worldwide.
- b. The recipient shall be responsible for advising its employees of this authorization, these guidelines, and limitations on use of pouch facilities.
- c. Specific additional guidance on Recipient use of pouch facilities in accordance with this standard provision is available from the Post Communication Center at the Embassy or USAID Mission.

[END OF PROVISION]

**18. INTERNATIONAL AIR TRAVEL AND TRANSPORTATION (JUNE 1999)**

(This provision is applicable when costs for international travel or transportation will be paid for with USAID funds. This provision is not applicable if the recipient is providing for travel with private funds as part of a cost-sharing requirement, or with Program Income generated under the award.)

a. PRIOR BUDGET APPROVAL

In accordance with OMB Cost Principles, direct charges for foreign travel costs are allowable only when each foreign trip has received prior budget approval. Such approval will be deemed to have been met when:

- (1) the trip is identified. Identification is accomplished by providing the following information: the number of trips, the number of individuals per trip, and the destination country(s).
- (2) the information noted at (a)(1) above is incorporated in: the proposal, the program description or schedule of the award, the implementation plan (initial or revisions), or amendments to the award; and
- (3) the costs related to the travel are incorporated in the approved budget of the award.

The Agreement Officer may approve travel which has not been incorporated in writing as required by paragraph (a)(2). In such case, a copy of the Agreement Officer's approval must be included in the agreement file.

b. NOTIFICATION

- (1) As long as prior budget approval has been met in accordance with paragraph (a) above, a separate Notification will not be necessary unless:
  - (i) the primary purpose of the trip is to work with USAID Mission personnel, or
  - (ii) the recipient expects significant administrative or substantive programmatic support from the Mission.

Neither the USAID Mission nor the Embassy will require Country Clearance of employees or contractors of USAID Recipients.

- (2) Where notification is required in accordance with paragraph (1)(i) or (ii) above, the recipient will observe the following standards:
  - (i) Send a written notice to the cognizant USAID Technical Office in the Mission. If the recipient's primary point of contact is a Technical Officer in USAID/W, the recipient may send the notice to that person. It will be the responsibility of the USAID/W Technical Officer to forward the notice to the field.

(ii) The notice should be sent as far in advance as possible, but at least 14 calendar days in advance of the proposed travel. This notice may be sent by fax or e-mail. The recipient should retain proof that notification was made.

(iii) The notification shall contain the following information: the award number, the cognizant Technical Officer, the traveler's name (if known), date of arrival, and the purpose of the trip.

(iv) The USAID Mission will respond only if travel has been denied. It will be the responsibility of the Technical Officer in the Mission to contact the recipient within 5 working days of having received the notice if the travel is denied. If the recipient has not received a response within the time frame, the recipient will be considered to have met these standards for notification, and may travel.

(v) If a subrecipient is required to issue a Notification, as per this section, the subrecipient may contact the USAID Technical Officer directly, or the prime may contact USAID on the subrecipient's behalf.

c. SECURITY ISSUES

Recipients are encouraged to obtain the latest Department of State Travel Advisory Notices before travelling. These Notices are available to the general public and may be obtained directly from the State Department, or via Internet.

Where security is a concern in a specific region, recipients may choose to notify the US Embassy of their presence when they have entered the country. This may be especially important for long-term posting.

d. USE OF U.S.-OWNED LOCAL CURRENCY

Travel to certain countries shall, at USAID's option, be funded from U.S.-owned local currency. When USAID intends to exercise this option, USAID will either issue a U.S. Government S.F. 1169, Transportation Request (GTR) which the Recipient may exchange for tickets, or issue the tickets directly. Use of such U.S.-owned currencies will constitute a dollar charge to this cooperative agreement.

e. THE FLY AMERICA ACT

The Fly America Act (49 U.S.C. 40118) requires that all air travel and shipments under this award must be made on U.S. flag air carriers to the extent service by such carriers is available. The Administrator of General Services Administration (GSA) is authorized to issue regulations for purposes of implementation. Those regulations may be found at 41 CFR part 301, and are hereby incorporated by reference into this award.

f. COST PRINCIPLES

The recipient will be reimbursed for travel and the reasonable cost of subsistence, post differentials and other allowances paid to employees in international travel status in accordance with the recipient's applicable cost principles and established policies and practices which are uniformly applied to federally financed and other activities of the Recipient.

If the recipient does not have written established policies regarding travel costs, the standard for determining the reasonableness of reimbursement for overseas allowance will be the Standardized Regulations (Government Civilians, Foreign Areas), published by the U.S. Department of State, as from time to time amended. The most current subsistence, post differentials, and other allowances may be obtained from the Agreement Officer.

**g. SUBAWARDS.**

This provision will be included in all subawards and contracts which require international air travel and transportation under this award.

[END OF PROVISION]

**19. OCEAN SHIPMENT OF GOODS (JUNE 1999)**

(This provision is applicable for awards and subawards for \$100,000 or more and when goods purchased with funds provided under this award are transported to cooperating countries on ocean vessels whether or not award funds are used for the transportation.)

- a. At least 50% of the gross tonnage of all goods purchased under this agreement and transported to the cooperating countries shall be made on privately owned U.S. flag commercial ocean vessels, to the extent such vessels are available at fair and reasonable rates for such vessels.
- b. At least 50% of the gross freight revenue generated by shipments of goods purchased under this agreement and transported to the cooperating countries on dry cargo liners shall be paid to or for the benefit of privately owned U.S. flag commercial ocean vessels to the extent such vessels are available at fair and reasonable rates for such vessels.
- c. When U.S. flag vessels are not available, or their use would result in a significant delay, the Recipient may request a determination of non-availability from the USAID Transportation Division, Office of Procurement, Washington, D.C. 20523, giving the basis for the request which will relieve the Recipient of the requirement to use U.S. flag vessels for the amount of tonnage included in the determination. Shipments made on non-free world ocean vessels are not reimbursable under this cooperative agreement.
- d. The recipient shall send a copy of each ocean bill of lading, stating all of the carrier's charges including the basis for calculation such as weight or cubic measurement, covering a shipment under this agreement to:

U.S. Department of Transportation,  
Maritime Administration, Division of National Cargo,  
400 7th Street, S.W.,  
Washington, DC 20590, and

U.S. Agency for International Development,  
Office of Procurement, Transportation Division  
1300 Pennsylvania Avenue, N.W.  
Washington, DC 20523-7900

- e. Shipments by voluntary nonprofit relief agencies (i.e., PVOs) shall be governed by this standard provision and by USAID Regulation 2, "Overseas Shipments of Supplies by Voluntary Nonprofit Relief Agencies" (22 CFR Part 202).
- f. Shipments financed under this cooperative agreement must meet applicable eligibility requirements set out in 22 CFR 228.21.

[END OF PROVISION]

**20. LOCAL PROCUREMENT (April 1998)**

(This provision applies when activities are undertaken outside the United States.)

- a. Financing local procurement involves the use of appropriated funds to finance the procurement of goods and services supplied by local businesses, dealers or producers, with payment normally being in the currency of the cooperating country.
- b. Locally financed procurements must be covered by source and nationality waivers as set forth in 22 CFR 228, Subpart F, except as provided for in mandatory standard provision, "USAID Eligibility Rules for Goods and Services," or when one of the following exceptions applies:
  - (1) Locally available commodities of U.S. origin, which are otherwise eligible for financing, if the value of the transaction is estimated not to exceed \$100,000 exclusive of transportation costs.
  - (2) Commodities of geographic code 935 origin if the value of the transaction does not exceed the local currency equivalent of \$5,000.
  - (3) Professional Services Contracts estimated not to exceed \$250,000.
  - (4) Construction Services Contracts estimated not to exceed \$5,000,000.
  - (5) Commodities and services available only in the local economy (no specific per transaction value applies to this category). This category includes the following items:
    - (i) Utilities including fuel for heating and cooking, waste disposal and trash collection;
    - (ii) Communications - telephone, telex, fax, postal and courier services;
    - (iii) Rental costs for housing and office space;
    - (iv) Petroleum, oils and lubricants for operating vehicles and equipment;
    - (v) Newspapers, periodicals and books published in the cooperating country;
    - (vi) Other commodities and services and related expenses that, by their nature or as a practical matter, can only be acquired, performed, or

incurred in the cooperating country, e.g., vehicle maintenance, hotel accommodations, etc.

- c. The coverage on ineligible and restricted goods and services in the mandatory standard provision entitled, "USAID Eligibility Rules for Goods and Services," also apply to local procurement.
- d. This provision will be included in all subagreements where local procurement of goods or services is a supported element.

[END OF PROVISION]

**21. VOLUNTARY POPULATION PLANNING ACTIVITIES – MANDATORY REQUIREMENTS (MAY 2006)**

Requirements for Voluntary Sterilization Programs

- (1) None of the funds made available under this award shall be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any individual to practice sterilization.

Prohibition on Abortion-Related Activities:

- (1) No funds made available under this award will be used to finance, support, or be attributed to the following activities: (i) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (ii) special fees or incentives to any person to coerce or motivate them to have abortions; (iii) payments to persons to perform abortions or to solicit persons to undergo abortions; (iv) information, education, training, or communication programs that seek to promote abortion as a method of family planning; and (v) lobbying for or against abortion. The term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options.
- (2) No funds made available under this award will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent or consequences of abortions is not precluded.

[END OF MANDATORY PROVISIONS]

**Required As Applicable  
Standard Provisions for**

**U.S., Nongovernmental Recipients**

*(The following standard provisions are required to be used when applicable. Applicability statements are contained in the parenthetical statement preceding the standard provision. When a standard provision is determined to be applicable in accordance with the applicability statement, the use of such standard provision is mandatory unless a deviation has been approved in accordance with ADS 303.3.4.)*

**II. REQUIRED AS APPLICABLE STANDARD PROVISIONS FOR U.S.,  
NONGOVERNMENTAL RECIPIENTS**

**1. NEGOTIATED INDIRECT COST RATES - PREDETERMINED (April 1998)**

**APPLICABILITY:** *This provision is applicable to educational or nonprofit institutions whose indirect cost rates under this award are on a predetermined basis.*

**NEGOTIATED INDIRECT COST RATES - PREDETERMINED (April 1998)**

- a. The allowable indirect costs shall be determined by applying the predetermined indirect cost rates to the bases specified in the schedule of this award.
- b. Within the earlier of 30 days after receipt of the A-133 audit report or nine months after the end of the audit period, the recipient shall submit to the cognizant agency for audit the required OMB Circular A-133 audit report, proposed predetermined indirect cost rates, and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit four copies of the audit report, the proposed predetermined indirect cost rates, and supporting cost data to the Overhead, Special Costs, and Closeout Branch, Office of Procurement, USAID, Washington DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of predetermined indirect cost rates shall begin soon after receipt of the recipient's proposal.
- c. Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.
- d. The results of each negotiation shall be set forth in an indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon predetermined rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the specific items treated as direct costs. The indirect cost rate agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.
- e. Pending establishment of predetermined indirect costs rates for any fiscal year, the recipient shall be reimbursed either at the rates fixed for the previous fiscal year or at billing rates acceptable to the USAID Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year or other period are established.

[END OF PROVISION]

**2. NEGOTIATED INDIRECT COST RATES - PROVISIONAL (Nonprofit) (April 1998)**

**APPLICABILITY:** *This provision is applicable to any nonprofit organizations whose indirect cost rates under this award are on a provisional basis.*

**NEGOTIATED INDIRECT COST RATES - PROVISIONAL (Nonprofit) (April 1998)**

- a. Provisional indirect cost rates shall be established for each of the recipient's accounting periods during the term of this award. Pending establishment of revised provisional or final rates, allowable indirect costs shall be reimbursed at the rates, on the bases, and for the periods shown in the schedule of the award.
- b. Within the earlier of 30 days after receipt of the A-133 audit report or nine months after the end of the audit period, the recipient shall submit to the cognizant agency for audit the required OMB Circular A-133 audit report, proposed final indirect cost rates, and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit four copies of the audit report, along with the proposed final indirect cost rates and supporting cost data, to the Overhead, Special Costs, and Closeout Branch, Office of Procurement, USAID, Washington, DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of final indirect cost rates shall begin soon after receipt of the recipient's proposal.
- c. Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.
- d. The results of each negotiation shall be set forth in a written indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon final rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the items treated as direct costs. The agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.
- e. Pending establishment of final indirect cost rate(s) for any fiscal year, the recipient shall be reimbursed either at negotiated provisional rates or at billing rates acceptable to the Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year are established. To prevent substantial overpayment or underpayment, the provisional or billing rates may be prospectively or retroactively revised by mutual agreement.
- f. Failure by the parties to agree on final rates is a 22 CFR 226.90 dispute.

[END OF PROVISION]

**3. NEGOTIATED INDIRECT COST RATE - PROVISIONAL (Profit) (April 1998)**

**APPLICABILITY:** *This provision applies to for-profit organizations whose indirect cost rates under this award are on a provisional basis.*

**NEGOTIATED INDIRECT COST RATE - PROVISIONAL (Profit) (April 1998)**

- a. Provisional indirect cost rates shall be established for the recipient's accounting periods during the term of this award. Pending establishment of revised provisional or final

rates, allowable indirect costs shall be reimbursed at the rates, on the bases, and for the periods shown in the schedule of this award. Indirect cost rates and the appropriate bases shall be established in accordance with FAR Subpart 42.7.

- b. Within six months after the close of the recipient's fiscal year, the recipient shall submit to the cognizant agency for audit the proposed final indirect cost rates and supporting cost data. If USAID is the cognizant agency or no cognizant agency has been designated, the recipient shall submit three copies of the proposed final indirect cost rates and supporting cost data, to the Overhead, Special Costs, and Closeout Branch, Office of Procurement, USAID, Washington, DC 20523-7802. The proposed rates shall be based on the recipient's actual cost experience during that fiscal year. Negotiations of final indirect cost rates shall begin soon after receipt of the recipient's proposal.
- c. Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with the applicable cost principles.
- d. The results of each negotiation shall be set forth in an indirect cost rate agreement signed by both parties. Such agreement is automatically incorporated into this award and shall specify (1) the agreed upon final rates, (2) the bases to which the rates apply, (3) the fiscal year for which the rates apply, and (4) the items treated as direct costs. The agreement shall not change any monetary ceiling, award obligation, or specific cost allowance or disallowance provided for in this award.
- e. Pending establishment of final indirect cost rates for any fiscal year, the recipient shall be reimbursed either at negotiated provisional rates or at billing rates acceptable to the Agreement Officer, subject to appropriate adjustment when the final rates for the fiscal year are established. To prevent substantial overpayment or underpayment, the provisional or billing rates may be prospectively or retroactively revised by mutual agreement.
- f. Failure by the parties to agree on final rates is a 22 CFR 226.90 dispute.

[END OF PROVISION]

**4. PUBLICATIONS AND MEDIA RELEASES (MARCH 2006)**

*APPLICABILITY: This provision is applicable when publications are financed under the award.*

**PUBLICATIONS AND MEDIA RELEASES (MARCH 2006)**

- a. The recipient shall provide the USAID Cognizant Technical Officer one copy of all published works developed under the award with lists of other written work produced under the award. In addition, the recipient shall submit final documents in electronic format unless no electronic version exists at the following address:

Online (preferred)  
<http://www.dec.org/submit.cfm>

Mailing address:  
Document Acquisitions  
USAID Development Experience Clearinghouse (DEC)

8403 Colesville Road Suite 210  
Silver Spring, MD 20910-6368  
Contract Information  
Telephone (301) 562-0641  
Fax (301) 588-7787  
E-mail: [docsubmit@dec.cdie.org](mailto:docsubmit@dec.cdie.org)

Electronic documents must consist of only one electronic file that comprises the complete and final equivalent of a hard copy. They may be submitted online (preferred); on 3.5" diskettes, a Zip disk, CD-R, or by e-mail. Electronic documents should be in PDF (Portable Document Format). Submission in other formats is acceptable but discouraged.

Each document submitted should contain essential bibliographic elements, such as 1) descriptive title; 2) author(s) name; 3) award number; 4) sponsoring USAID office; 5) strategic objective; and 6) date of publication;:

- b. In the event award funds are used to underwrite the cost of publishing, in lieu of the publisher assuming this cost as is the normal practice, any profits or royalties up to the amount of such cost shall be credited to the award unless the schedule of the award has identified the profits or royalties as program income.
- c. Except as otherwise provided in the terms and conditions of the award, the author or the recipient is free to copyright any books, publications, or other copyrightable materials developed in the course of or under this award, 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 Government purposes.

[END OF PROVISION]

#### **5. PARTICIPANT TRAINING (April 1998)**

**APPLICABILITY:** *This provision is applicable when any participant training is financed under the award.*

#### **PARTICIPANT TRAINING (April 1998)**

- a. Definition: A participant is any non-U.S. individual being trained under this award outside of that individual's home country.
- b. Application of ADS Chapter 253: Participant training under this award shall comply with the policies established in ADS Chapter 253, Participant Training, except to the extent that specific exceptions to ADS 253 have been provided in this award with the concurrence of the Office of International Training.
- c. Orientation: In addition to the mandatory requirements in ADS 253, recipients are strongly encouraged to provide, in collaboration with the Mission training officer, predeparture orientation and orientation in Washington at the Washington International Center. The latter orientation program also provides the opportunity to arrange for home hospitality in Washington and elsewhere in the United States through liaison with the National Council for International Visitors (NCIV). If the Washington orientation is

determined not to be feasible, home hospitality can be arranged in most U.S. cities if a request for such is directed to the Agreement Officer, who will transmit the request to NCIV through EGAT/ED/PT.

[END OF PROVISION]

**6. VOLUNTARY POPULATION PLANNING ACTIVITIES – SUPPLEMENTAL REQUIREMENTS (MAY 2006)**

**APPLICABILITY:** *This provision is applicable to all awards involving any aspect of voluntary population planning activities.*

**VOLUNTARY POPULATION PLANNING ACTIVITIES – SUPPLEMENTAL REQUIREMENTS (MAY 2006)**

- a. Voluntary Participation and Family Planning Methods:
  - (1) The recipient agrees to take any steps necessary to ensure that funds made available under this award will not be used to coerce any individual to practice methods of family planning inconsistent with such individual's moral, philosophical, or religious beliefs. Further, the recipient agrees to conduct its activities in a manner which safeguards the rights, health and welfare of all individuals who take part in the program.
  - (2) Activities which provide family planning services or information to individuals, financed in whole or in part under this agreement, shall provide a broad range of family planning methods and services available in the country in which the activity is conducted or shall provide information to such individuals regarding where such methods and services may be obtained.
  
- b. Requirements for Voluntary Family Planning Projects
  - (1) A Family planning project must comply with the requirements of this paragraph.
  - (2) A project is a discrete activity through which a governmental or nongovernmental organization or public international organization provides family planning services to people and for which funds obligated under this award, or goods or services financed with such funds, are provided under this award, except funds solely for the participation of personnel in short-term, widely attended training conferences or programs.
  - (3) Service providers and referral agents in the project shall not implement or be subject to quotas or other numerical targets of total number of births, number of family planning acceptors, or acceptors of a particular method of family planning. Quantitative estimates or indicators of the number of births, acceptors, and acceptors of a particular method that are used for the purpose of budgeting, planning, or reporting with respect to the project are not quotas or targets under this paragraph, unless service providers or referral agents in the project are required to achieve the estimates or indicators.
  - (4) The project shall not include the payment of incentives, bribes, gratuities or financial rewards to (i) any individual in exchange for becoming a family planning

acceptor or (ii) any personnel performing functions under the project for achieving a numerical quota or target of total number of births, number of family planning acceptors, or acceptors of a particular method of contraception. This restriction applies to salaries or payments paid or made to personnel performing functions under the project if the amount of the salary or payment increases or decreases based on a predetermined number of births, number of family planning acceptors, or number of acceptors of a particular method of contraception that the personnel affect or achieve.

- (5) No person shall be denied any right or benefit, including the right of access to participate in any program of general welfare or health care, based on the person's decision not to accept family planning services offered by the project.
- (6) The project shall provide family planning acceptors comprehensible information about the health benefits and risks of the method chosen, including those conditions that might render the use of the method inadvisable and those adverse side effects known to be consequent to the use of the method. This requirement may be satisfied by providing information in accordance with the medical practices and standards and health conditions in the country where the project is conducted through counseling, brochures, posters, or package inserts.
- (7) The project shall ensure that experimental contraceptive drugs and devices and medical procedures are provided only in the context of a scientific study in which participants are advised of potential risks and benefits.
- (8) With respect to projects for which USAID provides, or finances the contribution of, contraceptive commodities or technical services and for which there is no subaward or contract under this award, the organization implementing a project for which such assistance is provided shall agree that the project will comply with the requirements of this paragraph while using such commodities or receiving such services.
- (9)
  - i) The recipient shall notify USAID when it learns about an alleged violation in a project of the requirements of subparagraphs (3), (4), (5) or (7) of this paragraph;
  - ii) the recipient shall investigate and take appropriate corrective action, if necessary, when it learns about an alleged violation in a project of subparagraph (6) of this paragraph and shall notify USAID about violations in a project affecting a number of people over a period of time that indicate there is a systemic problem in the project.
  - iii) The recipient shall provide USAID such additional information about violations as USAID may request.

c. Additional Requirements for Voluntary Sterilization Programs

- (1) None of the funds made available under this award shall be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any individual to practice sterilization.

- (2) The recipient shall ensure that any surgical sterilization procedures supported in whole or in part by funds from this award are performed only after the individual has voluntarily appeared at the treatment facility and has given informed consent to the sterilization procedure. Informed consent means the voluntary, knowing assent from the individual after being advised of the surgical procedures to be followed, the attendant discomforts and risks, the benefits to be expected, the availability of alternative methods of family planning, the purpose of the operation and its irreversibility, and the option to withdraw consent anytime prior to the operation. An individual's consent is considered voluntary if it is based upon the exercise of free choice and is not obtained by any special inducement or any element of force, fraud, deceit, duress, or other forms of coercion or misrepresentation.
- (3) Further, the recipient shall document the patient's informed consent by (i) a written consent document in a language the patient understands and speaks, which explains the basic elements of informed consent, as set out above, and which is signed by the individual and by the attending physician or by the authorized assistant of the attending physician; or (ii) when a patient is unable to read adequately a written certification by the attending physician or by the authorized assistant of the attending physician that the basic elements of informed consent above were orally presented to the patient, and that the patient thereafter consented to the performance of the operation. The receipt of this oral explanation shall be acknowledged by the patient's mark on the certification and by the signature or mark of a witness who shall speak the same language as the patient.
- (4) The recipient must retain copies of informed consent forms and certification documents for each voluntary sterilization procedure for a period of three years after performance of the sterilization procedure.

d. Prohibition on Abortion-Related Activities:

- (1) No funds made available under this award will be used to finance, support, or be attributed to the following activities: (i) procurement or distribution of equipment intended to be used for the purpose of inducing abortions as a method of family planning; (ii) special fees or incentives to any person to coerce or motivate them to have abortions; (iii) payments to persons to perform abortions or to solicit persons to undergo abortions; (iv) information, education, training, or communication programs that seek to promote abortion as a method of family planning; and (v) lobbying for or against abortion. The term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options.
- (2) No funds made available under this award will be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilizations as a means of family planning. Epidemiologic or descriptive research to assess the incidence, extent or consequences of abortions is not precluded.

\*e. Ineligibility of Foreign Nongovernmental Organizations that Perform or Actively Promote Abortion as a Method of Family Planning.

I. Grants and Cooperative Agreements with U.S. Nongovernmental Organizations

- (1) The recipient agrees that it will not furnish assistance for family planning under this award to any foreign nongovernmental organization that performs or actively promotes abortion as a method of family planning in USAID-recipient countries or that provides financial support to any other foreign nongovernmental organization that conducts such activities. For purposes of this paragraph (e), a foreign nongovernmental organization is a nongovernmental organization that is not organized under the laws of any State of the United States, the District of Columbia or the Commonwealth of Puerto Rico.
- (2) Prior to furnishing funds provided under this award to another nongovernmental organization organized under the laws of any State of the United States, the District of Columbia, or the Commonwealth of Puerto Rico, the recipient shall obtain the written agreement of such organization that the organization shall not furnish assistance for family planning under this award to any foreign nongovernmental organization except under the conditions and requirements that are applicable to the recipient as set forth in this paragraph (e).
- (3) The recipient may not furnish assistance for family planning under this award to a foreign nongovernmental organization (the subrecipient) unless:
  - (i) The subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in USAID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities; and
  - (ii) The recipient obtains the written agreement of the subrecipient containing the undertakings described in subparagraph (4) below.
- (4) Prior to furnishing assistance for family planning under this award to a subrecipient, the subrecipient must agree in writing that:
  - (i) The subrecipient will not, while receiving assistance under this award, perform or actively promote abortion as a method of family planning in USAID-recipient countries or provide financial support to other foreign nongovernmental organizations that conduct such activities;
  - (ii) The recipient and authorized representatives of USAID may, at any reasonable time: (A) inspect the documents and materials maintained or prepared by the subrecipient in the usual course of its operations that describe the family planning activities of the subrecipient, including reports, brochures and service statistics; (B) observe the family planning activity conducted by the subrecipient; (C) consult with family planning personnel of the subrecipient; and (D) obtain a copy of the audited financial statement or report of the subrecipient, if there is one;

- (iii) In the event that the recipient or USAID has reasonable cause to believe that a subrecipient may have violated its undertaking not to perform or actively promote abortion as a method of family planning, the recipient shall review the family planning program of the subrecipient to determine whether a violation of the undertaking has occurred. The subrecipient shall make available to the recipient such books and records and other information as may be reasonably requested in order to conduct the review. USAID may also review the family planning program of the subrecipient under these circumstances, and USAID shall have access to such books and records and information for inspection upon request;
  - (iv) The subrecipient shall refund to the recipient the entire amount of assistance for family planning furnished to the subrecipient under this award in the event it is determined that the certification provided by the subrecipient under subparagraph (3), above, is false;
  - (v) Assistance for family planning provided to the subrecipient under this award shall be terminated if the subrecipient violates any undertaking in the agreement required by subparagraphs (3) and (4), and the subrecipient shall refund to the recipient the value of any assistance furnished under this award that is used to perform or actively promote abortion as a method of family planning; and
  - (vi) The subrecipient may furnish assistance for family planning under this award to another foreign nongovernmental organization (the subsubrecipient) only if: (A) the sub-subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in USAID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities; and (B) the subrecipient obtains the written agreement of the sub-subrecipient that contains the same undertakings and obligations to the subrecipient as those provided by the subrecipient to the recipient as described in subparagraphs (4)(i)-(v) above.
- (5) Agreements with subrecipients and sub-subrecipients required under subparagraphs (3) and (4) shall contain the definitions set forth in subparagraph (10) of this paragraph (e).
- (6) The recipient shall be liable to USAID for a refund for a violation of any requirement of this paragraph (e) only if: (i) the recipient knowingly furnishes assistance for family planning to a subrecipient who performs or actively promotes abortion as a method of family planning; or (ii) the certification provided by a subrecipient is false and the recipient failed to make reasonable efforts to verify the validity of the certification prior to furnishing assistance to the subrecipient; or (iii) the recipient knows or has reason to know, by virtue of the monitoring which the recipient is required to perform under the terms of this award, that a subrecipient has violated any of the undertakings required under subparagraph (4) and the recipient fails to terminate assistance for family planning to the subrecipient, or fails to require the subrecipient to terminate assistance to a sub-subrecipient that violates any undertaking of the agreement required under subparagraph 4(vi), above. If the recipient finds, in exercising its

monitoring responsibility under this award, that a subrecipient or sub-subrecipient receives frequent requests for the information described in subparagraph (10)(iii)(A)(II), below, the recipient shall verify that this information is being provided properly in accordance with subparagraph (10)(iii)(A)(II) and shall describe to USAID the reasons for reaching its conclusion.

- (7) In submitting a request to USAID for approval of a recipient's decision to furnish assistance for family planning to a subrecipient, the recipient shall include a description of the efforts made by the recipient to verify the validity of the certification provided by the subrecipient. USAID may request the recipient to make additional efforts to verify the validity of the certification. USAID will inform the recipient in writing when USAID is satisfied that reasonable efforts have been made. If USAID concludes that these efforts are reasonable within the meaning of subparagraph (6) above, the recipient shall not be liable to USAID for a refund in the event the subrecipient's certification is false unless the recipient knew the certification to be false or misrepresented to USAID the efforts made by the recipient to verify the validity of the certification.
- (8) It is understood that USAID may make independent inquiries, in the community served by a subrecipient or sub-subrecipient, regarding whether it performs or actively promotes abortion as a method of family planning.
- (9) A subrecipient must provide the certification required under subparagraph (3) and a sub-subrecipient must provide the certification required under subparagraph (4)(vi) each time a new agreement is executed with the subrecipient or sub-subrecipient in furnishing assistance for family planning under the award.
- (10) The following definitions apply for purposes of this paragraph (e):
  - (i) Abortion is a method of family planning when it is for the purpose of spacing births. This includes, but is not limited to, abortions performed for the physical or mental health of the mother, but does not include abortions performed if the life of the mother would be endangered if the fetus were carried to term or abortions performed following rape or incest (since abortion under these circumstances is not a family planning act).
  - (ii) To perform abortions means to operate a facility where abortions are performed as a method of family planning. Excluded from this definition are clinics or hospitals that do not include abortion in their family planning programs. Also excluded from this definition is the treatment of injuries or illnesses caused by legal or illegal abortions, for example, postabortion care.
  - (iii) To actively promote abortion means for an organization to commit resources, financial or other, in a substantial or continuing effort to increase the availability or use of abortion as a method of family planning.
    - (A) This includes, but is not limited to, the following:

(I) Operating a family planning counseling service that includes, as part of the regular program, providing advice and information regarding the benefits and availability of abortion as a method of family planning;

(II) Providing advice that abortion is an available option in the event other methods of family planning are not used or are not successful or encouraging women to consider abortion (passively responding to a question regarding where a safe, legal abortion may be obtained is not considered active promotion if the question is specifically asked by a woman who is already pregnant, the woman clearly states that she has already decided to have a legal abortion, and the family planning counselor reasonably believes that the ethics of the medical profession in the country requires a response regarding where it may be obtained safely);

(III) Lobbying a foreign government to legalize or make available abortion as a method of family planning or lobbying such a government to continue the legality of abortion as a method of family planning; and

(IV) Conducting a public information campaign in USAID-recipient countries regarding the benefits and/or availability of abortion as a method of family planning.

(B) Excluded from the definition of active promotion of abortion as a method of family planning are referrals for abortion as a result of rape or incest, or if the life of the mother would be endangered if the fetus were carried to term. Also excluded from this definition is the treatment of injuries or illnesses caused by legal or illegal abortions, for example, post-abortion care.

(C) Action by an individual acting in the individual's capacity shall not be attributed to an organization with which the individual is associated, provided that the organization neither endorses nor provides financial support for the action and takes reasonable steps to ensure that the individual does not improperly represent that the individual is acting on behalf of the organization.

(iv) To furnish assistance for family planning to a foreign nongovernmental organization means to provide financial support under this award to the family planning program of the organization, and includes the transfer of funds made available under this award or goods or services financed with such funds, but does not include the purchase of goods or services from an organization or the participation of an individual in the general training programs of the recipient, subrecipient or sub-subrecipient.

(v) To control an organization means the possession of the power to direct or cause the direction of the management and policies of an organization.

(11) In determining whether a foreign nongovernmental organization is eligible to be a subrecipient or sub-subrecipient of assistance for family planning under this award, the action of separate nongovernmental organizations shall not be imputed to the subrecipient or sub-subrecipient, unless, in the judgment of USAID, a separate nongovernmental organization is being used as a sham to avoid the restrictions of this paragraph (e). Separate nongovernmental organizations are those that have distinct legal existence in accordance with the laws of the countries in which they are organized. Foreign organizations that are separately organized shall not be considered separate, however, if one is controlled by the other. The recipient may request USAID's approval to treat as separate the family planning activities of two or more organizations, that would not be considered separate under the preceding sentence, if the recipient believes, and provides a written justification to USAID therefore, that the family planning activities of the organizations are sufficiently distinct so as to warrant not imputing the activity of one to the other.

(12) Assistance for family planning may be furnished under this award by a recipient, subrecipient or sub-subrecipient to a foreign government event though the government includes abortion in its family planning program, provided that no assistance may be furnished in support of the abortion activity of the government and any funds transferred to the government shall be placed in a segregated account to ensure that such funds may not be used to support the abortion activity of the government.

(13) The requirements of this paragraph are not applicable to child spacing assistance furnished to a foreign nongovernmental organization that is engaged primarily in providing health services if the objective of the assistance is to finance integrated health care services to mothers and children and child spacing is one of several health care services being provided by the organization as part of a larger child survival effort with the objective of reducing infant and child mortality.

## II. Grants and Cooperative Agreements with Non-U.S., Nongovernmental Organizations

(1) The recipient certifies that it does not now and will not during the term of this award perform or actively promote abortion as a method of family planning in USAID-recipient countries or provide financial support to any other foreign nongovernmental organization that conducts such activities. For purposes of this paragraph (e), a foreign nongovernmental organization is a nongovernmental organization that is not organized under the laws of any State of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

(2) The recipient agrees that the authorized representative of USAID may, at any reasonable time: (i) inspect the documents and materials maintained or prepared by the recipient in the usual course of its operations that describe the family planning activities of the recipient, including reports, brochures and service statistics; (ii) observe the family planning activity conducted by the recipient, (iii) consult with the family planning personnel of the recipient; and (iv) obtain a copy of the audited financial statement or report of the recipient, if there is one.

(3) In the event USAID has reasonable cause to believe that the recipient may have violated its undertaking not to perform or actively promote abortion as a method of family planning, the recipient shall make available to USAID such books and records and other

information as USAID may reasonably request in order to determine whether a violation of the undertaking has occurred.

(4) The recipient shall refund to USAID the entire amount of assistance for family planning furnished under this award in the event it is determined that the certification provided by the recipient under subparagraph (1), above, is false.

(5) Assistance for family planning to the recipient under this award shall be terminated if the recipient violates any undertaking required by this paragraph (e), and the recipient shall refund to USAID the value of any assistance furnished under this award that is used to perform or actively promote abortion as a method of family planning.

(6) The recipient may not furnish assistance for family planning under this award to a foreign nongovernmental organization (the subrecipient) unless: (i) the subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in USAID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities; and (ii) the recipient obtains the written agreement of the subrecipient containing the undertakings described in subparagraph (7), below.

(7) Prior to furnishing assistance for family planning under this award to a subrecipient, the subrecipient must agree in writing that:

(i) The subrecipient will not, while receiving assistance under this award, perform or actively promote abortion as a method of family planning in USAID-recipient countries or provide financial support to other nongovernmental organizations that conduct such activities.

(ii) The recipient and authorized representatives of USAID may, at any reasonable time: (A) inspect the documents and materials maintained or prepared by the subrecipient in the usual course of its operations that describe the family planning activities of the subrecipient, including reports, brochures and service statistics; (B) observe the family planning activity conducted by the subrecipient; (C) consult with family planning personnel of the subrecipient; and (D) obtain a copy of the audited financial statement or report of the subrecipient, if there is one.

(iii) In the event the recipient or USAID has reasonable cause to believe that a subrecipient may have violated its undertaking not to perform or actively promote abortion as a method of family planning, the recipient shall review the family planning program of the subrecipient to determine whether a violation of the undertaking has occurred. The subrecipient shall make available to the recipient such books and records and other information as may be reasonably requested in order to conduct the review. USAID may also review the family planning program of the subrecipient under these circumstances, and USAID shall have access to such books and records and information for inspection upon request.

(iv) The subrecipient shall refund to the recipient the entire amount of assistance for family planning furnished to the subrecipient under this award in

the event it is determined that the certification provided by the subrecipient under subparagraph (6), above, is false.

(v) Assistance for family planning to the subrecipient under this award shall be terminated if the subrecipient violates any undertaking required by this paragraph (e), and the subrecipient shall refund to the recipient the value of any assistance furnished under this award that is used to perform or actively promote abortion as a method of family planning.

(vi) The subrecipient may furnish assistance for family planning under this award to another foreign nongovernmental organization (the sub-subrecipient) only if: (A) the sub-subrecipient certifies in writing that it does not perform or actively promote abortion as a method of family planning in USAID-recipient countries and does not provide financial support to any other foreign nongovernmental organization that conducts such activities; and (B) the subrecipient obtains the written agreement of the sub-subrecipient that contains the same undertakings and obligations to the subrecipient as those provided by the subrecipient to the recipient as described in subparagraphs (7)(i)-(v), above.

(8) Agreements with subrecipients and sub-subrecipients required under subparagraphs (6) and (7) shall contain the definitions set forth in subparagraph (13) of this paragraph (e).

(9) The recipient shall be liable to USAID for a refund for a violation by a subrecipient relating to its certification required under subparagraph (6) or by a subrecipient or a sub-subrecipient relating to its undertakings in the agreement required under subparagraphs (6) and (7) only if: (i) the recipient knowingly furnishes assistance for family planning to a subrecipient that performs or actively promotes abortion as a method of family planning; or (ii) the certification provided by a subrecipient is false and the recipient failed to make reasonable efforts to verify the validity of the certification prior to furnishing assistance to the subrecipient; or (iii) the recipient knows or has reason to know, by virtue of the monitoring that the recipient is required to perform under the terms of this award, that a subrecipient has violated any of the undertakings required under subparagraph (7) and the recipient fails to terminate assistance for family planning to the subrecipient, or fails to require the subrecipient to terminate assistance to a sub-subrecipient that violates any undertaking of the agreement required under subparagraph 7(vi), above. If the recipient finds, in exercising its monitoring responsibility under this award, that a subrecipient or sub-subrecipient receives frequent requests for the information described in subparagraph (13)(iii)(A)(II), below, the recipient shall verify that this information is being provided properly in accordance with subparagraph 13(iii)(A)(II) and shall describe to USAID the reasons for reaching its conclusion.

(10) In submitting a request to USAID for approval of a recipient's decision to furnish assistance for family planning to a subrecipient, the recipient shall include a description of the efforts made by the recipient to verify the validity of the certification provided by the subrecipient. USAID may request the recipient to make additional efforts to verify the validity of the certification. USAID will inform the recipient in writing when USAID is satisfied that reasonable efforts have been made. If USAID concludes that these efforts are reasonable within the meaning of subparagraph (9) above, the recipient shall not be liable to USAID for a refund in the event the subrecipient's certification is false unless the

recipient knew the certification to be false or misrepresented to USAID the efforts made by the recipient to verify the validity of the certification.

(11) It is understood that USAID may make independent inquiries, in the community served by a subrecipient or sub-subrecipient, regarding whether it performs or actively promotes abortion as a method of family planning.

(12) A subrecipient must provide the certification required under subparagraph (6) and a sub-subrecipient must provide the certification required under subparagraph (7)(vi) each time a new agreement is executed with the subrecipient or sub-subrecipient in furnishing assistance for family planning under this award.

(13) The following definitions apply for purposes of paragraph (e):

(i) Abortion is a method of family planning when it is for the purpose of spacing births. This includes, but is not limited to, abortions performed for the physical or mental health of the mother but does not include abortions performed if the life of the mother would be endangered if the fetus were carried to term or abortions performed following rape or incest (since abortion under these circumstances is not a family planning act).

(ii) To perform abortions means to operate a facility where abortions are performed as a method of family planning. Excluded from this definition are clinics or hospitals that do not include abortion in their family planning programs. Also excluded from this definition is the treatment of injuries or illnesses caused by legal or illegal abortions, for example, post-abortion care.

(iii) To actively promote abortion means for an organization to commit resources, financial or other, in a substantial or continuing effort to increase the availability or use of abortion as a method of family planning.

(A) This includes, but is not limited to, the following:

(I) Operating a family planning counseling service that includes, as part of the regular program, providing advice and information regarding the benefits and availability of abortion as a method of family planning;

(II) Providing advice that abortion is an available option in the event other methods of family planning are not used or are not successful or encouraging women to consider abortion (passively responding to a question regarding where a safe, legal abortion may be obtained is not considered active promotion if the question is specifically asked by a woman who is already pregnant, the woman clearly states that she has already decided to have a legal abortion, and the family planning counselor reasonably believes that the ethics of the medical profession in the country requires a response regarding where it may be obtained safely);

(III) Lobbying a foreign government to legalize or make available abortion as a method of family planning or lobbying such

a government to continue the legality of abortion as a method of family planning; and

(IV) Conducting a public information campaign in USAID-recipient countries regarding the benefits and/or availability of abortion as a method of family planning.

(B) Excluded from the definition of active promotion of abortion as a method of family planning are referrals for abortion as a result of rape or incest or if the life of the mother would be endangered if the fetus were carried to term. Also excluded from this definition is the treatment of injuries or illnesses caused by legal or illegal abortions, for example, post-abortion care.

(C) Action by an individual acting in the individual's own capacity shall not be attributed to an organization with which the individual is associated, provided that the organization neither endorses nor provides financial support for the action and takes reasonable steps to ensure that the individual does not improperly represent the individual is acting on behalf of the organization.

(iv) To furnish assistance for family planning to a foreign nongovernmental organization means to provide financial support under this award to the family planning program of the organization, and includes the transfer of funds made available under this award or goods or services financed with such funds, but does not include the purchase of goods or services from an organization or the participation of an individual in the general training programs of the recipient, subrecipient or sub-subrecipient.

(v) To control an organization means the possession of the power to direct or cause the direction of the management and policies of an organization.

(14) In determining whether a foreign nongovernmental organization is eligible to be a recipient, subrecipient or sub-subrecipient of assistance for family planning under this award, the action of separate nongovernmental organizations shall not be imputed to the recipient, subrecipient or sub-subrecipient, unless, in the judgment of USAID, a separate nongovernmental organization is being used as a sham to avoid the restrictions of this paragraph (e). Separate nongovernmental organizations are those that have distinct legal existence in accordance with the laws of the countries in which they are organized. Foreign organizations that are separately organized shall not be considered separate, however, if one is controlled by the other. The recipient may request USAID's approval to treat as separate the family planning activities of two or more organizations, which would not be considered separate under the preceding sentence, if the recipient believes, and provides a written justification to USAID therefore, that the family planning activities of the organizations are sufficiently distinct so as to warrant not imputing the activity of one of the other.

(15) Assistance for family planning may be furnished under this award by a recipient, subrecipient or sub-subrecipient to a foreign government even though the government includes abortion in its family planning program, provided that no assistance may be furnished in support of the abortion activity of the government and any funds transferred

to the government shall be placed in a segregated account to ensure that such funds may not be used to support the abortion activity of the government.

(16) The requirements of this paragraph are not applicable to child spacing assistance furnished to a foreign nongovernmental organization that is engaged primarily in providing health services if the objective of the assistance is to finance integrated health care services to mothers and children and child spacing is one of several health care services being provided by the organization as part of a larger child survival effort with the objective of reducing infant and child mortality.

### III. Exceptions

The paragraphs set forth in sections (I) and (II) above are not applicable in the situations described below:

(1) While the paragraphs are to be used in grants and cooperative agreements (and assistance subagreements) that provide financing for family planning activity or activities, if family planning is a component of an activity involving assistance or other purposes, such as food and nutrition, health for education, paragraph (e), "Ineligibility of Foreign Nongovernmental Organizations that Perform or Actively Promote Abortion as a Method of Family Planning," applies only to the family planning component.

(2) When health or child survival funds are used to provide assistance for child spacing as well as health purposes, these paragraphs are applicable to such assistance unless: (a) the foreign nongovernmental organization is one that primarily provides health services; (b) the objective of the assistance is to finance integrated health care services to mothers and children; and (c) child spacing is one of several health care services being provided as part of a larger child survival effort with the objective of reducing infant and child mortality. These paragraphs need not be included in the assistance agreement if it indicates that assistance for child spacing will be provided only in this way. USAID support under these circumstances is considered a contribution to a health service delivery program and not to a family planning program. In such a case, these paragraphs need not be included in an assistance agreement.

(3) These paragraphs need not be included in assistance agreements with United States nongovernmental organizations for family planning purposes if implementation of the activity does not involve assistance to foreign nongovernmental organizations.

\*f. The recipient shall insert paragraphs (a), (b), (c), (d), and (f) of this provision in all subsequent subagreements and contracts involving family planning or population activities that will be supported in whole or in part from funds under this award. Paragraph (e) shall be inserted in subagreements and sub-subagreements in accordance with the terms of paragraph (e). The term subagreement means subgrants and subcooperative agreements.

[END OF PROVISION]

## **7. PROTECTION OF THE INDIVIDUAL AS A RESEARCH SUBJECT (April 1998)**

**APPLICABILITY:** *This provision is applicable when human subjects are involved in research financed by the award.*

**PROTECTION OF THE INDIVIDUAL AS A RESEARCH SUBJECT (April 1998)**

- a. Safeguarding the rights and welfare of human subjects involved 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. 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 subject of research, as defined in 22 CFR 225.102(d), funded by the cooperative agreement and recipients must provide "assurance", as required by 22 CFR 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 225.103. Such assurances must be determined by the CHSO to be acceptable prior to any applicable research being initiated or conducted under the award. 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.

[END OF PROVISION]

**8. CARE OF LABORATORY ANIMALS (MARCH 2004)**

**APPLICABILITY:** *This provision is applicable when laboratory animals are involved in research performed in the U.S. and financed by the award.*

**CARE OF LABORATORY ANIMALS (MARCH 2004)**

- a. Before undertaking performance of any grant involving the use of laboratory animals, the recipient shall register with the Secretary of Agriculture of the United States in accordance with Section 6, Public Law 89-544, Laboratory Animal Welfare Act, August

24, 1966, as amended by Public Law 91-579, Animal Welfare Act of 1970, December 24, 1970. The recipient shall furnish evidence of such registration to the Agreement Officer.

- b. The recipient shall acquire animals used in research under this award only from dealers licensed by the Secretary of Agriculture, or from exempted sources in accordance with the Public Laws enumerated in (a) above.
- c. In the care of any live animals used or intended for use in the performance of this cooperative agreement, the recipient shall adhere to the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animals Resources, National Academy of Sciences - National Research Council, and in the United States Department of Agriculture's (USDA) regulations and standards issued under the Public Laws enumerated in a. above. In case of conflict between standards, the higher standard shall be used. The recipient's reports on portions of the award in which animals were used shall contain a certificate stating that the animals were cared for in accordance with the principles enunciated in the Guide for Care and Use of Laboratory Animals prepared by the Institute of Laboratory Animal Resources, NAS-NRC, and/or in the regulations and standards as promulgated by the Agricultural Research Service, USDA, pursuant to the Laboratory Animal Welfare Act of 24 August 1966, as amended (P.L. 89-544 and P.L. 91-579). NOTE: The recipient may request registration of the recipient's facility and a current listing of licensed dealers from the Regional Office of the Animal and Plant Health Inspection Service (APHIS), USDA, for the region in which the recipient's research facility is located. The location of the appropriate APHIS Regional Office as well as information concerning this program may be obtained by contacting the Senior Staff Office, Animal Care Staff, USDA/APHIS, 4700 River Road Unit 84, Riverdale, MD 20737-1234 and at <http://www.aphis.usda.gov/ac/>.

[END OF PROVISION]

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

**APPLICABILITY:** *This provision is applicable to property titled in the name of the cooperating country or such public or private agency as the cooperating country government may designate.*

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

- a. Except as modified by the schedule of this cooperative agreement, title to all equipment, materials and supplies, the cost of which is reimbursable to the recipient by USAID or by the cooperating country, shall at all times be in the name of the cooperating country or such public or private agency as the cooperating country may designate, unless title to specified types or classes of equipment is reserved to USAID under provisions set forth in the schedule of this award. All such property shall be under the custody and control of recipient until the owner of title directs otherwise or completion of work under this award or its termination, at which time custody and control shall be turned over to the owner of title or disposed of in accordance with its instructions. All performance guarantees and warranties obtained from suppliers shall be taken in the name of the title owner.

- b. The recipient shall maintain and administer in accordance with sound business practice a program for the maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this cooperative agreement. The recipient shall take all reasonable steps to comply with all appropriate directions or instructions which the Agreement Officer may prescribe as reasonably necessary for the protection of the Government property.
- c. The recipient shall prepare and establish a program, to be approved by the appropriate USAID Mission, for the receipt, use, maintenance, protection, custody and care of equipment, materials and supplies for which it has custodial responsibility, including the establishment of reasonable controls to enforce such program. The recipient shall be guided by the following requirements:
  - (1) Property Control: The property control system shall include but not be limited to the following:
    - (i) Identification of each item of cooperating country property acquired or furnished under the award by a serially controlled identification number and by description of item. Each item must be clearly marked "Property of (insert name of cooperating country)."
    - (ii) The price of each item of property acquired or furnished under this award.
    - (iii) The location of each item of property acquired or furnished under this award.
    - (iv) A record of any usable components which are permanently removed from items of cooperating country property as a result of modification or otherwise.
    - (v) A record of disposition of each item acquired or furnished under the award.
    - (vi) Date of order and receipt of any item acquired or furnished under the award.
    - (vii) The official property control records shall be kept in such condition that at any stage of completion of the work under this award, the status of property acquired or furnished under this award may be readily ascertained. A report of current status of all items of property acquired or furnished under the award shall be submitted yearly concurrently with the annual report.
  - (2) Maintenance Program: The recipient's maintenance program shall be consistent with sound business practice, the terms of the award, and provide for:
    - (i) disclosure of need for and the performance of preventive maintenance,
    - (ii) disclosure and reporting of need for capital type rehabilitation, and
    - (iii) recording of work accomplished under the program:
      - (A) Preventive maintenance - Preventive maintenance is maintenance generally performed on a regularly scheduled basis to prevent the

occurrence of defects and to detect and correct minor defects before they result in serious consequences.

(B) Records of maintenance - The recipient's maintenance program shall provide for records sufficient to disclose the maintenance actions performed and deficiencies discovered as a result of inspections.

(C) A report of status of maintenance of cooperating country property shall be submitted annually concurrently with the annual report.

d. Risk of Loss:

(1) The recipient shall not be liable for any loss of or damage to the cooperating country property, or for expenses incidental to such loss or damage except that the recipient shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any of the recipient's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of all or substantially all of the recipient's business, or all or substantially all of the recipient's operation at any one plant, laboratory, or separate location in which this award is being performed;

(ii) Which results from a failure on the part of the recipient, due to the willful misconduct or lack of good faith on the part of any of its directors, officers, or other representatives mentioned in (i) above:

(A) to maintain and administer, in accordance with sound business practice, the program for maintenance, repair, protection, and preservation of cooperating country property as required by (i) above, or

(B) to take all reasonable steps to comply with any appropriate written directions of the Agreement Officer under (b) above;

(iii) For which the recipient is otherwise responsible under the express terms designated in the schedule of this award;

(vi) Which results from a risk expressly required to be insured under some other provision of this award, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the Recipient is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

(vi) Provided, that, if more than one of the above exceptions shall be applicable in any case, the recipient's liability under any one exception shall not be limited by any other exception.

- (2) The recipient shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provision for a reserve, covering the risk of loss of or damage to the cooperating country property, except to the extent that USAID may have required the recipient to carry such insurance under any other provision of this award.
  - (3) Upon the happening of loss or destruction of or damage to the cooperating country property, the recipient shall notify the Agreement Officer thereof, shall take all reasonable steps to protect the cooperating country property from further damage, separate the damaged and undamaged cooperating country property, put all the cooperating country property in the best possible order, and furnish to the Agreement Officer a statement of:
    - (i) The lost, destroyed, or damaged cooperating country property;
    - (ii) The time and origin of the loss, destruction, or damage;
    - (iii) All known interests in commingled property of which the cooperating country property is a part; and
    - (iv) The insurance, if any, covering any part of or interest in such commingled property.
  - (4) The recipient shall make repairs and renovations of the damaged cooperating country property or take such other action as the Agreement Officer directs.
  - (5) In the event the recipient is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the cooperating country property, it shall use the proceeds to repair, renovate or replace the cooperating country property involved, or shall credit such proceeds against the cost of the work covered by the award, or shall otherwise reimburse USAID, as directed by the Agreement Officer. The recipient shall do nothing to prejudice USAID's right to recover against third parties for any such loss, destruction, or damage, and upon the request of the Agreement Officer, shall, at the Government's expense, furnish to USAID all reasonable assistance and cooperation (including assistance in the prosecution of suits and the execution of instruments or assignments in favor of the Government) in obtaining recovery.
- e. Access: USAID, and any persons designated by it, shall at all reasonable times have access to the premises wherein any cooperating country property is located, for the purpose of inspecting the cooperating country property.
- f. Final Accounting and Disposition of Cooperating Country Property: Within 90 days after completion of this award, or at such other date as may be fixed by the Agreement Officer, the recipient shall submit to the Agreement Officer an inventory schedule covering all items of equipment, materials and supplies under the recipient's custody, title to which is in the cooperating country or public or private agency designated by the cooperating country, which have not been consumed in the performance of this award. The recipient shall also indicate what disposition has been made of such property.

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

[END OF PROVISION]

**10. PUBLIC NOTICES (MARCH 2004)**

**APPLICABILITY:** *This provision is applicable when the cognizant Activity Manager or SO Team determines that the award is of public interest and requests that the provision be included in the award.*

**PUBLIC NOTICES (MARCH 2004)**

It is USAID's policy to inform the public as fully as possible of its programs and activities. The recipient is encouraged to give public notice of the receipt of this award and, from time to time, to announce progress and accomplishments. Press releases or other public notices should include a statement substantially as follows:

"The U.S. Agency for International Development administers the U.S. foreign assistance program providing economic and humanitarian assistance in more than 120 countries worldwide."

The recipient may call on USAID's Bureau for Legislative and Public Affairs for advice regarding public notices. The recipient is requested to provide copies of notices or announcements to the cognizant technical officer and to USAID's Bureau for Legislative and Public Affairs as far in advance of release as possible.

[END OF PROVISION]

**11. [Reserved]**

**12. COST SHARING (MATCHING) (July 2002)**

**APPLICABILITY:** *This provision, along with 22 CFR 226, is applicable when the recipient has agreed or is required to cost share or provide a matching share.*

**COST SHARING (MATCHING) (July 2002)**

- a. If at the end of any funding period, the recipient has expended an amount of non-Federal funds less than the agreed upon amount or percentage of total expenditures, the Agreement Officer may apply the difference to reduce the amount of USAID incremental funding in the following funding period. If the award has expired or has been terminated, the Agreement Officer may require the recipient to refund the difference to USAID.
- b. The source, origin and nationality requirements and the restricted goods provision established in the Standard Provision entitled "USAID Eligibility Rules for Goods and Services" do not apply to cost sharing (matching) expenditures.

[END OF PROVISION]

**13. PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS (JUNE 1999)**

**APPLICABILITY:** *This provision is applicable where performance of the award will take place in "Covered" Countries, as described in ADS 206 (see 206.5.3)*

**PROHIBITION OF ASSISTANCE TO DRUG TRAFFICKERS (JUNE 1999)**

- a. USAID reserves the right to terminate assistance to, or take other appropriate measures with respect to, any participant approved by USAID who is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.
  
- b. (1) For any loan over \$1000 made under this agreement, the recipient shall insert a clause in the loan agreement stating that the loan is subject to immediate cancellation, acceleration, recall or refund by the recipient if the borrower or a key individual of a borrower is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140.  
  
(2) Upon notice by USAID of a determination under section (1) and at USAID's option, the recipient agrees to immediately cancel, accelerate or recall the loan, including refund in full of the outstanding balance. USAID reserves the right to have the loan refund returned to USAID.
  
- c. (1) The recipient agrees not to disburse, or sign documents committing the recipient to disburse, funds to a subrecipient designated by USAID ("Designated Subrecipient") until advised by USAID that: (i) any United States Government review of the Designated Subrecipient and its key individuals has been completed; (ii) any related certifications have been obtained; and (iii) the assistance to the Designated Subrecipient has been approved. Designation means that the subrecipient has been unilaterally selected by USAID as the subrecipient. USAID approval of a subrecipient, selected by another party, or joint selection by USAID and another party is not designation.  
  
(2) The recipient shall insert the following clause, or its substance, in its agreement with the Designated Subrecipient:  
  
"The recipient reserves the right to terminate this [Agreement/Contract] or take other appropriate measures if the [Subrecipient] or a key individual of the [Subrecipient] is found to have been convicted of a narcotic offense or to have been engaged in drug trafficking as defined in 22 CFR Part 140."

[END OF PROVISION]

**14. INVESTMENT PROMOTION (NOVEMBER 2003)**

**APPLICABILITY:** *The following clause is required for grants and cooperative agreements when the program includes gray-area activities or investment-related activities where specific activities are not identified at the time of obligation but could be for investment-related activities, as described in ADS 225 (see 225.3.1.8)*

**INVESTMENT PROMOTION (NOVEMBER 2003)**

- a. Except as specifically set forth in this award or otherwise authorized by USAID in writing, no funds or other support provided hereunder may be used for any activity that involves investment promotion in a foreign country.
- b. In the event the recipient is requested or wishes to provide assistance in the above area or requires clarification from USAID as to whether the activity would be consistent with the limitation set forth above, the recipient must notify the Agreement Officer and provide a detailed description of the proposed activity. The recipient must not proceed with the activity until advised by USAID that it may do so.
- c. The recipient must ensure that its employees and sub-recipients and contractors providing investment promotion services hereunder are made aware of the restrictions set forth in this clause and must include this clause in all contracts and other sub-agreements entered into hereunder.

[END OF PROVISION]

**15. REPORTING OF FOREIGN TAXES (March 2006)**

***APPLICABILITY:** This provision is applicable to all USAID agreements that obligate or subobligate FY 2003 or later funds except for agreements funded with Operating Expense, Pub. L. 480 funds, or trust funds, or agreements where there will be no commodity transactions in a foreign country over the amount of \$500.*

**REPORTING OF FOREIGN TAXES (March 2006)**

- a. The recipient must annually submit a report by April 16 of the next year.
- b. Contents of Report. The report must contain:
  - (i) Contractor/recipient name.
  - (ii) Contact name with phone, fax and email.
  - (iii) Agreement number(s).
  - (iv) Amount of foreign taxes assessed by a foreign government [each foreign government must be listed separately] on commodity purchase transactions valued at \$500 or more financed with U.S. foreign assistance funds under this agreement during the prior U.S. fiscal year.
  - (v) Only foreign taxes assessed by the foreign government in the country receiving U.S. assistance is to be reported. Foreign taxes by a third party foreign government are not to be reported. For example, if an assistance program for Lesotho involves the purchase of commodities in South Africa using foreign assistance funds, any taxes imposed by South Africa would not be reported in the report for Lesotho (or South Africa).

- (vi) Any reimbursements received by the Recipient during the period in (iv) regardless of when the foreign tax was assessed and any reimbursements on the taxes reported in (iv) received through March 31.
- (vii) Report is required even if the recipient did not pay any taxes during the report period.
- (viii) Cumulative reports may be provided if the recipient is implementing more than one program in a foreign country.
- c. Definitions. For purposes of this clause:
- (i) "Agreement" includes USAID direct and country contracts, grants, cooperative agreements and interagency agreements.
- (ii) "Commodity" means any material, article, supply, goods, or equipment.
- (iii) "Foreign government" includes any foreign governmental entity.
- (iv) "Foreign taxes" means value-added taxes and custom duties assessed by a foreign government on a commodity. It does not include foreign sales taxes.
- d. Where. Submit the reports to: [insert address and point of contact at the Embassy, Mission or FM/CMP as appropriate. see b. below] [optional with a copy to ]
- e. Subagreements. The recipient must include this reporting requirement in all applicable subcontracts, subgrants and other subagreements.
- f. For further information see <http://www.state.gov/m/rm/c10443.htm>.

[END OF PROVISION]

**16. FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES  
(January 2002)**

**APPLICABILITY:** *Include this provision in agreements funded from the following accounts:*

- *Development Assistance, including assistance for sub-Saharan Africa,*
- *Child Survival and Disease Programs Fund, and*
- *Micro and Small Enterprise Development Program Account.*

**FOREIGN GOVERNMENT DELEGATIONS TO INTERNATIONAL CONFERENCES  
(January 2002)**

Funds in this agreement may not be used to finance the travel, per diem, hotel expenses, meals, conference fees or other conference costs for any member of a foreign government's delegation to an international conference sponsored by a public international organization,

except as provided in ADS Mandatory Reference "Guidance on Funding Foreign Government Delegations to International Conferences or as approved by the Agreement Officer.

These provisions also must be included in the Standard Provisions of any new grant or cooperative agreement to a public international organization or a U.S. or non-U.S. non-governmental organization financed with FY04 HIV/AIDS funds or modification to an existing grant or cooperative agreement that adds FY04 HIV/AIDS.

[END OF PROVISION]

**17. ORGANIZATIONS ELIGIBLE FOR ASSISTANCE (JULY 2004)**

**APPLICABILITY:** *This provision must be included in any Request for Application (RFA) or Annual Program Statement (APS) that could lead to a grant or cooperative agreement for activities related to human trafficking funded from any year program resources.*

**ORGANIZATIONS ELIGIBLE FOR ASSISTANCE (JULY 2004)**

The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this agreement may be used to promote, support or advocate the legalization or practice of prostitution. Nothing in the preceding sentence shall be construed to preclude assistance designed to ameliorate the suffering of, or health risks to, victims while they are being trafficked or after they are out of the situation that resulted from such victims being trafficked. Foreign organizations, whether prime or subrecipients, that receive U.S. Government funds to fight trafficking in persons cannot promote, support or advocate the legalization or practice of prostitution when they are engaged in overseas activities. The preceding sentence shall not apply to organizations that provide services to individuals solely after they are no longer engaged in activities that resulted from such victims being trafficked.

[END OF PROVISION]

**18. PROHIBITION ON THE USE OF FEDERAL FUNDS TO PROMOTE, SUPPORT, OR ADVOCATE FOR THE LEGALIZATION OR PRACTICE OF PROSTITUTION - ASSISTANCE (JULY 2004)**

**APPLICABILITY:** *This provision must be included in any grant or cooperative agreement that uses funds made available for activities related to human trafficking funded from any year program resources.*

**PROHIBITION ON THE USE OF FEDERAL FUNDS TO PROMOTE, SUPPORT, OR ADVOCATE FOR THE LEGALIZATION OR PRACTICE OF PROSTITUTION - ASSISTANCE (JULY 2004)**

a. The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this agreement may be used to promote, support, or advocate the legalization or practice of prostitution. Nothing in the preceding

sentence shall be construed to preclude assistance designed to ameliorate the suffering of, or health risks to, victims while they are being trafficked or after they are out of the situation that resulted from such victims being trafficked.

b. [This subsection (b) only applies to foreign non-governmental organizations and PIOs receiving U.S. Government funds to carry out programs that target victims of severe forms of trafficking as either prime awardees or subawardees.]

(1) For programs that target victims of severe forms of trafficking, as a condition of entering into this agreement or subagreement, the recipient/subrecipient agrees that in its activities outside of the United States and its possessions it does not promote, support, or advocate the legalization or practice of prostitution. The preceding sentence shall not apply to organizations that provide services to individuals solely after they are no longer engaged in activities that resulted from such victims being trafficked.

(2) The following definitions apply for purposes of this clause:

**FOREIGN NON-GOVERNMENTAL ORGANIZATION** – The term “foreign non-governmental organization” means an entity that is not organized under the laws of any State of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

**SEVERE FORMS OF TRAFFICKING IN PERSONS.** -- The term “severe forms of trafficking in persons” means—

(A) sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or

(B) the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

(C) The recipient shall insert this provision in all sub-agreements under this award.

(D) This provision includes express terms and conditions of the agreement and any violation of it shall be grounds for unilateral termination, in whole or in part, of the agreement by USAID prior to the end of its term.

[END OF STANDARD PROVISION]

#### **19. ORGANIZATIONS ELIGIBLE FOR ASSISTANCE (JUNE 2005)**

**APPLICABILITY:** *This provision must be included in any agreement financing HIV/AIDS activities.*

#### **ORGANIZATIONS ELIGIBLE FOR ASSISTANCE (JUNE 2005)**

An organization that is otherwise eligible to receive funds under this agreement to prevent, treat, or monitor HIV/AIDS shall not be required to endorse or utilize a multisectoral approach to combating HIV/AIDS, or to endorse, utilize, or participate in a prevention method or treatment program to which the organization has a religious or moral objection.

[END OF PROVISION]

**20. CONDOMS (JUNE 2005)**

**APPLICABILITY:** *This provision must be included in any agreement financing HIV/AIDS activities.*

**CONDOMS (JUNE 2005)**

Information provided about the use of condoms as part of projects or activities that are funded under this agreement shall be medically accurate and shall include the public health benefits and failure rates of such use and shall be consistent with USAID's fact sheet entitled, "USAID: HIV/STI Prevention and Condoms. This fact sheet may be accessed at: [http://www.usaid.gov/our\\_work/global\\_health/aids/TechAreas/prevention/condomfactsheet.html](http://www.usaid.gov/our_work/global_health/aids/TechAreas/prevention/condomfactsheet.html)

[END OF PROVISION]

**21. PROHIBITION ON THE PROMOTION OR ADVOCACY OF THE LEGALIZATION OR PRACTICE OF PROSTITUTION OR SEX TRAFFICKING (JUNE 2005)**

**APPLICABILITY:** *This provision must be included in any agreement financing HIV/AIDS activities.*

**PROHIBITION ON THE PROMOTION OR ADVOCACY OF THE LEGALIZATION OR PRACTICE OF PROSTITUTION OR SEX TRAFFICKING (JUNE 2005)**

a. The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this agreement may be used to promote or advocate the legalization or practice of prostitution or sex trafficking. Nothing in the preceding sentence shall be construed to preclude the provision to individuals of palliative care, treatment, or post-exposure pharmaceutical prophylaxis, and necessary pharmaceuticals and commodities, including test kits, condoms, and, when proven effective, microbicides.

b. Except as noted in the second sentence of this paragraph, as a condition of entering into this agreement or any subagreement, a non-governmental organization or public international organization recipient/subrecipient must have a policy explicitly opposing prostitution and sex trafficking. The following organizations are exempt from this paragraph: the Global Fund to Fight AIDS, Tuberculosis and Malaria; the World Health Organization; the International AIDS Vaccine Initiative; and any United Nations agency.

c. The following definition applies for purposes of this provision:

Sex trafficking means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act. 22 U.S.C. 7102(9).

d. The recipient shall insert this provision, which is a standard provision, in all subagreements.

e. This provision includes express terms and conditions of the agreement and any violation of it shall be grounds for unilateral termination of the agreement by USAID prior to the end of its term.

[END OF PROVISION]

**22. USAID DISABILITY POLICY - ASSISTANCE (DECEMBER 2004)**

**APPLICABILITY:** *This provision must be included in Request for Applications (RFAs), and in awards.*

**USAID DISABILITY POLICY - ASSISTANCE (DECEMBER 2004)**

a. The objectives of the USAID Disability Policy are (1) to enhance the attainment of United States foreign assistance program goals by promoting the participation and equalization of opportunities of individuals with disabilities in USAID policy, country and sector strategies, activity designs and implementation; (2) to increase awareness of issues of people with disabilities both within USAID programs and in host countries; (3) to engage other U.S. government agencies, host country counterparts, governments, implementing organizations and other donors in fostering a climate of nondiscrimination against people with disabilities; and (4) to support international advocacy for people with disabilities. The full text of the policy paper can be found at the following website:

**<http://www.usaid.gov/about/disability/DISABPOL.FIN.html>**

b. USAID therefore requires that the recipient not discriminate against people with disabilities in the implementation of USAID funded programs and that it make every effort to comply with the objectives of the USAID Disability Policy in performing the program under this grant or cooperative agreement. To that end and to the extent it can accomplish this goal within the scope of the program objectives, the recipient should demonstrate a comprehensive and consistent approach for including men, women and children with disabilities.

[END OF PROVISION]

**23. STANDARDS FOR ACCESSIBILITY FOR THE DISABLED IN USAID ASSISTANCE AWARDS INVOLVING CONSTRUCTION (September 2004)**

**APPLICABILITY:** *This provision must be included in Request for Applications (RFAs) and in awards involving construction.*

**STANDARDS FOR ACCESSIBILITY FOR THE DISABLED IN USAID ASSISTANCE AWARDS INVOLVING CONSTRUCTION (September 2004)**

a. One of the objectives of the USAID Disability Policy is to engage other U.S. government agencies, host country counterparts, governments, implementing organizations and other donors in fostering a climate of nondiscrimination against people with disabilities. As part of this policy USAID has established standards for any new or renovation construction project funded by USAID to allow access by people with disabilities (PWDs). The full text of the policy paper

can be found at the following website:  
[http://www.usaid.gov/about/disability/financed\\_construction.html](http://www.usaid.gov/about/disability/financed_construction.html).

b. USAID requires the recipient to comply with standards of accessibility for people with disabilities in all structures, buildings or facilities resulting from new or renovation construction or alterations of an existing structure.

c. The recipient will comply with the host country or regional standards for accessibility in construction when such standards result in at least substantially equivalent accessibility and usability as the standard provided in the Americans with Disabilities Act (ADA) of 1990 and the Architectural Barriers Act (ABA) Accessibility Guidelines of July 2004. Where there are no host country or regional standards for universal access or where the host country or regional standards fail to meet the ADA/ABA threshold, the standard prescribed in the ADA and the ABA will be used.

d. New Construction. All new construction will comply with the above standards for accessibility.

e. Alterations. Changes to an existing structure that affect the usability of the structure will comply with the above standards for accessibility unless the recipient obtains the Agreement Officer's advance approval that compliance is technically infeasible or constitutes an undue burden or both. Compliance is technically infeasible where structural conditions would require removing or altering a load-bearing member that is an essential part of the structural frame or because other existing physical or site constraints prohibit modification or addition of elements, spaces, or features that are in full and strict compliance with the minimum requirements of the standard. Compliance is an undue burden where it entails either a significant difficulty or expense or both.

f. Exceptions. The following construction related activities are excepted from the requirements of paragraphs (a) through (d) above:

(1) Normal maintenance, re-roofing, painting or wall papering, or changes to mechanical or electrical systems are not alterations and the above standards do not apply unless they affect the accessibility of the building or facility; and

(2) Emergency construction (which may entail the provision of plastic sheeting or tents, minor repair and upgrading of existing structures, rebuilding of part of existing structures, or provision of temporary structures) intended to be temporary in nature. A portion of emergency construction assistance may be provided to people with disabilities as part of the process of identifying disaster- and crisis-affected people as "most vulnerable."

[END OF PROVISION]

[END OF STANDARD PROVISIONS]