

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

OFFICE OF SOUTHERN AFRICA REGIONAL ACTIVITIES COORDINATION
BOTSWANA LESOTHO MALAWI SWAZILAND ZAMBIA

(OSARAC)

c/o AMERICAN EMBASSY, P.O. BOX 333 MASERU, LESOTHO

TEL. 2032/3954

PD-19A6-098

632-0209
004471

September 25, 1978.

Mr. William Huth,
Acting Director,
CARE/Lesotho,
MASERU - Lesotho.

Subject : Grant Number 78-632-27

Dear Mr. Huth,

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or Grantor") hereby grants to Co-operative for American Relief Everywhere (hereinafter referred to as "CARE" or "Grantee") the sum of \$500,000 to provide support for a program to develop a village level handspun mohair yarn industry in Lesotho as more fully described in the attachment to this Grant entitled "Program Description".

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period from October 1, 1978 through September 30, 1980.

This Grant is made to CARE on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment A entitled "Program Description" and Attachment B entitled "Standard Provisions" which have been agreed to by your organization.

Please sign the Statement of Assurance of Compliance, enclosed herein, and the original and seven (7) copies of this letter to acknowledge your acceptance of the conditions under which these funds have been granted.

Please return the Statement of Assurance of Compliance and the original and six (6) copies of this Grant to my office.

Sincerely yours


Frank W. Campbell
.....

(Grant Officer)

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

OFFICE OF SOUTHERN AFRICA REGIONAL ACTIVITIES COORDINATION (OSARAC)

Botswana Lesotho Malawi Swaziland Zambia

P.O. BOX 750, MBABANE, SWAZILAND

TEL. 2072/2073/2074

: 2 :

Attachments :

- A - Program Description
- B - Standard Provisions
- C - Statement of Assurance of Compliance

ACCEPTED :

CARE

BY

[Handwritten Signature]

TITLEDirector .CARE/Lesotho.....

DATESeptember 26, 1978.....

FISCAL DATA

Appropriation 72-1181006.....

Allotment856-52-632-00-69-81.....

PAF Number ...PAF.78-632-PAF-1.....

Project Number ...632-0209.....

Total Grant Amount .\$500,000.....

ATTACHMENT A

PROGRAM DESCRIPTION

A. Purpose of Grant

The purpose of this Grant is to provide support for a program to develop a handspun mohair yarn industry in the villages of Lesotho.

B. Specific Objectives

The specific objectives of this Grant are to provide partial support for the training of approximately 5,000 rural persons in spinning raw mohair into quality yarn; to develop approximately 50 co-operatives to provide such services as procuring raw mohair, providing credit to spinners, and collecting, grading and storing finished yarn; and to establish a secondary co-operative organization which will eventually administer the project.

C. Implementation

To achieve the above objectives, the Grantee will be provided with funds from several donors. A.I.D. financing, which will be approximately 10% of the total, will be utilized to procure raw mohair and to provide personnel support.

D. Reporting

Financial Reporting Requirements

The Grantee will submit to the Controller, OSARAC, Mbabane, Swaziland, standardized Financial Status Report, SF 269 (copy attached), to report the status of funds for the program. The report will be on an accrual basis. If the Grantee's accounting records are not normally kept on an accrual basis, the Grantee will develop such accrual information through best estimates based on an analysis of the documentation in its possession. The report will be required on a quarterly basis and will be submitted (an original and two copies) no later than 30 days after the end of each quarterly period. A final report will be required no later than 90 days after completion of the Grant.

Program Performance Reporting Requirements

The Grantee will submit, on a quarterly basis, and at the same time as is submitted the Financial Status Report, a

: A2 :

performance report for the program. The report should be adequate to provide:

- (a) A comparison of actual accomplishments with the goals established for the period:
- (b) Reasons why established goals were not met;
- (c) Other pertinent information including, when appropriate, analysis and explanation of cost over runs, problems or delays which will materially affect the ability to attain program objectives or preclude attainment of these objectives within the agreed upon time period.

E. Budget

The funds, including local currency, herein shall be used to finance the following items:

Cost Element	Total Obligated Amount from October 1978 through September 1980	
	U.S. Dollars	Local Currency Equivalent
Raw Mohair Procurement	--	\$461,850
Personnel Support (overhead)	\$38,150	---

The Grantee may not exceed the total amount of the Budget.

F. Special Provisions

- (1) Local cost financing of approximately \$450,000 is authorized for the procurement of raw mohair and related goods and services in Lesotho.
- (2) Funds provided under this Grant will be disbursed on the following schedule : not to exceed \$142,927 will be made available from October 1978 through September 1979; and not to exceed \$357,073 will be made available from October 1979 through September 1980.

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Disbursement of any second year funds will be contingent upon completion of a management and financial review of the project at the end of the first year which indicates to A.I.D.'s satisfaction that adequate progress has been made during the first year and that the project's prospects for the second year justify continued disbursements.

- (3) Prior to the disbursement of any funds under this Grant, the Grantee will obtain a letter for the Department of Co-operatives, Ministry of Agriculture stating that the Grantee's proposal to organize primary production co-operatives meets with the approval of the Department and the Ministry and that as primary production units are organized and meet legal requirements, they will be recognized and registered as co-operatives under the laws of Lesotho.

ATTACHMENT B

STANDARD PROVISIONS

1. Allowable Costs and Payment

The Grantee shall be reimbursed for costs incurred in carrying out the purposes of this Grant which are determined by the Grant Officer to be allowable in accordance with the terms of this Grant and Sub-part 15.2 (Contracts with Commercial Organizations) of the Federal Procurement Regulations (41 CFR 1-15.2) in effect on the date of this Grant. Payment of allowable costs shall be in accordance with the payment provision of this Grant.

2. Accounting, Records, and Audit

The Grantee shall maintain books, records, documents, and other evidence in accordance with the Grantee's usual accounting procedures to sufficiently substantiate charges to the grant. The Grantee shall preserve and make available such records for examination and audit by A.I.D. and the Comptroller General of the United States, or their authorized representative

- (a) until the expiration of three years from the date of termination of the program, and
- (b) for such longer period, if any, as is required to complete an audit and to resolve all questions concerning expenditures unless written approval has been obtained from the A.I.D. Grant Officer to dispose of the records.

A.I.D. follows generally accepted auditing practices in determining that there is proper accounting and use of grant funds. The Grantee agrees to include the requirements of this clause in any subordinate agreement hereunder.

3. Refunds

- (a) If use of the Grant funds results in accrual of interest to the Grantee or to any other person to whom Grantee makes such funds available in carrying out the purposes of this Grant, the Grantee shall refund to A.I.D. an amount equivalent to the amount of interest accrued.
- (b) Funds obligated hereunder but not disbursed to the Grantee at the time the grant expires or is terminated, shall revert to A.I.D., except for funds

encumbered by the Grantee by a legally binding transaction applicable to this Grant. Any funds disbursed to but not expended by the Grantee at the time of expiration or termination of the Grant shall be refunded to A.I.D.

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

4. Equal Opportunity In Employment

- (a) With regard to the employment of persons in the U.S. under this Grant, the Grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to race, color or national origin of such persons and that, in accordance with Title VI of the Civil Rights Act of 1964, when work funded by this Grant is performed in the U.S. no person shall, on the grounds of race, color or national origin be excluded from participation, be denied benefits, or be subjected to discrimination. In addition, the Grantee agrees to comply in accordance with its written assurance of compliance, with the provisions of Part 209 of Chapter II, Title 22 of the Code of Federal Regulations, entitled "Non-Discrimination in Federally Assisted Programs of the Agency for International Development - Effectuation of Title VI of the Civil Rights Act of 1964".
- (b) In addition, the grantee agrees to take all reasonable steps to ensure equality of opportunity in its employment practices without regard to sex, religion, age and handicap, in accordance with P.L. 92-261, P.L. 93-259, P.L. 93-112 and P.L. 93-508, when work funded by A.I.D. under this grant is performed in either the U.S. or overseas no person shall, on the grounds of sex, religion, age or handicap, be excluded from participation, be denied benefits, or be subjected to discrimination.

5. Negotiated Overhead Rates

- (a) Pursuant to this provision, an overhead rate shall be established for each of the Grantee's accounting periods during the term of this Grant. Pending establishment of a final rate, the parties have agreed that

provisional payments on account of allowable indirect costs shall be at the rate(s), on the base(s), and for the period shown in Attachment 1 to this Grant.

- (b) The Grantee, as soon as possible but not later than 90 days after the close of each of its accounting periods during the term of this Grant, shall submit to the Grant Officer with copies to the Overhead and Special Cost Branch, Special Operations Division, Office of Contract Management, A.I.D., Washington, D.C. and to the Office of the Auditor General, A.I.D. Washington, D.C., a proposed final rate or rates for the period, together with supporting cost data. Negotiations of final overhead rates by the Grantee and the Grant Officer shall be undertaken as promptly as practicable after receipt of the Grantee's proposal.
- (c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with Sub-part 1-15.2 (Contracts with Commercial Organizations) of the Federal Procurement Regulations as in effect on the date of this Grant.
- (d) The results of each negotiation shall be set forth in a written overhead rate agreement executed by both parties. Such agreement shall specify
 - (1) the agreed final rates,
 - (2) the bases to which the rates apply, and
 - (3) the periods for which the rates apply.

The overhead rate agreement shall not change any monetary ceiling, Grant obligation, or specific cost allowance or disallowance provided for in this Grant.

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

6. Payment - Federal Reserve Letter of Credit (FRLC) Advance

- (a) A.I.D. shall open a Federal Reserve Letter of Credit (hereinafter referred to as an "FRLC") in the amount of this Grant, against which the Grantee may present payment vouchers (i.e. TUS 5401). Payment vouchers shall not ordinarily be submitted more frequently than daily and shall not be less than \$5,000 or more than \$5,000,000. Since the FRLC method enables the recipient organization to obtain funds from the U.S. Treasury concurrently with and as frequently as disbursements are made by the recipient, there need be no time lag between disbursements by the recipient organization and drawdowns from the U.S. Treasury by FRLC. Therefore, there is no necessity for the recipient to maintain balances of Federal cash other than small balances.
- (b) In no event shall the accumulated total of all such payment vouchers exceed the amount of the FRLC.
- (c) If at any time, SER/FM determines that the Grantee has presented payment vouchers in excess of the amount or amounts allowable in (a) and (b) above, SER/FM shall advise the Grant Officer who may,
 - (1) cause the FRLC to be suspended or revoked, or
 - (2) direct the Grantee to withhold submission of payment vouchers until such time as, in the judgment of SER/FM, an appropriate level of actual, necessary and allowable expenditures has occurred or will occur under this Grant, or
 - (3) request the Grantee to repay to A.I.D. the amount of such excess.

Upon receipt of the Grant Officer's request for repayment of excess advance payments, the Grantee shall promptly contact SER/FM to make suitable arrangements for the repayment of such excess funds. Advances made by primary recipient organizations (those which receive payments directly from the Government) to secondary recipients shall conform to the same standards outlined above applicable to advances made by the Government to primary recipient organizations.

(d) Procedure for Grantee

- (1) After arranging with a commercial bank of its choice for operation under the FRLC and obtaining the name and address of the Federal Reserve Bank or branch serving the commercial bank, the Grantee shall deliver, to the A.I.D. Controller, 3 originals of Standard Form 1194, "Authorized Signature Card for Payment Vouchers on Letters of Credit" signed by those official(s) authorized to sign payment vouchers against the FRLC and by an official of the Grantee who has authorized them to sign.
- (2) The Grantee shall subsequently receive one certified copy of the FRLC.
- (3) The Grantee shall confirm with his commercial bank that the FRLC has been opened and is available when funds are needed.
- (4) To receive payment, the Grantee shall:
 - (A) Periodically, although normally not during the last five days of the month, prepare payment vouchers (Form TUS 5401) in an original and three copies.
 - (B) Have the original and two copies of the voucher signed by the authorized official(s) whose signature(s) appear on the Standard Form 1194.
 - (C) Present the original, duplicate and triplicate copy of the Form TUS 5401 to his commercial bank.
 - (D) Retain the quadruplicate copy of the voucher.
- (5) After the first payment voucher (Form TFS 5401) has been processed, succeeding payment vouchers shall not be presented until the existing balance of previous payments has been expended or is insufficient to meet current needs.
- (6) In preparing the payment voucher, the Grantee assigns a voucher number in numerical sequence beginning with 1 and continuing in sequence on all subsequent payment vouchers submitted under the FRLC.

- (7) A report of expenditures (i.e. SF 269 "Financial Status Report") shall be prepared and submitted not more than quarterly within 30 days of the end of the period to the Office of Financial Management, A.I.D., Washington, D.C. 20523. This SF 269 Report, submitted with Standard Form 1034, "Public Voucher for Purchases and Services Other Than Personal", shall be in an original and 2 copies.
- (8) The SF 269 report is reviewed against the Grant provisions, and any improper disbursement is disallowed. The Grantee is notified of the reason for the disallowance and is directed to adjust the next periodic report of expenditures to reflect the disallowance and to reduce its next payment voucher against the FRLC by the amount of the disallowance.
- (9) In addition to the submission of the SF 269 and the SF 1034, the Grantee shall submit an original and 2 copies of SF 272, "Federal Cash Transaction Report" as follows:
 - (A) For advances totaling less than \$1 million per year, the Grantee shall submit the SF 272 within 15 working days after the end of the reporting quarter.
 - (B) For advances totaling more than \$1 million per year, the Grantee shall submit the SF 272 within 15 working days after the end of each month, and
 - (C) The Grantee's cash needs for the ensuing period (i.e. quarter or month) shall be explained under the "Remarks" section of the SF 272.

(e) Refund of Excess Funds

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

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

7. Title To and Use of Property

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

- (a) The Grantee shall not charge for any depreciation, amortization, or use of any property, title to which remains in the Grantee under this provision under this Grant or any other U.S. Government grant, sub-grant, contract or sub-contract.
- (b) The Grantee agrees to use and maintain the property for the purpose of the Grant in accordance with the requirements of paragraph 1T of Chapter 1 Handbook 13.

- (c) With respect to non-expendable property having an acquisition cost of \$1,000 or more, title to which vests in the Grantee, the Grantee agrees:
- (1) To report such items to the Grant Officer from time to time as they are acquired and to maintain a control system which will permit their ready identification and location.
 - (2) To transfer title to any such items to the Government in accordance with any written request therefor issued by the Grant Officer at any time prior to final payment under this Grant.

8. Termination

(a) For Cause

This Grant may be terminated for cause at any time, in whole or in part, by the Grant Officer upon written notice to the Grantee, whenever for any reason he/she shall determine that such termination is in the best interest of the Government.

(b) For Convenience

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

(c) Termination Procedures

Upon receipt of and in accordance with a termination notice as specified in either paragraph (a) or (b) above, the Grantee shall forthwith take immediate action to minimize all expenditures and obligations financed by this Grant, and shall cancel such unliquidated obligations whenever possible. Except as provided below, no further reimbursement shall be made after the effective date of termination, and the Grantee shall within 30 calendar days after the effective date of such termination repay to the Government all

unexpended portions of funds theretofore paid by the Government to the Grantee which are not otherwise obligated by a legally binding transaction applicable to this Grant. Should the funds paid by the Government to the Grantee prior to effective date of the termination of this Grant, be insufficient to cover the Grantee's obligations pursuant to the aforementioned legally binding transaction, the Grantee may submit to the Government within 90 calendar days after the effective date of such termination a written claim covering such obligations, and, subject to the limitations contained in this Grant, the Grant Officer shall determine the amount or amounts to be paid by the Government to the Grantee under such claim in accordance with the applicable Federal cost principles.

9. Subordinate Agreements

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

10. U.S. Officials Not To Benefit

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

11. Covenant Against Contingent Fees

The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure this Grant upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee except bona fide employees or bona fide established commercial or selling

agencies maintained by the Grantee for the purpose of securing business. For breach or violation of this warranty, A.I.D. shall have the right to cancel this Grant without liability or, in its discretion, to deduct from the Grant amount, or otherwise recover, the full amount of each commission, percentage, brokerage or contingent fee.

12. Non-Liability

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

13. Amendment

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

14. The Grant

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

15. Notices

Any notice given by any of the parties hereunder, shall be sufficient only if in writing and delivered in person or sent by telegraph, cable, registered or regular mail as follows:

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

To the Grantee - At Grantee's address shown in the Grant

or to such other address as either of such parties shall designate by notice given as herein required. Notices hereunder shall be effective when delivered in accordance with this provision, or on the effective date of the notice, whichever is later.

16. Conversion of U.S. Dollars to Local Currency

Upon arrival in the Cooperating Country and from time to time as appropriate the Grantee's Chief of Party shall consult with the Mission Director who shall provide in writing the procedures the Grantee and its employees shall follow in the conversion of U.S. dollars to local currency. This may include, but is not limited to the conversion of said currency through the cognizant U.S. Disbursing Officer or Mission Controller as appropriate.

17. Procurement of Goods and Services

(This provision is applicable when the total procurement element i.e., the sum of all purchase orders and contracts for goods and services) of this Grant does not exceed \$250,000.)

(a) Ineligible Goods and Services

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

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

(For a more detailed discussion of the subject, see AID Handbook 1, Supplement B, Chapter 4D.)

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

(b) Restricted Goods

- (1) agricultural commodities,
- (2) motor vehicles,

: B12 :

- (3) pharmaceuticals,
- (4) pesticides,
- (5) plasticizers,
- (6) used equipment, or
- (7) U.S. Government-owned excess property.

(For a detailed discussion of the subject, see AID Handbook 1, Supplement B, Chapter 4C.)

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

(c) Geographic Source and Order of Preference

Except as may be specifically approved or directed in advance by the Grant Officer under paragraph 15(b) above, all other goods (i.e., equipment, materials, and supplies) and services, the costs of which are to be reimbursed under this Grant and which will be financed with United States dollars, shall be purchased in and shipped from only "Special Free World" countries (i.e., AID Geographic Code 935) in accordance with the following order of preference:

- (1) the United States (AID Geographic Code 000),
- (2) "Selected Free World" countries (AID Geographic Code 941),
- (3) the cooperating country,
- (4) "Special Free World" countries (AID Geographic Code 935).

(d) Application of Order of Preference

When the Grantee procures goods and services from other than U.S. sources, under the order of preference in 15(c) above, it 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 Grantees's documentation:

- (1) the procurement was of an emergency nature, which would not allow for the delay attendant to soliciting U.S. sources,
- (2) the price differential for procurement from U.S. sources, exceeded by 50% or more the delivered price from the non-U.S. source,

: B13 :

- (3) impelling local political considerations precluded consideration of U.S. sources,
- (4) the goods or services were not available from U.S. sources, or
- (5) procurement of locally available goods or services, as opposed to procurement of U.S. goods and services, would best promote the objectives of the Foreign Assistance Program under the Grant.

(e) The Grantee's Procurement System

(1) The Grantee may use its own procurement policies and procedures provided they conform to the geographic source and order of preference requirements of this provision and paragraphs 3 and 4, Attachment 0 of OMB Circular No. A-110 and have been approved by AID or another Federal department or agency, the Grantee shall furnish the Grant Officer a copy of such approval; otherwise the Grantee's procurement policies and procedures shall conform to the specified requirements of OMB Circular No. A-110. (See AID Handbook 13, Chapter 1, paragraph IU.)

(f) Small Business

To permit AID, in accordance with the small business provisions of the Foreign Assistance Act of 1961, as amended, to give United States small business firms an opportunity to participate in supplying commodities and services procured under this Grant, the Grantee, shall, to the maximum extent possible, provide the following information to the Small Business Office, AID, Washington, D.C. 20523 at least 45 days prior (except where a shorter time is requested of, and granted by the Small Business Office) to placing any order or contract in excess of \$25,000:

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

(g) Ineligible Suppliers

Funds provided under this Grant shall not be used to procure any commodity or commodity-related services furnished by any

: B14 :

supplier whose name appears on the List of Ineligible Suppliers under AID Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing" (22 CFR 208). The Grantee agrees to review said list prior to undertaking any procurement the cost of which is to be reimbursable under this Grant. AID will provide the Grantee with this list.

ATTACHMENT C

ASSURANCE OF COMPLIANCE WITH THE AGENCY FOR INTERNATIONAL
DEVELOPMENT REGULATION UNDER TITLE VI OF THE CIVIL RIGHTS
ACT OF 1964

Cooperative for American Relief
Everywhere (hereinafter called the "Grantee")

HEREBY AGREES THAT

it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by or pursuant to the Regulation of the Agency for International Development (22 CFR Part 209, 30 FR 317) issued pursuant to that title, to the end that, in accordance with Title VI of that Act and the Regulation, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Grantee receives Federal financial assistance from the Agency; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Grantee by the Agency, this assurance shall obligate the Grantee, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided, this assurance shall obligate the Grantee for the period during which it retains ownership or possession of the property. In all other cases, this assurance shall obligate the Grantee for the period during which the Federal financial assistance is extended to it by the Agency.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Grantee by the Agency, including installment payments after such date on account of applications for Federal financial assistance which were approved before such date. The Grantee recognizes and agrees that such Federal financial

assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Grantee, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Grantee.

Co-operative for American Relief Everywhere
Grantee

.....
BY (Signature) *Marshall French*

TYPED NAME **Marshall French**

TITLE **Director CARE/Lesotho**

DATE **September 26, 1978**

ATTACHMENT 1

PROVISIONAL OVERHEAD RATE

Pursuant to Paragraph 5 of the Standard Provisions (Attachment B) of this Grant Agreement, it is agreed that provisional payments for allowable indirect costs shall not exceed a total of \$38,150 for the entire period of the Grant.

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

OFFICE OF SOUTHERN AFRICA REGIONAL ACTIVITIES COORDINATION (OSARAC)

Botswana

Lesotho

Malawi

Swaziland

Zambia

P.O. BOX 750, MBABANE, SWAZILAND

TEL. 2072/2073/2074

PROJECT AUTHORIZATION AND REQUEST FOR ALLOTMENT OF FUNDS (PART II)

Name of PVO : CARE

Name of Project : Village Industries (Mohair)

Number of Project : 632-0209

Pursuant to Part II, Chapter 4, Section 531 of the Foreign Assistance Act of 1961, as amended, I hereby authorize a Grant to CARE (the "Grantee") of not to exceed Five Hundred Thousand United States dollars (\$500,000) to assist in financing certain foreign exchange and local currency costs of goods and services required for the project described in the following paragraph.

The project will provide assistance to the Grantee in financing the cost of developing village level production units to spin mohair yarn and co-operative organizations to procure raw mohair for the spinners and to store and market the finished yarn.

The entire amount of the A.I.D. financing herein authorized for the project will be obligated when the Grant Agreement is executed.

Initiation of negotiations and execution of the Grant Agreement by the officer to whom such authority has been delegated in accordance with A.I.D. regulations and Delegations of Authority is hereby authorized, subject to the following conditions:

- (a) Procurement of goods and services from the United States and Lesotho is authorized. Local cost financing of approximately \$450,000 is authorized for the procurement of raw mohair and related goods and services.
- (b) Funds provided under this Grant will be disbursed on the following schedule : not to exceed \$142,927 will be made available from October 1978 through September 1979; and not to exceed \$357,073 will be made available from October 1979 through September 1980. Disbursement of any second year funds will be contingent upon completion of a management and financial review of the project at the end of the first year which indicates to A.I.D.'s satisfaction that adequate progress has been made during the

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: 2 :

first year and that the project's prospects for the second year justify continued disbursements.

- (c) Prior to the disbursement of any funds under this Grant, the Grantee will obtain a letter from the Department of Co-Operatives, Ministry of Agriculture stating that the Grantee's proposal to organize primary production co-operatives meets with the approval of the Department and the Ministry and that as primary production units are organized and meet legal requirements they will be recognized and registered as co-operatives under the laws of Lesotho.

On the basis of an evaluation of information provided in the proposal, it has been determined that the project will have no reasonably foreseeable effects on the human and physical environment and a negative determination has therefore been approved.

... *Ted D. Morse*

TED D. MORSE

Acting Regional Development Officer

... *Sept. 14, 1978*

DATE

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INITIAL ENVIRONMENTAL EXAMINATION

Name of PVO : CARE

Name of Project : Village Industries (Mohair)

Number of Project : 632-0209

This project will train approximately 5,000 rural persons to spin mohair yarn and will support the development of co-operatives to procure raw mohair and to store and market the spun yarn. No construction or other physical activities affecting the environment are to be financed under this Grant.

I have determined that the project will have no reasonably foreseeable effects on the physical and human environment and therefore no Environmental Impact Statement or Environmental Assessment is required.

Ted D. Morse
.....

TED D. MORSE

Acting Regional Development Officer

Sept. 14, 1978
.....

DATE

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact Areas and Sub-Areas

Impact Identifica-
tion & Evaluation.

A. LAND USE

1. Changing the character of the Land through:
 - a. Increasing the population N
 - b. Extracting natural resources N
 - c. Land clearing N
 - d. Changing soil character N
2. Altering natural defenses N
3. Foreclosing important uses N
4. Jeopardizing man or his works N
5. Traffic access N
6. Land use planning N
7. Squatter, other development N

B. WATER QUALITY

1. Physical state of water N
2. Chemical and biological states N
3. Ecological balance N

C. ATMOSPHERE

1. Air additives N
2. Air pollution N
3. Noise pollution N

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact Areas and Sub-Areas	Impact Identifica- tion & Evaluation
----------------------------	---

D. NATURAL RESOURCES

- | | |
|--|---|
| 1. Diversion, altered use of water | N |
| 2. Irreversible, inefficient commitments ... | N |
| 3. Wildlife | N |

E. CULTURAL

- | | |
|--|---|
| 1. Altering physical symbols | N |
| 2. Dilution of cultural traditions | N |

F. SOCIOECONOMIC

- | | |
|--|---|
| 1. Changes in economic/employment patterns
increased wages in rural areas | H |
| 2. Changes in population | N |
| 3. Changes in cultural patterns | N |
| 4. Dislocation and relocation of area resi-
dents | N |
| 5. Support facilities | N |

G. HEALTH

- | | |
|---|---|
| 1. Changing a natural environment | N |
| 2. Eliminating an ecosystem element | N |
| 3. New pathways for disease vectors | N |
| 4. Safety provisions | N |

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact Areas and Sub-Areas	Impact Identifica- tion & Evaluation
----------------------------	---

H. GENERAL

- | | |
|---------------------------------|---|
| 1. International impacts | N |
| 2. Controversial impacts | N |
| 3. Larger program impacts | N |
| 4. Aesthetics | N |

- N - No environmental impact
- L - Little environmental impact
- M - Moderate environmental impact
- H - High environmental impact
- U - Unknown environmental impact